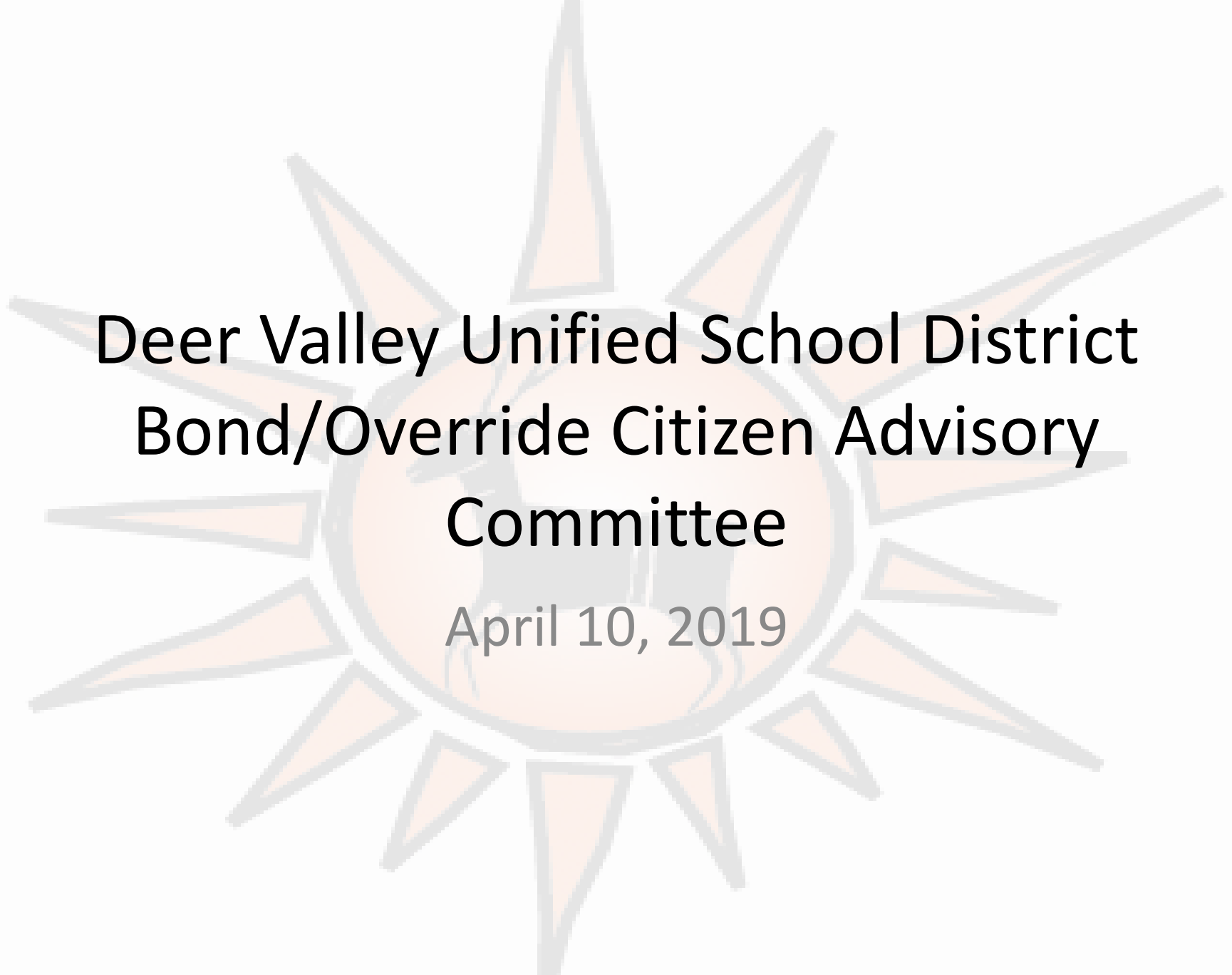
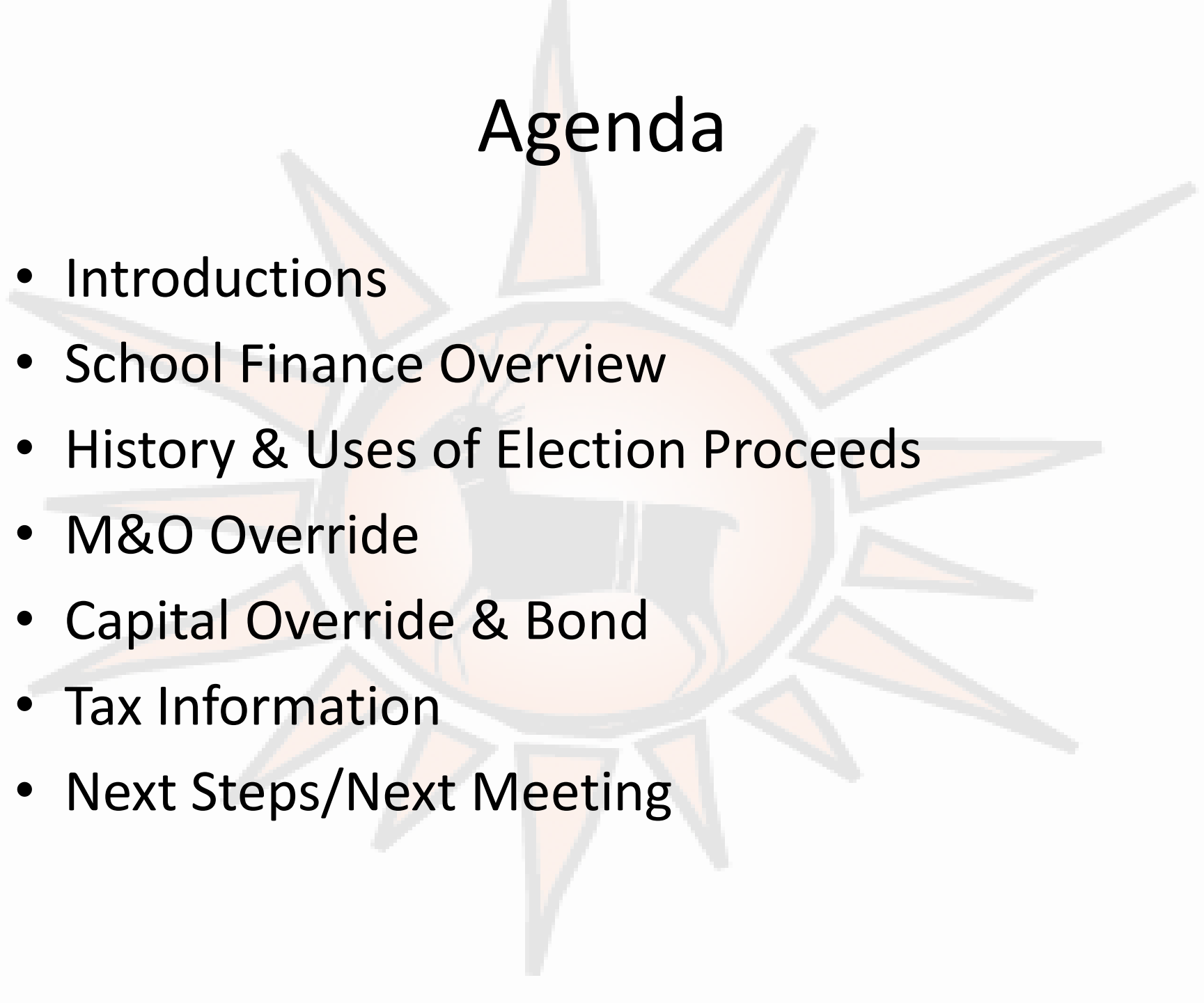




Deer Valley Unified School District Bond/Override Citizen Advisory Committee

April 10, 2019

Agenda



- Introductions
- School Finance Overview
- History & Uses of Election Proceeds
- M&O Override
- Capital Override & Bond
- Tax Information
- Next Steps/Next Meeting

Introductions

- Committee Introductions
- Committee Purpose

The charge of this committee is to provide input regarding the educational and building needs of the District, including the possibility of recommending a future election(s).

