

Meeting Dates (4:00 - 7:00 PM)

- ~~February 26, 2025~~
- March 26, 2025
- April 23, 2025
- May 21, 2025
- *June 25, 2025**
- July 30, 2025

*May need to change date



Scan to Sign-In



Long Range Plan

Meeting 2
March 26, 2025

THE KYRENE PROMISE



WE PROMISE to provide welcoming, inclusive learning environments in which every student is honored, valued, and feels a strong sense of belonging and purpose.



WE PROMISE to provide rigorous, responsive learning environments in which every student is given what they need to develop knowledge, skills, confidence, and a passion for learning.



WE PROMISE to provide vibrant, world class learning environments in which every student believes they are empowered and prepared to make a meaningful impact on a rapidly changing world.



READY
FOR THE
FUTURE

KYRENE **KEY** VALUES

CONNECTION

We build and maintain trusting relationships so that our students, families and staff are seen, heard and valued.

COMPASSION

We treat and respond to others with dignity, understanding, empathy and kindness.

COURAGE

We possess the moral and mental strength to do what is right, even when it is challenging.

COLLABORATION

Together, we make a difference, by learning and working in unity to deliver excellence for our students, colleagues and community.

CURIOSITY

We reach beyond our comfort zone to explore innovative and unconventional ideas with a sense of wonder.

Meeting Agenda

- Welcome
- Agenda and Logistics
- M&O Override Part 1
- Table Talk
- M&O Override Part 2
- Table Talk
- Election Information
- Consensus Discussion
- Closing



Questions?

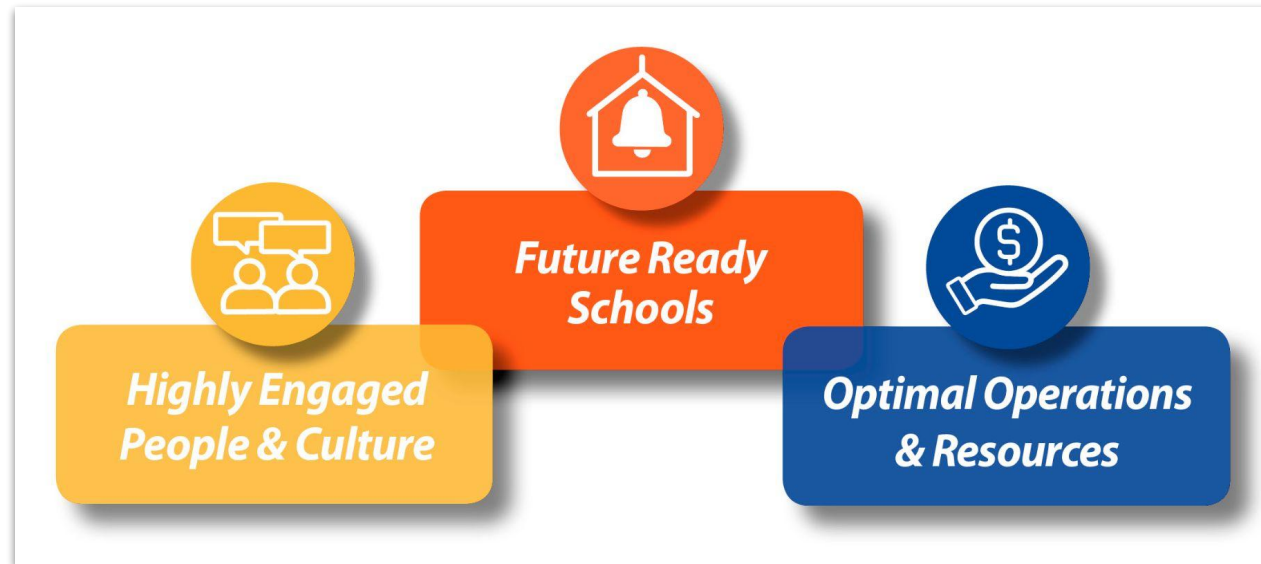
If you have a question during the presentations, please fill out a question card at your table.

Any questions you have after the meeting please send an email to nmoser@kyrene.org.

