FY 2026 School District Annual Expenditure Budget
Submission and Publication Instructions

Arizona Revised Statutes (A.R.S.) §15-903(A) requires the Superintendent of Public Instruction in conjunction with the Arizona Auditor General to prescribe the budget format to be used by all districts. A.R.S. §15-905 requires districts to prepare and submit budgets in electronic format containing the information and in the form provided by the Arizona Department of Education (ADE). The Arizona Auditor General and ADE developed the budget format in Microsoft Excel to incorporate the information districts are statutorily required to include in their annual budgets. This format will help districts comply with budget preparation and submission requirements.

Detailed instructions for preparing the expenditure budget forms and desegregation budget are included on an instructions tab in the related Excel files, along with a summary of significant changes from last year's budget packet for applicable line items. Helpful hints for using the expenditure budget packet are included at the end of this document.

Preliminary and final budget form options

Since the FY 2026 State budget has not passed, ADE School Finance and the Arizona Auditor General published preliminary budget forms to allow districts to plan budget preparation processes and governing board meetings. The preliminary budget forms do not include routine annual changes such as inflation and do not anticipate any other changes to State law. Final budget forms will be published shortly after final changes in State law are known. Districts have the following options to choose from when proposing and adopting their FY 2026 budgets:

Option 1	Option 2	Option 3
Propose using preliminary budget forms.	Propose using final budget forms.	Propose using preliminary budget forms
Adopt using preliminary budget forms.	Adopt using final budget forms.	Repropose using final budget forms
Revise using final budget forms by September 15.	Revise using final budget forms, if needed.	Adopt using final budget forms
		Revise using final budget forms, if needed

Proposed budget

Districts are statutorily required to annually prepare a <u>proposed</u> budget no later than July 5 or, if earlier, the publication date of the notice of public hearing and board meeting to <u>adopt</u> the budget. The <u>proposed</u> budget must be furnished to the Superintendent of Public Instruction and to the County School Superintendent (CSS), unless waived by the CSS. **The governing board meeting held to <u>propose</u> a budget is subject to the standard 24-hour advance notice of board meetings.** The proposed budget and related summary must be kept on file at the district and made available to the public upon request. In accordance with A.R.S. §15-905(A)(2), districts that maintain a website must provide a link on their website to ADE's website where the district's <u>proposed</u> budget/summary can be viewed. See website requirements section below.

Publishing requirements

The district **must** also post, publish, <u>or</u> mail a copy of the <u>proposed</u> budget or Summary <u>and</u> a notice of the public hearing and board meeting to adopt the budget no later than 10 days prior to the meeting to <u>adopt</u> the budget by **1** of the following methods:

- **Posting to ADE's website**—Districts that have a website are required to follow the website requirements section below and may choose to meet the publication requirement for the proposed budget by electronically uploading the Hearing Notification and Summary via the School Finance Budget System to ADE for posting on ADE's website.

- **Publishing in a newspaper**—Print the <u>proposed</u> budget or Summary and Hearing Notification in at least 8-point type in a newspaper of general circulation within the district. The publisher's affidavit of newspaper publication must be filed with the Superintendent of Public Instruction within 30 days of the publication. To meet this requirement, districts should scan and email the affidavit to SFBudgetTeam@azed.gov.

- **Mailing**—Mail the <u>proposed</u> budget or Summary and Hearing Notification to each household in the district. An affidavit or other documentation of mailing must be filed with the Superintendent of Public Instruction within 30 days of mailing. To meet this requirement, districts should scan and email the affidavit to SFBudgetTeam@azed.gov.