School Finance Overview

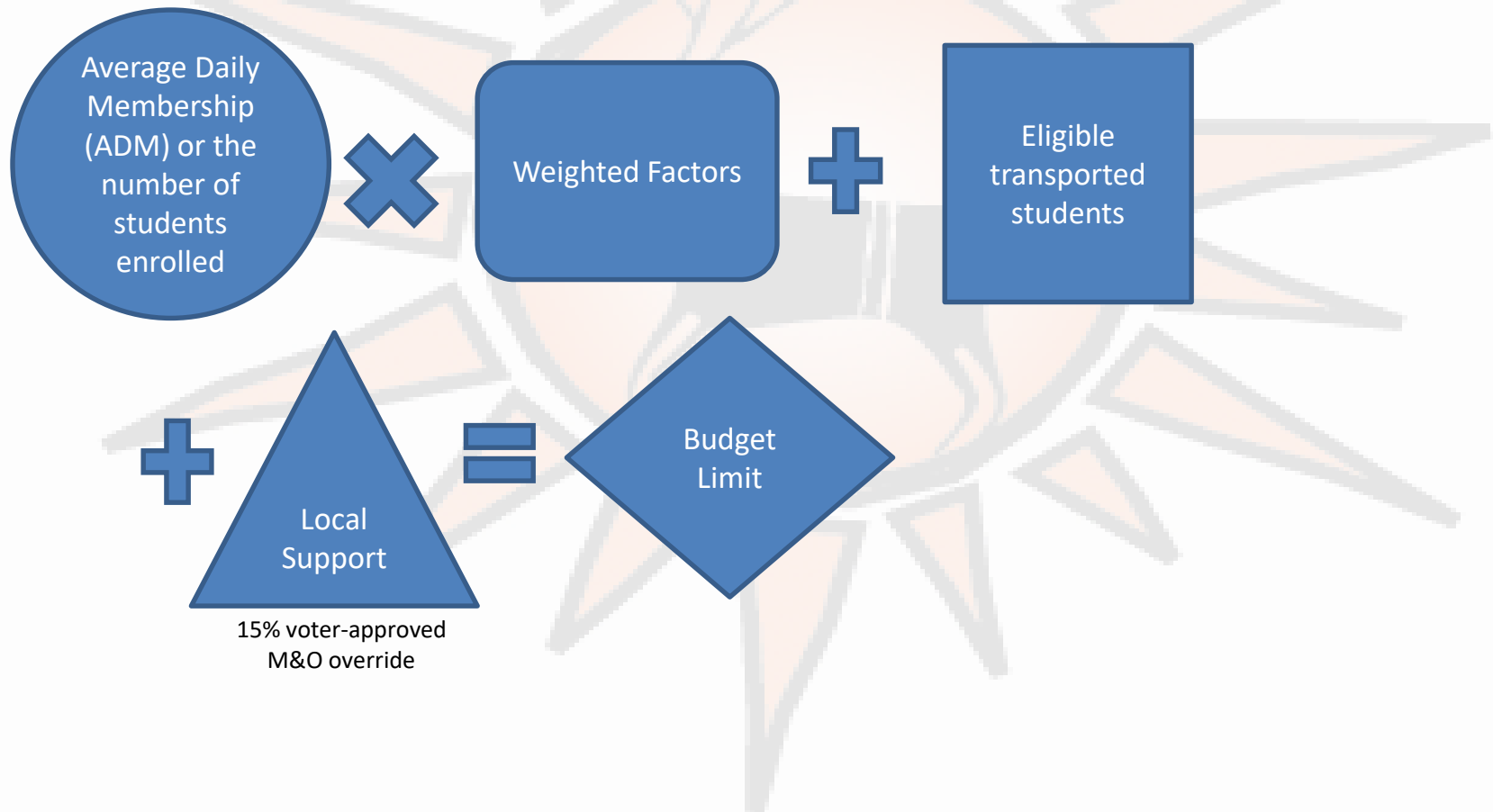
- School districts operate financially within separate designated funds
 - M&O
 - Capital
 - District Additional Assistance
 - Capital Override (if voter approved)
 - Bonds (if voter approved)
 - School Facilities Board
 - New School Construction
 - Building Renewal

School Finance Overview (con't)

- M&O (DVUSD: FY19 = \$212.65 M)
 - Based on a formula, various components essentially calculated on the number of students we serve
 - Covers most of the day-to-day expenditures
 - Can be used for operational expenses or capital
 - Includes funding from State and local property taxes (including voter-approve M&O Override)

School Finance Fundamentals

In the State of Arizona, school budgets are established by limits determined via formulas based on the number of students that are served.



School Finance Overview (con't)

- District Additional Assistance/Capital
(DVUSD: FY19 = \$15.6 M per formula, cut by \$10.1 M)
 - Based on a formula, essentially calculated on the number of students we serve
 - Provides for tangible purchases such as technology, textbooks, library resources, instructional aides, furniture, equipment and pupil transportation
 - Includes funding from State and local property taxes
- Capital Override (DVUSD: FY19 = no capital override approved)
 - Requires an election
 - Provides for capital expenses per voter pamphlet for a set period of time
 - Funded from local property taxes

School Finance Overview (con't)

- Bonds
 - Requires an election
 - Restricted to a percentage of assessed property valuations
 - Further restricted to items outlined in voter pamphlet
 - Typically for capital assets with a long useful life
 - Funded from local property taxes

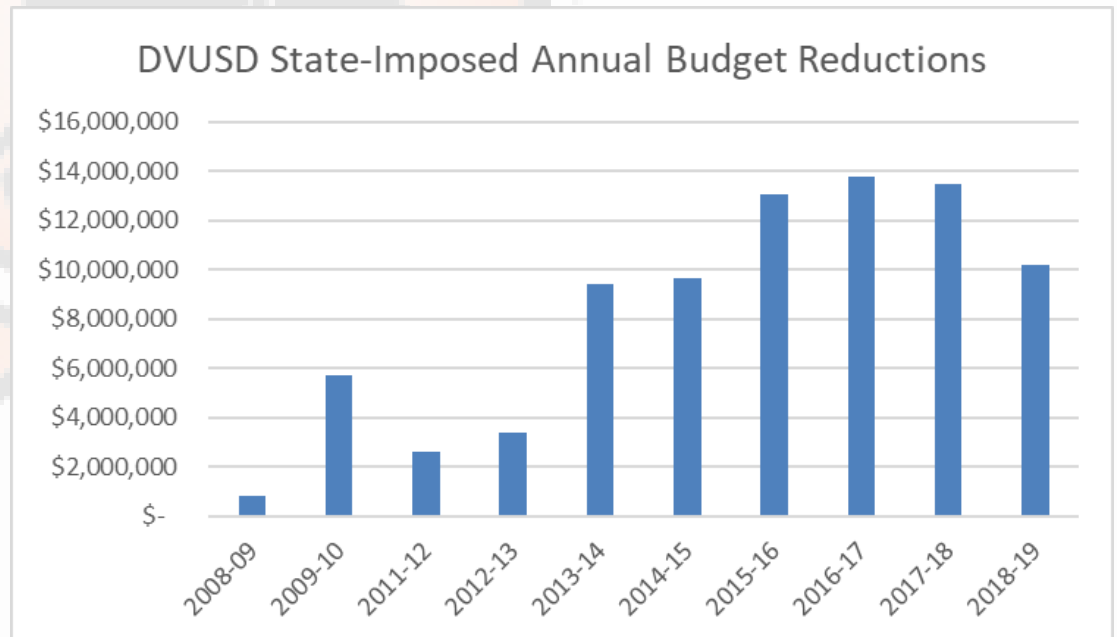
School Finance Overview (con't)

- School Facilities Board
 - New School Construction
 - Based on a formula tied to projected student enrollment
 - Provides for new construction based on minimum State standards
 - Building Renewal
 - Previously based on a formula tied to square footage
 - Currently this has been converted to a grant process
 - Intended to extend the useful life of buildings and/or maintain buildings to State standards

Legislative Changes to Capital Funding

For 2018-19 (FY19):

- District Additional Assistance/Capital
 - Continued State-imposed reductions of over 65%
 - A reduction of over \$10.1 million dollars for 2018-19
 - Cumulatively this is over \$107.5 million since 2008-09
- SFB Building Renewal
Not Fully Funded
- SFB New School
Construction
Funding Changes



History of Deer Valley USD Elections

- 2001 Elections
 - \$77,500,000 Bond - *passed*
 - \$6,242,250/Year Capital Override - *did not pass*
 - 10% M&O Override - *passed*
- 2004 Election
 - \$90,000,000 Bond - *passed*
 - \$7,500,000/Year Capital Override - *did not pass*
- 2005 Capital Override Election
 - 10% M&O Override - *passed*
 - \$7,500,000/Year Capital Override - *passed*
- 2008 Bond Election
 - \$148,000,000 Bond - *passed*
- 2010 M&O Override Election
 - 15% M&O Override - *did not pass*
 - 10% M&O Override – *passed*
- 2012 Capital Override Election
 - \$7,500,000/Year Capital Override – *did not pass*
- 2013 Bond Election
 - \$158,315,000 - *passed*
- 2015 M&O Override
 - 15% M&O Override - *passed*

Note – M&O Overrides are only fully approved for 5 years - they are reduced by 1/3 in Year 6, 2/3 in Year 7 and then they are eliminated if not re-approved by voters

2017-18 M&O Override Report (@15%)

