



**Citizens Financial
Advisory Committee
May 17, 2022**

Citizens Financial Advisory Committee

May 17, 2022

Welcome: **Dr. Kevin Mendivil, *Superintendent***

Presenters: **Diane Meulemans, *Assistant Superintendent for
Business Services***

Citizens Financial Advisory Committee

Participation List

Marnie Anbar
Robin Arredondo-Savage
Malia Austin
Debra Bacorn
Tomika Banks
Andres Barraza
Melanie Beikman
Tracey Benson
Sean Bowie
Beth Brizel
Brent Brown
Anna Chalmers
Brad Cox
Teresa Cruz
Ron Denne
Sharon Doyle
Tonya Drew
Tamara Engelbert

Don Fletcher
Richard Foreman
Brian Garcia
Swati Ghosh
Sam Gonzales
Maria Gonzalez
Brian Guliford
Sapna Gupta
Cheryl Haselhorst
Elizabeth Hatch
Michelle Helm
Kim Hilgers
Michelle Hirsch
Berdetta Hodge
Osuna Ismael
Mary Keller
Katrina Leach

Joseph Leon
Sandy Lowe
Sonya Martinez
Audra Masche
M. Regina Matos
Sean McDonald
Karla Meinen
Kevin Mendivil
Diane Meulemans
Valerie Molina
Armando Montero
Bill Ottinger
Amy Pedotto
B.J. Pennington
Jim Rounds
Martha Seaman
Deb Sion

Noreen Sparks
Amanda Steele
Noel Steinert
Megan Sterling
Mary Lou Taylor
Sarah Tolar
Kristina Tomasi
Patty Vogel
Brenda Walsh
Dianne Welling
Dave Wells
Carolynn White
Stacy White
Stacia Wilson
Susan Woods
Mark Yslas

Citizens Financial Advisory Committee

**Agenda
May 17, 2022**

- ❖ **Welcome**
- ❖ **Committee Purpose**
- ❖ **Timeline**
- ❖ **Review of M&O Override**
- ❖ **Review of DAA Override**
- ❖ **Review of Bond**
- ❖ **Tax Rate Information Follow-up**
- ❖ **Questions and Answers**
- ❖ **Committee Recommendation**

Citizens Financial Advisory Committee

Committee Purpose

The Citizens Financial Advisory Committee's purpose is to examine educational funding for the District, considering current and proposed program offerings, and recommending a course of action for the Governing Board. That recommendation may or may not include a call of election for:

- M&O Budget Override
- District Additional Assistance (DAA) Override
- Bond Election

If the Committee's recommendation is for one, two or all three questions on the ballot, the initiative should be one that can be strongly supported by our District communities.

Citizens Financial Advisory Committee

Timeline

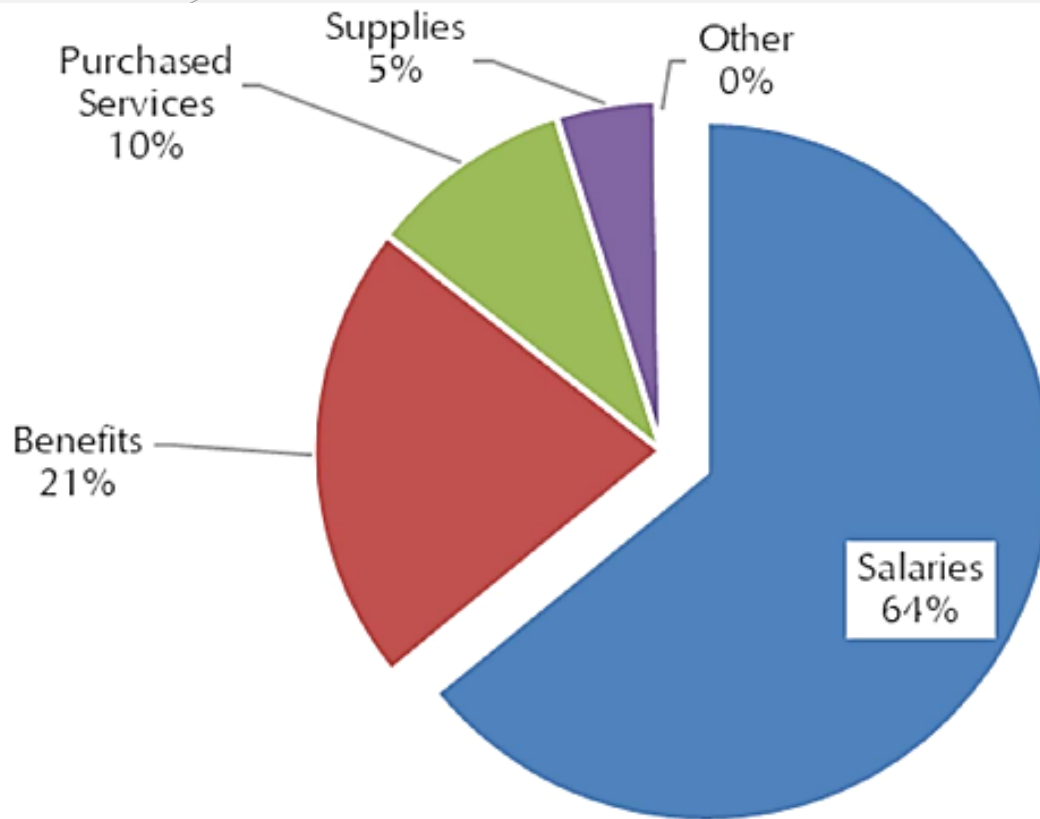
April 26, 2022	District Office (7:30 – 9:00 a.m.)
May 17, 2022	District Office (7:30 – 9:00 a.m.)
May 25, 2022	Committee Recommendation to the TUHSD Governing Board
June 8, 2022	Governing Board Call for Election

