

## Arizona Auditor General

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We have issued a fiscal year (FY) 2027 [preliminary school district annual expenditure budget packet](#) in conjunction with the Arizona Department of Education (ADE). The Fifty-seventh Legislature, Second Regular Session, has not yet concluded. We will include any additional enacted legislation impacting FY 2027 district funding calculations in the final budget forms. In accordance with Arizona Revised Statutes (A.R.S.) §15-901.05, any changes to State law that modifies or impacts the district funding calculations apply to the entire fiscal year in which the change becomes effective. We will notify districts by email when we issue the final forms. See the preliminary and final budget form options described on page 2 of the Submission and Publication instructions when deciding if your district will propose its budget using the preliminary forms.

A.R.S. §15-905(Q) allows districts to revise their budgets by September 15 for changes in law that impact budget calculations in their adopted budget. Districts in which the qualifying levy is greater than the equalization base (non-State-aid districts) in particular should be aware of the impact of preliminary forms on the budget and discuss property tax rate considerations with their county.

The preliminary expenditure budget packet includes the forms and instructions for completing the FY 2027 School District Annual Expenditure Budget, Supplement, Summary, Truth in Taxation Work Sheet and Notice, Hearing Notification and Summary, and Desegregation Budget Forms. The preliminary expenditure budget packet also includes submission and publication instructions, that include hints on using the budget files.

Changes from the previous year's budget forms have been highlighted light yellow. In addition, the instructions tab includes a column "Summary of significant changes" to explain changes from the previous year's budget forms.

Significant changes incorporated into the preliminary expenditure budget package include:

- **Data Entry**—Pursuant to A.R.S. §15-901.01, increased the base level amount and State support level per route mile for inflation, as determined by the Joint Legislative Budget Committee in its FY 2027 Baseline Budget Book.

If you have any questions, please contact Michael Carnahan at [asd@azauditor.gov](mailto:asd@azauditor.gov) or (602) 977-2796 or ADE's School Finance Budget Team at [SFBudgetTeam@azed.gov](mailto:SFBudgetTeam@azed.gov) or (602) 542-5695.

Sincerely,  
Arizona Auditor General