M&O Override Category	FY18 Amount	Planned in FY19
Existing M&O Salaries	\$ 12,738,700	\$ 13,609,811
Class Size at Grades K-6 (-3 FTE Class Load)	\$ 2,900,000	\$ 3,200,000
Class Size at Grades 9-12 (-3 FTE Class Load)	\$ 3,250,000	\$ 3,650,000
Specialized Programs for Students Including Co-Curricular, Extracurricular and Full-Day Kindergarten	\$ 5,075,000	\$ 5,075,000
Extracurricular Activities	\$ 500,000	\$ 500,000
Support Services staff	\$ 500,000	\$ 500,000
District Budgets (10%)	\$ 525,000	\$ 525,000
School Budgets (10%)	<u>\$ 250,000</u>	<u>\$ 250,000</u>
	\$ 25,738,700	\$ 27,309,811

Legislation (ARS 15-481.Y) requires informational reporting of M&O Override expenditures beginning with 2010-11



Maintenance & Operations

M&O

How Much Does DVUSD Get

	<u>Total M&O Expenses</u>	<u>Resident Students</u>	<u>Expense per Student</u>
Chandler	263,627,298	44,149.484	\$ 5,971.24
Gilbert ¹	201,552,912	33,392.284	\$ 6,035.91
PV ³	201,377,016	30,277.521	\$ 6,651.04
Peoria	210,046,423	35,703.294	\$ 5,883.11
Scottsdale ^{3,4}	147,135,399	22,235.288	\$ 6,617.20
Dysart ³	144,169,166	23,523.847	\$ 6,128.64
DV	197,843,856	32,507.945	\$ 6,086.02
5 Comparable District Average		4,735,963	\$ 6,231.70

NOTE - All listed districts have an existing M&O Override in place

data from each District's FY18 AFR

Auditor General Report

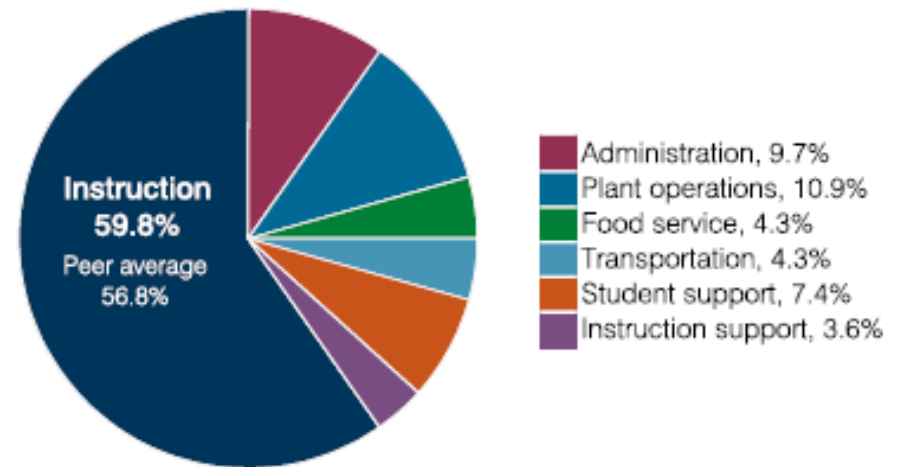
Classroom Dollar Percentage

Peer Group: Very large unified and union high school districts in cities and suburbs

Deer Valley USD FY18

Statewide %	54.0%
<i>Peer Group %</i>	<i>56.8%</i>
Chandler USD	61.6%
Gilbert USD	61.1%
<i>Deer Valley USD</i>	<i>59.8%</i>
Paradise Valley USD	58.5%
Peoria USD	56.8%
Dysart USD	56.1%
Mesa USD	55.4%
Scottsdale USD	54.4%
Phoenix UHSD	53.3%
Tucson USD	51.1%

Spending by operational area



Where The Dollar Goes



FY18 M&O BY OBJECT

Board
Policy
DBD

	Salaries	.619
	Benefits	.232
	Purchased Services	.094
	Supplies	.053
	Other Expenses	<u>.002</u>
TOTAL		\$1.00

Governing Board Policy DBD (in part):
Competitive salaries and benefits will be a high priority to attract and retain highly qualified staff. The District will allocate a percent of the new budget, at least above the average of similar districts, to salary and benefits.

Auditor General District Spending Report

Basic District Information

		Chandler			Gilbert			Paradise Valley			Peoria			Scottsdale			Deer Valley		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Students Attending		41,930	43,419	44,256	34,347	33,808	34,480	31,348	30,741	30,358	35,400	35,283	35,843	23,051	22,654	22,260	32,889	32,724	32,571
Number of Schools		43	43	43	40	40	39	44	44	44	41	41	41	30	29	29	38	38	38
Number of Teachers																			
Student/Teacher Ratio		19	19.3	18.9	18.1	17.8	17.4	19.5	17.4	18	17.3	18.2	19.1	18.7	18.3	17.3	18	17.2	17.2
Average Teacher Salary		52,001	55,701	55,242	47,692	51,125	51,049	49,389	48,299	46,564	41,337	48,595	50,198	48,853	49,435	48,099	44,712	45,022	45,552
Average Years of Service		10.9	11.3	11.5	12.1	11.9	12.4	12.8	12.7	12.7	10.9	11.3	11.6	13.6	13.9	13.5	11.8	12.3	12.5

Auditor General District Spending Report

Percentages of Spending

		Chandler			Gilbert			Paradise Valley			Peoria			Scottsdale			Deer Valley		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Classroom Dollars		61.0%	60.6%	61.6%	60.7%	60.1%	61.1%	56.4%	57.0%	58.5%	56.2%	56.9%	56.8%	53.6%	53.6%	54.4%	58.5%	60.0%	59.8%
Non-Classroom Dollars																			
	Administration	8.2%	8.2%	8.2%	7.7%	8.5%	7.7%	8.4%	8.2%	8.1%	10.5%	9.6%	10.0%	9.2%	9.7%	9.4%	10.0%	9.8%	9.7%
	Plant Operations	10.4%	10.5%	10.3%	10.5%	10.5%	9.9%	13.2%	12.9%	12.8%	10.1%	10.1%	10.5%	13.5%	14.1%	14.3%	11.7%	10.8%	10.9%
	Food Service	4.8%	4.5%	4.1%	4.0%	3.7%	3.6%	3.0%	2.9%	2.7%	4.6%	4.3%	4.4%	4.4%	4.2%	3.9%	4.2%	4.1%	4.3%
	Transportation	4.6%	4.7%	4.6%	4.3%	4.5%	4.7%	4.1%	4.1%	3.9%	3.4%	3.6%	3.5%	4.5%	4.2%	3.9%	4.2%	4.1%	4.3%
	Student Support	6.8%	7.0%	6.9%	9.4%	9.6%	9.7%	9.7%	9.9%	9.3%	10.2%	10.2%	10.3%	9.4%	8.9%	8.7%	7.5%	7.5%	7.4%
	Instructional Support	4.2%	4.5%	4.3%	3.4%	3.1%	3.3%	5.2%	5.0%	4.7%	5.0%	5.3%	4.5%	5.4%	5.3%	5.4%	3.9%	3.7%	3.6%
	Other																		
	Classroom Support	72.0%	72.1%	72.8%	73.5%	72.8%	74.1%	71.3%	71.9%	72.5%	71.4%	72.4%	71.6%	68.4%	67.8%	68.5%	69.9%	71.2%	70.8%

State		
2016	2017	2018
53.5%	53.8%	54.0%
10.4%	10.4%	10.4%
12.1%	12.0%	11.9%
5.4%	5.2%	5.1%
4.7%	4.7%	4.7%
8.2%	8.3%	8.3%
5.7%	5.6%	5.6%
67.4%	67.7%	67.9%