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M&O Override

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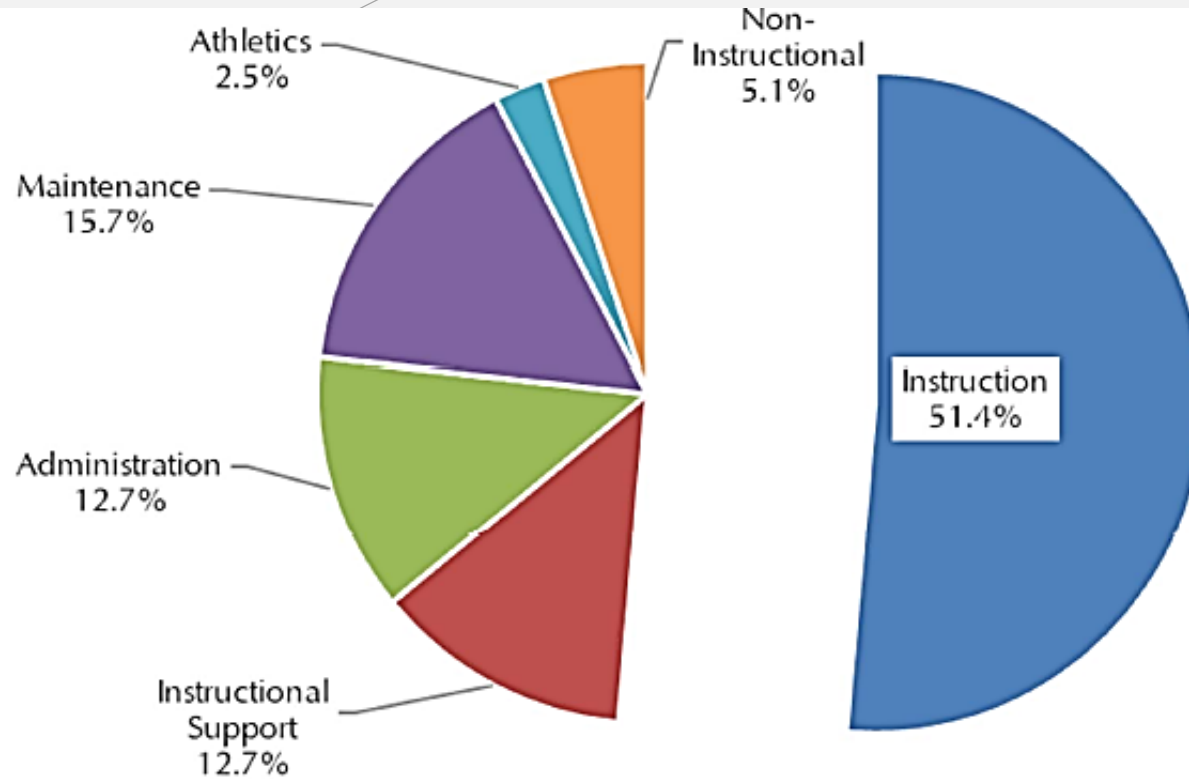
2020-2021 TUHSD M&O Expenditures by Object Category



OBJECT CATEGORY	EXPENDITURE
Salaries	59,338,030
Benefits	19,791,447
Purchased Services	8,850,215
Supplies	4,305,133
Other	219,926
Total	92,504,751

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2020-2021 TUHSD M&O Expenditures by Function Type



FUNCTION TYPE	EXPENDITURE
Instruction	47,534,170
Instructional Support	11,720,578
Administration	11,707,082
Maintenance	14,509,902
Athletics	2,314,120
Non-Instructional	4,718,899 *
TOTAL	92,504,751

* Function	Expenditure
School-Sponsored Cocurricular Activities e.g. Band	\$ 516,372
Nutrition Services	\$ 200,810
Bookstore	\$ 744,358
Pupil Transportation	\$ 3,247,917
Adult/Continuing Education	\$ 2,020
Community Services	\$ 7,422
Total	\$ 4,718,899

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M&O Override - Current

#	Year	RCL	Override Amount	Override %
1	2018-2019	\$84,037,314	\$10,084,478	12%
2	2019-2020	\$84,942,223	\$11,042,489	13%
3	2020-2021	\$87,138,987	\$12,199,458	14%
4	2021-2022	\$84,661,443	\$12,699,216	15%
5	2022-2023 Projected	\$86,526,190	\$12,978,928	15%

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TUHSD M&O Override – Year 4

Years 1 thru 4: FY 2018-29, FY2019-20, FY2020-21, and FY 2021-22

Voter Approval – November 2017

Function	M&O OVERRIDE EXPEND 2018-19		M&O OVERRIDE EXPEND 2019-20		M&O OVERRIDE EXPEND 2020-21		M&O OVERRIDE BUDGET 2021-22	
		%		%		%		%
Instruction	7,486,232	74.24%	8,338,862	75.52%	9,368,564	76.79%	9,813,349	77.28%
Instructional Support	1,497,246	14.85%	1,602,627	14.51%	1,729,894	14.18%	1,784,867	14.05%
Maintenance	891,000	8.84%	891,000	8.07%	891,000	7.30%	891,000	7.02%
Athletics	210,000	2.08%	210,000	1.90%	210,000	1.72%	210,000	1.65%
	10,084,478	100.00%	11,042,489	100.00%	12,199,458	100.00%	12,699,216	100.00%

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Teacher Salary Phase In

		FY 2017/18	FY 2021/22	Percent Increase
Starting Teacher Salary	(BA+0 / Step 1)	\$38,588	\$47,934	24%
Middle Teacher Salary	(MA+30 / Step 11)	\$56,423	\$65,562	16%
Top Teacher Salary	(Doctorate / Step 19)	\$75,288	\$87,090	16%

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M&O Override = No Election / Not Passed

#	Year	RCL	Override Amount	Override %	Change if: No Election or Not Passed
5	2022-2023 Projected	\$86,526,190	\$12,978,928	15%	
6	2023-2024	\$86,526,190	\$8,652,619	10%	-\$4,326,309
7	2024-2025	\$86,529,190	\$4,326,309	5%	-\$4,326,310
8	2025-2026	\$86,526,190	\$0	0%	-\$4,326,309

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M&O Impact Statement 15% Override

Currently, Tempe Union High School District has a voter approved Maintenance and Operation Budget Override in effect that allows the District to exceed the Maintenance and Operation Budget limit by 15%. The full 15% override is approved up to FY 2022/23 and will phase out by one-third in FY 2023/24, another third in FY 2024/25 and will no longer be levied in FY 2025/26 unless renewed by District voters. The 15% override gives the District an additional \$12.7 million to spend above what the state funds. The following is a list of items that are funded by the 15% override:

- Staff to maintain smaller class sized in all grade levels
- Core instructional programs
- Elective instructional programs such as Fine Arts and Career-Technical Education programs
- School-based student support services such as Gifted and English Language Learners
- Facilities preventive maintenance programs
- Student achievement-based professional development
- Technology services for instructional and support purposes
- Athletic and other extra-curricular programs
- Other District-wide co-curricular programs
- Compensation package of the Certificated teaching staff

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**M&O Impact Statement
15% Override**

Discussion

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District Additional Assistance (DAA)

