

Charter school	Charter name
Nosotros Academy	Nosotros Academy LLC
	d.b.a. (as applicable)

FY 2024

State of Arizona

Charter School Annual Budget

Proposed

Version

By the Governing Board

We hereby certify that the budget for the school year 2024 was

Proposed June 7, 2023

Adopted	Adopted
---------	---------

Revised

Date _____

<u>Rodolfo P. Gallegos</u>	President
<u>Juan E. Perez</u>	Secretary/Treasurer
_____	Board Member
_____	Board Member
_____	Board Member
_____	_____
_____	_____
Signed _____	Title _____

County Pima CTDS number 108707000

1. Total budgeted revenues for fiscal year 2023

\$0

2. Estimated revenues by source for fiscal year 2024

Local	1000	\$	20,500
Intermediate	2000	\$	
State	3000	\$	3,369,000
Federal	4000	\$	1,050,000
TOTAL		\$	4,439,500

Charter school contact employee:

Telephone: 520-722-3643

Ronald D. Kovar, Finance Director

Email: kovarjr@mindspring.com

The FY 2024 budget file for the version described at left will be uploaded through the School Finance Budget System on ADE's website by

Type the date as MM/DD/YYYY

2014

School official signature

School official signature

Ronald D. Kovar

School official (typed name)

Paul Felix

School official (typed name)

Average teacher salary (A.R.S. \$15-189.05)

☐ Check box if the school is new and will begin operations in F-Y 2024.

1. Average salary of all teachers employed in budget year 2024	\$ 53,000
2. Average salary of all teachers employed in prior year 2023	\$ 51,000
3. Increase in average teacher salary from the prior year 2023	\$ 2,000
4. Percentage increase	3.9%

Comments on average salary calculation (optional):

Charter: Nosotros Academy

CTDS: 108707000

This is a notification that the above-mentioned charter school will be having a public hearing and board meeting to adopt its Fiscal Year 2024 Expenditure Budget.

Meeting date: 6/21/2023

Time: 3:30 PM

Location:

Street address: 440 N. Grande Ave.

Bldg.: 2

Rm./Ste.: _____

City: Tucson

State: AZ

Zip: 85745

A copy of the agenda of the matters to be discussed or decided at the meeting may be obtained by contacting:

Contact name: Peter Felix

Phone: 520-624-1023

Email address: info@nosotrosacademy.org

Phone ext.: _____

The information above is posted on ADE's website pursuant to A.R.S. §15-905(C) and is not intended to satisfy Open Meeting Law requirements under A.R.S. §38-431.02 et seq.

Comments:

Charter school Nosotros Academy Nosotros Academy Charter name
Nosotros Academy LLC
d.b.a. (as applicable)

FY 2024

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President

Secretary/Treasurer

Board Member

Board Member

Board Member

Signed

Title

Instructions

County Pima CIDS number 108707000

1. Total budgeted revenues for fiscal year 2023 \$ #ERROR!

2. Estimated revenues by source for fiscal year 2024

Local	1000	\$	20,500
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Ronald D. Kovar, Finance Director
Email: kovarir@mindspring.com

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School Finance Budget System on ADE's website by

Type the date as MM/DD/YYYY

School official signature

School official signature

Ronald D. Kovar

School official (typed name)

Paul Felix

School official (typed name)

Average teacher salary (A.R.S. §15-189.05)

☐ Check box if the school is new and will begin operations in FY 2024.

1. Average salary of all teachers employed in budget year 2024	\$	53,000
2. Average salary of all teachers employed in prior year 2023	\$	51,000
3. Increase in average teacher salary from the prior year 2023	\$	2,000
4. Percentage increase		3.9%

Comments on average salary calculation (optional):

Charter school

Nosotros Academy

County

Pima

Instructions

Charter Representative
Charter Representative
Executive Assistant to Charter Representative
Business Manager
Business Consultant
AzEDS/ADM Data Coordinator
SPED Data Coordinator
Poverty Coordinator
Assessments Coordinator
Curriculum Coordinator
Information Technology (IT) Director
Governing Board Member
Governing Board Member
Governing Board Member
Governing Board Member
Governing Board Member
Governing Board Member
Governing Board Member
Governing Board Member

Charter contact

Prefix	First name	Last name
Mr.	Paul	Felix
Mr.	Ronald	Kovar
Mr.	Peter	Felix
Mr.	Ronald	Kovar
Mr.	Rickey	Salas
Mr.	Rickey	Salas
Mr.	Rudy	Gallego
Mr.	Luis	Kamei
Mr.	Michael	Celaya
Dr.	Marjorie	Schiller
Dr.	Lorraine	Morales

Select from drop-down

Tyler Technologies (Schoolmaster)

Quick Books

Yes

<http://nosotrosacademy.org>

Student Information System (SIS) Vendor

Accounting Information System

Is the Charter exempt from the Uniform System of Financial Records for Charter Schools (USFRCS)?

Charter's website address

Charter school	Nosotros Academy	County			Pima		Totals			CTDS number	108707000
Expenses	Instructions	Salaries 6100	Employee benefits 6200	Purchased services 6300, 6400, 6500	Supplies 6600	Other 6800	Prior year 2023	Budget year 2024	% Increase/ decrease		
1000 Schoolwide Project and 1500-1999 Other Special Projects											
100 Regular education		996,000	241,000	279,000	71,000	51,000	#ERROR!	1,638,000	#ERROR!		1.
1000 Instruction											
Support services											
2100 Students		55,000	12,500				#ERROR!	67,500	#ERROR!		2.
2200 Instruction							#ERROR!	0	#ERROR!		3.
2300 General administration				2,000			#ERROR!	2,000	#ERROR!		4.
2400 School administration		375,000	86,500	95,000			#ERROR!	556,500	#ERROR!		5.
2500 Central services				103,300	2,000	50,000	#ERROR!	155,300	#ERROR!		6.
2600 Operation & maintenance of plant		91,000	15,000	60,000		83,000	#ERROR!	249,000	#ERROR!		7.
2900 Other support services							#ERROR!	0	#ERROR!		8.
3000 Operation of noninstructional services		25,000	5,000				#ERROR!	30,000	#ERROR!		9.
4000 Facilities acquisition & construction							#ERROR!	0	#ERROR!		10.
5000 Debt service							#ERROR!	0	#ERROR!		11.
610 School-sponsored cocurricular activities							#ERROR!	0	#ERROR!		12.
620 School-sponsored athletics							#ERROR!	0	#ERROR!		13.
630, 700, 800, 900 Other programs							#ERROR!	0	#ERROR!		14.
Subtotal (lines 1-14)		1,542,000	360,000	539,300	73,000	184,000	#ERROR!	2,698,300	#ERROR!		15.
200 Special education											16.
1000 Instruction		54,000	16,000				#ERROR!	70,000	#ERROR!		
Support services											
2100 Students							#ERROR!	0	#ERROR!		17.
2200 Instruction							#ERROR!	0	#ERROR!		18.
2300 General administration							#ERROR!	0	#ERROR!		19.
2400 School administration							#ERROR!	0	#ERROR!		20.
2500 Central services							#ERROR!	0	#ERROR!		21.
2600 Operation & maintenance of plant							#ERROR!	0	#ERROR!		22.
2900 Other support services							#ERROR!	0	#ERROR!		23.
3000 Operation of noninstructional services							#ERROR!	0	#ERROR!		24.
4000 Facilities acquisition & construction							#ERROR!	0	#ERROR!		25.
5000 Debt service							#ERROR!	0	#ERROR!		26.
Subtotal (lines 16-26)		54,000	16,000	0	0	0	#ERROR!	70,000	#ERROR!		27.
400 Pupil transportation				6,000			#ERROR!	6,000	#ERROR!		28.
530 Dropout prevention programs							#ERROR!	0	#ERROR!		29.
540 Joint career & technical ed. & vocational ed. center							#ERROR!	0	#ERROR!		30.
550 K-3 Reading							#ERROR!	0	#ERROR!		31.
Subtotal (lines 15 and 27-31)		1,596,000	376,000	545,300	73,000	184,000	#ERROR!	2,774,300	#ERROR!		32.
1010 Classroom Site Project (from page 3, line 6)		376,000	31,000	0	0		#ERROR!	407,000	#ERROR!		33.
1020 Instructional Improvement Project (from page 2, line 5)							#ERROR!	17,000	#ERROR!		34.
1071 English Language Learner Project (from page 4, line 11)		0	0	0	0	0	#ERROR!	0	#ERROR!		35.
1072 Compensatory Instruction Project (from page 4, line 22)		0	0	0	0	0	#ERROR!	0	#ERROR!		36.
1100-1499 Federal and State projects (from page 2, line 32)							#ERROR!	1,050,000	#ERROR!		37.
Total (lines 32-37)		1,972,000	407,000	545,300	73,000	184,000	#ERROR!	4,248,300	#ERROR!		38.

Charter school

Nosotros Academy

County

Pima

CTDS number

108707000

Federal and State projects

Instructions

1100-1399 Federal projects

- 1100-1130 ESEA Title I-Helping Disadvantaged Children
- 1140-1150 ESEA Title II-Prof. Dev. And Technology
- 1160 ESEA Title IV-21st Century Schools
- 1170-1180 ESEA Title V-Promote Informed Parent Choice
- 1190 ESEA Title III-Limited Eng. & Immigrant Students
- 1200 ESEA Title VII-Indian Education
- 1210 ESEA Title VI-Flexibility and Accountability
- 1220 IDEA, Part B
- 1230 Johnson-O'Malley
- 1240 Workforce Investment Act
- 1250 AEA-Adult Education
- 1260-1270 Vocational Education-Basic Grants
- 1280 ESEA Title X-Homeless Education
- 1290 Medicaid Reimbursement
- 1300 Charter School Implementation Proj. (Stimulus)
- 13 Impact Aid
- 1310-1399 Other Federal Projects
- Total federal projects (lines 1-17)

1400-1499 State projects

- 1400 Vocational Education
- 1410 Early Childhood Block Grant
- 1420 Extended School Year-Pupils with Disabilities
- 1425 Adult Basic Education
- 1430 Chemical Abuse Prevention Programs
- 1435 Academic Contests
- 1450 Gifted Education
- 1456 College Credit Exam Incentives
- 1460 Environmental Special Plate
- 1465 Charter School Stimulus Fund
- 14 Arizona Industry Credentials Incentive
- Other State Projects
- Total State projects (lines 19-30)
- Total federal and State projects (lines 18 and 31)

Capital acquisitions

- 0181 Intangible assets
- 0191 Land and land improvements
- 0192 Site improvements
- 0194 Buildings and building improvements
- 0196 Equipment
- 0198 Construction in progress
- Total capital acquisitions (lines 1-6)

- Total capital acquisitions, if any, budgeted on lines 1-6 above for

Special education programs by type

- Total all disability classifications
- Gifted education
- ELL incremental costs
- ELL compensatory instruction
- Remedial education
- Vocational and technical ed.
- Career education
- Total (lines 1-7)
- Expenses budgeted for transporting students with disabilities (as defined in A.R.S. §15-761) unique to the IEP

Instructional Improvement Project

Indicate amounts budgeted in Project 1020 for the following:

- Teacher compensation increases
- Class size reduction
- Dropout prevention programs
- Instructional improvement programs
- Total Instructional Improvement (lines 1-4)

Proposed ratios for special education

Teacher-pupil 1 to 15.0
Staff-pupil 1 to 15.0

State equalization assistance budgeted for food service expenses

Enter the amount of State equalization assistance budgeted for food service, function 3100:

Debt service

Interest 6850
Redemption of principal

Estimated full-time equivalent teachers [A.R.S. §15-903(E)(2)]

- Number of full-time equivalent certified teachers
- Number of full-time equivalent noncertified teachers
- Number of full-time equivalent contract teachers

Program 200 prior year 2023	Program 200 budget year 2024
#REF!	70,000
#ERROR!	
#ERROR!	
#ERROR!	
#ERROR!	
#ERROR!	
#ERROR!	
#REF!	70,000
#ERROR!	
#ERROR!	

Prior year 2023	Budget year 2024
#ERROR!	
#ERROR!	
#ERROR!	
#ERROR!	17,000
#ERROR!	17,000

Selected expenses by type (Must be included on page 1)

Audit services	23,000
Classroom instruction	1,708,000

30,000

0
0

Prior year 2023	Budget year 2024
#ERROR!	16,000
#ERROR!	0.00
#ERROR!	0.00

Expenses	Instructions	Salaries 6100	Employee benefits 6200	Purchased services 6300, 6400, 6500	Supplies 6600	Totals		% Increase/ decrease
						Prior year 2023	Budget year 2024	
Classroom Site Project 1010								
1000 Instruction							407,000	1. #ERROR!
2100 Support services—students		376,000	31,000				0	2. #ERROR!
2200 Support services—Instruction							0	3. #ERROR!
2300 Support Services - General Administration							0	4. #ERROR!
3300 Community services operations							0	5. #ERROR!
Total Classroom Site Project (lines 1-5)		376,000	31,000	0	0	#ERROR!	407,000	6. #ERROR!

