FY 2020 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 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 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 assist districts in complying with budget preparation and submission requirements.

The expenditure budget package includes the forms and instructions for completing the FY 2020 School District Annual Expenditure Budget, Supplement, Summary, Truth in Taxation Work Sheet, Hearing Notice of Tax Increase, Budget Adoption Hearing Notification, and Desegregation Budget. All forms have been revised for recent legislation as needed. The more significant changes from last year's budget package are described in the accompanying Summary of Significant Changes document. Detailed instructions for preparing the expenditure budget forms and desegregation budget are included on an instructions tab in the related Excel files.

Posting a Link to ADE's Website

There are several instances in which a district must post a link on its website to ADE's website where the district's budget documents may be viewed.

To link to ADE's website complete the following steps:

1) Navigate to https://www.ade.az.gov/Budget/EntitySelection.asp. (Do **not** provide a link to this generic entity selection page. Continue with the instructions below to provide a direct link the District's specific budget file.)
2) Select the district name from the drop-down menu.
3) Select "Submitted File Status."
4) In the "file name" column, right click on the applicable uploaded budget Excel file in the list of submitted files (proposed, adopted, revised, or hearing notification and summary).
5) Select the option to copy the link or shortcut.
6) Paste the link on the district's website.

ADE's proposed budget application was discontinued in FY 2019. Districts should remove any links from the district's website to: www.ade.az.gov/schoolfinance/Forms/Budgets/ProposedBudget/EntitySelection.aspx. The site no longer exists and will result in an error notification.

Proposed Budget

Districts are statutorily required to annually prepare a proposed budget no later than July 5, or the publication date of the notice of public hearing and board meeting to adopt the budget if earlier. The proposed 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 propose 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.

Website Requirements

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 proposed budget/summary can be viewed. Districts must also email to the School Finance Budget Team (SFBudgetTeam@azed.gov) a clickable link to their web page where the link to the proposed budget was placed. For audit purposes, districts should retain a copy of the email and a screen shot of their website. The screen shot should **not** be emailed to ADE.

In accordance with A.R.S. 15-903(E), districts must prominently post average teacher salary information on their website separately from their budget. Districts can meet this requirement by posting a screen shot 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 employed by the district for the budget year.
- The average salary of all teachers employed by the district for the prior year.
- The dollar increase in the average salary of all teachers employed by the district for the budget year.
- The percentage increase in the average salary of all teachers employed by the district for the budget year.

Publishing Requirements

The district **must** also post, publish, or mail a copy of the proposed budget or Summary and a notice of the public hearing and board meeting to adopt the budget no later than 10 days prior to the meeting to adopt 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 above and may choose to meet the publication requirement for the proposed budget by electronically uploading the Hearing Notification and Summary via the Common Logon to ADE for posting on ADE's website.
- **Publishing in a Newspaper**—Print the proposed 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 proposed 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 West Monroe, 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 adopt a budget no later than July 15 and file the adopted Budget with the CSS and electronically upload via the Common Logon 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 adopted budget/summary can be viewed. Districts must also email to the School Finance Budget Team (SFBudgetTeam@azed.gov) a clickable link to their web page where the link to the adopted budget was placed. For audit purposes, districts should retain a copy of the email and a screen shot of the page on their website. The screen shot should **not** be emailed to ADE.

Budget Revision

On or before December 15–If a district is notified by ADE 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 adopted 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 Proposed Budget section above. If the district is notified by ADE that the adopted 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 2020 adopted budget including revisions of the GBL, UCBL, Classroom Site Fund Budget Limit (pages 7 and/or 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 before 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

Budget Submission

Districts are required to submit their budget to the Superintendent of Public Instruction and the CSS as described below. However, districts in the Accounting Responsibility Program, as defined in A.R.S. §15-914.01, are not required to submit their budgets to the CSS.

Type of Budget	Submit No Later Than
Proposed	July 5
Adopted	July 18
December Revision	December 18
May Revision	May 18

ADE will only accept FY 2020 budget forms and work sheets submitted electronically using either the Excel forms with the 5/19 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 or ADE's website at http://www.azed.gov/finance/lea-budget-resources/.

Districts must upload the completed forms and work sheets via the Common Logon, on ADE's website at www.ade.az.gov/CommonLogon/. After uploading the files, districts should verify the files have processed by checking their file submission page at www.ade.az.gov/Budget/EntitySelection.asp. If the files did not process, districts should click on the error message link. If unable to correct the error, districts should then contact ADE by emailing SFBudgetTeam@azed.gov for assistance. For Common Logon 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 enterprise@ade.az.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 Common Logon, (1) the date should be recorded and (2) **Governing Board Members, the Superintendent, and the Business Manager should sign where indicated**. Within 5 days of the electronic submission to ADE, the district should scan and email the signed cover page to SFBudgetTeam@azed.gov. ADE will only accept electronic/scanned copies of the cover page.

If you have any questions or need assistance, please contact the Arizona Auditor General's Office, Accounting Services Division at (602) 553-0333 or asd@azauditor.gov, or ADE, School Finance at (602) 542-5695 or SFBudgetTeam@azed.gov.