Some questions may be answered in future meetings.

Strategic Plan Initiative

Develop and implement a long-range plan that address projected enrollment trends and maximizes the use of schools and facilities.



Why the need for a long range plan?

1. **Ensure Quality Education**

Fewer students in a building impacts resources, programs and the student experience

2. **Optimize Space & Resources**

Efficient use of buildings focuses resources on students rather than maintenance and operational costs.

3. **Support Financial Stability**

Maintaining a balanced budget in line with district priorities to maximize funds for the classroom

4. **Ensure Community Engagement**

Community-supported solutions are more sustainable and help to minimize disruptions to families and neighborhoods.

5. **Plan for Future Needs**

Preparing now ensures schools are responsive to future demographic changes.

Why the need for a long range plan?

1. Ensure Quality Education

- a. Fewer students in a building can affect access to specialized programs, course offerings, electives/specials, extracurriculars, and support services.
- b. Schools with fewer students will reduce staff to match enrollment and may lead to larger class sizes.
- c. Addressing enrollment trends through a long-range plan will help to maximize educational and extracurricular offerings for all students.

2. Optimize Space & Resources

- a. Declining enrollment results in underutilized facilities and leads to inefficient use of funding, staff, and facilities.
- b. Schools still incur maintenance and operational costs for these underutilized spaces, diverting funds that could be used for instructional resources and programs.
- c. Efficient use of buildings focuses resources on students rather than maintenance.

Why the need for a long range plan? (Cont)

3. Support Financial Stability

- a. Schools face financial pressure when buildings operate below capacity.
- b. Maintaining a balanced budget in line with the timeless spending model preserves funds for the classroom.
- c. Reduced building costs leads to lower bond tax rates.

4. Ensure Community Engagement

- a. Community-supported solutions are more sustainable and effective.
- b. Community input helps to minimize disruptions to families and neighborhoods.
- c. A number of potential changes may *require* community involvement.

5. Plan for Future Needs

- a. Enrollment trends may continue to shift; a long-term plan allows flexibility.
- b. Preparing now ensures schools are responsive to future demographic changes.

Committee Purpose

- Develop a recommendation to the Kyrene Governing Board for a long-range plan that addresses projected enrollment trends and maximizes the use of schools and facilities.
- Make a recommendation to the Kyrene Governing Board about whether to call for a continuation of the Maintenance and Operations (M&O) Override on the November, 2025 ballot.

Consensus

A group decision making process where the participants work together to find a solution that achieves broad acceptance.



Key Ideas of Consensus

- Open communication
- Being an active listener
- Being flexible and willing to compromise
- Focused on the outcome/goal