Classroom Site Project 1010 budgeted property payments	
Property disbursements	
Interest 6850	
Redemption of principal	

[illegible][illegible]

Instructions

FY 2024 Summary of charter school proposed budget

CTDS number 108707000

1000 Schoolwide Project	Totals			% Increase/decrease
	Prior year 2023	Budget year 2024		
100 Regular education	#ERROR!	1,638,000	#ERROR!	#ERROR!
1000 Instruction	#ERROR!		#ERROR!	#ERROR!
Support services	#ERROR!	67,500	#ERROR!	#ERROR!
2100 Students	#ERROR!	0	#ERROR!	#ERROR!
2200 Instruction	#ERROR!	2,000	#ERROR!	#ERROR!
2300 General administration	#ERROR!	556,500	#ERROR!	#ERROR!
2400 School administration	#ERROR!	155,300	#ERROR!	#ERROR!
2500 Central services	#ERROR!	249,000	#ERROR!	#ERROR!
2600 Operation & maintenance of plant	#ERROR!	0	#ERROR!	#ERROR!
2900 Other support services	#ERROR!	30,000	#ERROR!	#ERROR!
3000 Operation of noninstructional services	#ERROR!	0	#ERROR!	#ERROR!
4000 Facilities acquisition & construction	#ERROR!	0	#ERROR!	#ERROR!
5000 Debt service	#ERROR!	0	#ERROR!	#ERROR!
610 School-sponsored cocurricular activities	#ERROR!	0	#ERROR!	#ERROR!
620 School-sponsored athletics	#ERROR!	0	#ERROR!	#ERROR!
630, 700, 800, 900 Other programs	#ERROR!	0	#ERROR!	#ERROR!
Regular education subtotal	#ERROR!	2,698,300	#ERROR!	#ERROR!
200 Special education	#ERROR!	70,000	#ERROR!	#ERROR!
1000 Instruction	#ERROR!	0	#ERROR!	#ERROR!
Support services	#ERROR!	0	#ERROR!	#ERROR!
2100 Students	#ERROR!	0	#ERROR!	#ERROR!
2200 Instruction	#ERROR!	0	#ERROR!	#ERROR!
2300 General administration	#ERROR!	0	#ERROR!	#ERROR!
2400 School administration	#ERROR!	0	#ERROR!	#ERROR!
2500 Central services	#ERROR!	0	#ERROR!	#ERROR!
2600 Operation & maintenance of plant	#ERROR!	0	#ERROR!	#ERROR!
2900 Other support services	#ERROR!	0	#ERROR!	#ERROR!
3000 Operation of noninstructional services	#ERROR!	0	#ERROR!	#ERROR!
4000 Facilities acquisition & construction	#ERROR!	0	#ERROR!	#ERROR!
5000 Debt service	#ERROR!	0	#ERROR!	#ERROR!
Special education subtotal	#ERROR!	70,000	#ERROR!	#ERROR!
400 Pupil transportation	#ERROR!	6,000	#ERROR!	#ERROR!
530 Dropout prevention programs	#ERROR!	0	#ERROR!	#ERROR!
540 Joint career & tech. ed. & voc. ed. center	#ERROR!	0	#ERROR!	#ERROR!
550 K-3 Reading	#ERROR!	0	#ERROR!	#ERROR!
Total	#ERROR!	2,774,300	#ERROR!	#ERROR!

The budget of Nosotros Academy (d.b.a. Nosotros Academy LLC) for fiscal year 2024 was officially proposed by the Governing Board on June 07, 2023. The complete budget may be reviewed by contacting Ronald D. Kovar, Finance Director at 5207223643 or kovarj@mindspring.com.

Special education programs	Totals		% Increase/decrease
	Prior year 2023	Budget year 2024	
Total all disability classifications	#REF!	70,000	#REF!
Gifted education	#ERROR!		#ERROR!
ELL incremental costs	#ERROR!		#ERROR!
ELL compensatory instruction	#ERROR!		#ERROR!
Remedial education	#ERROR!		#ERROR!
Vocational and technical ed.	#ERROR!		#ERROR!
Career education	#ERROR!		#ERROR!
Total	#REF!	70,000	#REF!

Expenses by project			
	Totals		% Increase/decrease
	Prior year 2023	Budget year 2024	
Schoolwide	#ERROR!	2,774,300	#ERROR!
Classroom Site Project	#ERROR!	407,000	#ERROR!
Instructional Improvement	#ERROR!	17,000	#ERROR!
English Language Learner	#ERROR!	0	#ERROR!
ELL Compensatory Instruction	#ERROR!	0	#ERROR!
Federal projects	#ERROR!	1,050,000	#ERROR!
State projects	#ERROR!	200,000	#ERROR!
Capital acquisitions	#ERROR!	200,000	#ERROR!
Total expenses	#ERROR!	4,448,300	#ERROR!

Average teacher salary		
Average salary of all teachers employed in the budget year 2024		53,000
Average salary of all teachers employed in the prior year 2023		51,000
Increase in average teacher salary from the prior year 2023		2,000
Percentage increase		3.9%
Comments on average salary calculation (optional):		

Base support level weights (Group A weights) [A.R.S. §§15-943 and 15-185]

Please uncheck each box that does not apply. Unchecking a box indicates the criteria does not apply to the charter school. If all boxes are unchecked, the small school weight adjustment does not apply to the school.

For any boxes that are checked, please provide the required additional information described. Failure to provide complete and accurate information may result in inaccurate state aid calculations and future corrections/ADUE audit findings.

Charter schools not sponsored by the Arizona State Board for Charter Schools should contact ADE's School Finance payment team by email at SFPaymentTeam@ade.gov.

		Additional information
<input type="checkbox"/>	The organizational structure or management agreement of your charter holder requires your charter holder or charter school to contract with a specific management company.	No additional information required
<input type="checkbox"/>	The governing body of your charter holder has identical membership to another charter holder in this state.	No additional information required
<input type="checkbox"/>	Your charter holder is a subsidiary of a corporation that has other subsidiaries that are charter holders in this state.	No additional information required
<input type="checkbox"/>	Your charter holder holds more than 1 charter in this state.	No additional information required

Individual charter school counts

Enter total student counts for the charter school for PSD, K-8, and 9-12 students. Student count must be estimated student counts based on actual registration of students. Actual registration of PSD and kindergarten students should be divided by 2 to get estimated student counts for kindergarten. After the 100th day in session, the ADE FY 2024 ADUE should be used, available via ADE Connect, ADEIS Portal. Schools approved to provide 200 days of instruction will adjust their FY 2024 budget for discrepancies between the FY 2024 100th-day and 200th-day student counts. (The TAMU/ARUE report is used for K-8 and 9-12)

PSD-17 student count	PSD	K-8	9-12
Non-ADI student count		162,7912	123,6593
Full-time ADE student count			
Part-time ADE student count		162,7912	123,6593
Total student count			

Charter holder total charter school counts (complete only if 1 or more criteria above are checked)
Enter total student counts for PSD, K-8, and 9-12 students for all of the charter holder's affiliated charter schools. This total must be completed unless all boxes have been unchecked to indicate that the charter holder has no affiliated charter schools.

PSD-17 student count	PSD	K-8	9-12
Non-ADI student count			
Full-time ADE student count			
Part-time ADE student count			
Total student count		0.0000	0.0000

Support level weights (Group B weights) [A.R.S. §§15-643, 15-185 & 15-608]

Student count add-ons

Before the 100th day in session, schools may use estimated student counts based on actual registration of students to determine the add-on weighted counts or counts may be left blank. After the 100th day in session for all schools, the student counts to determine the add-on weighted counts should be obtained from the following ADE reports:

K-3 and K-3 Reading: ADM20

ELL: English Learners (ELL) Students Served in Programs Under A.R.S. §15-754, ELL20

Children with Disabilities: SPED20

	Non-ADI student count	ADI full-time student count	ADI part-time student count
1. K-3 Reading	88,5150		
2. K-3	88,5150		
3. English Learners (ELL)	42,4530		
4. Hearing Impaired (HI)			
5. MD-R, A-R, and SD-R (1)	3,6900		
6. MD-SC, A-SC, and SD-SC (2)			
7. Multiple Disabilities Severe Sensory Impairment			
8. Orthopedic Impairment (Resource)			
9. Orthopedic Impairment (Self-Contained)			
10. Preschool-Severe Delay (PSD)			
11. DD, ED, MRD, SLD, SLI, and OHI (3)	40,5600		
12. Emotional/Behavioral P/MS			
13. Moderate Intellectual Disability (MOD)			
14. Visual Impairment (VI)			
15. Educational Programs for Gifted Pupils (G)			
16. Free and Reduced-Priced Lunch (FRL)			
17. Total weighted student count (lines 1 through 16)	208,8150	0.0000	0.0000
(1) MD-R (Multiple Disabilities Resource), A-R (Autism Resource), and SD-R (Severe Intellectual Disability Resource)			
(2) MD-SC (Multiple Disabilities Self-Contained), A-SC (Autism Self-Contained), and SD-SC (Severe Intellectual Disability Self-Contained)			
(3) DD (Developmental Delay for children in kindergarten through age 10), ED (Emotional Disability), MRD (Mild Intellectual Disability), SLD (Specific Learning Disability), SLI (Speech/Language Impairment), and OHI (Other Health Impairment)			

Base support level adjustments [A.R.S. §§15-943 & 15-185]

1. ☐ Check box if the school has been approved to provide 200 days of instruction by ADE.

A.R.S. §15-901.04 allows schools that provide 200 days of instruction to increase the base level amount by 5 percent. To be eligible for this increase in funding, the school must be approved for 200 days of instruction by ADE and its sponsor. Schools must receive approval from ADE for FY 2024 prior to June 1, 2024. Please contact ADE's School Finance account analyst team by email with questions concerning 200 days of instruction at SFAnalysisTeam@ade.gov.

2. Decrease for federal and state monies received for M&O purposes

Enter the amount received from federal or state agencies for basic maintenance and operation of the school (except for ESEA Title VII). Do not include federal or state grants that are received for a specific purpose. [A.R.S. §15-110]

In accordance with A.R.S. §15-185(7), the Auditor General has determined that the following federal monies must be deducted from the total monies received for the basic maintenance and operation of the school (as reduced by the subtraction) that must be used to reduce the base support level and state equalization assistance, as directed by A.R.S. §15-185(3). This list is not necessarily all-inclusive. The Auditor General may determine in the future that other federal or state grants meet the definition of "monies intended for the basic maintenance and operation of the school."

- Indian School Equalization Program endowments received for:
 - Instructional costs (basic program, gifted & talented programs, and small school adjustment)
 - Bilingual instruction costs (supplemental programs-bilingual program)
 - Exceptional child education costs (exceptional child programs)
 - Student Transportation Fund costs
 - School Board Training Fund costs (school board supplement)

Indian School Equalization Program endowments received for housing costs, dormitory costs, library and library purchase costs, and pre-kindergarten costs would not be subject to the reduction.

2. Administrative cost grant endowments received.

3. FY 2022 nonfederal audit service actual expense

Schools must include audit costs for FY 2022 under "Selected expenses by type" on Budget page 2 to receive the increase. Enter the amount expended for audit services in FY 2022 from nonfederal monies to obtain the allowable increase in BSI for the budget year. Do not include the costs of consulting or other nonaudit services paid to audit firms (e.g., application fees paid for submission of school's reports to ASBO and GFOA for certification or for the preparation of the Meritorious Budget Award application to ASBO). A.R.S. §15-41(4) allows schools to increase their base support levels if audit costs will be incurred for the budget year.

4. FY 2022 federal audit service actual expense

Enter the amount expended for audit services in FY 2022 from federal monies. Do not include the costs of consulting or other nonaudit services paid to audit firms (e.g., application fees paid for submission of school's reports to ASBO and GFOA for certification or for the preparation of the Meritorious Budget Award application to ASBO).

5. Adjustment for remote instructional time [A.R.S. §15-901.08]

This line should be left blank for budget adoption. If a school provides instructional time in a remote setting beyond the thresholds provided in A.R.S. §15-901.08(1)(3)(4) in any school year, ADE shall calculate the total percentage of remote instructional time that exceeded the threshold and fund that percentage of the base support level at 95 percent of the base support level that would otherwise be calculated for the school. ADE will notify schools of the adjustment amount, if any. Enter the amount provided by ADE, if any, as a negative number.

Increase for allocation of additional funding (2016 Prop 123 & Laws 2015, 1st S.B., Ch.1, §6) and onetime state aid supplement [Laws 2023, Ch. 133, §31]

1. Schools percent of state-wide weighted student count

Enter the school's percentage of state-wide weighted student count as reported on its most recent Classroom Size Project Detail Report. Classroom Size Project Detail Reports can be accessed at <http://aicha.azdhs.gov>. Amounts should be entered as a decimal. For example 0.0601% should be entered as 0.000601.