Auditor General District Spending Report

Per Pupil Spending

		Chandler			Gilbert			Paradise Valley			Peoria			Scottsdale			Deer Valley		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Per Student		\$ 7,158	\$ 7,260	\$ 7,475	\$ 6,811	\$ 7,423	\$ 7,550	\$ 7,472	\$ 7,989	\$ 8,289	\$ 6,945	\$ 7,534	\$ 7,331	\$ 7,820	\$ 7,941	\$ 8,094	\$ 6,880	\$ 7,478	\$ 7,592
Classroom Dollars		\$ 4,366	\$ 4,402	\$ 4,606	\$ 4,135	\$ 4,465	\$ 4,616	\$ 4,214	\$ 4,557	\$ 4,846	\$ 3,904	\$ 4,288	\$ 4,166	\$ 4,194	\$ 4,254	\$ 4,400	\$ 4,022	\$ 4,483	\$ 4,542
Non-Classroom Dollars																			
	Administration	\$ 589	\$ 597	\$ 613	\$ 522	\$ 628	\$ 583	\$ 631	\$ 651	\$ 672	\$ 731	\$ 723	\$ 734	\$ 715	\$ 768	\$ 762	\$ 689	\$ 733	\$ 738
	Plant Operations	\$ 744	\$ 765	\$ 769	\$ 716	\$ 779	\$ 746	\$ 983	\$ 1,030	\$ 1,063	\$ 701	\$ 760	\$ 773	\$ 1,058	\$ 1,122	\$ 1,160	\$ 805	\$ 810	\$ 826
	Food Service	\$ 346	\$ 323	\$ 308	\$ 270	\$ 276	\$ 273	\$ 226	\$ 235	\$ 232	\$ 317	\$ 325	\$ 317	\$ 341	\$ 331	\$ 318	\$ 288	\$ 305	\$ 328
	Transportation	\$ 325	\$ 342	\$ 347	\$ 296	\$ 335	\$ 354	\$ 306	\$ 327	\$ 322	\$ 237	\$ 271	\$ 260	\$ 353	\$ 337	\$ 317	\$ 289	\$ 307	\$ 323
	Student Support	\$ 485	\$ 511	\$ 516	\$ 639	\$ 708	\$ 731	\$ 723	\$ 788	\$ 770	\$ 708	\$ 773	\$ 753	\$ 733	\$ 711	\$ 706	\$ 514	\$ 562	\$ 559
	Instructional Support	\$ 303	\$ 320	\$ 316	\$ 233	\$ 232	\$ 247	\$ 389	\$ 401	\$ 384	\$ 347	\$ 394	\$ 328	\$ 426	\$ 418	\$ 431	\$ 273	\$ 278	\$ 276
	Other																		
Non-Classroom Subtotal		\$ 2,792	\$ 2,858	\$ 2,869	\$ 2,676	\$ 2,958	\$ 2,934	\$ 3,258	\$ 3,432	\$ 3,443	\$ 3,041	\$ 3,246	\$ 3,165	\$ 3,626	\$ 3,687	\$ 3,694	\$ 2,858	\$ 2,995	\$ 3,050
	Classroom Support	\$ 5,154	\$ 5,233	\$ 5,438	\$ 5,007	\$ 5,405	\$ 5,594	\$ 5,326	\$ 5,746	\$ 6,000	\$ 4,959	\$ 5,455	\$ 5,247	\$ 5,353	\$ 5,383	\$ 5,537	\$ 4,809	\$ 5,323	\$ 5,377

State		
\$ 7,746	\$ 8,141	\$ 8,296
\$ 4,145	\$ 4,377	\$ 4,480
\$ 806	\$ 844	\$ 860
\$ 939	\$ 977	\$ 988
\$ 415	\$ 422	\$ 425
\$ 364	\$ 381	\$ 388
\$ 633	\$ 679	\$ 693
\$ 444	\$ 461	\$ 462
\$ 3,601	\$ 3,764	\$ 3,816
\$ 5,222	\$ 5,517	\$ 5,635

Auditor General District Spending Report

Key Metrics

		Chandler			Gilbert			Paradise Valley			Peoria			Scottsdale			Deer Valley		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Administration																			
	Cost Per Pupil	\$ 589	\$ 597	\$ 613	\$ 522	\$ 628	\$ 583	\$ 631	\$ 651	\$ 672	\$ 731	\$ 723	\$ 734	\$ 715	\$ 768	\$ 762	\$ 689	\$ 733	\$ 738
	Students per Admin	104	104	104	75	85	90	76	74	73	91	91	92	78	77	77	88	86	85
Plant Operations																			
	Cost Per Square Foot	\$ 6.64	\$ 7.07	\$ 7.24	\$ 5.08	\$ 5.46	\$ 5.18	\$ 6.06	\$ 6.26	\$ 6.38	\$ 5.27	\$ 5.70	\$ 5.88	\$ 5.75	\$ 6.15	\$ 6.25	\$ 5.82	\$ 5.87	\$ 5.96
	Square Foot Per Pupil	112	108	106	141	143	144	162	165	167	133	133	131	184	182	186	138	138	139
Food Service																			
	Cost Per Meal	\$ 3.12	\$ 2.91	\$ 3.03	\$ 2.52	\$ 2.67	\$ 2.75	\$ 2.55	\$ 2.65	\$ 2.72	\$ 3.00	\$ 2.92	\$ 2.86	\$ 2.64	\$ 2.62	\$ 2.40	\$ 2.41	\$ 2.67	\$ 2.97
Transportation																			
	Cost Per Mile	\$ 4.69	\$ 4.92	\$ 5.12	\$ 3.68	\$ 4.02	\$ 4.38	\$ 3.87	\$ 4.03	\$ 3.62	\$ 3.53	\$ 3.85	\$ 3.74	\$ 4.46	\$ 4.33	\$ 4.63	\$ 4.34	\$ 4.72	\$ 5.10
	Miles Per Rider	1,338	1,412	1,404	1,074	1,246	1,338	1,350	1,407	1,513	1,270	1,361	1,261	1,677	1,541	1,570	1,104	1,221	1,342

State		
\$ 806	\$ 844	\$ 860
67	67	66
\$ 6.10	\$ 6.30	\$ 6.34
154	155	156
\$ 2.81	\$ 2.88	\$ 3.02
\$ 3.72	\$ 3.84	\$ 4.05
1,092	1,198	1,301

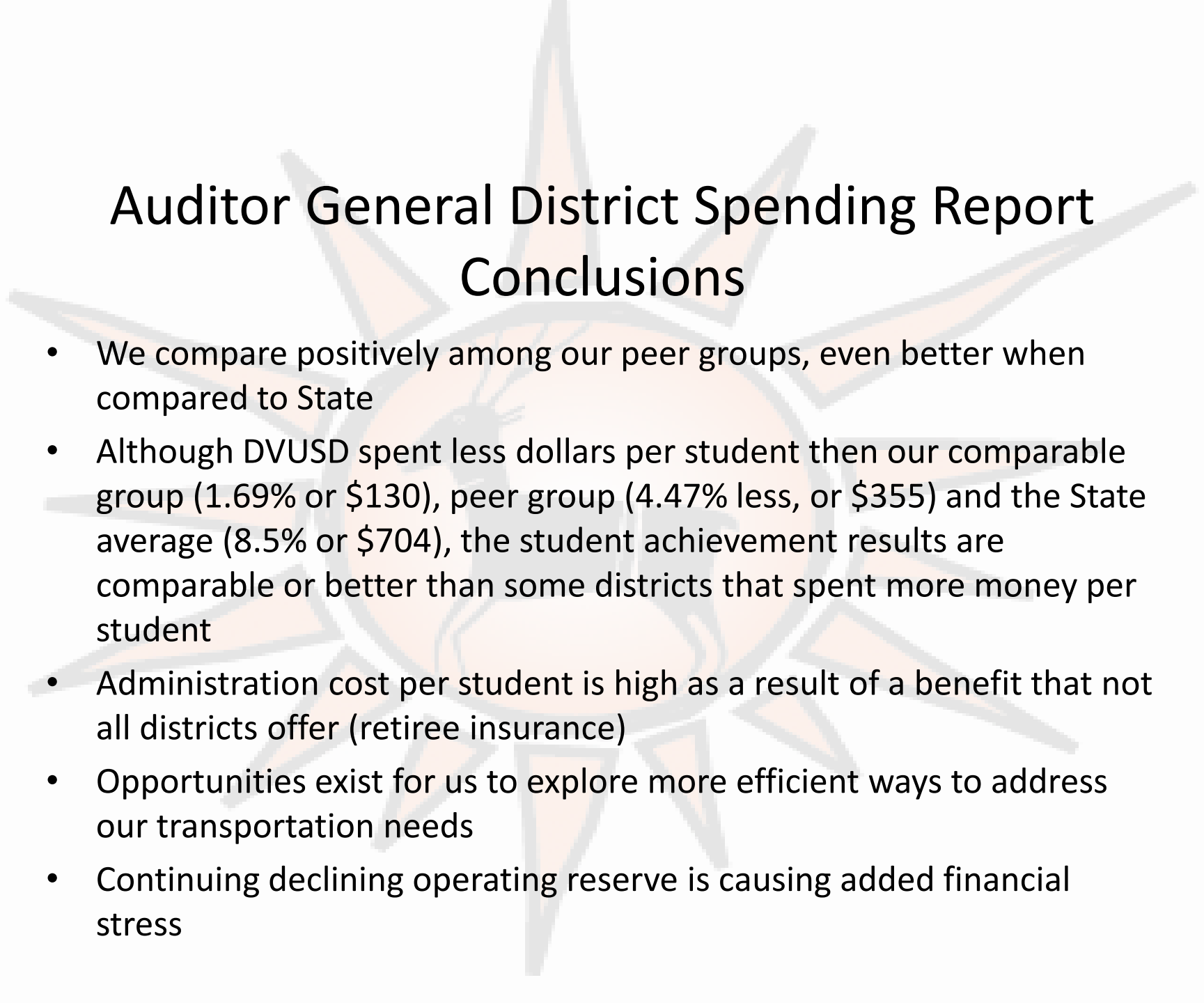
Student Achievement Results

Percentage of students passing

Unified school districts
with poverty rates of 9 to
16 percent in cities and
suburbs



