

## Cave Creek Unified School District

# BUDGET RESOURCE GUIDE

# 2022-23

Thank you for reading this 2023 Budget Resource Guide to become better informed about school district budget principles and to become better acquainted with the unique challenges we face in the Cave Creek Unified School District. We are proud of the educational experience we provide for all Preschool-12th grade students. Each year we receive various awards and accolades for our students, schools, teachers, staff, and programs. However, 2022 has again illustrated the sustained financial challenges we experience providing that level of continued service to our students and families without any local voter support.



In November 2022 a voter-approved Maintenance and Operations override, focused on attracting and retaining teachers and staff through salary increases, failed by more than 6,000 votes out of 42,749 ballots cast from our voters. This would have helped us to be more salary competitive for the next five to seven years with neighboring school districts in paying our high quality teachers and staff a livable wage, as they are the most important factor in the education of our children.

In addition, in November 2021 a voter-approved Capital Bond did not pass by 751 votes out of 22,336 ballots cast. This bond would have also been a sustainable financial source until 2028-2030 to help fund technology for students, health and safety upgrades for our schools, athletic facility and school improvements, and meet transportation needs.

As a high quality school district, the Cave Creek Unified School District is unique because it is the only K-12 school district in Maricopa County that does not have additional funding from local voters with either Maintenance and Operations, Capital Outlay override, bond, or all three. In addition, it is important to note that CCUSD has the lowest combined tax rate of any unified school district in Maricopa County of \$1.63.

Historically 48th/49th in the nation in per-pupil funding in the United States, the State of Arizona support for public schools is markedly lower than the rest of the country. With higher housing prices, inflation, parental choice, and the recent introduction of Empowerment Scholarships, our enrollment continues to decrease impacting the amount of revenue that comes to CCUSD. This trend has been predicted in the past demographic reports for this region.

Some facts to know regarding the latest financial Auditor General Report:

- Classroom spending and student support spending in CCUSD has increased over the past 5 years
- Administration, transportation, food service and plant operations spending in CCUSD has gone down over the past 5 years and is comparable to peer size district averages
- CCUSD again received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. This award recognizes state and local governments that go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that show evidence of transparency and full disclosure.

Some other factors determining the district's current financial position include:

- The District has not passed a Maintenance and Operations override since 2007
- The District has not passed a Capital Bond since 2014
- Funding for all-day kindergarten was eliminated in 2011, forcing districts to fund it within their operating budgets

For many years, the district has attempted to keep programs alive by reducing staff, being creative, closing a school, and taking funding from Capital Outlay and placing it in the operating budget. When this occurs, the goal of administration is to make necessary budget reductions to maintain the long-range financial stability of the district, provide quality mandated programs for students to fulfill high school graduation requirements, and employ adequate staff to execute those programs. This is "why" the district is no longer able to sustain the level of some programs/services it has enjoyed in the past in many cases.

As the Superintendent, I remain committed to doing what is best for our students while being a responsible financial steward of taxpayer dollars. One team!



Dr. Cort Monroe, Superintendent

## Governing Board

### 2022 Members

Beth Hatcher, President  
Jeff Fortney, Vice President  
Scott Brown, Member  
Janet Busbee, Member  
Brianna Walker, Member

### 2023 Members

Janet Busbee, President  
Scott Brown, Vice President  
Jeff Fortney, Member  
Jackie Ulmer, Member  
Brianna Walker, Member

## Philosophies

*Fiscal stewardship:* Cave Creek Unified School District commits to inspiring excellence in all aspects of education, while acting in a financially responsible manner by maximizing all resources possible to enhance student education (e.g. grants, education, community, and business partners, and foundations).

*Tax:* Cave Creek Unified School District commits to providing its students with the most comprehensive, high quality education available, while maintaining the lowest voter-approved secondary tax rate possible.