Base support level weights calculation [A.R.S. §§15-943 and 15-185]

Table 1 - Individual charter school counts

Support level weights to be used for:	K-8	9-12
Student count 0.001-99,999 Support level weight	1.3990	1.5590
Student count 100,000-499,999		
Student count constant	500.0000	500.0000
Student count	- 162.7912	- 123.5593
Difference	= 337.2088	= 376.4407
Weight adjustment factor	x 0.0003	x 0.0004
Support level weight increase	= 0.1012	= 0.1506
Support level weight constant	+ 1.2780	+ 1.3980
Support level weight	= 1.3792	= 1.5486
Student count 500,000-599,999		
Student count constant	600.0000	600.0000
Student count	- 0.0000	- 0.0000
Difference	= 0.0000	= 0.0000
Weight adjustment factor	x 0.0012	x 0.0013
Support level weight increase	= 0.0000	= 0.0000
Support level weight constant	+ 1.1580	+ 1.2680
Support level weight	= 0.0000	= 0.0000
Student count 600,000 or more		
Support level weight	1.1580	1.2680

Table 2 - Charter Holder Total Charter School Counts (only calculated if one or more criteria are checked on the Data Entry Tab)

Support level weights to be used for:	K-8	9-12
Student Count 0.001-99,999 Support level weight	1.3990	1.5590
Student count 100,000-499,999		
Student count constant	500.0000	500.0000
Student count	- 0.0000	- 0.0000
Difference	= 0.0000	= 0.0000
Weight adjustment factor	x 0.0003	x 0.0004
Support level weight increase	= 0.0000	= 0.0000
Support level weight constant	+ 1.2780	+ 1.3980
Support level weight	= 0.0000	= 0.0000
Student count 500,000-599,999		
Student count constant	600.0000	600.0000
Student count	- 0.0000	- 0.0000
Difference	= 0.0000	= 0.0000
Weight adjustment factor	x 0.0012	x 0.0013
Support level weight increase	= 0.0000	= 0.0000
Support level weight constant	+ 1.1580	+ 1.2680
Support level weight	= 0.0000	= 0.0000
Student count 600,000 or more		
Support level weight	1.1580	1.2680

Support level

1. Support level weight from Table 1	1.3792	1.5486
2. Support level weight from Table 2 (based on small school weight eligibility)	0.0000	0.0000
3. Support level weight (lesser of lines 1 and 2, as applicable, as shown on BSA 55-1)	1.3792	1.5486

Base support level amounts from total K-3 and total K-3 Reading weighted student counts

A.R.S. §15-211 requires schools to submit a plan to ADE by October 1 for improving the reading proficiency of its pupils in kindergarten programs and grades 1-3. The plan must include a budget for spending monies from both the K-3 and K-3 Reading support level weights. Schools must use monies generated by the K-3 Reading weight only on instructional purposes intended to improve reading proficiency for pupils in kindergarten through 3rd grade with particular emphasis on pupils in kindergarten through 2nd grade. The K-3 Reading weight will only be included in the School's BSA 55-1 after the School's K-3 Reading Program Plan is approved by the State Board of Education. Contact ADE's Move on When Reading program area with questions at <http://www.azed.gov/mowr/>

Total weighted student count			
	K-3	K-3 Reading	
Non-AOI	3,571	2,381	
AOI FT*	0.000	0.000	
AOI PT*	0.000	0.000	
Total	3,571	2,381	
	K-3		\$ 17,549.94
	K-3 Reading		\$ 11,699.96

*AOI counts shown reflect applicable full-time or part-time funding ratio.

Increase for allocation of additional funding [2016 Prop 123 & Laws 2015, 1st S.S., Ch.1, §6]

2016 Prop 123 and Laws 2015, 1st S.S., Ch.1, §6, provides total additional funding of \$75 million to districts and charter schools on a pro rata basis. The estimated increase in additional funding is provided below. However, actual amounts will vary. ADE will notify schools of the final amounts. Once available, schools can access actual payment amounts at <https://www.azed.gov/finance/countyappor>. Schools should include these monies in their Schoolwide Project Budget. These monies may be expended for any allowable school purpose.

Pa Estimated allocation of additional Prop 123 funding \$ 23,325.00

Increase for allocation of onetime state aid supplement [Laws 2023, Ch. 133, §31]

For FY 2024, Laws 2023, Ch. 133, §31 provides total additional funding of \$300 million to districts and charter schools on a pro rata basis. The estimated increase in additional funding is provided below. However, actual amounts will vary. ADE will notify schools of the final amounts. Once available, schools can access actual payment amounts at <https://www.azed.gov/finance/countyappor>. Schools should include these monies in their Schoolwide Project Budget. These monies may be expended for any allowable school purpose.

Pa Estimated allocation of additional onetime state aid supplement \$ 93,300.00

County Pima
Nosotros Academy
Basic Calculations For Equalization Assistance
FY 2024

Charter school: Nosotros Academy

Grade Levels	Non-AOI Student Count	AOI-FT Student Count	AOI-PT Student Count	Support Level Weight	Non-AOI		AOI-FT		AOI-PT	
					Weighted Student Count	Weighted Student Count	Weighted Student Count	Weighted Student Count	Weighted Student Count	Weighted Student Count
PSD	162,7912	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
K-8,UE	123,5593	0.0000	0.0000	1.3792	224,5216	0.0000	0.0000	0.0000	0.0000	0.0000
9-12	286,3505	0.0000	0.0000	1.5486	191,3439	0.0000	0.0000	0.0000	0.0000	0.0000
Regular Education Unweighted Student Count										
Total of Unweighted Student Count					415,8656	0.0000	0.0000	0.0000	0.0000	0.0000
Regular Education Weighted Student Count										
Total of Weighted Student Count					415,8656	415,8656	0.0000	0.0000	0.0000	0.0000
Add Ons										
ELL	42,4550			0.1150	4,8823	0.0000	0.0000	0.0000	0.0000	0.0000
K-3	59,5150			0.0600	3,5709	0.0000	0.0000	0.0000	0.0000	0.0000
K-3 (Reading)	59,5150			0.0400	2,3806	0.0000	0.0000	0.0000	0.0000	0.0000
HI				4.7710	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
MD-R, A-R, SID-R	3,6900			6.0240	22,2286	0.0000	0.0000	0.0000	0.0000	0.0000
MD-SC, A-SC, SID-SC				5.9880	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
MD-SSI				7.9470	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
OI-R				3.1580	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
OI-SC				6.7730	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
P-SD				3.5950	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
ED-P	40,6400			0.2920	11,8669	0.0000	0.0000	0.0000	0.0000	0.0000
MOID				4.8220	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
VI				4.4210	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
G				4.8060	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
FRPL				0.0070	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Group B - Add On Unweighted Student Count				0.0220	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Unweighted Group B Add On	205,8150	0.0000	0.0000		44,9293	0.0000	0.0000	0.0000	0.0000	0.0000
Group B - Add On Weighted Student Count										
Total Weighted Group B Add On										

Nosotros Academy
Basic Calculations For Equalization Assistance
FY 2024

Calculation For Base Support Level			
Regular Education Weighted Student Count	Non-AOI Weighted Student Count	AOI-FT Weighted Student Count	AOI-PT Weighted Student Count
Group B - Add On Weighted Student Count	415.8856	0.0000	0.0000
Total Student Count	+ 44.9283	+ 0.0000	+ 0.0000
AOI Funding Factor	= 480.7948	= 0.0000	= 0.0000
Weighted Student Count	x 1.0000	x 0.9500	x 0.8500
	= 480.7948	= 0.0000	= 0.0000
Total Weighted Student Count			480.7948
Base Level Amount (FY24)			\$4,914.71
Base Support Level	480.7948	x \$4,914.71	\$2,284,672.91
Base Support Level Adjustments			
Audit Service Expense			\$15,600.00
Adjustment For Remote Instructional Time Calculated By ADE			\$0.00
Adjusted Base Support Level	\$2,264,672.91	+ \$15,600.00	\$2,280,272.91

Nosotros Academy
Basic Calculations For Equalization Assistance
FY 2024

Calculation For CAA	PSD	K-3	9-12
Student Count	0.0000	162,7912	123,5593
Additional Assistance Per Student	x \$2,049.12	x \$2,049.12	x \$2,388.21
Additional Assistance	= \$0.00	= \$333,578.70	= \$295,085.56
Total Charter Additional Assistance			\$628,664.26
Additional Assistance Adjustments			
Adjusted Total Charter Additional Assistance			\$628,664.26
Equalization Assistance	\$2,280,272.91		
Adjusted Base Support Level	+ \$628,664.26		
Adjusted Total Charter Additional Assistance	= \$2,908,937.17		
Equalization Assistance			\$2,908,937.17

Nosotros Academy
Basic Calculations For Equalization Assistance
FY 2024

Grade Levels	Non-AOI Student Count	AOI-FT Student Count	AOI-PT Student Count	Support Level Weight	Non-AOI Weighted Student Count	AOI-FT Weighted Student Count	AOI-PT Weighted Student Count
PSD	162.7912	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
K-3, UE	123.5593			1.3792	224.5216	0.0000	0.0000
9-12	286.3505	0.0000	0.0000	1.5486	191.3439	0.0000	0.0000
Regular Education Unweighted Student Count							
Total of Unweighted Student Count					415.8656	0.0000	0.0000
Regular Education Weighted Student Count							
Total of Weighted Student Count					415.8656	0.0000	415.8656
Add Ons	Non-AOI Student Count	AOI-FT Student Count	AOI-PT Student Count	Support Level Weight	Non-AOI Weighted Student Count	AOI-FT Weighted Student Count	AOI-PT Weighted Student Count
ELL	42.4550			0.1150	4.8823	0.0000	0.0000
K-3	59.5150			0.0600	3.5709	0.0000	0.0000
K-3 (Reading)	59.5150			0.0400	2.3806	0.0000	0.0000
HI				4.7710	0.0000	0.0000	0.0000
MD-R, A-R, SID-R	3.6900			6.0240	22.2286	0.0000	0.0000
MD-SC, A-SC, SID-SC				5.9680	0.0000	0.0000	0.0000
MD-SSI				7.9470	0.0000	0.0000	0.0000
OH-R				3.1580	0.0000	0.0000	0.0000
OI-SC				6.7730	0.0000	0.0000	0.0000
P-SD				3.5950	0.0000	0.0000	0.0000
DD, ED, MID, SLD, SLI, OHI	40.5400			0.2920	11.8659	0.0000	0.0000
ED-P				4.8220	0.0000	0.0000	0.0000
MOID				4.4210	0.0000	0.0000	0.0000
VI				4.8060	0.0000	0.0000	0.0000
G				0.0070	0.0000	0.0000	0.0000
FRPL				0.0220	0.0000	0.0000	0.0000
Group B - Add On Unweighted Student Count	205.8150	0.0000	0.0000				
Total Unweighted Group B Add On					44.9293	0.0000	0.0000
Group B - Add On Weighted Student Count							
Total Weighted Group B Add On							44.9293

Nosotros Academy
 Basic Calculations For Equalization Assistance
 FY 2024

Calculation For Base Support Level

Regular Education Weighted Student Count	415,8856	Non-AOI Weighted Student Count	415,8856	AOI-FT Weighted Student Count	0.0000	AOI-PT Weighted Student Count	0.0000
Group B - Add On Weighted Student Count	44,9293		44,9293		+ 0.0000		+ 0.0000
Total Student Count			= 460,7948		= 0.0000		= 0.0000
AOI Funding Factor			x 1.0000		x 0.9500		x 0.8500
Weighted Student Count			= 460,7948		= 0.0000		= 0.0000
Total Weighted Student Count							460,7948
Base Level Amount (FY24)							\$4,914.71
Base Support Level			460,7948		x \$4,914.71		\$2,264,672.91
Base Support Level Adjustments							
Audit Service Expense							\$15,600.00
Adjustment For Remote Instructional Time Calculated By ADE							\$0.00
Adjusted Base Support Level			\$2,284,672.91		+ \$15,600.00		\$2,280,272.91

Nosotros Academy
Basic Calculations For Equalization Assistance
FY 2024

	PSD	K-8	9-12
Calculation For CAA			
Student Count	0,000	162,7912	123,5593
Additional Assistance Per Student	x \$2,049.12	x \$2,049.12	x \$2,388.21
Additional Assistance	= \$0.00	= \$333,578.70	= \$295,085.56
Total Charter Additional Assistance			\$628,664.26
Additional Assistance Adjustments			
Adjusted Total Charter Additional Assistance			\$628,664.26
Equalization Assistance	\$2,280,272.91		
Adjusted Base Support Level	+ \$628,664.26		
Adjusted Total Charter Additional Assistance	= \$2,908,937.17		
Equalization Assistance			\$2,908,937.17