Truth in taxation requirements

In accordance with A.R.S. §15-905.01, a district must hold a truth in taxation hearing on or before the adoption of the expenditure budget if the district budgets an amount that is higher than the truth in taxation base limit, levies any amount for adjacent ways pursuant to A.R.S. §15-995, or levies any amount for liabilities in excess of the budget pursuant to A.R.S. §15-907. If a hearing is required, districts must either publish or mail a notice at least 10 days but not more than 20 days before the hearing. The notice must be published in a section other than the classified or legal advertising section in a newspaper of general circulation in the district or mailed to each registered voter within the district (statute does not allow districts the option of posting the truth in taxation hearing notice on ADE's website). The notice must be at least one-fourth page in size, surrounded by a solid black border at least one-eighth inch in width, with the headline in at least 18-point type. The sample truth in taxation hearing notice is provided to assist districts in complying with these statutory requirements. **The parenthetical remarks in the sample notice are included to assist districts in preparing the notice and should be removed prior to publishing or mailing the notice.** In addition to publishing or mailing the notice, the district must also issue a press release containing the truth in taxation hearing notice to all newspapers of general circulation in the district. Within 3 days after the hearing, the governing board must mail a copy of the truth in taxation hearing notice, a statement of its publication or mailing, and the result of the governing board's vote to the Property Tax Oversight Commission established by A.R.S. §42-17002. The mailing address is Property Tax Oversight Commission–Econometrics, 1600 W. Monroe St., 9th Floor, Phoenix, AZ, 85007. Districts may combine the notice of budget adoption hearing with the truth in taxation notice and hearing if the budget notice and hearing is published or mailed (combining notices is not possible if notice of budget adoption is posted to ADE's website). Refer to A.R.S. §15-905.01 for further information on the truth in taxation notice and hearing.

Budget adoption

Districts must <u>adopt</u> a budget no later than July 15 and electronically upload it via the School Finance Budget System to the Superintendent of Public Instruction no later than July 18. In accordance with A.R.S. §15-905(E), districts that maintain a website must provide a link on their website to ADE's website where the district's <u>adopted</u> budget/summary can be viewed.

Budget revision

On or before September 15—If a school district governing board adopts a budget using the preliminary budget forms published by the Arizona Auditor General and ADE School Finance, districts may revise their adopted budgets by September 15 for changes in law that impact budget limit calculations or to include items authorized by law. If the governing board does not revise the budget on or before September 15 and the budget includes any items not authorized by law or if the budget exceeds any limits, the governing board must revise the budget on or before December 15, as described below. For these revisions, the district should post the standard 24-hour advance notice of the board meeting and hold a public hearing. A.R.S. §15-905

On or before December 15—If ADE notifies a district that the adopted budget is in excess of the General Budget Limit (GBL) or Unrestricted Capital Budget Limit (UCBL) by 1% or more of its GBL, the <u>adopted</u> budget **must** be revised so as not to exceed the GBL or UCBL on or before December 15. For required December 15 revisions, the district must publish a notice of a public hearing and board meeting to revise the budget **no later than 10 days prior to the meeting**. The district may use any of the 3 publishing methods described in the publishing requirements section above. If ADE notifies the district that the <u>adopted</u> budget is in excess of the GBL or UCBL by less than 1% or more of its GBL, the district is not required to prepare a December 15 revision but **must** adjust the current year budget before May 15.

Before May 15—All districts that revise their FY 2026 adopted budget, including revisions of the GBL, UCBL, Classroom Site Fund Budget Limit (pages 3, 7, and 8), Maintenance and Operation Fund budget (page 1), Unrestricted Capital Outlay Fund budget (page 4), or Classroom Site Fund budget (page 3), as allowed by statute, **must** have final revisions completed and approved at a Governing Board meeting <u>before</u> May 15. For these revisions, the district should post the standard 24-hour advance notice of the board meeting and hold a public hearing. A.R.S. §15-905

In addition to the revisions described above, a governing board may authorize, at a public meeting, the expenditure of monies for any subsection within the M&O Fund in excess of amounts specified in the adopted budget if the expenditures for all subsections do not exceed the total budget limit expenditures on Page 1. (A.R.S. §15-905.G) The M&O Fund budget includes the following subsections that should be considered for these purposes: regular education, special education, pupil transportation, desegregation, dropout prevention programs, joint career and technical education and vocational education center, K-3 reading, and budgeted carryforward.