## Cave Creek Unified School District

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Cave Creek, AZ 85327  
(480) 575-2000  
[www.ccusd93.org](http://www.ccusd93.org)



CAVE CREEK UNIFIED SCHOOL DISTRICT

# REVENUE SOURCES

## MAINTENANCE AND OPERATION

The M & O fund is used for daily operation of the school district, e.g. salaries, benefits, utilities, contracted services, paper, pencils, etc. The amount of funding is determined by the State's Equalization formula A.R.S.§15-943. CCUSD's M & O is funded solely with local property taxes. CCUSD is one of the few school districts in the state of Arizona that receives no State funding for their M & O Equalization.

## DISTRICT ADDITIONAL ASSISTANCE (DAA)

This was formerly called unrestricted capital. The amount for DAA is also determined by the State's Equalization formula A.R.S.§15-961. This fund may be allocated in whole or in part to either the M & O or unrestricted capital fund. Capital funds are used for such things as construction, instructional materials, furniture, computers, and textbooks.

## OVERRIDES

An override is a way for a school district to generate additional revenue with voter approval. There are three types of overrides: Special Program, Capital, and Maintenance and Operation (M & O). The Special Program override allows a District to increase its Maintenance and Operation (M & O) budget by up to 5% for seven years. It may be paired with a general M & O override which allows for an increase of up to 10% for seven years. In place of these two, a District may have a general M & O override of up to 15% for seven years. Full funding of these overrides occurs for the first five years, then decreases by one-third each year, unless renewed. A Capital override may be approved and provides funding for capital purchases at a stated dollar amount per year for a stated number of years. Currently, up to 95 percent of the school districts in Maricopa County operate with some type of override. However, CCUSD® does not have any type of override in place at this time.

## BONDS

Bonds allows school districts to fund projects immediately and pay back the debt over time from the taxation of homes and businesses in the district. The last bond approved by voters was November of 2014. \$30 million in new bonds were approved for the renovation of existing facilities, a small amount of new construction grounds improvements, student technology improvements, and the purchase of student transportation vehicles. All bond funds were expended as of June 30, 2020.

## FEDERAL GRANTS

These funds are provided by the federal government to pay for federally mandated programs such as Title 1 (remedial education). In 2022 CCUSD received one-time Elementary and Secondary School Emergency Relief Funds for COVID related needs. Among the areas funded are positions to retain highly qualified staff, sanitize facilities, purchase technology and intervention programs.

## STATE GRANTS

The district receives these funds from the State of Arizona after completing an application and review process. They must be used for specific programs.

## CCUSD 2022-2023 BUDGET

Maintenance and Operation (Operating Budget)	\$34,766,926
Capital	\$2,304,443

## State and Federal Grants Received

CTE Federal Perkins	\$87,866
CTE State Priority	\$30,750
Emergency Immigrant Education	\$8,248
ARP-IDEA Basic	\$188,693
ARP-IDEA Preschool	\$14,060
IDEA Basic Entitlement	\$868,793
IDEA-Preschool	\$21,541
Title I LEA-ESEA	\$595,281
Title II Improving Teacher	\$171,166
Title III LEP	\$11,370
Title IV	\$57,302
SEA School Safety Program Expansion	\$246,391
Elementary & Secondary School Emergency Relief (ESSER III)	\$2,966,483
<b>TOTAL</b>	<b>\$5,267,943</b>