Page	Reference	Instruction	Summary of significant changes
Cover	General	<p>These instructions will help charter schools prepare the budget. Within the forms, blue font and light blue highlights indicate that an instruction is linked to that specific line. We have provided an instructions button that links to any general instructions or to the first instruction for a page. The forms have been set to print without "tabs" so that the instructions buttons do not print.</p> <p>The cells in the prior year columns on the budget forms contain formulas that will bring forward budget amounts from the FY 2023 budget forms. However, the cells have not been protected so users may also enter the information manually. To bring forward amounts automatically, the most recently revised FY 2023 budget must be saved as budget23.xls in the C:\CSF\ORMS folder. If the file is not named budget23.xls, the formulas will not function properly. Excel will ask the user to update information when the budget23.xls file is opened. Users should review amounts reported in the prior year column to ensure they agree to the school's most recently revised FY 2023 budget.</p> <p>Schools should complete the Data Entry page before completing pages 1 through 4. To ensure that the Arizona Department of Education (ADE) can properly access the schools' data, do not change formulas without specific instructions from either the Arizona Auditor General's Office, Accountability Services Division, or ADE, School Finance.</p>	
Cover	CTDS number	This cell will only accept entries of 9 digits. Do not include any slashes, dashes, etc. Enter the school's CTD number plus 3 zeros.	
Cover	Version	<p>The version of the budget being submitted on the cover page is formatted with a drop-down menu. Select the appropriate choice from the menu: Proposed, Adopted, or Revised (including the revision number). Enter only menu choices in the cell.</p> <p>All information on the cover page must be completed/updated when the proposed, adopted, or revised budget is printed out for the Governing Board to sign. All information, excluding the revenue information, must also be updated when the budget is revised.</p>	
Cover	Estimated revenues	Base estimated revenues by source for FY 2024 on the best information available at the time the budget is prepared. Estimated revenues may be more or less than estimated expenses.	
Cover	Average teacher salary	In accordance with A.R.S. §15-169.05, a school's budget shall include the prominent display of the average salary of all teachers the school employed for the budget and prior years, and the increase in the average salary of all teachers the school employed for the budget year reported in dollars and percentage. Schools must also prominently post this information on their home page separately from its budget. The statute does not provide a definition of a teacher. Each charter should be consistent in the type of salary information included in this table from year to year. An optional comment box is available to provide any additional detail regarding the average teacher salary calculation. Schools should revise the average teacher salary information anytime it submits a revised budget to ADE.	
Charter contact info	Charter contact info	Fill in the contact information for all positions listed on this tab. If any of the positions do not exist at your school, please fill in the appropriate person to contact related to that topic.	
Page 13A1	General	<p>Only report budgeted expenses for 1000-Schoolwide Project and 1500-1699-Other Special Projects on lines 1 through 32. Do not include the Classroom Site Project (project code 1910), Instructional Improvement Project (project code 1000), Structured English Immersion Project (project code 1071), Compensatory Instruction Project (project code 1072) or Federal and State projects (project codes 1100 through 1499) expenses.</p> <p>Report budgeted expenses for programs 200-special education and 270-vocational and technical education on lines 16-27. Report budgeted expenses for program 400-pupil transportation on line 28.</p> <p>Do not report depreciation expense on the budget forms. Only report purchases of capital assets (land and land improvements, site improvements, buildings and building improvements, equipment, and construction in progress) in the capital acquisitions section of page 2.</p>	
Page 13A1	Program 550	<p>Schools should budget for K-3 Reading Program expenses in program code 550.</p> <p>The State Board of Education must give approval to a school before any portion of the monies generated by the K-3 Reading support level weight may be distributed to the school. A.R.S. §15-211. Contact ADE's Move on When Reading program area with questions concerning the K-3 Reading plan requirement and approval status at hcs@moveonwhenreading.com.</p>	
Page 13A1	Federal and State projects, line 37	Include the total of federal and State project expenses (project codes 1100 through 1499 from page 2) on line 37. Schools should not include federal and State project expenses with other Schoolwide Project expenses on lines 1 through 36.	
Page 13A1	Employee benefits	Schools participating in the Arizona State Retirement System should budget at the rate of 12.29 percent for covered positions. For positions subject to the Alternate Contribution Rate, schools should budget at the rate of 9.99 percent.	Updated contribution rates.
Page 23A1	Federal and State projects	Separate accountability is required for each federal and State project. Therefore, charter schools should estimate the expenses for each federal or State project in which the school participates. The totals on line 32 should agree with the total columns for federal and State projects on line 37 of page 1. A.R.S. §15-1261 requires charter schools to establish an E-rate Project to account for any E-rate funding the school receives. Include monies budgeted for the E-rate Project and COVID-19 federal relief projects within Other Federal Projects on line 17.	
Page 23A1	College Credit Exam Incentives	Schools that receive monies from the college credit by examination incentive program per A.R.S. §15-249.05 should deposit them in Project 1455-College Credit Exam Incentives. Schools must distribute at least 50 percent of the bonus monies received from this program to the classroom teacher for each student who passes a qualifying exam and to other teachers of relevant subjects who instructed that student, including but not limited to teachers in the same department or subject matter that contributed to the student passing the exam, as identified by the governing body or the school principal. The remainder of any bonus monies received from this program must be allocated by the school principal on behalf of students who receive a passing score and may be used for teacher professional development or student instructional support, reimbursement of exam fees, or instructional materials.	
Page 23A1	Arizona Industry Credentials Incentive	Schools that receive monies from the Arizona Industry Credentials Incentive Project per A.R.S. §15-249.15 should deposit them as a separate State project using project object code beginning with 140X. Monies received must be used for instructional costs and professional development for a career technical education program teacher to become a certifying professional for an approved certificate, credential or license, to offset the students' cost of certification, credentialing or licensure, for developmental costs related to creating, expanding or improving an approved site of a certificate, credential or license career technical program or course, for instructional hardware, software or supplies required for the certification, credentialing or licensure, for career exploration in any school grade and awareness activities for parents, students and the community for the approved sectors.	
Page 23A1	Other State Projects	Budgeted expenditures related to monies remaining in Project 1457-Results-based Funding should be reported on line 28-Other State Projects, along with any other State project funds not included on lines 19 through 29 above.	Laws 2023, Chapter 142, §2 repealed A.R.S. §15-249.05, which had established Project 1457-Results-based Funding.
Page 23A1	Capital acquisitions	<p>Enter the increase in the capital asset accounts (intangible assets, land and land improvements, site improvements, buildings and building improvements, equipment, and construction in progress) for assets to be acquired by purchase, lease purchase, or construction for all projects.</p> <p>If the school budgets for capital acquisitions related to the K-3 Reading Program, include the increase in the capital asset accounts for these acquisitions by asset type on lines 1 through 6. The total of all capital acquisitions for the K-3 Reading Program should be reported on line 8.</p>	
Page 23A1	Special education programs by type	Schools budgeting for special education expenses in program code 200 should report amounts allocated by program type on page 2. Supporting documentation should be retained for the allocation of expenses budgeted for individual special education programs.	
Page 23A1	Special education programs by type, line 1	Schools should budget total expenses for the disability classifications defined in A.R.S. §15-761.	
Page 23A1	Special education programs by type, line 9	Schools should budget for total transportation expenses within program 400 for transporting students whose IEPs will require transportation as necessary for the provision of free and appropriate public education (FAPE).	
Page 23A1	Selected expenses by type	<p>Audit services expense should be the total audit costs to be incurred during the budget year.</p> <p>Classroom instruction expenses should be the total of expenses budgeted in function code 1000 for program codes 100, 200, and 500 for the budget year.</p>	
Page 23A1	State equalization assistance budgeted for food service expenses	Schools participating in the National School Lunch Program are required to spend a portion of their State equalization assistance to support the operation of their food service program. Schools must report on their budget the amount of State equalization assistance that will be expended for their food service program during the 2024 school year. This amount will be used to determine school compliance with State matching requirements pursuant to CFR Title 7, §210.17(a). ADE's Health and Nutrition Services will verify that the amount reported on the budget was reported as spent when schools' annual financial reports are submitted. Direct any questions related to State matching requirements to Health and Nutrition Services at (602) 542-8700.	
Page 23A1	Instructional Improvement Project	See USFRCS page IS-B-1 for guidance on using the Instructional Improvement Project (Project 1020).	

capital leases and other long-term debt that will be recorded as a reduction of the related liability.

Page 71A1	Full-time equivalent teachers	Report the estimated full-time equivalent (FTE) certified, noncertified, and contract teachers on lines 1-3, respectively. These amounts may include fractional FTE for part-time teachers. A teacher should be reported on only 1 line. If a teacher is both a certified and contract teacher, report only the applicable FTE on line 3. Do not include instructional aides or assistants.	
Page 31A1	Classroom Site Project	Schools receive revenues from the Classroom Site Project (CSP) each year. A.R.S. §15-977(G)(1) requires the Joint Legislative Budget Committee to calculate an estimated per pupil amount each year. For FY 2024, the estimated cash payment is \$735 per "Group A weighted" pupil (BSAS5 Tab, total of Non-AOI weighted student count, AOI full-time weighted student count, and AOI part-time weighted student count on row 13). The FY 2024 CSP YTD Payments Report will be available on ADE's website beginning in August 2023 at https://schoolfinance.reports.azed.gov/ .	Updated the estimated CSP per pupil amount.
Page 31A1	Classroom Site Project	Expenses made from the CSP (1010) should be made in accordance with A.R.S. §15-977 and must be used to supplement, rather than supplant, existing monies. Schools may establish any CSP sub-projects (1011-1019) to track monies for specific allowable purposes or separately account for carryover balances and other one-time CSP monies. One total budget for all CSP monies must be reported here, in Project 1010. Line 4 should include expenses for teacher liability insurance premiums made from Project 1010.	
Page 31A1	Classroom Site Project budgeted property payments	Include allowable budgeted property disbursement, interest, and redemption of principal payments made in accordance with §15-977. Property disbursements should include budgeted payments for capital acquisitions, not including related lease or other debt service payments. Budgeted interest expenses will be charged to object code 6850. Redemption of principal should include budgeted payments for principal on leases and other long-term debt that will be recorded as a reduction of the related liability.	
Page 41A1	English Language Learner Project	See USFRCS page II-B-2 for guidance on using the English Language Learner Project (Project 1071). To efficiently record English Language Learner expenses, schools should be using program code 260, special education—ELL incremental costs and program 430, pupil transportation—ELL incremental costs, as applicable.	
Page 41A1	Compensatory Instruction Project	See USFRCS page II-B-2 for guidance on using the Compensatory Instruction Project (Project 1072). To efficiently record English language learner and compensatory instruction expenses, schools should be using program codes 265, special education—ELL compensatory instruction and program 435, pupil transportation—ELL compensatory instruction, as applicable.	
Budget Summary	General	The information on the Budget Summary is self-populating and will be automatically brought forward from the other pages of the Budget.	

Rev. 5/23 Arizona Department of Education and Auditor General

Nosotros Academy LLC
Notes for June 7, 2023 Board Meeting

- 1) Budget Forms for 2023–2024 are available for the June 7, 2023 meeting. One item to note is on the budget worksheet for state aide a new section was provided (Worksheet A or page 1 of the form) for 4 questions at the top of the form. These questions relate to the "Reduction in Small School Weight". When I originally completed this form, it was reducing annual state aide by approximately \$200,000 for this "baseline adjustment". By unchecking the boxes to the 4 questions, the baseline adjustment was removed from the forms. By instruction, if any of these 4 questions are checked, the result is the "baseline adjustment". In addition, this year, there is a new page added behind the cover page requiring contact information. Please review for accuracy. I used the standard e-mail address and phone number for the Academy to avoid disclosing personal information. Also, on the cover page, there is additional detail regarding "average salary" costs for teachers. See discussion of the change below. This year the 2 major budget forms are combined into one form.
- 2) There is a page "5", which is a summary presentation of the budget presented in pages 1–4. In addition, there is a form for reporting the information for the meeting for the adopted budget.
- 3) The information in 2) is significant because there is a requirement that this information be made available on our website. In addition, we have to now provide a link to the web site via e-mail to the State. This new process seems to replace the publication requirement in the Daily Territorial we have done in the past. Also, it appears this year page "5" needs to be posted to our website as well or the entire proposed budget.
- 4) The base figures used for the budget are the amounts used from the "revised" budget for fiscal 22–23 approved at the May 10, 2023 Board meeting. Those budget figures were based on 286 students for revenue purposes resulting in revenue of \$3,806,500. For the proposed budget, I am using revenue figures based on 123 high school students and 163 K–8 students. There are no intended new hirings at this point and expenses are over stated to avoid being over budget. The result of this is estimated revenues for budget purposes increases revenue from \$4,271,500 to \$4,439,500.

