



USFR MEMORANDUM NO. 239

TO: School District Administrators; County School Superintendents

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

DATE: June 16, 2009

SUBJECT: Fiscal Year (FY) 2010 Preliminary School District Annual Expenditure Budget Forms, Budget Supplement, Budget Summary, Budget Work Sheets, Truth in Taxation Work Sheet, Hearing Notice of Tax Increase, Hearing Notification, Desegregation Supplement and related forms, and Instructions (Supersedes USFR Memorandum Nos. 234 and 236)

The Forty-ninth Legislature, First Regular Session has not yet concluded and a State budget has not been adopted. Districts should use the FY 2010 **preliminary** school district budget forms to propose and adopt their expenditure budgets. We anticipate that pending budget legislation will contain numerous changes that will need to be incorporated into the budget form calculations. Therefore, once the State Legislature has concluded its session and a State budget is signed by the Governor, we will issue an additional USFR Memorandum providing detailed budget instructions and FY 2010 **final** school district budget forms, which districts should use to revise their budgets. Arizona Revised Statutes (A.R.S.) §15-905(Q) allows districts to revise their budgets for such legislative changes by September 15, 2009.

A copy of the Excel forms for the FY 2010 preliminary budget forms may be downloaded from the Auditor General's Web site at www.azauditor.gov/forms_schooldistrict.htm or ADE's Web site at www.azed.gov/schoolfinance/Forms/Budgets.

Most items included in the FY 2009 forms have been carried forward to the FY 2010 preliminary forms, including the restrictions for rapid decline, desegregation, and the joint technological education districts; the state support level per route mile on Work Sheet D; and the additional assistance amount on Work Sheet I. Districts should refer back to USFR Memorandum Nos. 234 and 236 for detailed instructions on completing their budgets.

Detailed Budget Form and Work Sheet Changes

Cover Page—A line to record the secondary tax rate for joint technological education districts has been added to the expenditure budget cover page.

Pages 1-6—For FY 2010, the retirement contribution rate is 9.0% and the long-term disability rate is 0.40% for a total contribution rate of 9.40%.

Page 6—Line 34, Fund 670—Capital Equity was eliminated. Any district still using this Fund should record the amount on Line 38, Other Funds.

Page 6—A new Line 34 was added for Fund 691—Building Renewal Grant.

Page 7—Line 9(f) “Assistance for Education” was renumbered to Line 9(e).

Page 7—A new Line 9(f) “Interest Expense Incurred for FY 2009 and 2010 due to Delayed/Deferred State Aid Payments” was added pursuant to Laws 2008, Ch. 287, §48 and Laws 2009, Ch. 6.

Page 8—The Classroom Site Fund per pupil amount has been updated to \$244, based on the Joint Legislative Budget Committee’s (JLBC) March 31, 2009, memorandum.

Work Sheet C—The base level amount on line IV.A was decreased to \$3,201.89, in accordance with Laws 2009, SB 1187, which was passed by the Legislature, but has not been transmitted to the Governor.

Work Sheet C—Line XIV “Other Reductions” was added. This line would only be used to record other reductions required by future legislation and should be left blank for budget adoption. If needed during the year, instructions will be provided.

Work Sheet J—The qualifying tax rate for PSD-8 and 9-12 was reduced to \$1.3726 based on JLBC’s February 16, 2009, memorandum.

Work Sheet N—This work sheet was eliminated as the excess utilities budget provision in A.R.S. §15-910 expires at the end of FY 2009. Related information on Budget pages 2 and 7 were also eliminated.

Work Sheet P—This work sheet was added to calculate the “Add-on for Children with Disabilities and Indian Students” amount in accordance with A.R.S. §15-905(K) and (O) that is recorded on page 7, line 7(a).

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

MDH/VGS/lm