## Terms to Know

**budget:** a financial plan that advances the mission of the organization utilizing available financial resources.

**budgeting:** a priority-setting process for expenditures.

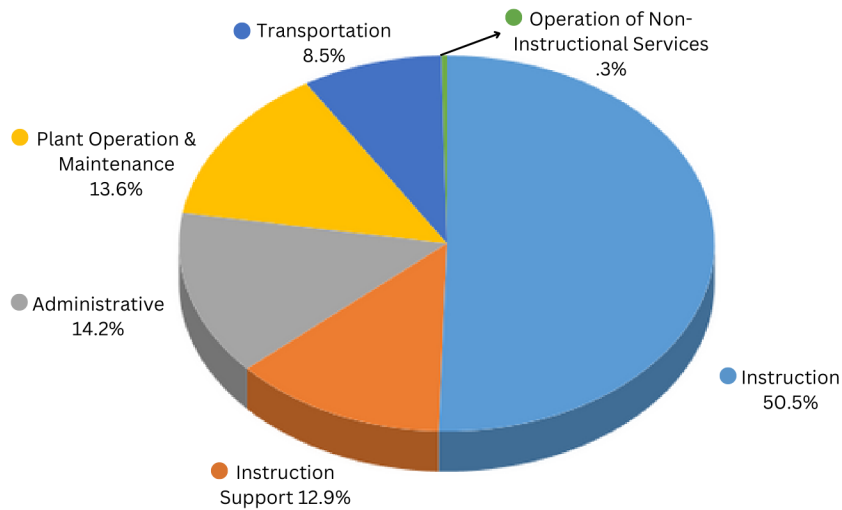
**bond:** a debt instrument that is secured by a political subdivision of Arizona. It allows school districts to fund projects immediately and pay back the debt over time against the taxation of homes and businesses in the district.

**override:** a mechanism for a school district to generate additional revenue with voter approval; there are three types of overrides: Special Program, Capital, and Maintenance and Operation (M & O).

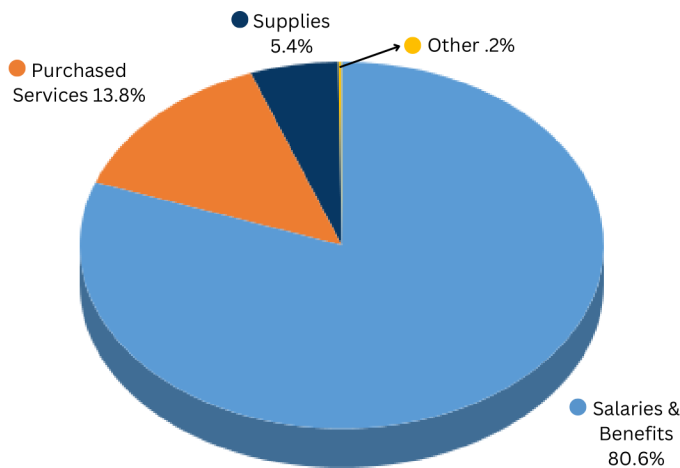
**primary tax rate:** this tax rate is applied to homes and businesses in a school district to help support the M & O and capital budgets.

**secondary tax rate:** this tax rate is applied to homes and businesses to pay for overrides and bonds.

# 2021-2022 M&O Expenditures by Function



# 2021-2022 M&O Expenditures by Object



## Where does the funding come from?

The legislature determines funding levels for school districts. The majority of funding for public education comes from the taxpayers. The state collects and allocates money to school districts using a state-defined formula. It is the Legislature that decides how much money schools will receive and which educational programs will be funded. If you have questions regarding public education funding, contact your state representative. Below is a list of the representatives in the Cave Creek Unified School District as of January, 2023.