For State Funds:

State Aid	2,909,000	See Worksheet E on Budget Worksheet
Prop 301	315,000	(\$758 * 416 weighted student)
Onetime Supplement	93,000	
Prop 123	23,000	
Early Literacy Funding	12,000	(As calculated)
Student Improvement Fund	17,000	
	<u>3,369,000</u>	

The decline in proposed budget revenue is the 22/23 calculation estimates are using the same state level funding rates and Prop 301 is based on \$758 per student for 23/24, as compared to \$708 per student in 22/23.

- 5) For expenses, I have left the totals the same. However, 1) I added \$2,000 to special education, in order to show an increase for the person who reviews this at the State and 2) I increased salaries in instruction by \$35,000 (for teacher salary increases) and \$7,000 for employee benefits (for teacher salary increases).

Nosotros Academy LLC
Notes for June 7, 2023 Board Meeting

6) In summary:

	<u>22/23</u> <u>Revised</u> <u>Budget</u>	<u>23/24</u> <u>Proposed</u> <u>Budget</u>	<u>Change</u>
Revenue	4,271,500	4,439,500	168,000
Expenses	4,404,300	4,448,300	44,000
Budget loss	<u>(132,800)</u>	<u>(8,800)</u>	

7) In further consideration of teacher salaries:

	<u>17/18</u>	<u>18/19</u>	
Total Compensation	732,000	822,000	includes base, extra duty, bonus, & extra duty (Note: I used 18 in year end reports; not recognizing partial teachers)
number	19	19	
Average Comp	<u>38,526</u>	<u>43,263</u>	
	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>
Total Compensation	789,000	701,000	787,000
number	16	14	15
Average Comp	<u>49,313</u>	<u>50,982</u>	<u>51,607</u>

I rounded total for 17/18 down to \$38,000 for base estimate. For 22/23, to date (thru 5/23):

44,000	Average base calculated (see separate worksheet)
6,000	Average additional thru 5/23 (\$102,000/17)
<u>50,000</u>	This amount does not reflect year end bonus and summer school; although extra duty is down to pandemic

For budget purposes, I used \$38,000 as average 17/18 compensation, \$45,000 for 19/20, \$47,000 for 20/21, \$49,000 for 21/22, \$51,000 for 22/23, and \$53,000 for 23/24.

- 8) One item of caution on all this budget information is that the numbers are based on 286 students. It is unclear if that number will be achieved again with the constant turnover of students from year to year rather than just replacing graduating students. Any increases in compensation is more effected by the student enrollment that increased rates from the State intended for teacher salary increases.
- 9) During fiscal June 30, 2012, we were approved for the School Lunch Program effective 10/01/11. On page 2 of 5 of the budget forms there is a place for "State Equalization Assistance Budgeted for Food Service Expense". The instructions of this information is not clear. However, going to the Arizona Revised Statutes, there appears to be an expectation that the federal funding can cover up to 70% of the expenses with 30% covered by the school. This appears to be information used by someone at the State similar to individuals that monitor special education expenses. In reviewing the numbers, I may have to revise allocations because \$30,000 costs on our end plus \$190,000 in Federal aide results in a 14%–86% split, which is below the 30%–70% requirement.

Nosotros Academy LLC
Current Salary Information

	FY2017 Salary	FY2018 Salary	FY2019 Salary	FY2020 Salary	FY2021 Salary	FY2022 Salary	Current Salary
Teachers:							
	37,400.00	39,500.00	42,500.00	42,500.00	42,500.00	42,500.00	44,500.00
	N/A	N/A	N/A	N/A	N/A	43,500.00	68,500.00
	N/A	N/A	N/A	N/A	N/A	43,500.00	N/A
	N/A	N/A	N/A	N/A	N/A	38,500.00	N/A
	N/A	N/A	37,500.00	38,500.00	38,500.00	N/A	N/A
	37,400.00	42,500.00	45,500.00	46,500.00	N/A	N/A	N/A
	37,400.00	39,500.00	42,500.00	43,500.00	43,500.00	44,500.00	46,500.00
	38,500.00	39,500.00	42,500.00	42,500.00	42,500.00	42,500.00	44,500.00
	32,500.00	37,500.00	40,500.00	41,500.00	41,500.00	42,500.00	44,500.00
	27,500.00	37,500.00	40,500.00	41,500.00	61,500.00	66,500.00	N/A
	28,500.00	32,500.00	38,500.00	39,500.00	39,500.00	40,500.00	42,500.00
	N/A	N/A	N/A	38,500.00	N/A	N/A	N/A
	28,500.00	32,500.00	35,500.00	36,500.00	36,500.00	38,500.00	42,500.00
	N/A	31,500.00	38,500.00	40,500.00	N/A	N/A	N/A
	N/A	37,500.00	40,500.00	41,500.00	41,500.00	43,500.00	N/A
	N/A	31,500.00	34,500.00	34,500.00	34,500.00	34,500.00	N/A
	N/A	29,500.00	36,500.00	36,500.00	N/A	N/A	N/A
	N/A	N/A	N/A	36,500.00	38,500.00	39,500.00	42,500.00
	N/A	N/A	48,000.00	49,000.00	49,000.00	N/A	N/A
	N/A	N/A	N/A	N/A	38,500.00	39,500.00	N/A
	N/A	N/A	N/A	N/A	N/A	33,500.00	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	49,500.00
	N/A	N/A	N/A	N/A	36,500.00	37,500.00	40,500.00
	N/A	N/A	N/A	N/A	N/A	N/A	39,500.00
	N/A	N/A	N/A	N/A	N/A	N/A	39,500.00
	N/A	N/A	N/A	N/A	N/A	N/A	39,500.00
	N/A	N/A	N/A	N/A	N/A	N/A	44,500.00
	N/A	N/A	N/A	N/A	N/A	N/A	35,500.00
	N/A	N/A	N/A	N/A	N/A	N/A	39,500.00
Total	<u>267,700.00</u>	<u>431,000.00</u>	<u>563,500.00</u>	<u>649,500.00</u>	<u>584,500.00</u>	<u>671,000.00</u>	<u>704,000.00</u>
# of teachers	<u>8.00</u>	<u>12.00</u>	<u>14.00</u>	<u>16.00</u>	<u>14.00</u>	<u>16.00</u>	<u>16.00</u>
Average per teacher	<u>33,462.50</u>	<u>35,916.67</u>	<u>40,250.00</u>	<u>40,593.75</u>	<u>41,750.00</u>	<u>41,937.50</u>	<u>44,000.00</u>
Salaries of teachers in all 6 years		<u>221,000.00</u>	<u>242,000.00</u>	<u>246,000.00</u>	<u>246,000.00</u>	<u>251,000.00</u>	<u>265,000.00</u>
# of teachers in the 6 years		<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>
Average per year		<u>36,833.33</u>	<u>40,333.33</u>	<u>41,000.00</u>	<u>41,000.00</u>	<u>41,833.33</u>	<u>44,166.67</u>
Increase for 6 teachers			<u>3,500.00</u>	<u>666.67</u>	<u>0.00</u>	<u>833.33</u>	<u>2,333.33</u>
As a % over prior fiscal year			<u>9.50%</u>	<u>1.65%</u>	<u>0.00%</u>	<u>2.03%</u>	<u>5.58%</u>
As a % over FY2018 (Base year)			<u>9.50%</u>	<u>11.31%</u>	<u>11.31%</u>	<u>13.57%</u>	<u>19.91%</u>
Comparison of 6 teachers through 7 fiscal years	202,800.00	221,000.00	242,000.00	246,000.00	246,000.00	251,000.00	265,000.00
# of teachers	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Average for 6 teachers	<u>33,800.00</u>	<u>36,833.33</u>	<u>40,333.33</u>	<u>41,000.00</u>	<u>41,000.00</u>	<u>41,833.33</u>	<u>44,166.67</u>
Increase		<u>3,033.33</u>	<u>3,500.00</u>	<u>666.67</u>	<u>0.00</u>	<u>833.33</u>	<u>2,333.33</u>
As a % over prior fiscal year		<u>8.97%</u>	<u>9.50%</u>	<u>1.65%</u>	<u>0.00%</u>	<u>2.03%</u>	<u>5.58%</u>
As a % over FY2017		<u>8.97%</u>	<u>19.33%</u>	<u>21.30%</u>	<u>21.30%</u>	<u>23.77%</u>	<u>30.67%</u>

**ASSESSMENT CONSENT AGREEMENT
BETWEEN
NOSOTROS AND THE
ARIZONA STATE BOARD FOR CHARTER SCHOOLS**

This Assessment Consent Agreement (“Agreement”) is made by and between Nosotros (“Charter Holder”), a nonprofit organized under the laws of the state of Arizona, and the ARIZONA STATE BOARD FOR CHARTER SCHOOLS (the “Board”), individually referred to herein as a “Party” or, collectively as the “Parties”. As of the execution of this Agreement, the Charter Holder operates one school site pursuant to a 20-year renewal contract (“Charter”) between the Board and the Charter Holder, effective July 1, 2016.

RECITALS

A. The Board is charged with granting charter status to qualifying applicants and with exercising general supervision, oversight and administrative responsibility of charter schools it sponsors. A.R.S. § 15-182(E); A.R.S. § 15-183.

B. In implementing its oversight and administrative responsibility, the Board shall base its action on evidence of the charter holder’s compliance with all applicable state, federal and local laws, its charter, other contractual obligations with the Board and its performance under the performance frameworks. A.R.S. § 15-183; A.A.C. R7-5-501.

C. The Board’s oversight action may include, but is not limited to, entering into a consent agreement to bring the charter holder into compliance or issuing a notice of intent to revoke. A.R.S. § 183; A.A.C. R7-5-601; see A.R.S. §15-182(E)(1).

D. The determination of whether to provide for an informal disposition of the matter or revoke a charter shall be made at a public meeting called for such purpose. A.A.C. R7-5-601.

E. Pursuant to Arizona Revised Statute (“A.R.S.”) § 15-183(E)(4), the Charter Holder is

required to “participat[e] in the statewide and the nationally standardized norm-referenced achievement tests as designated by the [Arizona State Board of Education (“SBE”)]. Such assessments shall include “statewide assessment[s] to measure pupil achievement of state board-adopted academic standards in reading, writing and mathematics, . . . assessment of the academic standards in social studies and science . . . [and] other assessments that provide national comparison” as determined by SBE. A.R.S. § 15-741(A)(2); A.R.S. §15-741(A)(9).

F. Pursuant to A.R.S. §15-741(A)(2), [SBE] shall determine the manner of implementation of the assessments.

G. Pursuant to Arizona Administrative Code (“A.A.C.”) R7-2-310(A), “[t]he statewide assessments adopted by the [SBE] shall be administered annually during the testing windows established by the [Arizona D]epartment [of Education (“ADE”)]. . . . ADE] shall designate the window for testing . . . and all . . . charter schools shall administer the test during the windows designated.”

H. Pursuant to A.A.C. R7-2-310(D), the Charter Holder “shall administer the statewide assessment to all students in the grades designated by [SBE]. Failure to administer a statewide assessment to at least 95 percent of all students will be factored into the statewide accountability system.” “All violations . . . shall be referred . . . for appropriate action.” A.A.C. R7-2-310(E).

I. The Charter Representatives are Paul Felix and Ron Kovar, as stated in the Board’s records, and is the person authorized to execute documents on behalf of the Charter Holder

J. For FY 2022, the Charter Holder failed to administer each of the required statewide assessments at Nosotros Academy, as prescribed by the SBE during the testing window set forth by ADE.

K. In an effort to bring the Charter Holder into compliance, on March 13, 2023, the Board

approved a motion for Board staff and legal counsel to develop a consent agreement to address the Charter Holder's noncompliance with the administration of statewide assessments for FY 2022.

AGREEMENT TERMS

The Charter Holder and the Board agree to the following terms:

1. **Effective Date and Duration:** This Agreement is effective immediately upon its approval and execution by the authorized representatives of the Board and the Charter Holder and shall continue through the end of Fiscal Year ("FY") 2025.

2. **Resolution through Agreement:** Each Party forgoes its option to proceed with a charter revocation proceeding under A.R.S. § 15-183 and A.A.C. R7-5-607 and agrees to mutually resolve this matter through this Agreement.

3. **Recitals:** The Parties acknowledge and agree that the foregoing recitals are true and correct and are hereby incorporated as a material part of this Agreement

4. **Administration of Assessments:** The Charter Holder shall require and ensure that all schools operated by the Charter Holder, at the time of execution of this Agreement and later authorized by the Board, administer all statewide assessments and any other assessments, as prescribed by SBE, in the manner determined by SBE and in accordance with the testing window designated by ADE.

5. **Additional Administrator Testing Obligations and Duties:** The Charter Holder shall require and ensure that all schools operated by the Charter Holder, at the time of execution of this Agreement and later authorized by the Board, comply with the duties and obligations set forth in A.A.C. R7-2-310(B) and (C) and A.A.C. R7-2-311.

