

## Update to District Additional Assistance Reduction Amounts

Laws 2013, 1st S.S., Ch. 3, §§52 and 53 require ADE to reduce DAA for all school districts for FY 2014. For FY 2014 budget purposes, ADE is revising its estimated reduction amounts per student count. Districts with a student count of fewer than 1,100 the value is \$195 per student count. Districts with student counts greater than 1,100 the value is \$295 per student count.

### FY 2014 Budget Proposal/Adoption Options

1. Districts which proposed their FY 2014 budget using the original forms, issued June 6<sup>th</sup>, may adopt their FY 2014 budget using the originally issued budget forms. However, it will be in the Districts best interest to complete the revised budget worksheets in order to be aware of possible differences. If the District chooses to adopt their FY 2014 budget using the originally issued budget forms, then a revision is required by no later than September 15<sup>th</sup> using the revised budget forms or the originally issued budget forms updated as specified in the Summary of Significant Changes document included in the June 18<sup>th</sup> budget package.

2. Districts which proposed their FY 2014 budget using the original forms, issued June 6<sup>th</sup>, may adopt their FY 2014 budget using the revised forms issued June 18<sup>th</sup> or the originally issued budget forms updated as specified in the Summary of Significant Changes document included in the June 18<sup>th</sup> budget package.

a. Please be aware that the transfer of Soft Capital to the M&O Fund will likely be an addition to the M&O budget, which is prohibited pursuant to A.R.S. §15-905(E). For compliance with A.R.S. §15-905(E), the budget should be re-proposed, including the transfer to the M&O Fund, in order to be in compliance with A.R.S. §15-905(E). Soft Capital amounts may be reallocated in a subsequent budget revision during FY 2014.

b. Transfers of Soft Capital to the Unrestricted Fund are within the capital outlay section of the budget and will not violate A.R.S. §15-905(E), as A.R.S. §15-903(C) defines the capital outlay section of the budget as including both Unrestricted and Soft Capital Funds. Again, Soft Capital amounts may be reallocated in a subsequent budget revision during FY 2014.

3. Districts may propose or re-propose their FY 2014 budget using the revised budget forms issued on June 18<sup>th</sup> if adequate time remains before the scheduled meeting for budget hearing and adoption.

4. The revised FY 2014 budget worksheets contain modifications which required the issuance of new forms. All school districts must use the budget worksheets issued June 18, 2013 by September 15<sup>th</sup>. Please be aware that in certain scenarios, the revised worksheet forms will result in variances from the originally issued worksheet forms. Districts which may see these variances include, but may not be limited to:

- a. High school districts with student counts greater than 100 and less than 600
- b. Type 03 district transporting high school students to the district of attendance
- c. Districts eligible for District Additional Assistance (DAA) growth / CORL growth

We apologize for any budget process inconvenience and we thank you for your continued patience. If you require assistance, please contact a member of the budget team at [sfbudgetteam@azed.gov](mailto:sfbudgetteam@azed.gov).