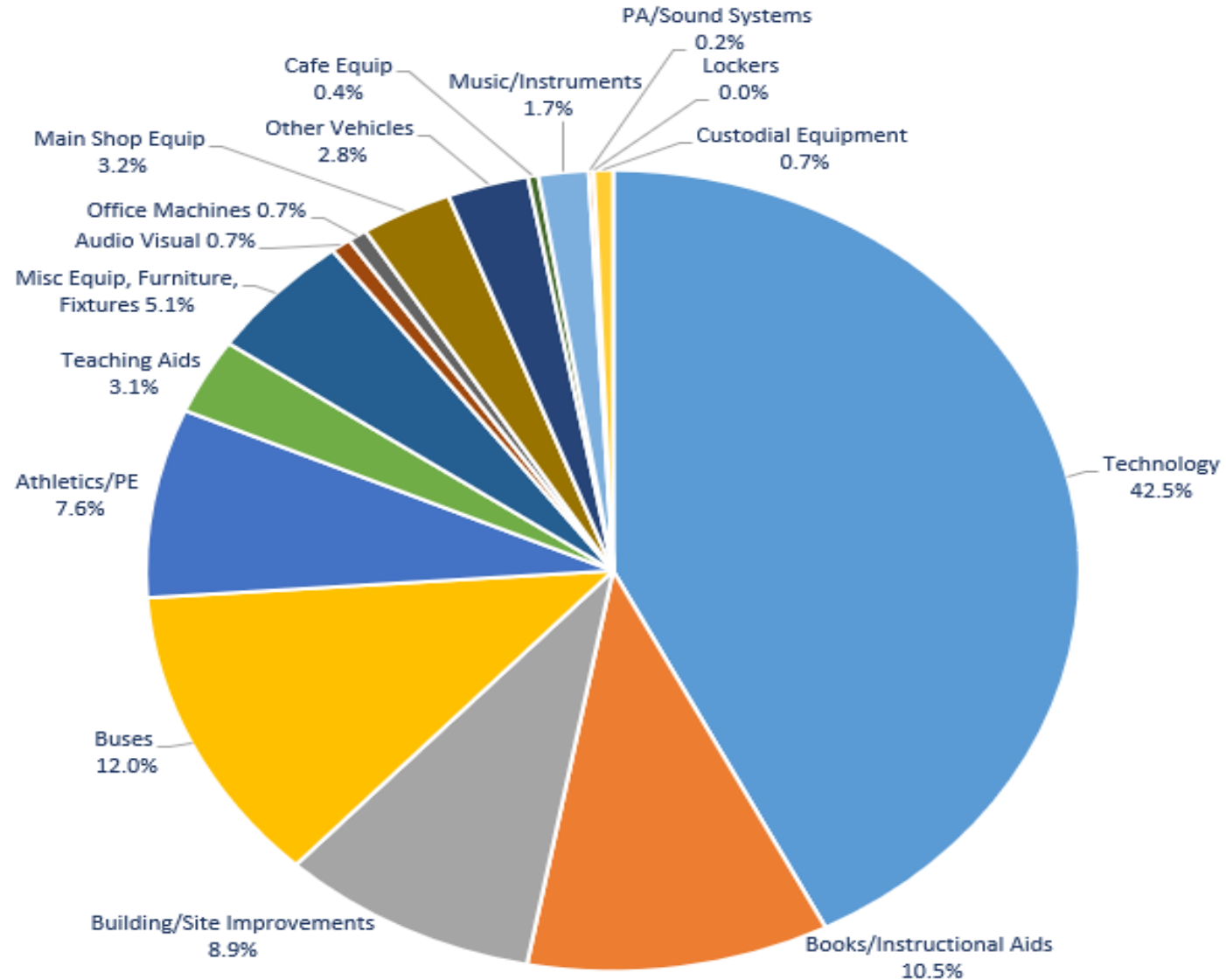
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District Additional Assistance (Capital)

- Land, buildings, and improvements to land and buildings, including labor and related employee benefit costs and material costs, if the work is performed by District employees
- Furniture, furnishings, athletic equipment, and other equipment, including computer software
- Pupil and non-pupil transportation vehicles and equipment, including all capital expenditures within a contract, if a District contracts for pupil transportation
- Textbooks and related printed subject matter materials adopted by the Governing Board
- Instructional aids
- Library books
- Payment of principal and interest on bonds
- District administration emergency needs that are directly related to pupils

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District Additional Assistance (Current Override)



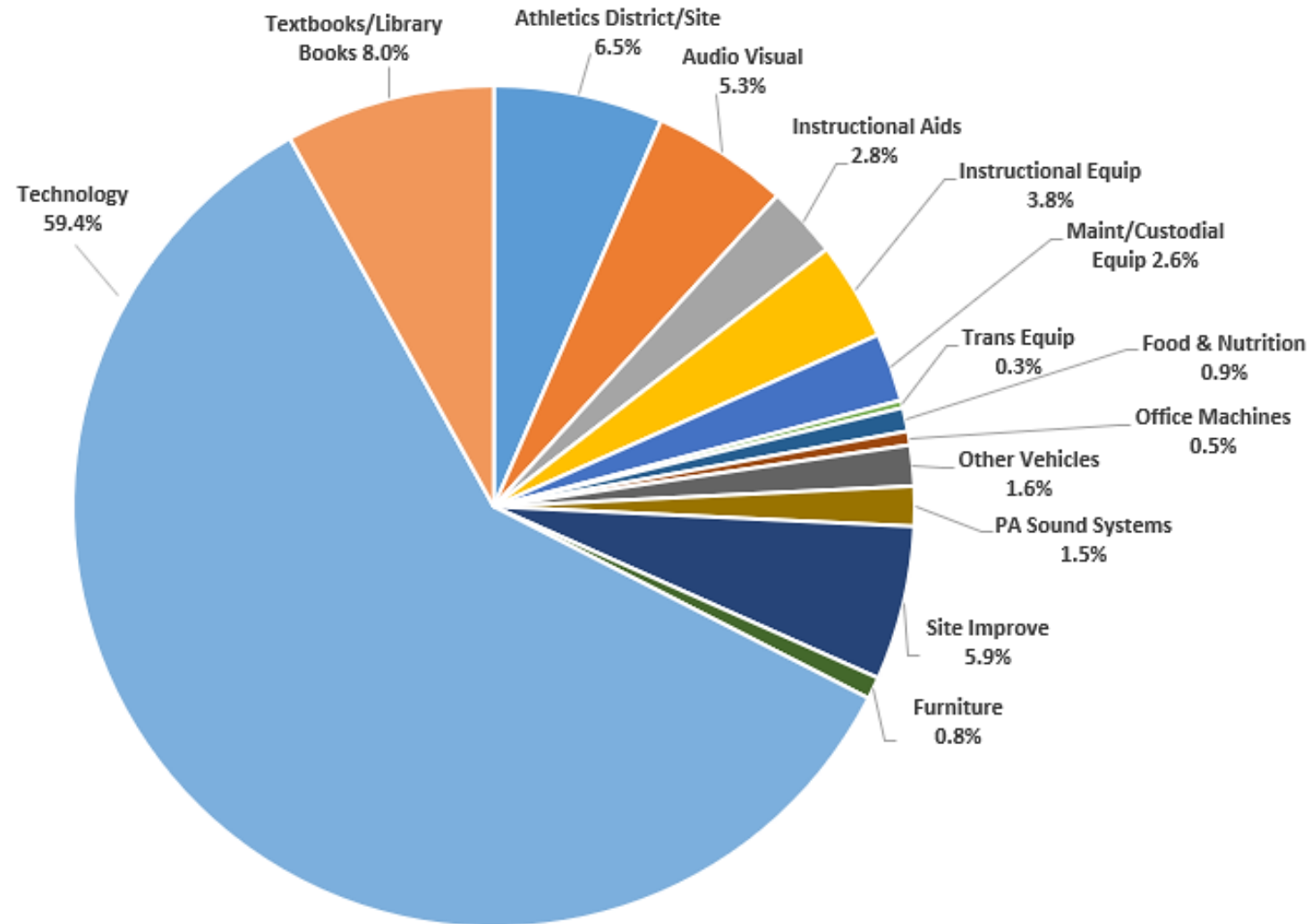
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District Additional Assistance (Current Override)

CATEGORY	AMOUNT	%
Technology	\$13,562,338	42.4%
Books/Instructional Aids	\$ 3,344,558	10.5%
Building/Site Improvements	\$ 2,849,436	8.9%
Buses	\$ 3,844,503	12.0%
Athletics/PE	\$ 2,433,627	7.6%
Teaching Aids	\$ 976,964	3.1%
Miscellaneous Equipment/Furniture & Fixtures	\$ 1,640,819	5.1%
Audio Visual	\$ 222,597	0.7%
Office Machines	\$ 209,519	0.7%
Maintenance Shop Equipment	\$ 1,011,077	3.2%
Other Vehicles	\$ 897,324	2.8%
Cafeteria Equipment	\$ 112,256	0.4%
Music/Instruments	\$ 553,395	1.7%
PA/Sound Systems	\$ 56,852	0.2%
Lockers	\$ 0	0.0%
Custodial Equipment	\$ 210,094	0.7%
5 YEAR TOTAL	\$31,925,360	100.0%