6. **Compliance with Current Law:** To the extent that the requirements of any federal, state or municipal law, regulation or rule relied upon in this Agreement changes while this

Agreement is in effect, the Charter Holder shall comply with the revised statutory or regulatory requirements.

7. Demonstration of Compliance: The Charter Holder shall demonstrate compliance with the terms set forth in this Agreement by not being found in noncompliance with Paragraphs Four through Six of this Agreement through the end of FY 2025.

8. Noncompliance: If Board staff makes a finding(s) that the Charter Holder has failed to comply with the terms and conditions of this Agreement, the Charter Holder may be brought before the Board for additional disciplinary action including, but not limited to, approving a motion to revoke the Charter and requiring the Charter Holder to terminate its operation of the School(s) or rescinding the Board's authorization for the operation of one or more schools operated by the Charter Holder at the time of the Board's disciplinary action.

9. Rescission of One or More Schools: In the event the Charter Holder operates more than one school at the time of the Board's disciplinary action and the Board rescinds authorization and requires the Charter Holder to terminate the operation of one or more of the schools, pursuant to Paragraph 8, this Agreement remains in full force and effect for the school(s) for which the Board does not rescind authorization and require the Charter Holder to terminate operations.

10. Expansion Requests: The Parties agree that this Agreement shall not preclude the Charter Holder from submitting an expansion request to the Board, provided the Charter Holder meets the Board's eligibility requirements and is in compliance with the terms and conditions of this Agreement at the time of its submission and the Board's consideration of the expansion request.

11. Right of Non-enforcement: The Board's decision, at any time, to not enforce any provision of this Agreement or not to act on a violation of this Agreement shall not constitute a

waiver of such right.

12. Enforcement Retention: This Agreement does not limit any action the Board may take pursuant to federal, state or municipal statute, rule, regulation, policy or procedure, the Charter or other obligations with the Board, for reasons other than the Charter Holder's failure to comply with the terms of this Agreement.

13. Entire Agreement: This Agreement constitutes the entire agreement between the Parties and supersedes and replaces all prior meetings, understandings or discussions between the Parties and may not be modified or amended except by written instrument, signed by both the Charter Holder and the Board.

14. Severability: Should any provision of this Agreement be held invalid or unenforceable, such illegality or unenforceability shall not invalidate the whole of this Agreement. In that event, this Agreement shall be construed as if it did not contain the illegal part, and the rights and obligations of the Parties shall be construed and enforced accordingly.

15. Execution by Boards: This Agreement is not binding on the Parties until both the Board's and the Charter Holder's governing boards approve this Agreement at a public meeting by the number of votes necessary to pass the measure. This Agreement is effective immediately upon its approval and execution by the authorized representatives of the Charter Holder and the Board.

16. Execution in Counterparts: This Agreement may be executed in one or more counterparts, each of which is equally admissible in evidence, and each of which shall fully bind each Party who has executed it. Upon approval, each Party agrees to submit to the other Party a fully executed copy of the Agreement.

17. Authorized Representatives: The persons executing this Agreement on behalf of the

Parties hereby represent and guarantee that they have been authorized to do so, on behalf of themselves, and the entity they represent.

18. **Inurement:** This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and assignees.

19. **Attorney Consultation:** Both Parties enter into this Agreement of their own free will and judgement and acknowledge that they have the right to consult their legal advisor prior to entering into this Agreement.

20. **Attorneys' Fees and Costs:** Each Party shall be responsible for its own attorneys' fees and costs, if any, in this matter.

21. **Governing Law and Venue:** This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. Venue for any action to enforce this Agreement shall be in Maricopa County, Arizona.

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

By: Hans-Dieter Klose
President, Arizona State Board for Charter Schools

Date: _____

NOSOTROS

By: Paul Felix
Charter Representative, Nosotros

Date: _____

By: Ron Kovar
Charter Representative, Nosotros

Date: _____



Nosotros Academy

440 N. Grande Ave. Tucson, Arizona 85745

Phone: (520)624-1023 Fax: (520)624-7999 e-mail: info@nosotrosacademy.org

Draft

Procurement Policy Compliance with Suspension and Debarment Verification

Policy Statement:

Nosotros Academy is committed to maintaining compliance with federal regulations regarding suspension and debarment in covered transactions. In accordance with 2 CFR 200.214 and 2 CFR 200.303(a), this policy outlines the procedures to be followed to ensure verification of suspension and debarment for covered transactions equal to or greater than \$25,000.00.

1. Procurement Policy Amendment:

- a. The existing Procurement Policy of Nosotros Academy shall be amended to include specific provisions for the verification of suspension and debarment for covered transactions equal to or greater than \$25,000.00.
- b. The amended policy shall outline the procedures for conducting verification, as well as the actions to be taken in the event of a suspension or debarment determination.

2. Suspension and Debarment Verification Procedures:

- a. The CEO/Superintendent, Accountant, and Principal shall ensure that prior to entering into covered transactions equal to or greater than \$25,000.00, a verification process for suspension and debarment is implemented.
- b. The verification process shall involve checking the System for Award Management (SAM) database or any other official government sources to determine if the potential contractor, supplier, or vendor is suspended, debarred, or otherwise excluded from participating in Federal assistance programs or activities.
- c. The verification process shall be documented, including the date of verification, the method used, and the results obtained.
- d. If a potential contractor, supplier, or vendor is found to be suspended, debarred, or otherwise excluded, the CEO/Superintendent, Accountant, and Principal shall take appropriate action as outlined in the Procurement Policy.

3. Training and Awareness:



Nosotros Academy

440 N. Grande Ave. Tucson, Arizona 85745

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Draft

- a. All employees involved in the procurement process, including the CEO/Superintendent, Accountant, and Principal, shall receive training on the amended Procurement Policy and the procedures for suspension and debarment verification.
- b. The training shall include an explanation of the consequences of engaging in covered transactions with suspended, debarred, or otherwise excluded parties.
- c. Training records shall be maintained to demonstrate compliance with this policy.

4. Compliance Review:

- a. Regular compliance reviews shall be conducted by the CEO/Superintendent, Accountant, and Principal to ensure adherence to the amended Procurement Policy and the suspension and debarment verification procedures.
- b. Any instances of non-compliance shall be addressed promptly and appropriate corrective actions shall be taken.

This Procurement Policy Amendment for Suspension and Debarment Verification shall be implemented immediately, and all employees shall comply with the revised policy and procedures.

Approved:



**GRANTEE AGREEMENT
NO. GR-ARPA-SEP-NOSOTROS-08**

Between the

**STATE OF ARIZONA,
THE OFFICE OF THE GOVERNOR**

And the

Nosotros Inc

I. RECITALS

WHEREAS, A.R.S. § 41-101.01 authorizes the State of Arizona, the Office of the Governor ("GVA") to execute and administer contracts, and is charged with the responsibility of administering emergency response funding.

WHEREAS, this contract is awarded as a result of public competition in accordance with A.R.S. § 41-2702.

THEREFORE, it is agreed that GVA and Nosotros Inc ("Grantee"), hereafter collectively referred to as the "Parties," enter into the terms of this Grant Agreement ("Agreement").

II. TERM OF AGREEMENT, TERMINATION AND AMENDMENTS

This Agreement shall be effective May 15, 2023 and shall terminate on August 11, 2023, contingent upon funding.

Either party may terminate this Agreement at any earlier time by providing written notice to the other party at least thirty (30) days prior to the termination date. GVA agrees that regardless of its termination date with Grantee, Grantee may use the funds distributed under this Agreement to pay for any unpaid services pursuant to this Agreement obligated prior to the date of termination. This Agreement is subject to cancellation pursuant to A.R.S. § 38-511, the provisions of which are incorporated herein.

Amendments to this Agreement shall not be effective unless made in writing and signed by both parties.

III. DESCRIPTION OF SERVICES

Grantee shall:

- A. Provide Summer Enrichment Programming for 1-200 unduplicated student participants who may be in grade levels Kindergarten through 12th grade, including eligible students in need of credit recovery in accordance with *Request for Grant Applications (RFGA) U.S. DOE GEER II and ARPA/SLFRF 031623-SEP2023* and the Grantee's approved application narrative and approved project budget, as reflected in eCivis, the State's grants management system.
- B. Provide Summer Enrichment Programming at no cost to all participating students.

IV. MANNER OF FINANCING

Funding for this award is provided from the Coronavirus State and Local Fiscal Recovery Funds allocated to the State of Arizona. The Catalog of Federal Domestic Assistance (CFDA)/Assistance Listing for all activity pursuant to this Agreement is 21.027. Under this Agreement, Grantee's services must be provided in compliance with the U.S. Department of the Treasury's Final Rule:

<https://www.govinfo.gov/content/pkg/FR-2022-01-27/pdf/2022-00292.pdf>

GVA shall:

- A. Provide to Grantee a total maximum award of \$36,288.00 for activities outlined in Section III.
- B. Transfer funding to Grantee upon receipt of valid request(s) for reimbursement, which includes detailed supporting documentation of actual costs incurred as the project is executed. Detailed, valid supporting documentation includes but is not limited to general ledgers, payroll-system generated reports, time and effort certifications, invoices and corresponding proof of payment for services provided, receipts, cleared checks, etc. Any unused funding pursuant to this Agreement at the termination date shall be transferred back to GVA and the remaining balance of the award de-obligated.
- C. Questions regarding the appropriate use of the funds shall be resolved by mutual written agreement between Grantee and GVA. Expenses that were not clearly delineated in Grantee's approved project budget are undertaken at Grantee's own risk and are not guaranteed reimbursement.

Grantee shall:

- A. Use eCivis, the State's grant management system, for all grant-related actions.
- B. Use grant funding received from GVA only to support the activities outlined in Section III for only the allowable expenses stipulated in *Request for Grant Applications (RFGA) U.S. DOE GEER II and ARPA/SLFRF 031623-SEP2023*:

Eligible and allowable expenses for this RFGA are restricted to expenses and activities incurred during the period from Monday, May 15, 2023 through Friday, August 11, 2023 and are as follows:

- Arizona personnel providing summer enrichment programming during summer 2023 (may include salaries, summer-specific stipends, and Employee-Related Expenses such as taxes and insurance ONLY)
- Consumable supplies and materials for summer 2023 enrichment programming whose per unit cost is less than \$5,000 and which are not expected to last longer than 1 year
- The uncovered costs of participating in the U.S. Department of Agriculture's Summer Food Service Program (SFSP)
- Established transportation providers including an LEA's or other organization's: (1) existing bus fleet(s) and transportation staff; (2) fuel expenses specifically for summer enrichment programming; and (3) mileage at the rate authorized by the *State of Arizona Accounting Manual*. Ride-sharing services and fuel/gas gift cards are NOT an unallowed use of funds.

LEAs offering credit recovery during the summer for students who are not on track to graduate on time may use grant funds toward the purchase of curriculum, software, or licenses for students' use or access to online credit recovery programming. Students are required to attend summer programming in person to access these credit recovery lessons/programming. Expenses eligible for reimbursement must be specific to the time

period of the grant and paid per credit hour or as a prorated share of the expense (i.e., an annual license or subscription fee may not be charged in full to the grant funding).

- C. Use grant funding received from GVA to supplement summer enrichment programming costs.
- D. Agree that capitalized expenses (such as vehicles, buses, and/or furniture), indirect costs, field trip fees, and facility lease fees are not eligible for reimbursement.
- E. Agree that the deadline to submit all final reimbursement requests for Summer Enrichment Programming 2023 is **Friday, October 13, 2023**. Requests for reimbursement received later than October 13, 2023 will not be paid by GVA.
- F. Agree that the deadline to submit the required grant closeout report is **Friday, November 17, 2023**. The format for the report will be provided by GVA. Failure to submit the required grant closeout report may result in delayed or withheld payments from other federal grant awards administered by GVA, rejection of future applications for grant funds, and recoupment of awarded funds.
- G. Assure that all expenses are in line with the *State of Arizona Accounting Manual* <https://gao.az.gov/state-arizona-accounting-manual-saam>
- H. Assure that any expenses reimbursed under this Agreement have not been or will not be reimbursed under any other federal program.
- I. Maintain a tracking of total expenditures and report to GVA on metrics as established herein.
- J. Agree that all revenue received must remain in a singular dedicated fund and all expenditures must be made directly from the same.

V. COST REIMBURSEMENT

Grantee shall be paid on a cost-reimbursement basis. Grantee shall use eCivis to submit request(s) for reimbursement. Grantee shall not request reimbursement until the cost has resulted in an actual cash expenditure. Grantee may request reimbursement for only those items included in the approved budget and used for the project within the approved project period. All expenses must be incurred and paid prior to the final reimbursement request.

VI. REPORTING REQUIREMENTS

Grantee shall submit programmatic (activity) reports to the GVA through eCivis for all activities performed and expenditures incurred under this Agreement as approved according to Section III above.