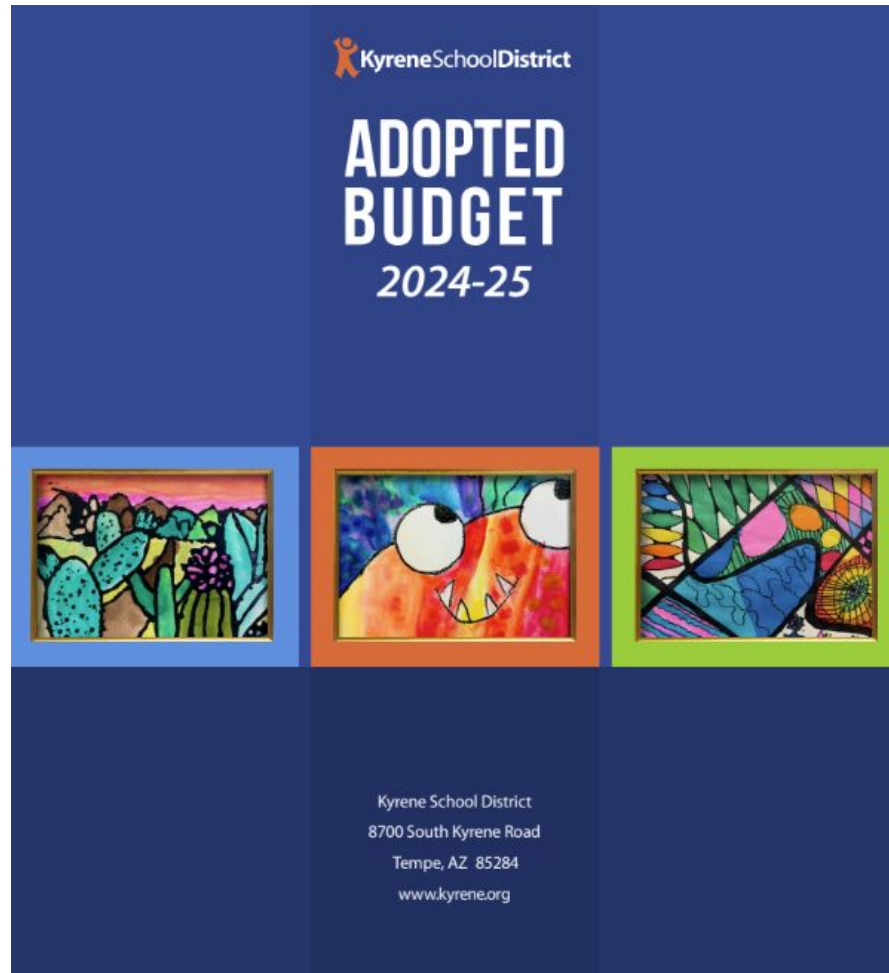


M&O Override Part 1



Budget Annual Report

Kyrene is the only district in Arizona to receive this award



www.kyrene.org/budget



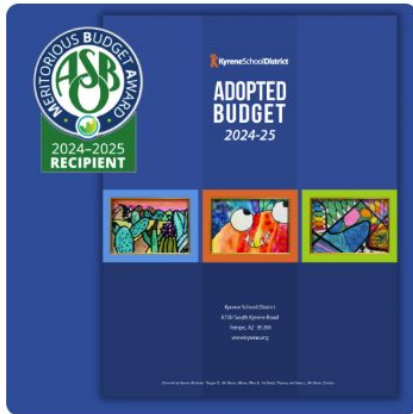
Kyrene Uses Bond Sale to Save Taxpayers Millions

The Kyrene Governing Board voted at its February 25 meeting to approve the sale, which will provide the district with approximately \$43M to cover capital projects for the next three years.



Kyrene Finance Team Awarded Prestigious Certificate of Achievement for FY 2023

The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. Receiving this award year after year represents a significant accomplishment by the Kyrene Finance team, the District, and its leaders.



Kyrene School District Awarded 3rd Straight National Recognition for Financial Excellence

Kyrene Elementary School District, for the third year in a row, is the recipient of the prestigious Meritorious Budget Award (MBA) from the Association of School Business Officials International (ASBO) for fiscal year 2024-25.



Kyrene Finance team Awarded 28th Consecutive Certificate of Financial Excellence

Kyrene Elementary School District No. 28 has been awarded the Government Finance Officers Association (GFOA) Certificate of Achievement (COA) for Excellence in Financial Reporting for the 28th straight year.

Maintenance & Operations (M&O) Override

What is an M&O Override?

- How does it fit within Kyrene's overall budget?
- How is it determined?
- How does it impact taxes?

Why is it important?

- How is the money used?

Bonds and Overrides

- Opportunities for school districts to raise additional funding beyond the state funding formula
- M&O and DAA/Capital Overrides can be renewed early, but the 'clock' resets and any funding from the remaining years would be forfeited