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District Additional Assistance Projected Needs for FY2023



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District Additional Assistance Projected Needs for FY2023

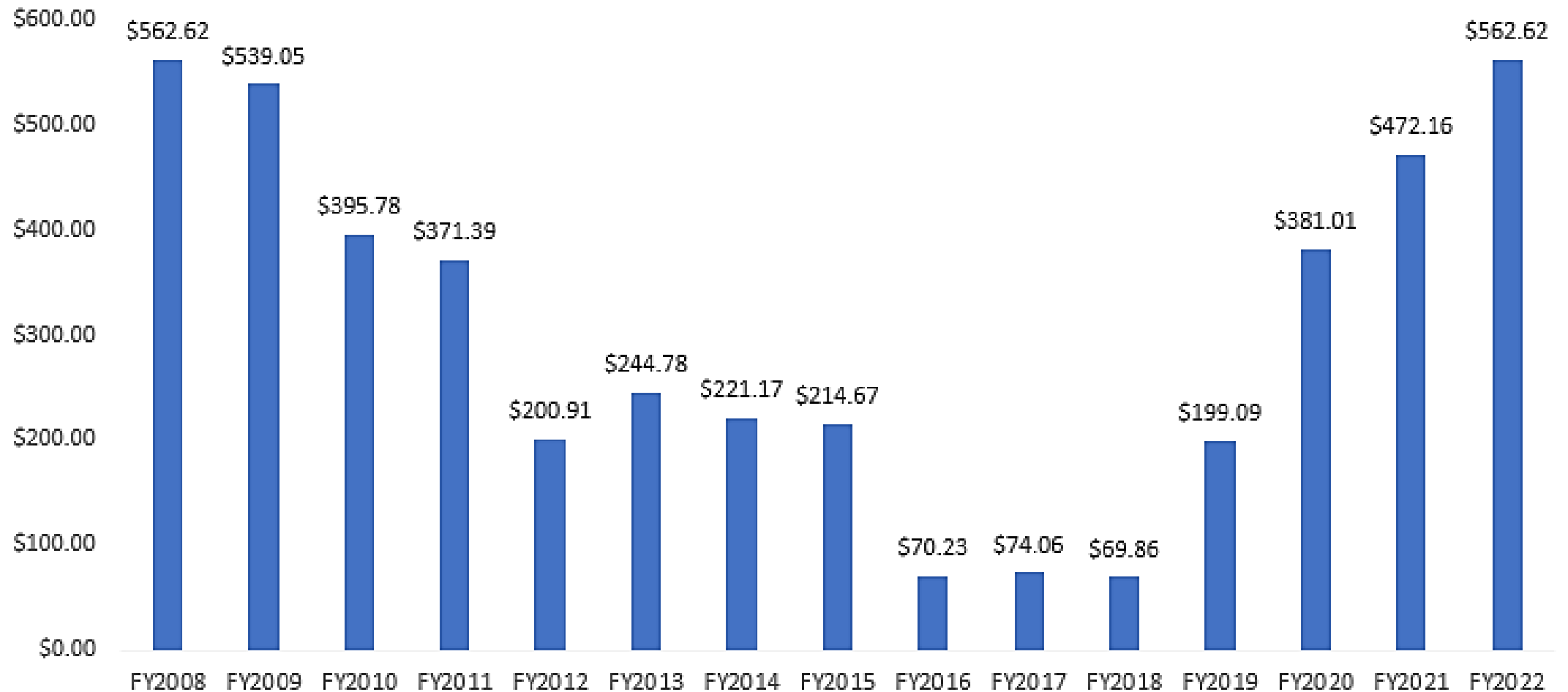
CATEGORY	AMOUNT	%
Athletics District/Site	\$ 3,966,900	6.5%
Audio Visual	\$ 3,200,000	5.3%
Instructional Aids	\$ 1,680,000	2.8%
Instructional Equipment	\$ 2,305,100	3.8%
Maintenance/Custodial Equipment	\$ 1,600,000	2.6%
Transportation Equipment	\$ 175,000	0.3%
Food & Nutrition Equipment	\$ 551,000	0.9%
Office Machines	\$ 322,000	0.5%
Other Vehicles	\$ 953,000	1.6%
PA sound systems	\$ 930,000	1.5%
Site Improvement	\$ 3,610,000	5.9%
Furniture	\$ 515,000	0.8%
Technology	\$ 36,192,000	59.4%
Textbooks/Library Books	\$ 4,900,000	8.0%
7 Year Total	\$ 60,900,000	100.0%

ANNUAL AMOUNT \$8,700,000

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State Capital / DAA Funding Formula Changes

Per Student Capital / DAA Allocation



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District Additional Assistance (Capital)

The maximum budget increase that may be authorized for an District Additional Assistance Override is ten (10) percent of the school district's Revenue Control Limit (RCL).

Year	RCL	Override Amount	Override %
2022/23 Projected	\$86,526,190	\$8,652,619	10%

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District Additional Assistance (Capital)