Districts must obtain approval to exceed the adopted expenditure budget for federal and State projects funds. In accordance with A.R.S. §15-207(B), the State Board of Education may, with the county board of supervisors' approval, authorize a district to exceed the adopted expenditure budget for federal funds received pursuant to A.R.S. §15-206. In accordance with

A.R.S. §15-916, a district governing board may, with the approval of the county school superintendent, authorize the expenditure of State grant monies in excess of the adopted expenditure budget by action taken at a public meeting. The district must notify ADE within 30 days of the amount of authorized expenditures. Alternatively, if a district receives a federal or State grant that was not included in its adopted budget, it may revise its adopted expenditure budget prior to May 15 to include the additional monies received.

Budget submission

Districts must submit their budget as described below.

Type of budget	Submit no later than	To Superintendent of Public Instruction	To County School Superintendent
Proposed	July 5	Yes	Yes, unless waived
Adopted	July 18	Yes	No
September revision	September 18	Yes	No
December revision	December 18	Yes	No
May revision	May 18	Yes	No

ADE will only accept FY 2026 budget forms submitted electronically using either the Excel forms with the 5/25 revision date or software that produces an electronic file in a format approved by ADE. Districts may download a copy of the Excel forms from the Auditor General's website at www.azauditor.gov/reports-publications/school-districts/forms

Districts must upload the completed forms via the School Finance Budget System, on ADE's website at https://adeconnect.azed.gov/, starting on June 15, 2025. If the Budget System is able to accept forms before that date, ADE will publish a Hot Topic to alert districts. ADE cannot submit the files on the district's behalf. After uploading the files, districts should verify the files have processed by checking their file submission page at https://adeconnect.azed.gov. If the files did not process, districts should click on the error message link. If unable to correct the error, districts should contact ADE by emailing SFBudgetTeam@azed.gov for assistance. For School Finance Budget System password information or help, districts should contact the ADE Support Center at (602) 542-7378 [outside the Phoenix area call (866) 577-9636] or email adesupport@azed.gov.

The information on the left side of the cover page must be updated when the budget is proposed, adopted, or revised, and the cover page should be printed out for signatures. Each time the forms are electronically submitted to ADE through the School Finance Budget System, (1) the date should be recorded and (2) the **Governing Board Members, Superintendent, and Business Manager should sign where indicated**. Within 5 days of the electronic submission to ADE, the district should scan the signed cover page and upload the pdf to the Budget System. ADE will only accept electronic/scanned copies of the cover page.

Website requirements

Posting a link to ADE's website—There are several instances described above in which a district must post a link on its website to allow the public to view submitted files on ADE's website. Districts must complete the following steps to link to submitted files on ADE's website:

1. After uploading a file to the Budget System and verifying that the file has a status of either "Processed" or "Processed with Warning(s)/Informational," navigate to the following link: [Finance Systems - File Submission Status Report (azed.gov)](azed.gov).

2. Note: This link is available to the public and all district/charter staff without ADEConnect log-in or permissions.

3. Use the filters to find your district's file. (If you had to upload multiple files, make sure to choose the correct file.)

4. In the Submission column, right click on the Submission ID.

5. Choose the option to copy the link.

6. Post this link to your website.

7. In the designated cell on the Cover tab, paste the link to the page on your district's website where the links to ADE's website are located.

For audit purposes, districts should retain screenshots of the page on their website where the links to ADE's website are located. Do not email the screenshot and links to ADE.

Teacher salary requirements—In accordance with A.R.S. §15-903(E), districts must prominently post average teacher salary information **on the home page** of their website separately from their budget. Districts can meet this requirement by posting a screenshot of the average teacher salary information from the budget cover or by separately posting the following information as reported on their budget cover:

- The average salary of all teachers the district employed for the budget year.

- The average salary of all teachers the district employed for the prior year.

- The dollar increase in the average salary of all teachers the district employed for the budget year.

- The percentage increase in the average salary of all teachers the district employed for the budget year.

Helpful Hints for Using the Expenditure Budget Package in Microsoft Excel

Protected view and enabling content—Some of the Excel files in the budget package zip file may cause warning messages (e.g., protected view, enable content, etc.) to appear on your computer the first time you open the files. The files are safe to use. If you receive a warning, you will need to make the file a "trusted document" before you will be able to edit the file. If you need assistance with this, please work with your IT department as security could be set up differently for your computer or network. The solution is often as simple as clicking on the warning message where indicated and choosing to continue editing the file or enabling content. **For districts completing a desegregation budget,** Excel modifies the macro that creates and/or deletes new tabs each time you save the DESEGBUD file, so your IT department must make it a trusted file after each save.

