



USFR MEMORANDUM NO. 244

TO: School District Administrators; County School Superintendents

FROM: Magdalene D. Haggerty, Office of the Auditor General
Vicki G. Salazar, Arizona Department of Education (ADE)

DATE: November 19, 2009

SUBJECT: Arizona Online Instruction (Supersedes USFR Memorandum Nos. 220 and 232)

Laws 2009, Chapter 95, §27, amended Arizona Revised Statutes (A.R.S.) §15-808 and renamed the Technology Assisted Project-Based Instruction (TAPBI) program to Arizona Online Instruction (AOI). Traditional public schools must be selected by the State Board of Education and charter schools must be sponsored by the State Board for Charter Schools to be online course providers or online schools. The state boards must jointly develop standards for the approval of online course providers and online schools. All pupils who participate in AOI must reside in this state.

Pursuant to A.R.S. §§15-808 (F) and 15-901(A)(2)(b)(v), the average daily membership (ADM) of a student enrolled in a school district or charter school and also participating in AOI may not exceed 1.0. For students enrolled in AOI and non-AOI schools, the Student Accountability Information System (SAIS) allows concurrent membership for students enrolled in one or more non-AOI schools and one or more AOI schools¹, or multiple AOI schools.

An AOI school should provide each parent/guardian of a student enrolled in AOI with a copy of the enclosed Daily Log along with instructions for completing the log. The log must be completed daily by the parent/guardian and filed weekly with the school. However, if the school is able to track a student's hours using computer login times and generate a report of those hours, such a report may be used in place of a parent/guardian-completed log. All logs must be compiled by the school. Once SAIS is ready to accept attendance data, student attendance data must be submitted to ADE at least once every 20 school days through the last day of instruction.

Based on the student attendance data submitted, SAIS will calculate each student's ADM. For students concurrently enrolled in AOI and another public school, if the total of the SAIS calculated ADM for all schools in which the student is concurrently enrolled is **greater than 1.0**, the total ADM will be reduced to 1.0 and apportioned between schools based on the percentage of total ADM that the student is enrolled in the non-AOI and AOI schools as follows.

¹ As used in the memorandum, AOI schools are online schools and schools that provide online courses.

$$\frac{\text{Non-AOI school ADM}}{\text{Sum of Non-AOI school and AOI school ADM}} = \text{Percentage of Total Time} \times \text{ADM limit} = \text{Non-AOI school ADM}$$

$$\frac{\text{AOI school ADM}}{\text{Sum of Non-AOI school and AOI school ADM}} = \text{Percentage of Total Time} \times \text{ADM limit} = \text{AOI school ADM}$$

Example:

A student is enrolled in a non-AOI district school and attends an AOI school. Based on attendance data submitted by both schools, SAIS calculates 1.0 ADM for the student's non-AOI school and .75 ADM for the AOI school. As total ADM for both schools is 1.75, the ADM would be adjusted by SAIS as shown below. The non-AOI school would receive .57 (rounded) ADM and the AOI school would receive .43 (rounded) ADM for the student.

$$\frac{1.0}{1.0 + .75} = 57\% \times 1.0 = .57 \text{ Non-AOI school ADM}$$

$$\frac{.75}{1.0 + .75} = 43\% \times 1.0 = .43 \text{ AOI school ADM}$$

If the total of the SAIS calculated ADM for all schools in which the student is concurrently enrolled is **not greater** than 1.0, no apportionment of ADM is required.

A student concurrently enrolled in an AOI school, a Joint Technological Education District (JTED) satellite school, and a non-AOI school can earn an ADM of up to 1.25. If the total of the SAIS calculated ADM for all schools in which the student is concurrently enrolled is **greater than** 1.25, the total ADM will be reduced and apportioned between the schools based on the percentage of total time that the student is enrolled in the AOI, JTED satellite, and non-AOI schools.

For AOI schools to track and allocate AOI costs more consistently throughout the year, AOI schools should use a unit code within the 100-range for elementary program expenditures, and within the 200-range for high school program expenditures. If an AOI school contains both elementary and high school grade levels, a code within the 100-range should be used for kindergarten through grade 8, and a code within the 200-range should be used for grades 9 through 12. If an expenditure applies to both elementary and high school

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grade levels, the cost should be allocated between the AOI school's elementary and high school unit codes. For more information on cost allocation, see USFR Chart of Accounts page III-A-4.

For SAIS processing and AOI funding information, districts should refer to School Finance Memorandum 10-016 available on ADE's Web site at www.azed.gov/schoolfinance/Memos/Default.asp.

If you have any questions or need assistance, please call the Arizona Department of Education, School Finance at (602) 542-5695, or the Office of the Auditor General, Accounting Services Division at (602) 553-0333.

MDH/VGS/ms

Enclosure