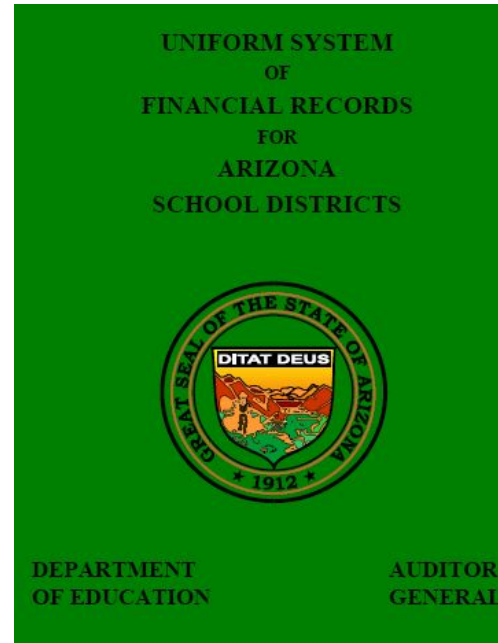
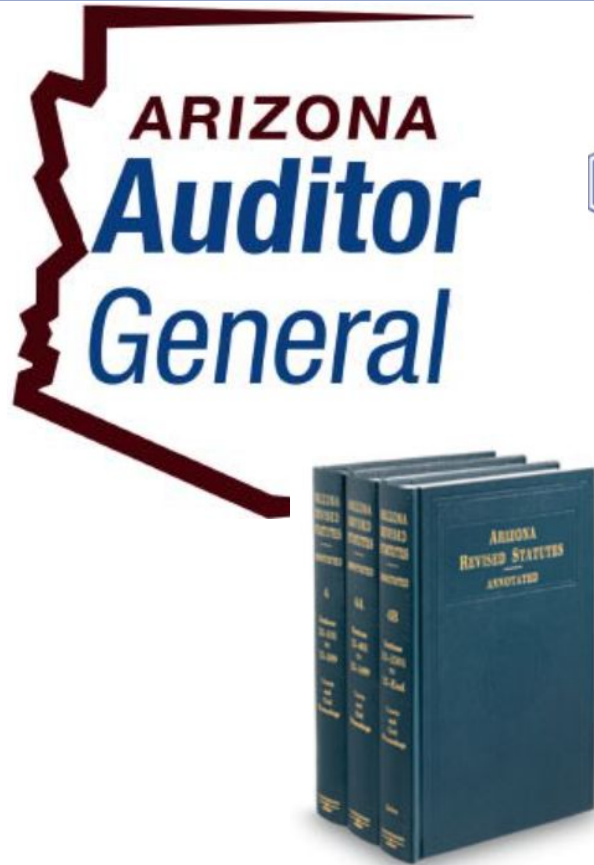
	Bond	Maintenance & Operations (M&O) Override	District Additional Assistance (DAA)/Capital Override
Date approved:	November 2023	November 2021	November 2023
Funding amounts determined by:	Amounts specified in voter pamphlets (up to 10% of Net Full Cash Assessed Valuation*)	Up to 15% of the Revenue Control Limit (amount varies year-to-year)	Amounts specified in voter pamphlets (specified amount up to 10% of the Revenue Control Limit)
Funding used for:	Capital purposes	Day-to-day operations	Capital purposes
Funding time period:	Must be issued within 10 years	Maximum period of 7 years (unless renewed early) - Full funding for 5 years - Amounts decline by $\frac{1}{3}$ in years 6-7	Full funding for 7 years (unless renewed early)

Budget Reporting Format

- Uniform System of Financial Records (USFR)
 - Prescribed by Arizona Revised Statutes (ARS) §15-271
 - Developed by the Office of the Auditor General & AZ Department of Education
 - Accounting 'Rulebook' - guidelines for fund accounting and reporting
- Fund Accounting
 - Kyrene has approximately 75 different funds
 - Each fund has different rules, regulations, and statutory restrictions
 - Limited flexibility and scope on how money can be spent



Arizona School Finance



District Additional Assistance

PROP
123



Where Does 2024-25 Revenue Come From?



Taxes

- Primary Property Taxes (Local): M&O and Capital funding
- Secondary Property Taxes (Local): Bonds & Overrides
- Other Taxes (State): Prop 301



State Equalization

- Every child receives the same base funding, no matter where they live
- Arizona State budget fills any gaps from property taxes



Federal Grants

- Federally funded projects and areas
- Title, IDEA Part B, E-Rate, ESSER, etc.



State Grants

- State funded projects and areas
- Safe School Grant, etc.