Completing budget year information—The spreadsheets will automatically perform mathematical calculations and bring forward certain amounts from one page to another. In order to facilitate the links between files, you should **extract (not copy)** the files from the zip file

and place all of the budget files, as well as the previous year's budget files, in the same directory such as C:\SDFORMS. **If the file names are changed, the files may not appropriately link to each other.**

The district name, county, and CTD number should be entered on the cover page of the budget forms. The district number should not contain any slashes, dashes, etc. This information will be automatically transferred to other sheets in the files.

On the cover page, the version line for the budget being submitted is formatted with a drop-down menu. Select the appropriate choice from this menu. Only choices in the menu may be entered in this cell. If an applicable choice is not listed, contact ADE School Finance Budget Team at (602) 542-5695 or SFBudgetTeam@azed.gov for further information.

Linked instructions and significant changes—Instructions for completing the budget forms are included on the instructions tab in the budget Excel file. Links to the related instructions are provided throughout the forms. An Instructions button is provided at the top of each form, unless no additional instructions are needed to complete that form. This button links to the first instruction for that form, and users may scroll down to view all instructions for the form. Additionally, specific line numbers or section titles have been linked (highlighted in light blue) throughout the forms to allow users to access the specific line instructions directly without the need to scroll through other instructions for the form. To return to the related form after reviewing the instructions, simply click on the form's tab at the bottom of the Excel screen or press the Alt and back arrow keys. A summary of significant changes to this year's forms is included on the Instructions tab of the expenditure budget file. The forms have been set to print without "objects" so that the instructions buttons do not print. The light blue highlighting will print similar to the light-yellow highlights used to identify significant changes in this year's forms. If needed, users may remove the highlights before printing.

Format and view options—To ensure the accuracy of the calculations, each sheet is protected, and cells with formulas have been locked. When the sheet is protected, you can move from one unprotected cell to the next using the Tab key. Row height, column width, and cell format may be modified without unprotecting the sheet. Grid lines have been turned off to make the lines used in the forms easier to see. Users may turn the grid lines back on without affecting the calculations or the printing of the spreadsheet. Significant changes from last year's forms are highlighted in light yellow and instruction links are highlighted in light blue throughout the spreadsheets. Users may remove highlights if they prefer before finalizing.

File integrity—Please keep the following in mind when using the forms in Excel to ensure that ADE can properly process the district's data:

- Rows and columns should <u>not</u> be added or deleted.
- Pasting information is <u>not</u> advised as it can cause merged cells to unmerge and may result in duplicate reporting of expenditures and/or the value being placed into a cell reference that is different than where the budget system is expecting it.
- Sheet tabs in Excel should <u>not</u> be renamed, moved, or deleted.
- ADE can no longer submit the files on districts' behalf.
- Do not change the file format. Excel files must be submitted in the Excel 2007 and later format (.xlsx or .xlsm, as applicable).

Printing—The Excel files have been formatted to print on legal size paper (8½" by 14"), except for the Instructions, Summary, Truth in Taxation Work Sheet, and BSA55 tabs, which are formatted to print on letter size paper (8½" x 11"). If your printer's settings are different from those used to set up the files, a little experimentation may be needed to get each sheet to print on 1 page. Users should try changing the "scaling" under page setup if needed.

- To print the entire file, including the instructions, Select File/Print/Entire Workbook.

- To print 1 page, Select File/Print/Active Sheets.

