

Arizona Auditor General

We have issued the final fiscal year (FY) 2027 [school district annual expenditure budget packet](#) in conjunction with the Arizona Department of Education (ADE). As the Fifty-seventh Legislature, Second Regular Session, has now concluded, these budget forms include additional enacted legislation. Changes from the previous year's budget forms have been highlighted light yellow. The most significant changes are described below.

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- Added lines for districts to account for the State aid supplement, onetime district additional assistance (DAA) supplement, and onetime free or reduced-price lunch (FRPL) Group B weight supplement. (Laws 2026, Ch. 126, Sec. 31)

Fund Balances

- Added a line for districts to enter FY 2026 beginning fund balance adjustments, if any.

The final forms include all previously communicated formula corrections.

Laws 2026, Ch. 135, §9, indicates the Governor and the Legislature intend that school districts increase their total percentage of classroom spending over the previous year's percentages in the combined categories of instruction, student support, and instructional support.

In accordance with Arizona Revised Statutes (A.R.S.) §15-905(E), districts cannot make additions to the proposed budget total for the Maintenance and Operations or Unrestricted Capital Outlay Funds in their adopted budgets. Districts that have already proposed their budgets using the preliminary budget forms may adopt those budgets or use these final forms to repropose their budgets. Districts that adopt their budgets using preliminary budget forms may use these final forms to revise their budgets by September 15 in accordance with A.R.S. §15-905(Q). ADE will not accept budget revisions submitted on the preliminary budget forms. Districts must upload any revised forms through ADE's School Finance Budget System.

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

Sincerely,
Arizona Auditor General