District name	Percentage of students passing		
	Math	English Language Arts	Science
Peer group average	46%	45%	58%
Chandler USD	58	56	69
Scottsdale USD	58	56	65
Deer Valley USD	55	55	69
Prescott USD	45	49	62
Paradise Valley USD	45	47	58
Peoria USD	49	42	51
Marana USD	40	39	55
Dysart USD	38	39	47
Flagstaff USD	34	35	51
J.O. Combs USD	35	31	47



Auditor General District Spending Report

Conclusions

- We compare positively among our peer groups, even better when compared to State
- Although DVUSD spent less dollars per student than our comparable group (1.69% or \$130), peer group (4.47% less, or \$355) and the State average (8.5% or \$704), the student achievement results are comparable or better than some districts that spent more money per student
- Administration cost per student is high as a result of a benefit that not all districts offer (retiree insurance)
- Opportunities exist for us to explore more efficient ways to address our transportation needs
- Continuing declining operating reserve is causing added financial stress



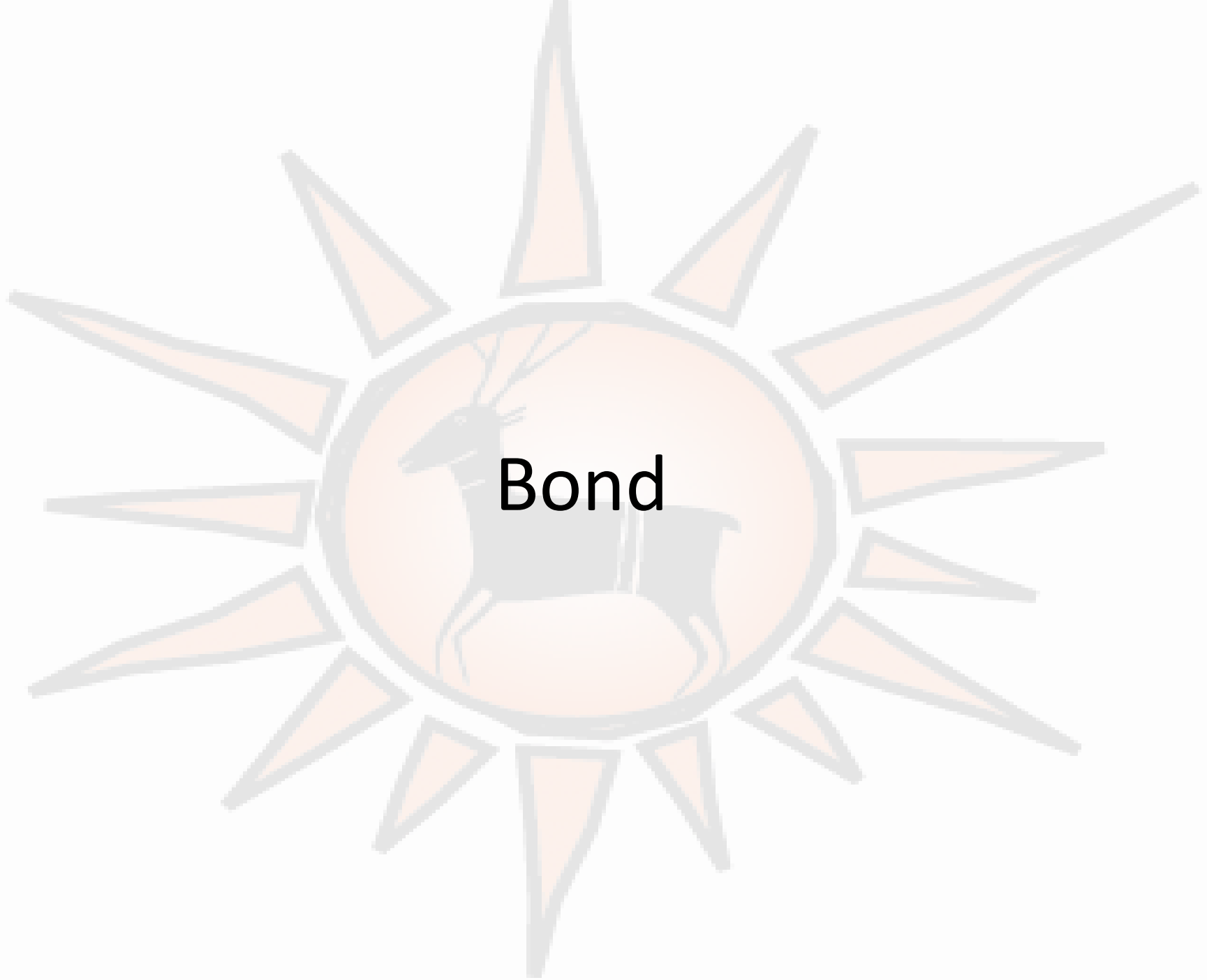
Capital Override

2005 Capital Override

Athletic Uniforms and Equipment, Grades 7-12	\$ 1,250,000
Fine Arts Uniforms and Equipment, Grades 7-12	\$ 1,250,000
Classroom and Cafeteria Furniture & Equipment	\$ 7,000,000
Fleet Vehicle Replacements	\$ 1,000,000
Technology – Hardware, Software, Efficiency & Growth	\$27,000,000
Textbooks – New Curriculum and Growth	<u>\$15,000,000</u>
TOTAL	\$52,500,000

*\$52,500,000 is divided over 7 years for \$7,500,000/year
from 2006-07 through 2012-13*

Note – Capital Override was not renewed by voters in 2012 so is no longer in place