Discussion

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Bond Election

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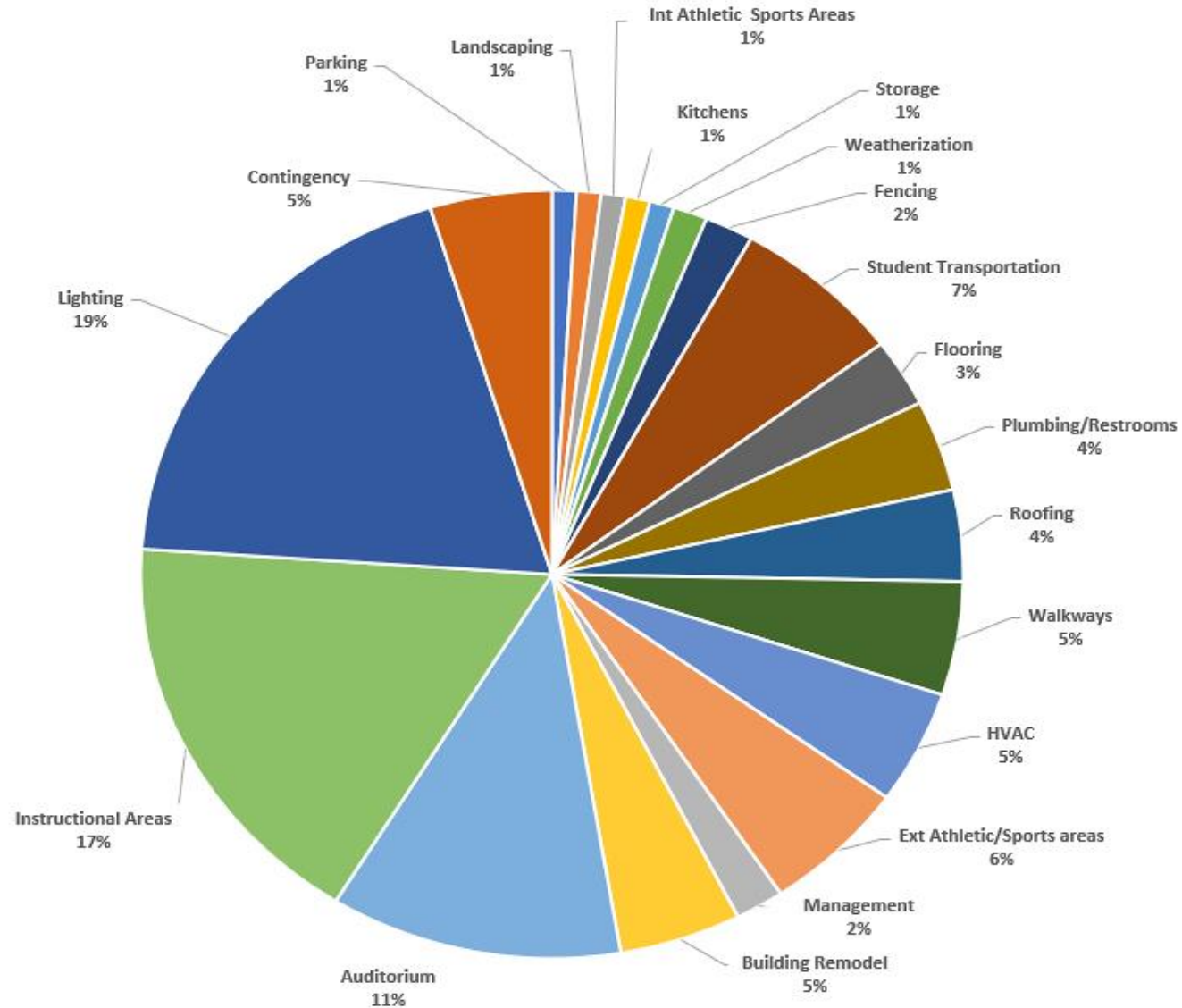
Bond Election

Bond Projects District Wide:

- ❖ **Art Rooms**
- ❖ **Auditoriums**
- ❖ **Cafeteria Floors**
- ❖ **Curbs**
- ❖ **Dug Outs**
- ❖ **Fencing**
- ❖ **Locker Room Floors**
- ❖ **Restrooms**
- ❖ **Science Labs**
- ❖ **Tennis Courts**
- ❖ **Weatherization**
- ❖ **Lighting**

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Bond Total Expenditures by Project Type



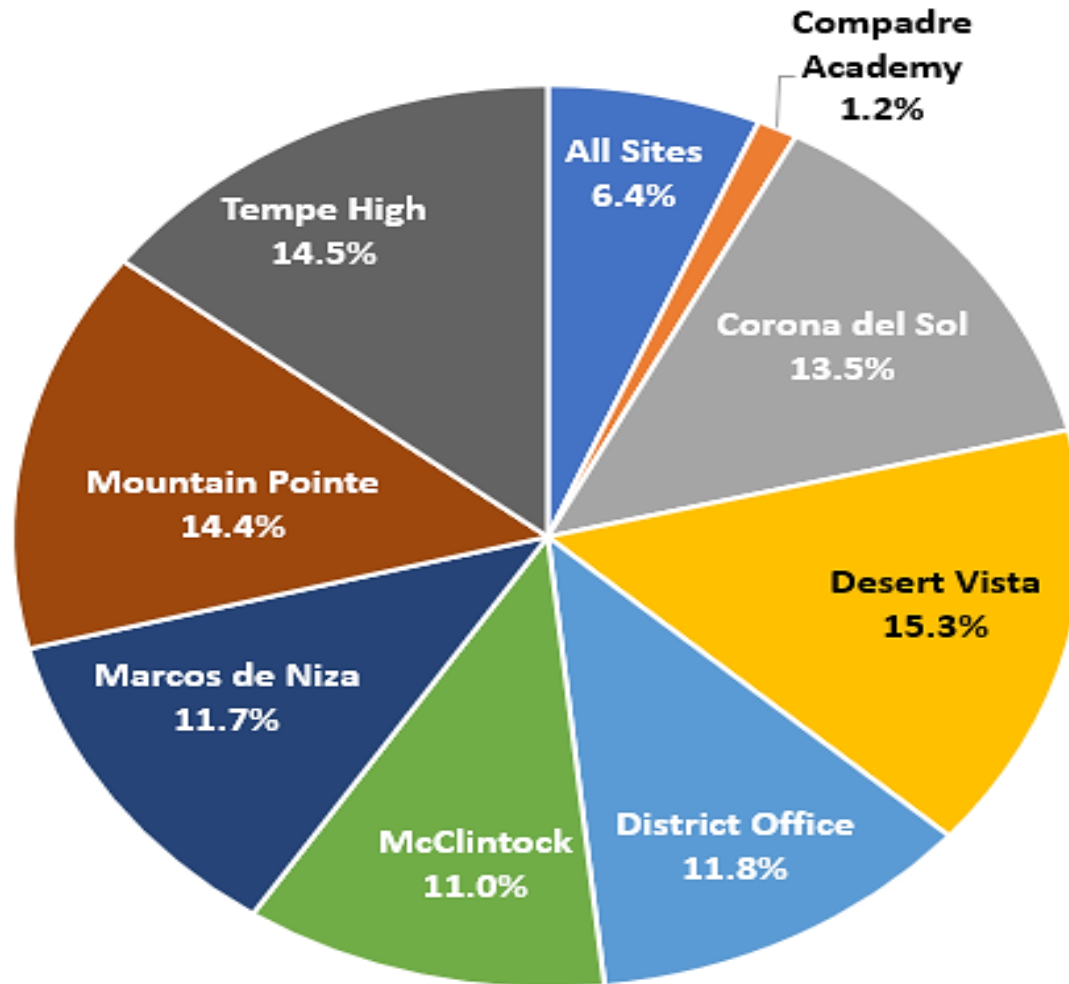
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Bond Total Expenditures by Project Type

PROGRAM	TOTAL	PERCENT
Parking	\$ 49,300	0.0%
Landscaping	\$ 184,275	0.2%
Int Athletic/Sports areas	\$ 390,000	0.4%
Kitchens	\$ 425,000	0.4%
Storage	\$ 903,032	0.9%
Weatherization	\$ 1,406,524	1.4%
Fencing	\$ 2,093,450	2.1%
Student Transportation	\$ 6,570,000	6.6%
Flooring	\$ 2,806,129	2.8%
Plumbing/Restrooms	\$ 3,807,500	3.8%
Roofing	\$ 3,957,140	4.0%
Walkways	\$ 4,627,503	4.6%
HVAC	\$ 4,698,000	4.7%
Ext Athletic/Sports areas	\$ 5,999,700	6.0%
Management	\$ 1,650,000	1.7%
Building Remodel	\$ 4,536,000	4.5%
Auditorium	\$12,332,941	12.3%
Instructional Areas	\$18,411,305	18.4%
Lighting	\$20,530,409	20.5%
Contingency	\$ 4,621,792	4.6%
TOTAL	\$100,000,000	

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Bond Total Expenditures by Site



