



State of Arizona
Department of Education

SCHOOL FINANCE MEMORANDUM 19-014

TO: School District Superintendents, Business Managers, Joint Technological Education
District Superintendents and Business Managers

FROM: Lyle Friesen, Deputy Associate Superintendent of School Finance

DATE: September 1, 2018

SUBJECT: September 1, 2018 Basic calculations for Equalization Assistance Report (APOR 55-1) and Equalization Assistance and Additional State Aid Detail Report (APOR 64-1)

Please be advised that the September 1, 2018 apportionment has been completed. The apportionment reports applicable to the FY 2019 equalization payment for your school district are posted on your district's home page of the ADE web site, available by district selection [here](#). If you need help finding or viewing these reports, please contact ADE Support at 602-542-7378 or toll free at (866) 577-9636.

Items included in the September 1, 2018 APOR calculations:

- **Student Counts:** The September 1, 2018 apportionment has been based on FY2018 AzEDS results as of July 13, 2018 for most LEAs, but there are over 20 Districts and Charters being paid on FY2019 AzEDS results as of August 22, 2018. **It is our expectation that FY2019 AzEDS results will be used in the calculation of your Base Support Level for all LEAs, beginning with the October 1, 2018 payment.** If you have questions or concerns regarding the student counts, please contact the account analyst team. The analyst team may be reached at SFAnalystTeam@azed.gov
- **State Aid Rollover:** Pursuant to Laws 2018, Chapter 276, Section 144, the Arizona Department of Education shall defer, until July 1, 2019 but no later than July 12, 2019, \$930,727,700 of the basic state aid and additional state aid payment that otherwise would be apportioned to school districts during fiscal year 2018-2019. The FY19 rollover amounts are included in the August 1 payment APOR64-1.

- **Transportation Support Level (TSL):** Route miles from FY2018 were reflected in the August 1, 2018 equalization calculation. Please check your comparative miles report (TRAN40-2) if your route miles do not match your route report. Please email the account analyst team if you have any questions or concerns regarding this report.
- **Additional State-Aid:** The FY2018 Additional State Aid amounts have been used in lieu of FY2019 amounts. These amounts will be updated once we receive the updated Additional State Aid figures for FY2019 from the AZ Department of Revenue, which we expect to receive by October 2018.
- **Assessed Valuations:** Tax Year 2018 values by district and county were used in the calculation of state aid in FY2019 beginning with the August 1, 2018 apportionment. These values are provided by the AZ Department of Revenue.
- **SRP Voluntary Contributions:** SRP amounts have been updated to reflect the Tax Year 2018 voluntary contribution figures from SRP.
- **GPLET Value:** Tax Year 2017 values by district were used in the calculation of state aid in FY2018 for the September 1, 2018 apportionment. These values will be updated when the Tax Year 2018 values are provided by the Counties. We expect these to be included in January 1, 2019 apportionment.
- **County Equalization Tax Rate:** The county equalization tax rate established pursuant to A.R.S. § 15-994 is in effect for FY2019, and was included in the APOR 59-1 and APOR 64-1 calculations beginning with the August 1, 2018 apportionment payment.
- **District Additional Assistance Reductions:** The preliminary DAA reductions have been included and are shown on page 5 of the APOR 55-1. A list may be found under SF hot topics [here](#).
- **K-3 Reading:** Per A.R.S. 15-211, Each school district and charter school shall annually submit to the department of education, on or before October 1, an updated K-3 reading program plan that includes data on program expenditures and results; except that beginning in fiscal year 2016-2017, a school district or charter school that is assigned a letter grade of A or B pursuant to section 15-241 shall submit this plan only in odd-numbered years. Submitted plans appeared on the agenda for the State Board of Education meeting held on 8/27/18. Those who were approved will receive funding beginning with the October 1, 2018 apportionment.

- FY2018 Statewide Recalculation:** The Fiscal Year 2018 Statewide Equalization Recalculation has been completed. The positive adjustments were included in the September 1st payment as lump sum adjustments through the APOR64-1 report and negative adjustments will be included in the October 1st payment and will be taken over the entire fiscal year, 3/12ths taken in October and 1/12th each payment thereafter. A complete list of adjustments can be found here, in the Hot Topic posted about the FY2018 Statewide Recalculation:
<http://www.azed.gov/finance/2018/08/16/2018-statewide-recalculation-complete/>
- Audit Expense Adjustment and Type 03 High School Tuition:** All adjustments have been included on your September 1, 2018 apportionment based on your submitted adopted budget as of July 30, 2018. The chart below outlines the locations in which reporting by the District may have been required:

Adjustment	Source	Location	Cell
Audit Expense	2019 Expenditure Budget	Page 2	O8
	2019 Budget Worksheet	Worksheet C	J47
	2017 Annual Financial Report	Page 8	O21
Type 03 Tuition	2019 Budget Worksheet	Worksheet E	K12
	2019 Budget Worksheet	Worksheet E	K22
	2019 Budget Worksheet	Worksheet G	J41

Please Note: FY 2019 AzEDS ADM, SPED, and ELL results will be used for the calculation of the Base Support Level for all districts in the October 1, 2018 calculation of state aid. Please check your ADM20, SPED20, and ELL20 reports, which are available via [ADEConnect](#). Please contact the School Finance Analyst Team at SFAAnalystTeam@azed.gov with questions regarding these reports.

If you have any questions regarding the content of your district's APOR reports, please contact the Payment Team via email at SFPaymentTeam@azed.gov