Bond

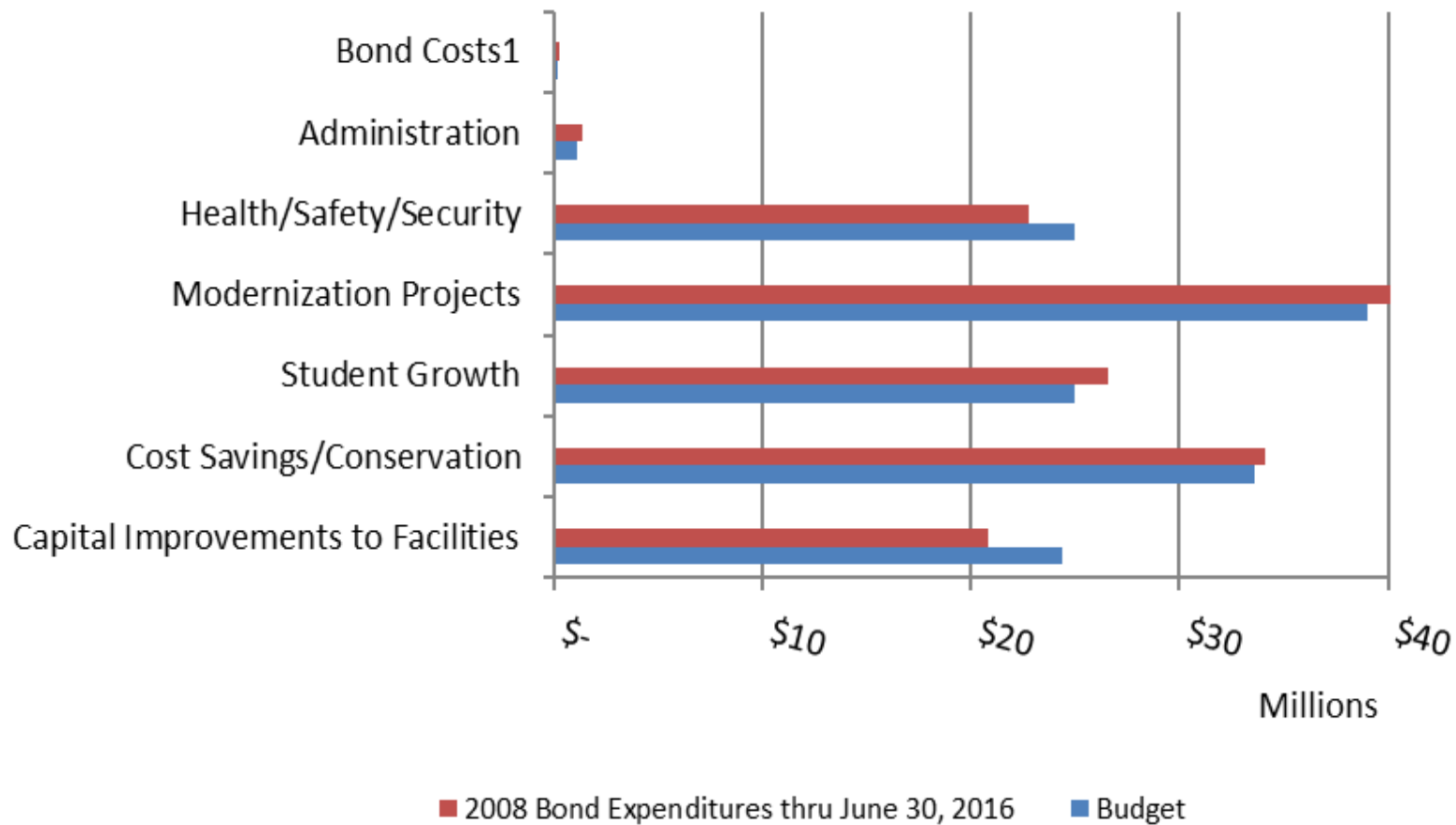
2008 Bond Summary

as of June 30, 2016

	<u>Budget</u>	2008 Bond Expenditures thru <u>June 30, 2016</u>	
Capital Improvements to Facilities	\$ 24,385,000	\$ 20,820,340	85.4%
Cost Savings/Conservation	\$ 33,595,000	\$ 34,124,809	101.6%
Student Growth	\$ 25,000,000	\$ 26,584,127	106.3%
Modernization Projects	\$ 39,000,000	\$ 42,372,954	108.6%
Health/Safety/Security	\$ 24,950,000	\$ 22,759,995	91.2%
Administration	\$ 1,070,000	\$ 1,289,483	120.5%
<i>Bond Costs¹</i>	<u>\$ 159,000</u>	<u>\$ 207,292</u>	
	\$ 148,159,000	\$ 148,159,000	100.0%
<i>1 - \$159K Premium from bond sales to cover bond rating agency costs</i>			

2008 Bond Expenditure Graph

as of June 30, 2016



2008 Bond Activity

through June 30, 2016

<u>Accomplishments</u>	<u>Budget</u>	<u>Prior to 2015</u>	<u>2015-16</u>	<u>Status</u>
Student Growth & Facility Utilization				
<i>New Elementary</i>	\$ 15,000,000	\$15,397,142	\$ 281,555	C
<i>High School Expansion</i>	\$ 10,000,000	\$ 10,236,834		
<i>MRHS High School Portable Replacement</i>				C
<i>SDOHS High School Expansion</i>				C
<i>BCHS High School Expansion</i>				C
<i>Miscellaneous Growth</i>		\$ 668,596		C
Cost Savings/Conservation Efforts	\$ 33,595,000			
<i>EMS & Energy Projects</i>		\$ 9,060,369		C
<i>HVAC Replacements</i>		\$ 15,376,723		C
<i>Modernization Projects (Cost Savings/Conservation Efforts)</i>		\$ 9,687,717		C
Capital Improvements to Facilities	\$ 24,385,000			
<i>Building Renewal</i>		\$ 20,214,182	\$ 606,158	C
Health/Safety/Security	\$ 24,950,000			
<i>Special Systems</i>		\$ 5,168,867		C
<i>Modernization Projects (Health/Safety/Security)</i>		\$ 17,591,128		C

Status Codes

P= Preliminary Planning

UC= Under Contract

C= Complete

IP= In Progress

2008 Bond Activity (con't)

through June 30, 2016

<u>Accomplishments</u>	<u>Budget</u>	<u>Prior to 2015</u>	<u>2015-16</u>	<u>Status</u>
School Modernization Projects	\$ 39,000,000			
<i>DVHS Modernization Project</i>		\$ 12,503,582		C
<i>BGHS Modernization Project</i>		\$ 18,059,646		C
<i>DVMS Modernization Project</i>		\$ 418,224		C
<i>Constitution Modernization Project</i>		\$ 4,984,768		C
<i>Village Meadows Modernization Project</i>		\$ 2,339,079		C
<i>Sunrise Modernization Project</i>		\$ 2,789,246		C
<i>Modernization Projects</i>		\$ 1,278,409		C
Administration	\$ 1,070,000			
<i>Building Renewal</i>		\$ 1,289,483		C
Bond Costs	\$ 159,000	\$ 206,974	\$ 318	
	\$ 148,159,000	\$ 147,270,969	\$ 888,031	

Status Codes

P= Preliminary Planning

UC= Under Contract

C= Complete

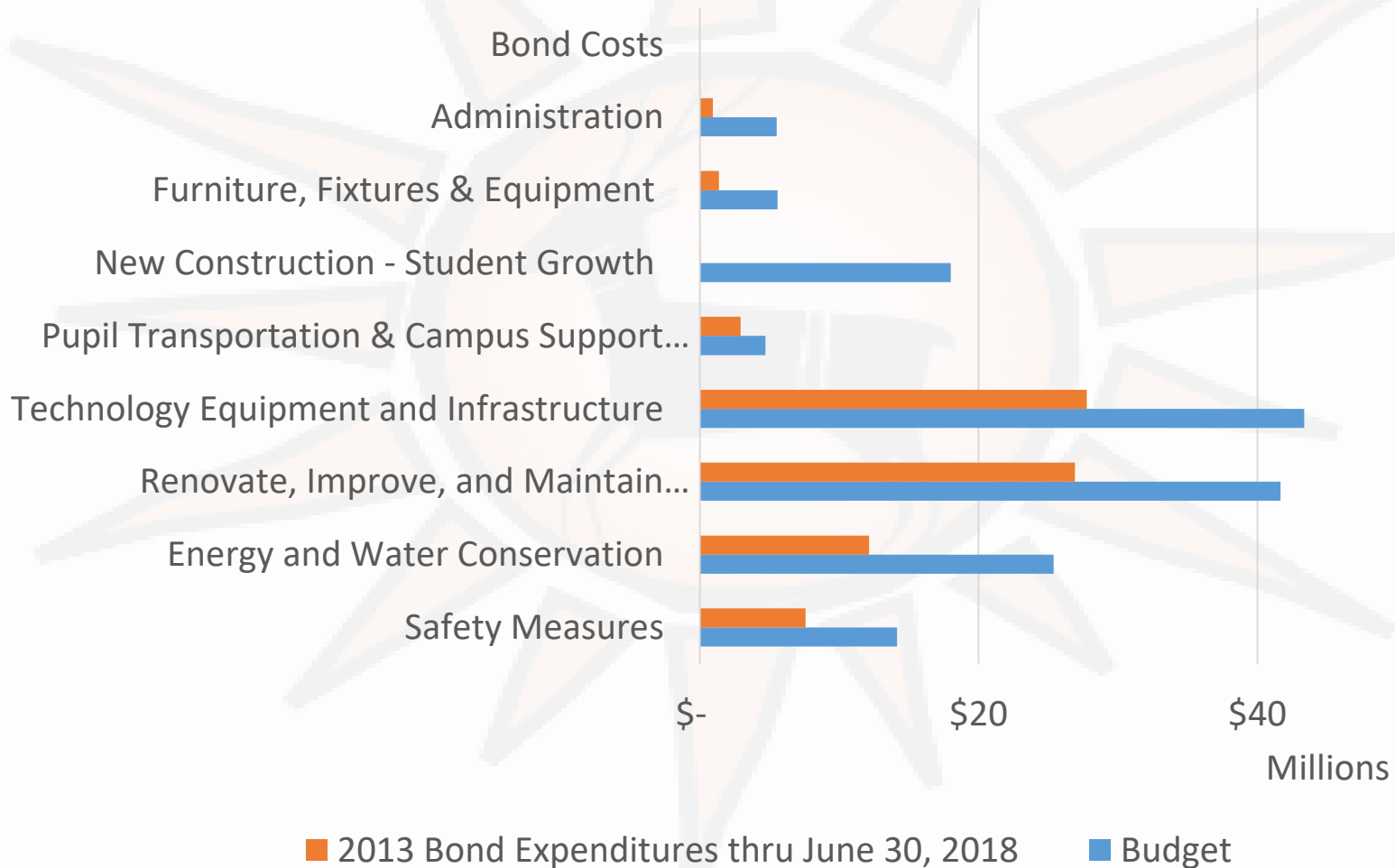
IP= In Progress

2013 Bond Summary as of June 30, 2018

	<u>Budget</u>	2013 Bond Expenditures thru <u>June 30, 2018</u>	
Safety Measures	\$ 14,140,000	\$ 7,582,584	54%
Energy and Water Conservation	\$ 25,370,000	\$ 12,134,104	48%
Renovate, Improve, and Maintain (existing schools)	\$ 41,650,000	\$ 26,903,379	65%
Technology Equipment and Infrastructure	\$ 43,365,000	\$ 27,761,108	64%
Pupil Transportation & Campus Support Vehicles	\$ 4,700,000	\$ 2,918,097	62%
New Construction - Student Growth	\$ 18,000,000	\$ 49,395	0%
Furniture, Fixtures & Equipment	\$ 5,580,000	\$ 1,367,666	25%
Administration	\$ 5,510,000	\$ 934,893	17%
Bond Costs	<u>\$ 0</u>	<u>\$ 188,662</u>	
	\$ 158,315,000	\$ 79,839,888	50%