SITE	Total	
All Sites	\$	6,449,392
Compadre	\$	1,214,783
Corona Del Sol	\$	13,535,684
Desert Vista	\$	15,322,157
District Office	\$	11,789,252
McClintock	\$	10,969,112
Marcos de Niza	\$	11,734,404
Mountain Pointe	\$	14,440,788
Tempe	\$	14,544,428
TOTAL	\$	100,000,000

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Bond Election

Discussion

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Tax Rate Information

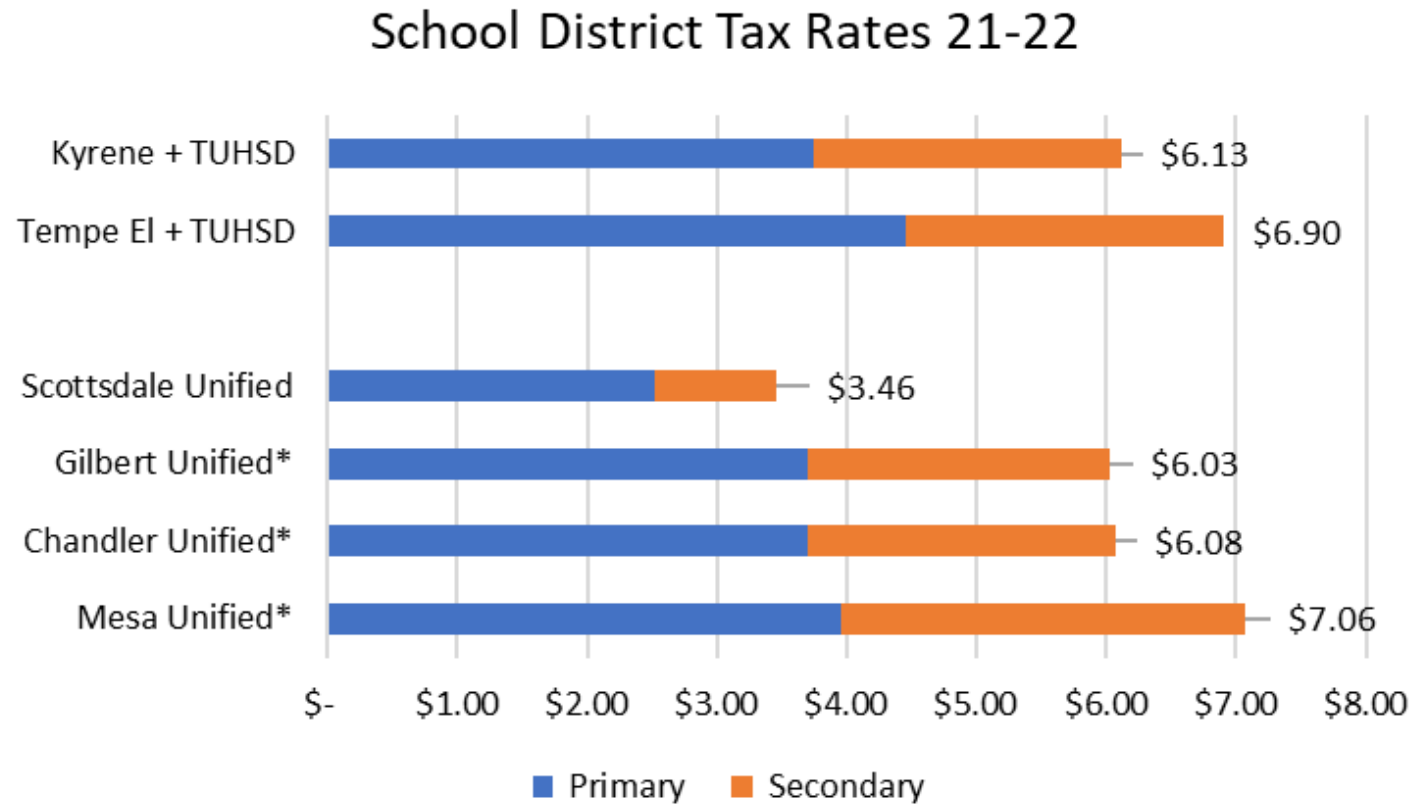
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Combined Tax Rates 2021

Districts	2021 Tax Rate
Agua Fria High School District	3.2998
Buckeye Union High School District	3.0759
Glendale Union High School District	3.7830
Phoenix Union High School District	4.7176
Tolleson Union High School District	4.7335
Tempe Union High School District	2.4466

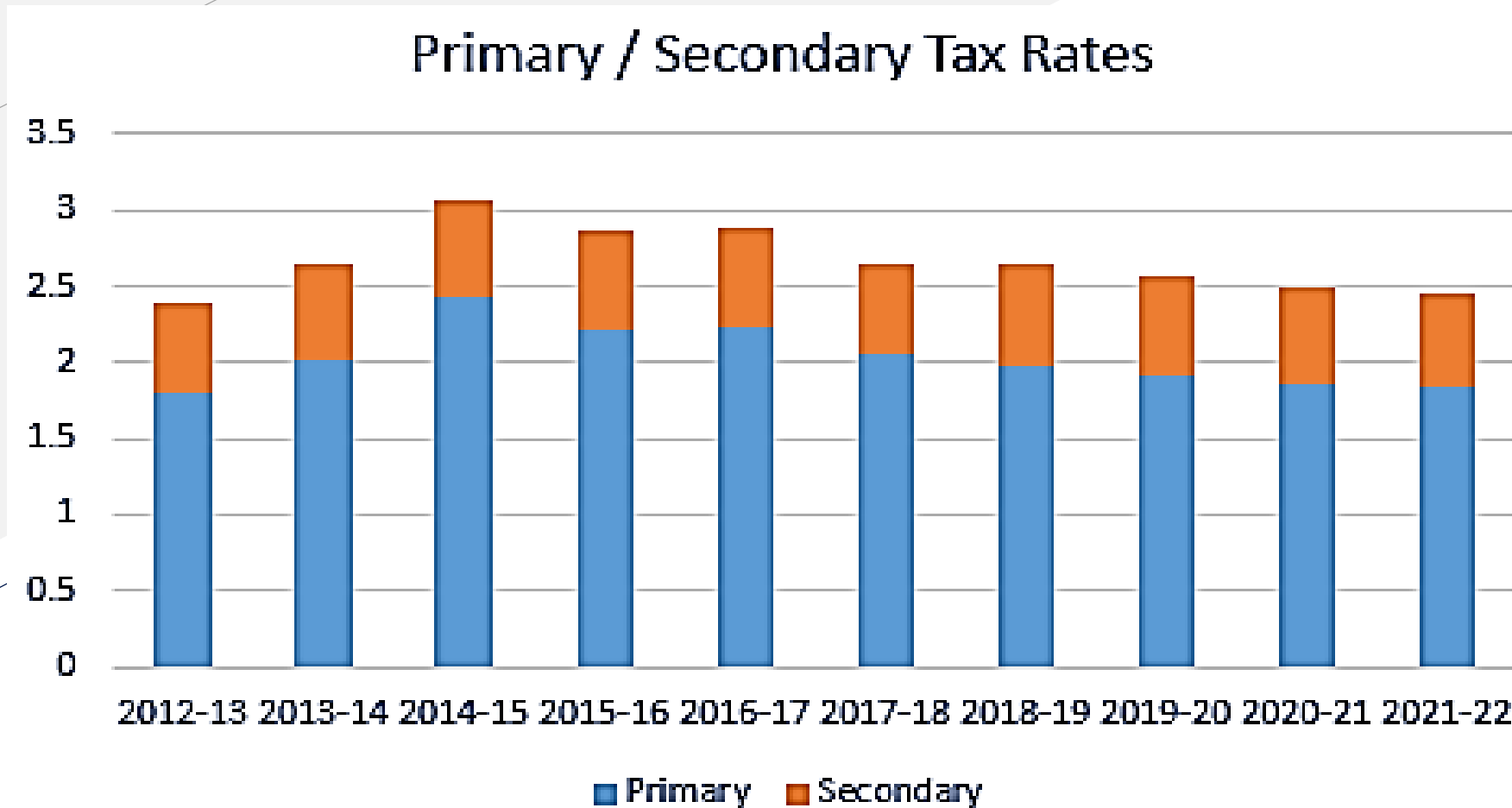
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Neighboring District Tax Rates 2021/22