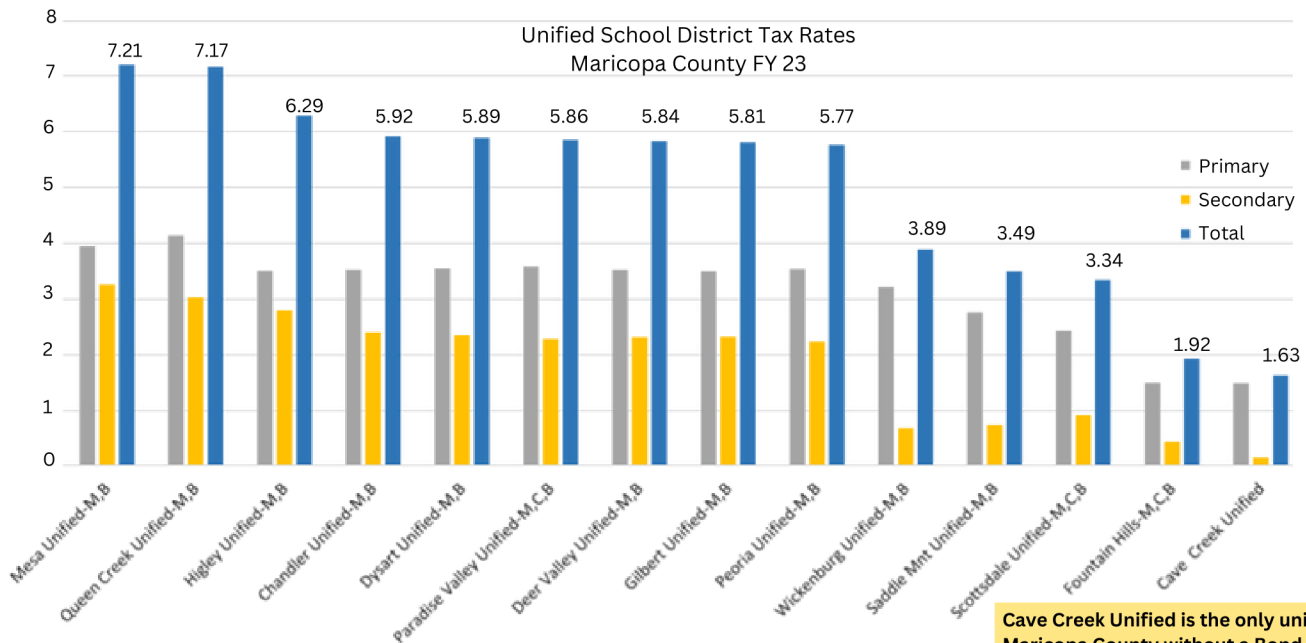
### DISTRICT 3

Sen. John Kavanagh (R)  
[jkavanagh@azleg.gov](mailto:jkavanagh@azleg.gov)

Rep. Joseph Chaplik (R)  
[jchaplik@azleg.gov](mailto:jchaplik@azleg.gov)

Rep. Alexander Kolodin (R)  
[akolodin@azleg.gov](mailto:akolodin@azleg.gov)

For up-to-date information about bills being considered in the Legislature, go online to [www.azleg.state.az.us](http://www.azleg.state.az.us). Or call:  
 (602) 926-3559 (Senate)  
 (602) 926-4221 (House)



Cave Creek Unified is the only unified district in Maricopa County without a Bond or Override

# FISCAL YEAR BUDGET CALENDAR

## AUGUST

Finance and Human Resources conduct budget training sessions for new administrators.

Finance Department distributes new budget information.

## OCT/NOV - MAY

Interest-Based Negotiations Teams meet to discuss compensation package for 2023-2024.

## MARCH

Governing Board reviews budget proposals and provides additional input.

## MARCH- APRIL

Interest-Based Negotiations Teams prioritize needs and define possible adjustments and submit proposed 2023-2024 compensation package proposal to District Administration.

## APRIL-MAY

Finance Department prepares total district-wide preliminary budget request which includes:

- Interest-Based Negotiation Teams' proposal
- District-wide proposals
- Insurance and other fixed cost increases

## MAY

Finance Department defines revenue sources and prepares budget summary comparing requested expenditures to available revenue.

## MAY-JUNE

Finance Department prepares final budget proposal for presentation to Governing Board.

## JUNE-JULY

Final budget proposal presented to Governing Board for approval and authorization to post.

Proposed 2023-2024 budget to Arizona Department of Education for posting.

Publication of 2023-2024 Proposed Budget and Notice of Public Hearing.

Public Hearing and Adoption of 2023-2024 Budget.

Statutory deadline for Public Hearing and Adoption.

Statutory deadline to file 2023-2024 Budget with County School Superintendent.