2013 Bond Expenditure Graph

as of June 30, 2018



2013 Bond Activity

through June 30, 2018

<u>Accomplishments</u>	<u>Budget</u>	<u>Prior to 2017-2018</u>	<u>2017-2018</u>	<u>Status</u>
Safety Measures	\$ 14,140,000			
<i>Safety & Security</i>		\$ 3,451,507	\$ 1,831,256	IP
<i>Playground</i>		\$ 189,526	\$ 143,308	IP
<i>Modernization</i>		\$ 1,023,293	\$ 1,568	IP
<i>Camera Systems</i>		\$ 927,109	\$ 813	IP
<i>Transportation Technology</i>		\$ 14,204		IP
Energy & Water Conservation	\$ 25,370,000			
<i>HVAC Systems</i>		\$ 9,224,576	\$ 2,104,604	IP
<i>Electronic Marquees</i>		\$ 804,924	\$ -	C
Renovate, Improve, Repair	\$ 41,650,000			
<i>Modernization</i>		\$ 9,755,391	\$ 4,842,561	IP
<i>Roofing</i>		\$ 939,630	\$ 375,361	IP
<i>Painting</i>		\$ 3,370,193	\$ 1,025,295	IP
<i>Flooring</i>		\$ 1,484,498	\$ 1,187,254	IP
<i>Concrete/Paving</i>		\$ 1,576,116	\$ 699,751	IP
<i>Restroom Renovations</i>		\$ 208,234	\$ 53,734	IP
<i>Resurfacing</i>		\$ 294,235	\$ 281,916	IP
<i>Other</i>		\$ 537,351	\$ 271,859	IP

Status Codes

P= Preliminary Planning | UC= Under Contract | C= Complete | IP= In Progress

2013 Bond Activity (con't)

through June 30, 2018

Technology Equipment & Infras	\$ 43,365,000			
<i>Peripherals, AV, Network/Infrastructure</i>		\$ 7,929,226	\$ 2,810,628	IP
<i>WAN Upgrades</i>		\$ 9,081,068	\$ 1,945,924	IP
<i>BYOD Initiatives</i>				
<i>E-Textbook Devices</i>		\$ 4,906,229	\$ 762,704	IP
<i>Phone System</i>		\$ 319,722	\$ 5,607	IP
Pupil Transportation & Campus	\$ 4,700,000			
<i>Replacement Buses/Air Conditioning</i>		\$ 2,357,707	\$ 560,390	IP
New Construction - Student Gro	\$ 18,000,000			
<i>Student Growth</i>		\$ 26,730	\$ 22,665	IP
<i>Elementary #31</i>		\$ -		
Furniture, Fixtures, & Equip	\$ 5,580,000			
<i>Furniture & Equipment New School</i>		\$ 34,425		IP
<i>Furniture & Equipment</i>		\$ 119,350	\$ 85,473	IP
<i>Copiers</i>		\$ 1,080,028	\$ 48,390	IP
Administration	\$ 5,510,000			
<i>Energy & Water Conservation</i>		\$ 13,095	\$ 4,661	IP
<i>Technology Equipment & Infrastructure</i>		\$ 85,504		IP
<i>Renovate, Improve, and Maintain Existing Sites</i>		\$ 275,026	\$ 8,178	IP
<i>Purchase Campus Support Vehicles</i>		\$ 127,459		IP
<i>Furniture, Fixtures, & Equip Replacement</i>		\$ 106,116	\$ 126,192	IP
Bond Costs	\$ 0	\$ 116,339	\$ 72,323	
<u>Status Codes</u>	\$ 158,315,000	\$ 60,378,811	\$ 19,272,415	

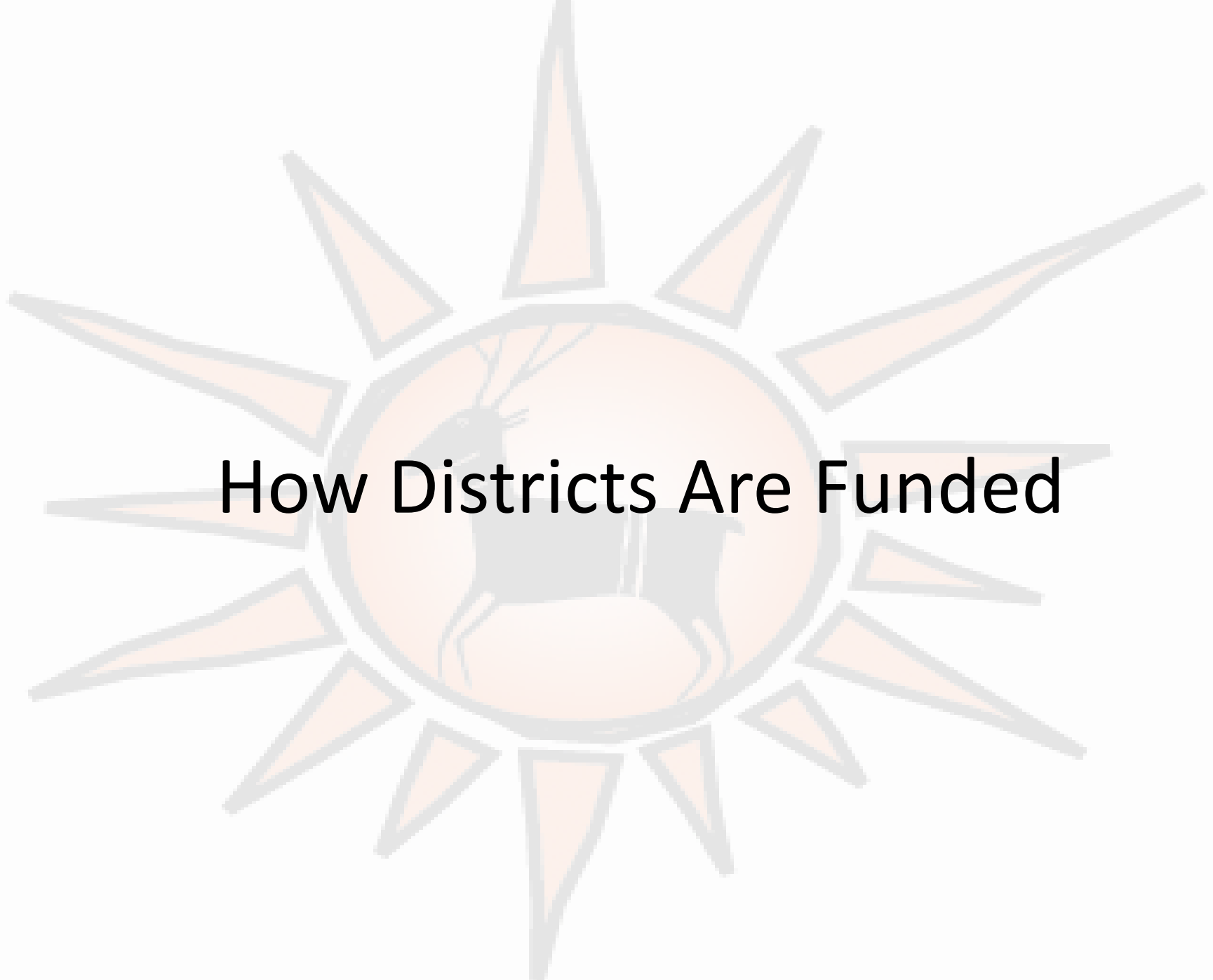
P= Preliminary Planning | UC= Under Contract | C= Complete | IP= In Progress

Future of Capital Funding

- Available Resources
 - District Additional Assistance/Capital Reductions Projected to Continue (with partial restorations)
 - SFB Funding Projected to be Limited
 - Bond Authorization Restricted
 - Projects already planned through 2020

Examples of Future Capital Needs

- Categories of Needs
 - Curriculum Based Needs
 - Textbooks, Instructional Aides, Assessment System, Media Center Materials, Technology (replacements, accessibility & innovation), Copiers, Furniture, Equipment
 - Extracurricular Needs
 - Athletics, Fine Arts
 - Transportation Needs
 - Buses, Fleet Vehicles, Technology
 - Facilities Needs
 - Building Renewal, Energy Conservation, HVAC, Security & Safety, Resurfacing, Playground Improvements, Facilities Equipment



How Districts Are Funded

REVENUE SOURCES

LOCAL PROPERTY TAXES

What is it?

**PRIMARY
AND
SECONDARY
TAXES**

Local Property Taxes-

Property tax on real and personal property within the district provides the revenue for M&O, District Additional Assistance (DAA, or Capital) that the equalization formula does not cover.

It also provides 100% of the funding for overrides, debt service, adjacent ways, and desegregation costs.

Local Property Taxes are divided into two separate but distinct rates.

Secondary Tax Rate

What is it?

