

DETAILED BUDGET INSTRUCTIONS FOR FY 2026

I. Foundation Program

A. Budget Constraints

1. Teacher Salary schedules must be at least 100% of the State Minimum Salary Schedule. For those employees with contracts over 187 days, it will be necessary to convert the salary to a daily rate and compare to the daily rate in the appropriate cell of the 187-day State Minimum Salary Schedule. ***This requirement is not applicable for start-up Charter Schools.***
2. Teacher Salary schedules must be at least 100% of the State Minimum Salary Schedule for the Math and Science Teacher Program. For those employees with contracts over 189 days, it will be necessary to convert the salary to a daily rate and compare to the daily rate in the appropriate cell of the 189-day State Minimum Salary Schedule. ***This requirement is not applicable for start-up Charter Schools.***
3. Instructional salaries for certificated personnel budgeted from the Foundation Program must be equal to or greater than salaries calculated in the Foundation Program allocation. ***This requirement is not applicable for start-up Charter Schools.***
4. Budget for Career/Technical education in FY 2026 from State funds must be at least equal to expenditures of State funds for Career/Technical education in FY 1995. This requirement may be met on the basis of total Career/Technical education expenditures or on a per ADM basis in grades 7-12. ***This requirement is not applicable for start-up or Conversion Charter Schools.***
5. Student Materials – budget at the rate of \$1,000.00 per unit using Special Use Code 0001.
6. Technology - budget at the rate of \$500.00 per unit using Special Use Code 0003.
7. Library Enhancement - budget at the rate of \$157.72 per unit using Special Use Code 0005.
8. Professional Development - budget at the rate of \$100.00 per unit - Special Use Code 0004. The Function Code 2215 should be used for expenditures from this allocation.
9. Textbooks/Digital Resources - budget at the rate of \$100.00 per ADM using Special Use Code 0002. Do not use special use code on expenditures for which flexibility will be exercised.

B. RAISE Act

Act 2025-257 establishes the Renewing Alabama's Investment in Student Excellence (RAISE) Act. The purpose of the RAISE Act is to establish a process to provide additional funding for public K-12 schools to address the educational needs of specific student populations and improve their outcomes. The RAISE Act will be codified in §16-13-360 to §16-13-368 of the Code of Alabama, 1975. (Memo FY25-3034)

For FY 2026, the following student categories will receive an additional weighted allocation:

CATEGORY	PROGRAM CODE
Students in Poverty	1810
Special Education	2200,2300,2400,2900,4712
English Language Learners	1851
Charter School Students	various
Gifted Students	2800

- C. Instructions for calculating Child Nutrition Program salaries and fringe benefit cost to be funded from the Foundation Program. Download the FY 2026 Pass Thru Transfer for State Mandated Raises and follow the instructions provided. Questions should be referred to Mrs. Angelice Lowe (334-694-4656).

II. Federal Programs

The annual budget approval will include a review of the budget detail to assure compliance with Federal regulations and that expenditures budgeted are in accordance with the program applications submitted: i.e. staff to be paid, proposed equipment acquisitions, activities to be provided. Federal funds cannot be released until the application has been approved by the appropriate program staff.

- A. The revenues and expenditures included in the system-wide budget must agree with the total budgeted amount from each source of funds on the signed pages of the applications.
- B. Budget constraints for the various federal programs are listed in the individual program application instructions. Program and finance personnel must maintain a copy of the program applications and instructions.
- C. Budget must reflect compliance with maintenance of fiscal effort, non-supplanting, and matching requirements for federal programs. Appropriate program and special use codes must be used to budget expenditures so that compliance may be determined.
- D. Federal allocations received through the competitive (RFP) process should be included in the budget as soon as allocations are received.
- E. Carryover funds from FY 2025 (where allowed) may not be budgeted unless the GPFS are approved to establish actual carryover.
- F. Costs associated with meeting the requirements for Highly Qualified Teachers should be budgeted and reported using Special Use code 0056. Most of these expenses will also have a function code of 2215 to indicate professional development costs.
- G. Costs associated with meeting the requirements for Highly Qualified Paraprofessionals should be budgeted and reported using Special Use code 0057. Most of these expenses will also have a function code of 2215 to indicate professional development costs.

III. General Budget Reminders

- A. Amounts in the budget must be reflected to the penny.
- B. "Correction" files must be accompanied by a new budget summary page.
- C. Reviewing and following the FY 2026 desk review when preparing the budget should minimize corrections needed for budget approval. If your accounting software provides the ability to run budget edits before submitting your file, you should use this tool. Budget files that contain "critical errors" will not be accepted into the SDE database and will not be considered as submitted. You must make every effort to submit accurate budget data by the September 15, 2025 deadline.
- D. Valid codes and code combinations must be used. Note: *If you need additional levels of detail that are not provided for, you may use a code that is not listed, but ONLY if you set the "roll up" to go to a valid code when is submitted to the SDE.*
- E. Salaries and benefits must be budgeted from the same source of funds.
- F. All Local School budgets must be included in System-wide budget.

IV. **Special Items**

A. Flexibility

Flexibility among line items may be exercised on any state funds allocated by formula. Flexibility should not create a reduction of earned units and/or local board of education personnel.

Flexibility should not be exercised on any funds allocated for the following:

Salaries and Fringe Benefits

PSF Capital Outlay dedicated to a specific capital outlay project or debt service

Fleet Renewal Allocations –Separate Approval Required by State

Superintendent

State funds allocated for the following programs:

- Career Tech (Fund sources 1280-1283)
- Advanced Placement (Fund Source 1285)
- Career Tech O&M (Fund Source 1222)
- Alabama Reading Initiative (Fund Source 1230) (Separate Approval Required by State Superintendent)
- National Board Certification of Teachers

Please contact your accountant for additional options regarding the flexibility of fund sources.

Please complete the Notification of Intent to Exercise Flexibility form if flexibility will be exercised.

Automated edits on the budget file will continue to be run when the file is submitted. Exceptions to the edits regarding funds that will exercise flexibility will be made manually using the form referenced above as documentation.

V. Foundation Units

Foundation Program units may be assigned to another school. If Foundation units from a Title I school are assigned to another school, then additional federal units cannot be used to replace the state units that were transferred. The Assignment of Foundation Units form must be submitted with the budget if exercised.

VI. Maintenance of Effort – Special Education

If local funds only are used to meet the maintenance of effort requirement, the amount either in total or per capita must be greater or equal to expenditures when compliance was last met with local funds.

State and local funds either in total or per capita may continue to be used to meet the maintenance of effort requirement. The budget will be compared to the most recent fiscal information available (FY 2024 Financial Statement).