Grantee shall report the following metrics using the GVA-provided template:

- A. The number of unduplicated participants served and corresponding aggregated demographic information including the participants' ages, grade level entering in the 2023-2024 school year, gender, race, and eligibility for free and reduced price lunch
- B. If applicable, whether the Grantee is a Title I School
- C. If applicable, whether the Grantee is providing summer enrichment programming in a qualified census tract
- D. If applicable, the number of high-impact tutoring hours provided to participants
- E. Number of students participating in evidence-based tutoring programs

Programmatic reports are due as follows:

July 15, 2023 for activities performed from May 15 - June 30, 2023

October 13, 2023 for activities performed from July 1 - August 11, 2023

VII. DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated into this Agreement as if fully set forth herein:

- A. *Attachment A – Uniform Terms and Conditions* (the Parties hereby acknowledge and agree that this Agreement is a "Contract" as such term is defined and used in Attachment A)
- B. *Attachment B – Insurance Provisions*

Grantee warrants that it has read and understands these documents and agrees to be bound to those applicable provisions in their entirety. In the event of any divergence between this Agreement and the referenced documents, this Agreement shall control.

VIII. APPLICABLE LAW

In accordance with A.R.S. § 41-2501, *et seq.*, and Arizona Administrative Code R2-7-101, *et seq.*, this Agreement shall be governed and interpreted by the laws of the State of Arizona and the Arizona Procurement Code.

IX. APPLICABILITY OF PART 200 UNIFORM REQUIREMENTS

Grantee agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 C.F.R. Part 200.

X. NON-AVAILABILITY OF FUNDS

In accordance with A.R.S. § 35-154, every payment obligation of GVA under the Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by GVA at the end of the period for which funds are available. No liability shall accrue to GVA in the event this provision is exercised, and GVA shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

XI. AUDIT

In accordance with A.R.S. § 35-214, Grantee shall retain and shall contractually require each Grantee and subgrantee to retain all data, books and other records ("records") relating to this Agreement for a period of five years after completion of the Agreement. All records shall be subject to inspection and audit by GVA at reasonable times. Upon request, Grantee shall produce the original of any or all such records.

XII. CONFLICT OF INTEREST

Grantee warrants that the submission of their RFGA application did not involve collusion or other anti-competitive practices. Grantee warrants that it has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Signing the Agreement with a false statement shall void the Agreement, and may be subject to legal remedies provided by law.

In accordance with A.R.S. § 38-511, GVA may within three years after execution cancel the Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of GVA, at any time while the Agreement is in effect, becomes an employee or agent or any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the matter of the Agreement.

XIII. ANTI-DISCRIMINATION

Grantee shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-9 or A.R.S. §§ 41-1461 through 1465.

XIV. FUND MANAGEMENT

The Grantee must maintain funds received under this Agreement in separate ledger accounts and cannot mix these funds with other sources. The Grantee must manage funds according to applicable federal regulations for administrative requirements, cost principles and audits.

The Grantee must maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are:

- A. Financial Management
- B. Procurement

- C. Personnel
- D. Property
- E. Travel

A system is adequate if it is: 1) written; 2) consistently followed - it applies in all similar circumstances; and 3) consistently applied – it applies to all sources of funds. GVA reserves the right to review all business systems policies.

XV. UEI/SAM

Each successful recipient who is awarded \$25,000 or more must provide the following prior to an Agreement being executed: (a) Unique Entity Identifier (UEI) number for the fiscal agent; and (b) proof of current registration in the SAM.gov (SAM) website. SAM registration must be maintained for the term of the Agreement. SAM registration information may be found at <https://sam.gov/content/home>.

XVI. FFATA REPORTING REQUIREMENTS

In compliance with the Federal Funding Accountability and Transparency Act of 2006 Reporting Requirements, Pub. L. No. 109-282, 120 Stat. 1186, as amended by Section 6202 (a) of Pub. L. No. 110-252, the Grantee is required to provide information. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) to be made available to the public via a single, searchable website, which is www.USASpending.gov.

XVII. OTHER

It is agreed that the Parties to this Agreement have participated fully in the negotiation and preparation of the Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement. The Parties acknowledge they have been advised by counsel, or have had the opportunity to be advised by counsel, in the negotiation and execution of the Agreement.

XVIII. NOTICES

Grantee shall address all notices relative to this Agreement to GVA and shall reference this agreement number in all correspondence to:

Grants and Federal Resources Team
Governor's Office of Strategic Planning and Budgeting,
1700 West Washington Street, Suite 600
Phoenix, Arizona 85007
gfr@az.gov

GVA shall address all notices relative to this Agreement to Grantee:

Paul M Felix
CEO/Superintendent
Nosotros Inc
440 N Grande Ave
Tucson, AZ 85745
info@nosotrosacademy.org

IN WITNESS WHEREOF, the Parties hereto agree to execute this Agreement.

ORGANIZATION

Paul M. Felix
Paul M. Felix (May 24, 2023 11:46 PDT)

05/24/2023

Date

Paul M. Felix

CEO/Superintendent

THE OFFICE OF THE GOVERNOR

Rebecca Dial
Rebecca Dial (May 25, 2023 12:00 PDT)

05/25/2023

Date

Rebecca Dial

Deputy Director

Governor's Office of Strategic Planning & Budgeting

John McCleve
John McCleve (May 25, 2023 12:09 PDT)

05/25/2023

Date

John McCleve

Comptroller and CFO

Governor's Accounting Office



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1. **Definition of Terms.** As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:
 - 1.1. "Attachment" means any item the Solicitation which requires the Offeror to submit as part of the Offer.
 - 1.2. "Contract" means the combination of the Solicitation, including the Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
 - 1.3. "Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
 - 1.4. "Contractor" means any person who has a Contract with the State.
 - 1.5. "Data" means recorded information, regardless of form or the media on which it may be recorded. The term may include technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.
 - 1.6. "Days" means calendar days unless otherwise specified.
 - 1.7. "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation generally containing maps, schematics, examples of reports, or other documents that will be used to perform the requirements of the Scope of Work after contract award.
 - 1.8. "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
 - 1.9. "Materials" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
 - 1.10. "Procurement Officer" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
 - 1.11. "Services" means the furnishing of labor, time or effort by a Contractor or Subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
 - 1.12. "State" means any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona that executes the Contract.
 - 1.13. "State Fiscal Year" means the period beginning with July 1 and ending June 30.
 - 1.14. "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a Subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any Materials or any Services required for the performance of the Contract.
 - 1.15. "Subcontractor" means a person who contracts to perform work or render Services to a Contractor or to another Subcontractor as a part of a Contract with the State.



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2. Contract Interpretation

- 2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1. Special Terms and Conditions;
 - 2.3.2. Uniform Terms and Conditions;
 - 2.3.3. Statement or Scope of Work;
 - 2.3.4. Specifications;
 - 2.3.5. Attachments;
 - 2.3.6. Exhibits; then
 - 2.3.7. Any other documents referenced or included in the Solicitation including, but not limited to, any Bid or Offer documents provided by the Contractor that do not fall into one of the above categories.
- 2.4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6. No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

- 3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each Subcontractor to retain any and all Data and other "records" relating to the acquisition and performance of the Contract for a period of five (5) years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2. Non-Discrimination. The Contractor shall comply with State Executive Order Nos. 2023-09, 2023-01, 2009-09, and any and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.



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- 3.3. **Audit.** Pursuant to A.R.S. § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any Subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4. **Facilities Inspection and Materials Testing.** The Contractor agrees to permit access to its facilities, Subcontractor facilities, and the Contractor's processes or services, at reasonable times for inspection of the facilities or Materials covered under this Contract as required under A.R.S. § 41-2547. The State shall also have the right to test, at its own cost, the Materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor Materials testing shall constitute final acceptance of the Materials or Services. If the State determines non-compliance of the Materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5. **Notices.** Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation, stated in the Contract, or listed on the State's eProcurement system. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6. **Advertising, Publishing and Promotion of Contract.** The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7. **Continuous Improvement.** Contractor shall recommend continuous improvements on an on-going basis in relation to any Materials and Services offered under the Contract, with a view to reducing State costs and improving the quality and efficiency of the provision of Materials or Services. State may require Contractor to engage in continuous improvements throughout the term of the Contract.
- 3.8. **Other Contractors.** State may undertake on its own or award other contracts to the same or other suppliers for additional or related work. In such cases, the Contractor shall cooperate fully with State employees and such other suppliers and carefully coordinate, fit, connect, accommodate, adjust, or sequence its work to the related work by others. Where the Contract requires handing-off Contractor's work to others, Contractor shall cooperate as State instructs regarding the necessary transfer of its work product, Materials, Services, or records to State or the other suppliers. Contractor shall not commit or permit any act that interferes with the State's or other suppliers' performance of their work, provided that, State shall enforce the foregoing section equitably among all its suppliers so as not impose an unreasonable burden on any one of them.
- 3.9. **Ownership of Intellectual Property**
- 3.9.1. **Rights In Work Product.** All intellectual property originated or prepared by Contractor pursuant to the Contract, including but not limited to, inventions, discoveries, intellectual copyrights, trademarks, trade names, trade secrets, technical communications, records reports, computer programs and other documentation or improvements thereto, including Contractor's administrative communications and records relating to the Contract, are



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considered work product and Contractor's property, provided that, State has Government Purpose Rights to that work product as and when it was delivered to State.

3.9.2. "Government Purpose Rights" are:

- 3.9.2.1. the unlimited, perpetual, irrevocable, royalty free, non-exclusive, worldwide right to use, modify, reproduce, release, perform, display, sublicense, disclose and create derivatives from that work product without restriction for any activity in which State is a party;
- 3.9.2.2. the right to release or disclose that work product to third parties for any State government purpose; and
- 3.9.2.3. the right to authorize those to whom it rightfully releases or discloses that work product to use, modify, release, create derivative works from the work product for any State government purpose; such recipients being understood to include the federal government, the governments of other states, and various local governments.

3.9.3. "Government Purpose Rights" do not include any right to use, modify, reproduce, perform, release, display, create derivative works from or disclose that work product for any commercial purpose, or to authorize others to do so.

3.9.4. Joint Developments. The Contractor and State may each use equally any ideas, concepts, know-how, or techniques developed jointly during the course of the Contract, and may do so at their respective discretion, without obligation of notice or accounting to the other party.

3.9.5. Pre-existing Material. All pre-existing software and other Materials developed or otherwise obtained by or for Contractor or its affiliates independently of the Contract or applicable Purchase Orders are not part of the work product to which rights are granted State under subparagraph 3.9.1 above, and will remain the exclusive property of Contractor, provided that:

- 3.9.5.1. any derivative works of such pre-existing Materials or elements thereof that are created pursuant to the Contract are part of that work product;
- 3.9.5.2. any elements of derivative work of such pre-existing Materials that was not created pursuant to the Contract are not part of that work product; and
- 3.9.5.3. except as expressly stated otherwise, nothing in the Contract is to be construed to interfere or diminish Contractor's or its affiliates' ownership of such pre-existing Materials.

3.9.6. Developments Outside Of Contract. Unless expressly stated otherwise in the Contract, this Section does not preclude Contractor from developing competing Materials outside the Contract, irrespective of any similarity to Materials delivered or to be delivered to State hereunder.

3.10. Property of the State. If there are any materials that are not covered by Section 3.9 above created under this Contract, including but not limited to, reports and other deliverables, these materials are the sole



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property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

- 3.11. Federal Immigration and Nationality Act. Contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, Contractor shall flow down this requirement to all Subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of Contractor and Subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor or any Subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to: suspension of work, termination of the contract for default and suspension or debarment of the contractor.
- 3.12. E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23- 214, Subsection A.
- 3.13. Offshore Performance of Work involving Data is Prohibited. Any Services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to Data shall be performed within the defined territories of the United States.
- 3.14. Protection of State Cybersecurity Interests. The Contractor shall comply with State Executive Order No. 2023-10, which includes, but is not limited to, a prohibition against (a) downloading and installing of TikTok on all State-owned and State-leased information technology; and (b) accessing TikTok through State information technology.
- 3.15. Protection of State Cybersecurity Interests. The Contractor shall comply with State Executive Order No. 2023-10, which includes, but is not limited to, a prohibition against (a) downloading and installing of TikTok on all State-owned and State-leased information technology; and (b) accessing TikTok through State information technology.
- 3.16. Certifications Required by State Law.
- 3.16.1. If Contractor is a Company as defined in A.R.S. § 35-393, Contractor certifies that it is not currently engaged in a boycott of Israel as described in A.R.S. §§ 35-393 *et seq.* and will refrain from any such boycott for the duration of this Contract.
- 3.16.2. Contractor further certifies that it shall comply with A.R.S. § 35-394, regarding use of the forced labor of ethnic Uyghurs, as applicable.