The Secondary Tax Rate is the amount levied to the local taxpayers of a School District to provide the revenue needed to fund:

- **Budget Overrides**
- **Debt Service from Bonding**

SECONDARY TAX RATE

SECONDARY TAX RATE FISCAL YEAR 2018-2019

Bonds	CLASS A	CLASS B	BOND TOTAL	TAX RATE
Payment due July 2018	\$0	\$32,344,535	\$32,344,535	
Payment due January 2019	\$0	\$3,677,697	\$3,677,697	
Payment due July 2019	\$0	\$36,691,522	\$36,691,522	
Defeasance	\$0	\$0	\$0	
Fees and Arbitrage	\$0	\$0	\$0	
Delinquency Allowance (2% Delinquency Rate)	\$0	\$760,698	\$760,698	
Total Required	\$0	\$73,474,452	\$73,474,452	
Treasurer's Cash	\$0	\$34,678,847	\$34,678,847	
SRP Contribution	\$0	(\$68,638)	(\$68,638)	
Bond Levy	\$0	\$38,726,967	\$38,726,967	
Bond Tax Rate	0.0000	1.5039	1.5039	1.5039
Overrides	MO	CAP OUTLAY	OVERRIDE TOTAL	
Override	\$27,309,811	\$0	\$27,309,811	
SRP Contribution	(\$48,317)	\$0	(\$48,317)	
Override Levy	\$27,261,494	\$0	\$27,261,494	
Override Tax Rate	1.0587	0.0000	1.0587	1.0587
Desegregation			DESEG \$15-910(L)	
Desegregation Levy			\$0	
Desegregation Tax Rate			0.0000	0.0000
Final Secondary Tax Rate				2.5626

Local Tax Rate Simplified

How is it Calculated?

Local Tax Rates are Calculated By:

Determining Amount Needed
from funding formula

= Amount to be Levied

/ By (Assessed Value/100)

Primary Tax Rate

What is it?

The Primary Tax Rate is the amount levied to the local taxpayers of a School District to provide the revenue needed to fund the following budgets:

M&O Budget Limit

District Additional Assistance (Capital)

Adjacent Ways

DEER VALLEY USD

STATE EQUALIZATION

- Qualifying Tax Rate = \$1.9675 for Elementary and \$1.9675 for High School districts (total of \$3.9358)
- Multiply by Primary Assessed Valuation/100 = \$25,751,108
- Qualifying Levy Amount = \$104,866,238
- Total DSL & CORL = \$178,995,143
- Equalization Assistance = \$82,932,884

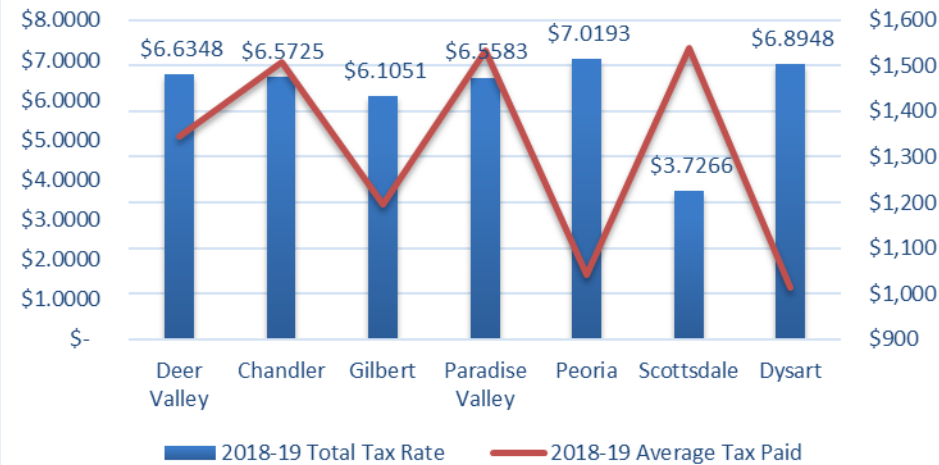
PRIMARY TAX RATE

FINAL PRIMARY SCHOOL TAX RATES FOR FISCAL YEAR 2018-2019

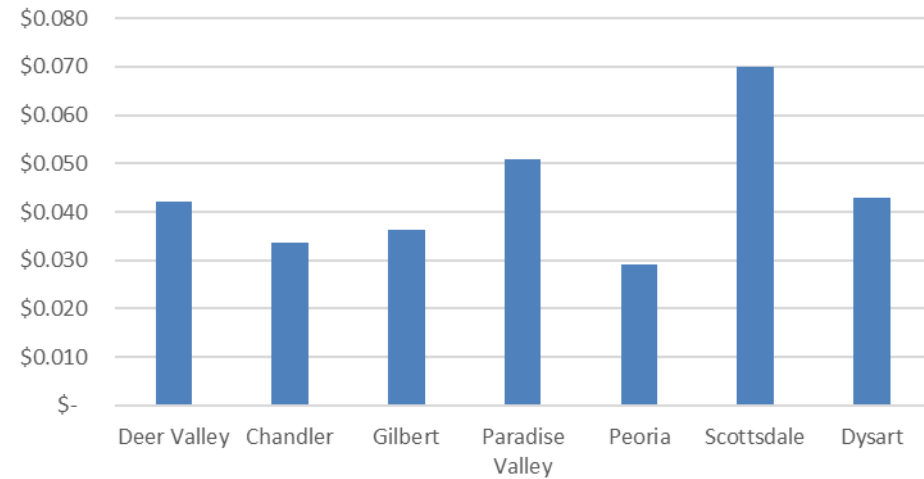
				TAX RATE
Equalization Base	\$178,995,143.00	Equalization Base Tax Rate	6.9387	
		Qualifying Tax Rate	3.9358	
		Lessor of QTR/EBTR	3.9358	3.9358
A.R.S. §15-992(F)(1)				
Trans RCL	\$8,694,165.80			
Trans Support Level	\$5,623,901.71			
	<u>\$3,070,264.09</u>	TRCL less TSL Rate	0.119	0.119
A.R.S. §15-992(F)(2 through 9)				
Other Costs in §15-910	\$0.00	Tax Rate	0.0000	
Tuition Loss Adj	\$0.00	Tax Rate	0.0000	
Small Schools Adj	\$0.00	Tax Rate	0.0000	
Liabilities in Excess of Budget	\$0.00	Tax Rate	0.0000	
Adjacent Ways Levy	\$400,000.00	Tax Rate	0.0155	
Dropout Prevention	\$0.00	Tax Rate	0.0000	
GPLET	\$0.00 x QTR	\$0.00		
	Less GPLET Revenue	<u>\$0.00</u>		
	GPLET Rate	\$0.00	Tax Rate	0.0000
Tax Resolutions & Judgments	\$51,582.42	Tax Rate	0.0020	
Levy for Under ADM	\$0.00	Tax Rate	0.0000	
Correct Outstanding Cash Deficit	\$0.00	Tax Rate	0.0000	
		Subtotal	0.0175	0.0175
	Primary Net Assessed Values	\$2,575,110,830.00		
	SRP Assessed Values	\$4,564,000.00		
	Net Primary Tax Levy	\$104,866,238.00		
	Net Primary Tax Rate	4.0723		
	Maximum Allowable Tax Rate (if applicable)	N/A		
Final Primary Tax Rate				4.0723

Tax Comparisons

2018-19 Tax Information



2018-19 Average Tax Paid Per ADM



	Deer Valley	Chandler	Gilbert	Paradise Valley	Peoria	Scottsdale	Dysart
2018-19 Total Tax Rate	\$ 6.6348	\$ 6.5725	\$ 6.1051	\$ 6.5583	\$ 7.0193	\$ 3.7266	\$ 6.8948
2018-19 Average Tax Paid	\$ 1,344	\$ 1,507	\$ 1,195	\$ 1,535	\$ 1,041	\$ 1,538	\$ 1,012
	31,990	44,639	32,972	30,144	35,678	21,963	23,600
2018-19 Average Tax Paid F	\$ 0.042	\$ 0.034	\$ 0.036	\$ 0.051	\$ 0.029	\$ 0.070	\$ 0.043
	Deer Valley	Chandler	Gilbert	Paradise Valley	Peoria	Scottsdale	Dysart
2017-18 Total Tax Rate	\$ 6.7534	\$ 6.4661	\$ 6.1999	\$ 6.5548	\$ 7.5434	\$ 3.7376	\$ 6.8948
2017-18 Average Tax Paid	\$ 1,304	\$ 1,412	\$ 1,155	\$ 1,458	\$ 1,059	\$ 1,477	\$ 977

Next Steps/Next Meeting

Next Steps

- What Additional Information is Needed
- Solicit Input on Capital Needs
- Develop Capital Needs List
- Prioritize Capital Needs List
- Develop Recommendation(s) for Funding

Next Meeting

- Wednesday, April 17, 2019 – 6:00 to 8:00 PM