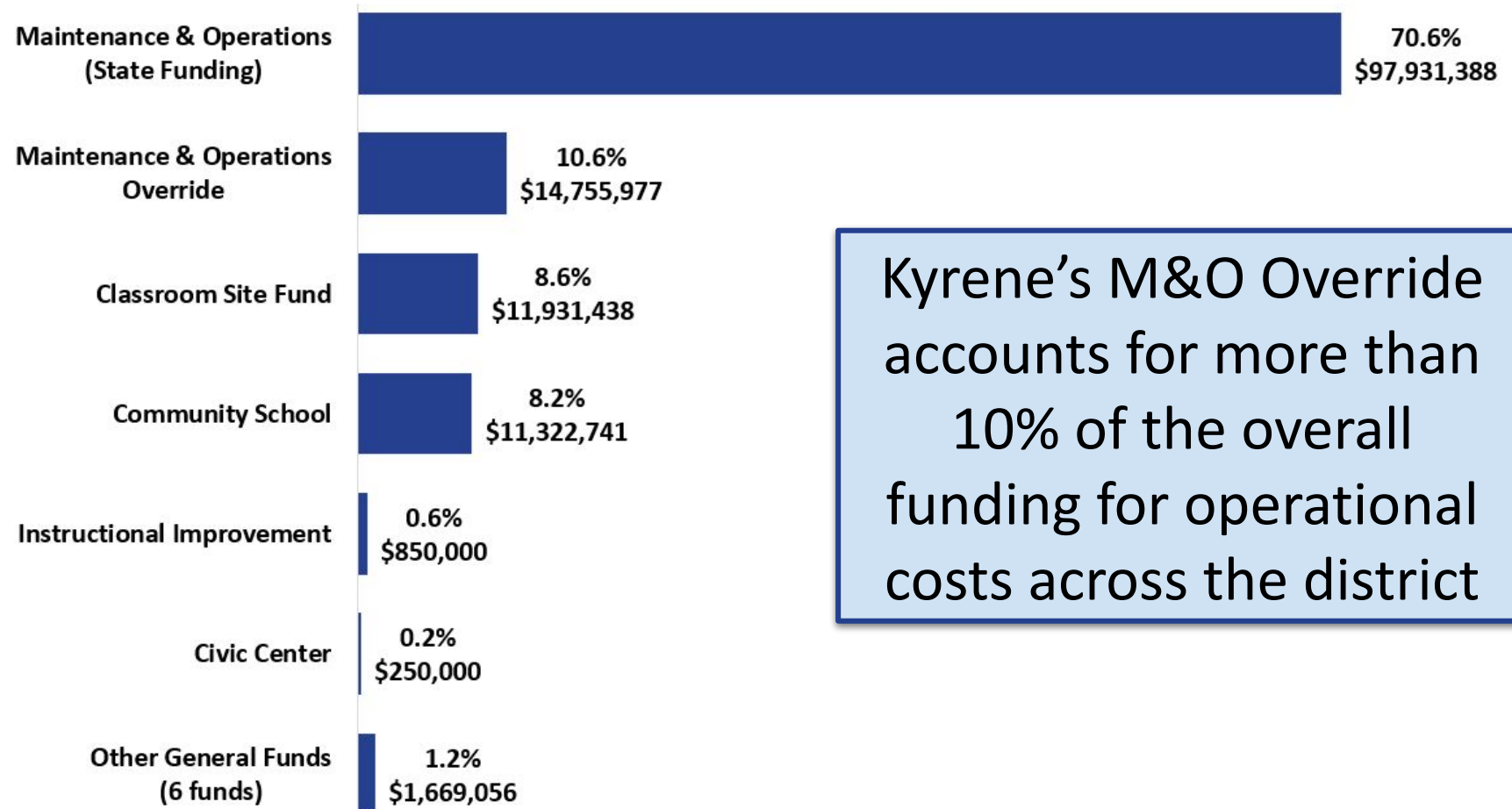


Other Cash Funds

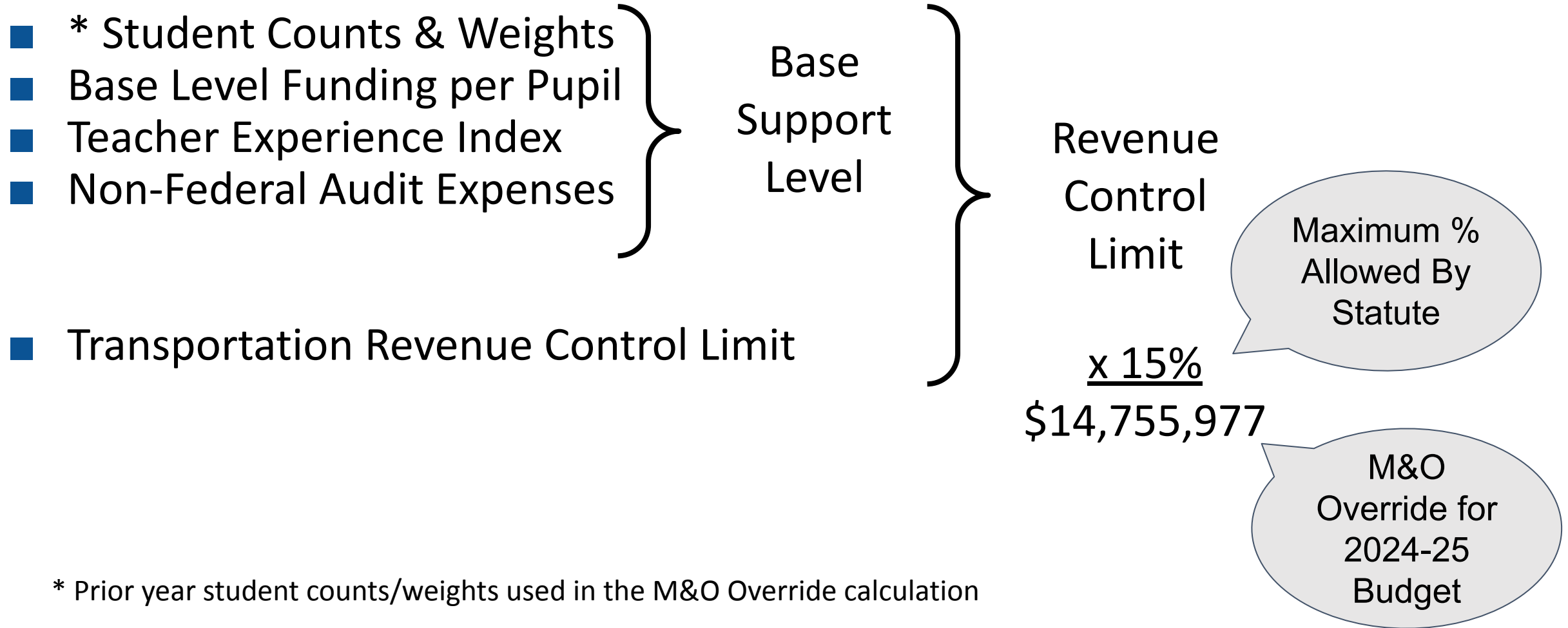
- Will vary district to district
- Gifts & Donations, Tax Credit, Community School, Instructional Improvement, etc.

Operational Funding 2024-25 Budget

- Operational funds pay for the majority of day-to-day operational expenses and district-wide employee costs
- Operational expenses do not relate to capital items



How is the M&O Override Determined?