- To print a group of pages (e.g., to print all sheets without the instructions), Click on the Excel tab for the first page to be printed and hold the Shift key while clicking on the Excel tab for the last page to be printed. This selects the sheets as a group. Then select File/Print/Active Sheets

Local Excel settings—Some districts may receive an error message when trying to complete date cells on the Cover tab. The error is from a local Excel setting. To change this setting in your computer's version of Excel, perform the following steps:

1. Select the File tab in the ribbon.
2. Select Options in the bottom left corner of the File page. This will open the Excel Options dialog box.
3. Select the Advanced option from the left menu in the dialog box.
4. Scroll to the bottom of the Advanced page.
5. In the "Lotus compatibility Settings for:" section, ensure that the dropdown menu displays "Cover."
6. Deselect the "Transition formula entry" option. Your options should look like the screenshot below.
7. Select OK.
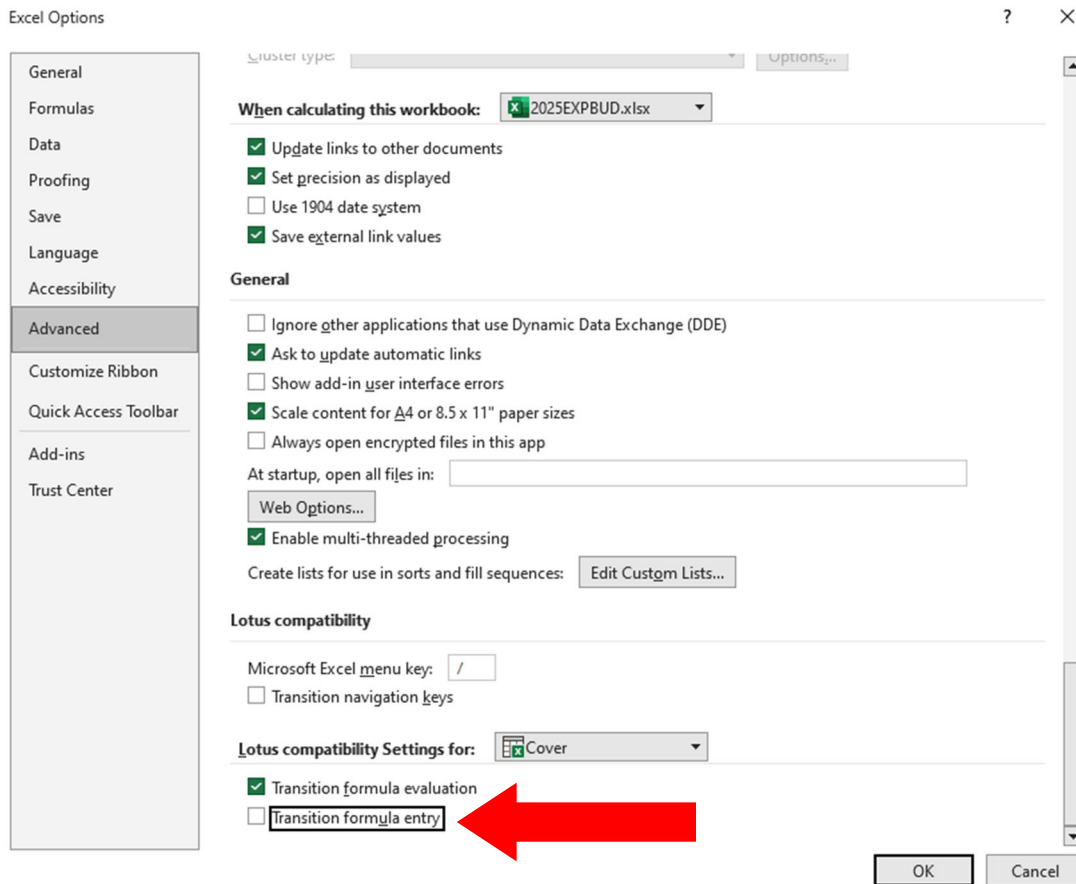
After making this change, some districts using older versions of Excel may encounter name errors in certain Cover tab cells. Districts encountering name errors may replace the formulas in the cells indicated below with the respective wording:

- A12: We hereby certify that the Budget for the Fiscal Year 2026 was

- C28: The FY 2026 budget file for the version described above will be uploaded via

- L31: Average salary of all teachers employed in FY 2026 (budget year)

- L32: Average salary of all teachers employed in FY 2025 (prior year)

Questions

If you have any questions or need assistance, please contact the Arizona Auditor General's Office, Accountability Services Division, at (602) 977-2796 or asd@azauditor.gov, or ADE, School Finance Budget Team, at (602) 542-5695 or SFBudgetTeam@azed.gov.