4. Costs and Payments

- 4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of Materials or Services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2. Delivery. Unless stated otherwise in the Contract, per A.R.S. § 47-2319, all prices shall be F.O.B. ("free on board") Destination and shall include all freight delivery and unloading at the destination.



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4.3. **Firm, Fixed Price.** Unless stated otherwise in the Special Terms and Conditions of the Contract, all prices shall be firm-fixed-prices.

4.4. **Applicable Taxes**

4.4.1. **Payment of Taxes.** The Contractor shall be responsible for paying all applicable taxes.

4.4.2. **State and Local Transaction Privilege Taxes.** The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

4.4.3. **Tax Indemnification.** Contractor and all Subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all Subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.4.4. **IRS W9 Form.** In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

4.5. **Availability of Funds for the Next State Fiscal Year.** Funds may not presently be available for performance under this Contract beyond the current State Fiscal Year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current State Fiscal Year until funds are made available for performance of this Contract.

4.6. **Availability of Funds for the Current State Fiscal Year.** Should the State Legislature enter back into session and reduce the appropriations or for any reason and these Materials or Services are not funded, the State may take any of the following actions:

4.6.1. Accept a decrease in price offered by the Contractor;

4.6.2. Cancel the Contract; or

4.6.3. Cancel the Contract and re-solicit the requirements.

5. **Contract Changes**

5.1. **Amendments.** This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of Services or Materials, the revision of payment terms, or the substitution of Services or Materials, directed by a person who is not specifically authorized by the Procurement Officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

5.2. **Subcontracts.** The Contractor shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of the Procurement Officer as described in Arizona State Procurement Office Standard Procedure 002. The Contractor shall clearly list



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any proposed Subcontractors and the Subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

- 5.3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

- 6.1. Risk of Loss. The Contractor shall bear all loss of conforming Materials covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming Materials shall remain with the Contractor regardless of receipt.

6.2. Indemnification

6.2.1. Contractor/Vendor Indemnification (Not Public Agency). To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or Subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnity shall not apply if the Contractor or Subcontractor(s) is/are an agency, board, commission or university of the State of Arizona.

6.2.2. Public Agency Language Only. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.

- 6.3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or



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copyright arising out of Contract performance or use by the State of Materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the Contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this paragraph shall not apply.

6.4. Force Majeure.

6.4.1. Except for payment of sums due, neither the Contractor nor State shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes: acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, lockouts, injunctions-intervention-acts, failures or refusals to act by government authority, and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2. Force Majeure shall not include the following occurrences:

6.4.2.1. Late delivery of equipment, Materials, or Services caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2. Late performance by a Subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3. Inability of either the Contractor or any Subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3. If either the Contractor or State is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern Materials or Services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties



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- 7.1. Liens. The Contractor warrants that the Materials supplied under this Contract are free of liens and shall remain free of liens.
- 7.2. Quality. Unless otherwise modified elsewhere in the Special Terms and Conditions, the Contractor warrants that, for one (1) year after acceptance by the State of the Materials, they shall be:
- 7.2.1. Of a quality to pass without objection in the trade under the Contract description;
 - 7.2.2. Fit for the intended purposes for which the Materials are used;
 - 7.2.3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 - 7.2.4. Adequately contained, packaged, and marked as the Contract may require; and
 - 7.2.5. Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3. Conformity to Requirements.
- 7.3.1. Contractor warrants that, unless expressly provided otherwise elsewhere in the Contract, the Materials and Services will for one (1) year after acceptance and in each instance:
 - 7.3.1.1. Conform to the requirements of the Contract, which by way of reminder include without limitation all descriptions, specifications, and drawings identified in the Scope of Work and any and all Contractor affirmations included as part of the Contract;
 - 7.3.1.2. Be free from defects of material and workmanship;
 - 7.3.1.3. Conform to or perform in a manner consistent with current industry standards; and
 - 7.3.1.4. Be fit for the intended purpose or use described in the Contract.
 - 7.3.2. Mere delivery or performance does not substitute for express acceptance by the State. Where inspection, testing, or other acceptance assessment of Materials or Services cannot be done until after installation or invoicing, the forgoing warranty will not begin until State's explicit acceptance of the Materials or Services.
- 7.4. Inspection/Testing. The warranties set forth in this Section 7 [Warranties] are not affected by inspection or testing of or payment for the Materials or Services by the State.
- 7.5. Contractor Personnel. Contractor warrants that its personnel will perform their duties under the Contract in a professional manner, applying the requisite skills and knowledge, consistent with industry standards, and in accordance with the requirements of the Contract. Contractor further warrants that its key personnel will maintain any and all certifications relevant to their work, and Contractor shall provide individual evidence of certification to State's authorized representatives upon request.
- 7.6. Compliance With Applicable Laws. The Materials and Services supplied under this Contract shall comply with all applicable federal, state, and local laws and policies (including, but not limited to, information technology policies, standards, and procedures available on the State's website and/or the website of



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any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation commission of the State of Arizona). Federal requirements may be incorporated into this Contract, if required, pursuant to A.R.S. § 41-2637. Contractor shall maintain any and all applicable license and permit requirements. This requirement includes, but is not limited to, any and all Arizona state statutes that impact state contracts, regardless of whether those statutory references have been removed during the course of contract negotiations; this is notice to Contractors that the State does not have the authority to modify Arizona state law by contract.

- 7.7. Intellectual Property. Contractor warrants that the Materials and Services do not and will not infringe or violate any patent, trademark, copyright, trade secret, or other intellectual property rights or laws, except only to the extent the Specifications do not permit use of any other product and Contractor is not and cannot reasonably be expected to be aware of the infringement or violation.
- 7.8. Licenses and Permits. Contractor warrants that it will maintain all licenses required to fully perform its duties under the Contract and all required permits valid and in force.
- 7.9. Operational Continuity. Contractor warrants that it will perform without relief notwithstanding being sold or acquired; no such event will operate to mitigate or alter any of Contractor's duties hereunder absent a consented delegation under paragraph 5.3 [Assignment and Delegation] that expressly recognizes the event.
- 7.10. Performance in Public Health Emergency. Contractor warrants that it will:
- 7.10.1. Have in effect, promptly after commencement, a plan for continuing performance in the event of a declared public health emergency that addresses, at a minimum:
 - 7.10.1.1. Identification of response personnel by name;
 - 7.10.1.2. Key succession and performance responses in the event of sudden and significant decrease in workforce; and
 - 7.10.1.3. Alternative avenues to keep sufficient product on hand or in the supply chain.
 - 7.10.2. Provide a copy of its current plan to State within three (3) business days after State's written request. If Contractor claims relief under paragraph 6.4 [Force Majeure] for an occurrence of force majeure that is a declared public health emergency, then that relief will be conditioned on Contractor having first implemented its plan and exhausted all reasonable opportunity for that plan implementation to overcome the effects of that occurrence, or mitigate those effects to the extent that overcoming entirely is not practicable.
 - 7.10.3. A request from the State related to this paragraph 7.10 does not necessarily indicate that there has been an occurrence of force majeure, and the Contractor will not be entitled to any additional compensation or extension of time by virtue of having to implement a plan.
 - 7.10.4. Failure to have or implement an appropriate plan will be a material breach of contract.
- 7.11. Lobbying



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- 7.11.1. Prohibition. Contractor warrants that it will not engage in lobbying activities, as defined in 40 Code of Federal Regulations (CFR) part 34 and A.R.S. § 41-1231, *et seq.*, using monies awarded under the Contract, provided that, the foregoing does not intend to constrain Contractor's use of its own monies or property, including without limitation any net proceeds duly realized under the Contract or any value thereafter derived from those proceeds; and upon award of the Contract, it will disclose all lobbying activities to State to the extent they are an actual or potential conflict of interest or where such activities could create an appearance of impropriety. Contractor shall implement and maintain adequate controls to assure compliance with above. Contractor shall obtain an equivalent warranty from all Subcontractors and shall include an equivalent no-lobbying provision in all Subcontracts.
- 7.11.2. Exception. This paragraph 7.11 does not apply to the extent that the Services are defined in the Contract as being lobbying for State's benefit or on State's behalf.
- 7.12. Covered Telecommunications or Services. Contractor warrants that the Materials and Services rendered under this Agreement will not require Contractor to use for the State, or provide to the State to use, "covered telecommunications equipment or Services" as a substantial or essential component of any system, or as critical technology as part of any system, within the meaning of Federal Acquisition Regulation ("FAR") Section 52.204-25.
- 7.13. Debarment, Suspension, U.S. Government Restricted Party Lists. Contractor warrants that it is not, and its Subcontractors are not, on the U.S. government's Denied Parties List, the Unverified List, the Entities List, the Specially Designated Nationals and Blocked Parties List, and neither the Contractor nor any Subcontractors are presently debarred, suspended, proposed for debarment or otherwise declared ineligible for award of federal contracts or participation in federal assistance programs or activities.
- 7.14. False Statements. Contractor represents and warrants that all statements and information Contractor prepared and submitted in response to the Solicitation or as part of the Contract documents are current, complete, true, and accurate. If the Procurement Officer determines that Contractor submitted an Offer or Bid with a false statement, or makes material misrepresentations during the performance of the Contract, the Procurement Officer may determine that Contractor has materially breached the Contract and may void the submitted Offer or Bid and any resulting Contract.
- 7.15. Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.15.1. Survival of Warranty. All representations and warranties made by Contractor under the Contract will survive the expiration or earlier termination of the Contract.
- 7.15.2. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12- 529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.15.3. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in



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writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

- 8.1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2. Stop Work Order.
- 8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4. Nonconforming Tender. Materials or Services supplied under this Contract shall fully comply with the Contract. The delivery of Materials or Services or a portion of the Materials or Services that do not fully comply constitutes a breach of contract. On delivery of nonconforming Materials or Services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

- 9.1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the



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cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

- 9.2. **Gratuities.** The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State with the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three (3) times the value of the Gratuity offered by the Contractor.
- 9.3. **Suspension or Debarment.** The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a Subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the Contractor is not currently suspended or debarred. If the Contractor becomes suspended or debarred, the Contractor shall immediately notify the State.
- 9.4. **Termination for Convenience.** The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all Subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, Data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed, and Materials or Services accepted before the effective date of the termination. The cost principles and procedures provided in A.R.S. § 41-2543 and A.A.C. Title 2, Chapter 7, Article 7, shall apply.
- 9.5. **Termination for Default.**
- 9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 9.5.2. Upon termination under this paragraph, all goods, Materials, documents, Data, and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, Materials or Services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring Materials or Services in substitution for those due from the Contractor.



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9.6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (A.R.S. Title 41)



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1.1 Indemnification Clause

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

1.2 Insurance Requirements

1.2.1 Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

1.2.2 The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

1.3 Minimum Scope of Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

1.3.1 Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Damage to Rented Premises \$50,000
- Each Occurrence \$1,000,000

- a. The policy shall include coverage for Sexual Abuse and Molestation (SAM). This coverage may be sub-limited to no less than \$500,000. The limits may be included within the General



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Liability limit or provided by separate endorsement with its own limits. If you are unable to obtain SAM coverage under your General Liability because the insurance market will not support it, it should be included with the Professional Liability.

- b. Contractor must provide the following statement on their Certificate(s) of Insurance: "Sexual Abuse and Molestation coverage is included" or "Sexual Abuse and Molestation coverage is not excluded."
- c. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
- d. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.2 Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000
 - a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
 - b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.3 Workers' Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
 - Each Accident \$1,000,000
 - Disease – Each Employee \$1,000,000
 - Disease – Policy Limit \$1,000,000
 - a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
 - b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate



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waiver form (Sole Proprietor or Independent Contractor).

1.3.4 Professional Liability (Errors and Omissions Liability)

- Each Claim \$2,000,000
 - Annual Aggregate \$2,000,000
- a. If SAM coverage is being provided under this policy then Contractor must provide the following statement on their Certificate(s) of Insurance: "Sexual Abuse and Molestation coverage is included" or "Sexual Abuse and Molestation coverage is not excluded." This coverage may be sub-limited to no less than \$500,000.
 - b. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
 - c. Policy shall cover professional misconduct or wrongful acts for those positions defined in the Scope of Work of this contract.

1.4 Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

- 1.4.1 The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
- 1.4.2 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

1.5 Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Governor's Office of Strategic Planning and Budgeting and shall be mailed, emailed or hand delivered to:

Grants and Federal Resources Team
Office of Strategic Planning and Budgeting
1700 W. Washington St., Suite 600
Phoenix, AZ 85007
gfr@az.gov

1.6 Acceptability of Insurers



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Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

1.7 Verification of Coverage

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

- 1.7.1 All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.
- 1.7.2 Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
- 1.7.3 All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

1.8 Subcontractors

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.

1.9 Approval and Modifications

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

1.10 Exceptions

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.