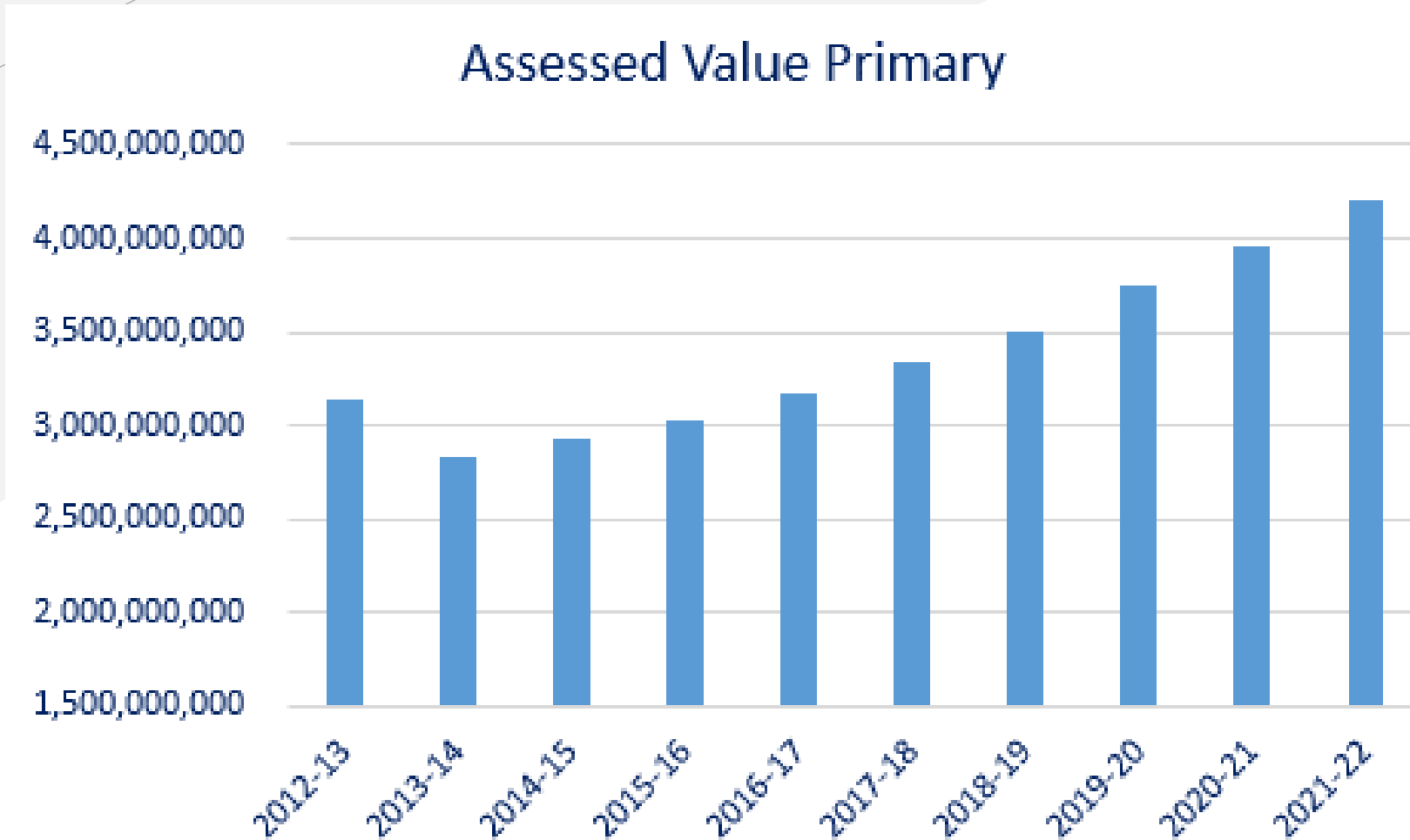
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Tempe Union Tax Rates 2012/13 – 2021/22



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Tempe Union Tax Rates 2012/13 – 2021/22

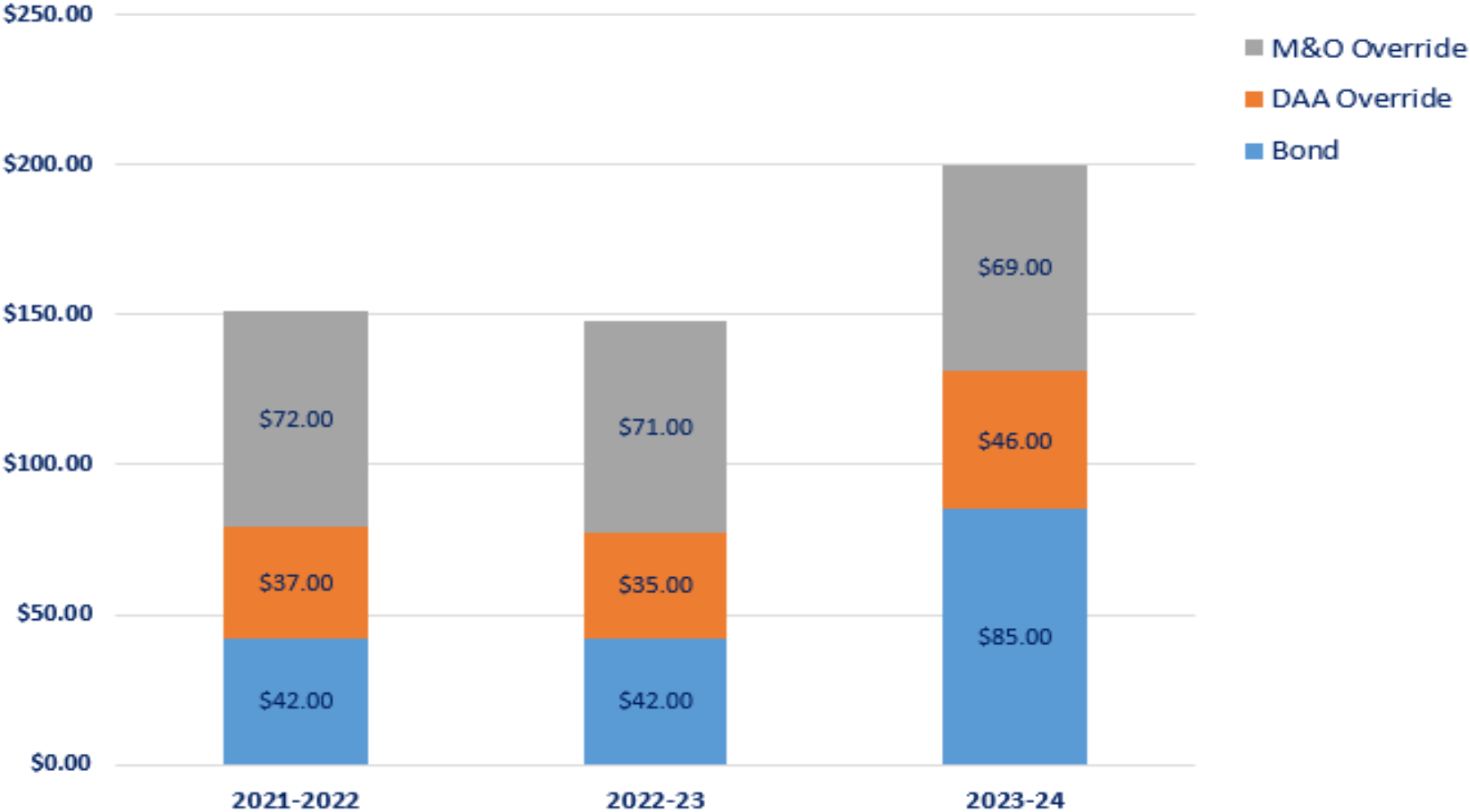


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Secondary Tax Rates Amount

	2021-22	2022-23	2023-24*
Avg. Home	\$249,642	\$249,642	\$249,642
Tax Rate	0.6035	0.5934	0.7998
Total Tax	\$151	\$148	\$200
*Projected			

Total annual secondary tax dollars by function



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Fiscal Year	Estimated Net Assessed Limited Property Value (b)	Existing Bond Tax Rates (d)	Existing School Improvement Bond Debt Service		Estimated Payment Schedule for District's Proposed Bonds (a)				New Bond Debt Service	New Bond Tax Rates (d)
			Principal	Interest	Series A (2023)		Series B (2025)			
					Principal	Interest (c)	Principal	Interest (c)		
2021/22	\$4,201,600,213	\$0.17	\$5,345,000	\$1,959,112						
2022/23	4,407,553,113	0.17	5,530,000	1,757,762						
2023/24	4,541,101,972	0.17	5,695,000	1,614,362	\$4,055,000	\$3,131,944			\$7,186,944	\$0.17
2024/25	4,678,697,362	0.16	5,885,000	1,421,774	4,895,000	2,297,250			7,192,250	0.16
2025/26	4,820,461,892	0.16	6,055,000	1,245,587	1,240,000	2,052,500	\$750,000	\$3,152,778	7,195,278	0.16
2026/27	4,966,521,887	0.15	6,265,000	1,040,174	1,300,000	1,990,500	1,440,000	2,462,500	7,193,000	0.15
2027/28	5,117,007,501	0.15	6,455,000	856,797	1,360,000	1,925,500	1,510,000	2,390,500	7,186,000	0.15
2028/29	5,148,221,246	0.15	6,860,000	650,297	1,225,000	1,857,500	1,590,000	2,315,000	6,987,500	0.14
2029/30	5,179,625,396	0.15	7,005,000	504,812	1,290,000	1,796,250	1,665,000	2,235,500	6,986,750	0.14
2030/31	5,211,221,111	0.15	7,105,000	393,152	1,365,000	1,731,750	1,750,000	2,152,250	6,999,000	0.14
2031/32	5,243,009,560	0.15	7,210,000	271,373	1,450,000	1,663,500	1,840,000	2,064,750	7,018,250	0.14
2032/33	5,274,991,918	0.15	7,345,000	140,583	1,520,000	1,591,000	1,930,000	1,972,750	7,013,750	0.14
2033/34	5,307,169,369				2,750,000	1,515,000	2,025,000	1,876,250	8,166,250	0.16
2034/35	5,339,543,102				2,885,000	1,377,500	2,125,000	1,775,000	8,162,500	0.16
2035/36	5,372,114,315				3,030,000	1,233,250	2,235,000	1,668,750	8,167,000	0.16
2036/37	5,404,884,212				3,180,000	1,081,750	2,345,000	1,557,000	8,163,750	0.16
2037/38	5,437,854,006				3,340,000	922,750	2,460,000	1,439,750	8,162,500	0.16
2038/39	5,471,024,915				3,510,000	755,750	2,585,000	1,316,750	8,167,500	0.16
2039/40	5,504,398,167				3,680,000	580,250	2,715,000	1,187,500	8,162,750	0.16
2040/41	5,537,974,996				3,865,000	396,250	2,850,000	1,051,750	8,163,000	0.16
2041/42	5,571,756,644				4,060,000	203,000	2,995,000	909,250	8,167,250	0.15
2042/43	5,605,744,359						7,410,000	759,500	8,169,500	0.15
2043/44	5,639,939,400						7,780,000	389,000	8,169,000	0.15
TOTAL			\$71,410,000		\$50,000,000		\$50,000,000		\$160,779,722	\$0.15 (e)

- (a) Assumes bonds issued in one series.
- (b) Fiscal year 2022/23 is preliminary as reported by the Arizona Department of Revenue. Subsequent years assume 3.03% growth through 2027/28 and 0.61% growth
- (c) Interest is estimated at 5.00% for the bonds proposed to be issued.
- (d) Fiscal year 2021/22 bond tax rate is actual at \$.1658, all subsequent years are estimates. The bond tax rates are per \$100 of net assessed limited property value for tax purposes. Subsequent years are projected tax rates. Does not include adjustments for interest earned on investment proceeds, or "in-lieu" property tax collections to be received from Salt River Project Agricultural and Improvement District property located in the District. Includes a 5% delinquency factor.
- (e) Average tax rate on new bond debt service.

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TUHSD Past Election Results

Year	Type	Ballot Questions	Yes Votes		No Votes		Result
2017	Special	M&O 15%	25,348	63.46%	14,596	36.54%	Passed
2016	Presidential U.S. House & Senate AZ House & Senate	Site Sale/Lease/Exchange	64,072	66.38%	32,458	33.62%	Passed
2015	Special	DAA (Capital) Override \$6,500,000	22,222	59.12%	15,363	40.88%	Passed
2013	Special	M&O Override 10%	19,779	60.87%	12,715	39.13%	Passed
2012	Presidential U.S. House & Senate AZ House & Senate	M&O Override 15%	47,903	49.58%	48,714	50.42%	Failed
		School Improvement Bond \$75,000,000	65,109	67.22%	31,752	32.78%	Passed
2008	Presidential U.S. House & Senate AZ House & Senate	M&O Override 10%	44,442	54.56%	37,014	45.44%	Passed
		Capital Override \$6,000,000	41,812	52.09%	38,463	47.91%	Passed
		Class B Bond \$30,000,000	55,177	67.69%	26,335	32.31%	Passed
2007	Special	M&O Override \$10%	5,228	46.40%	6,039	53.60%	Failed
		Capital Override \$6,000,000	5,039	44.76%	6,218	55.24%	Failed

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Committee Recommendation

**M&O Override
Election 2022**

Yes

☐

No

☐

**DAA Override
Election 2018**

Yes

☐

No

☐

Bond Election

Yes

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No

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