* Prior year student counts/weights used in the M&O Override calculation

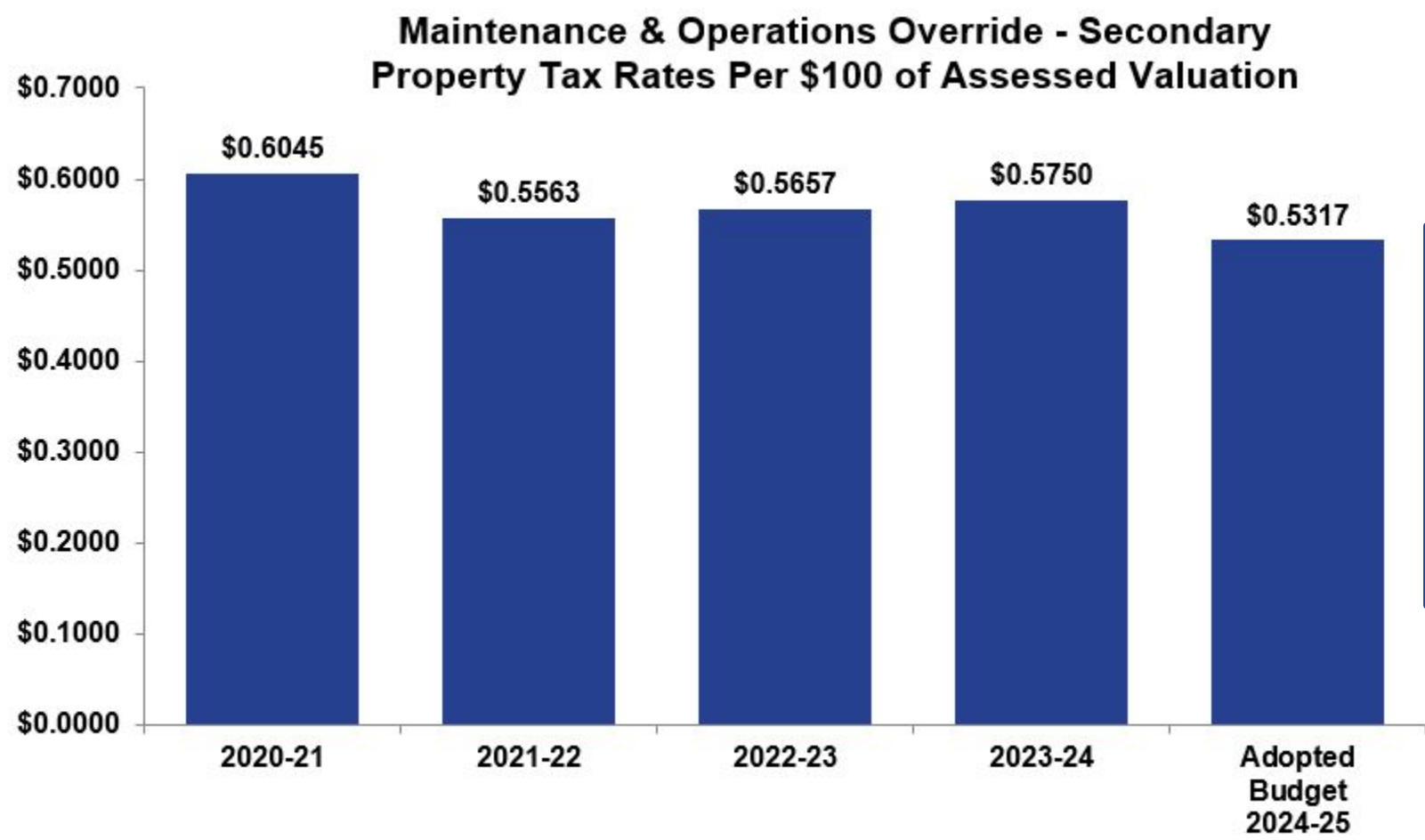
M&O Override Funding

- Current year 2024-25 Budgeted M&O Override funding is \$14,755,977

Year	Funding	% of RCL	School Year	M&O Override Funding	Estimated Funding Reduction
1	100%	15%	2022-23	\$14,900,172	
2	100%	15%	2023-24	\$14,856,280	
3	100%	15%	2024-25	\$14,775,977	
4	100%	15%	2025-26	\$14,516,352	
5	100%	15%	2026-27	\$14,516,352	
6	67%	10%	2027-28	\$9,677,568	-\$4,838,784
7	33%	5%	2028-29	\$4,838,784	-\$4,838,784
8	0%	0%	2029-30	\$0	-\$4,838,784

- Without a continuation of the M&O Override, funding will decline by \$4.8M in year 6 (2027-28 school year), another \$4.8M in year 7 (2028-29 school year), and go to zero by year 2029-30
- To avoid a reduction in funding, Kyrene could renew the M&O Override during the November 2025 election (year 4), or November 2026 (year 5)

M&O Override - Secondary Tax Rates



A continuation of the M&O override is not a new tax or a tax increase

Source: Maricopa County School Superintendent- School Finance, Maricopa County -Tax Levy and Rates Information

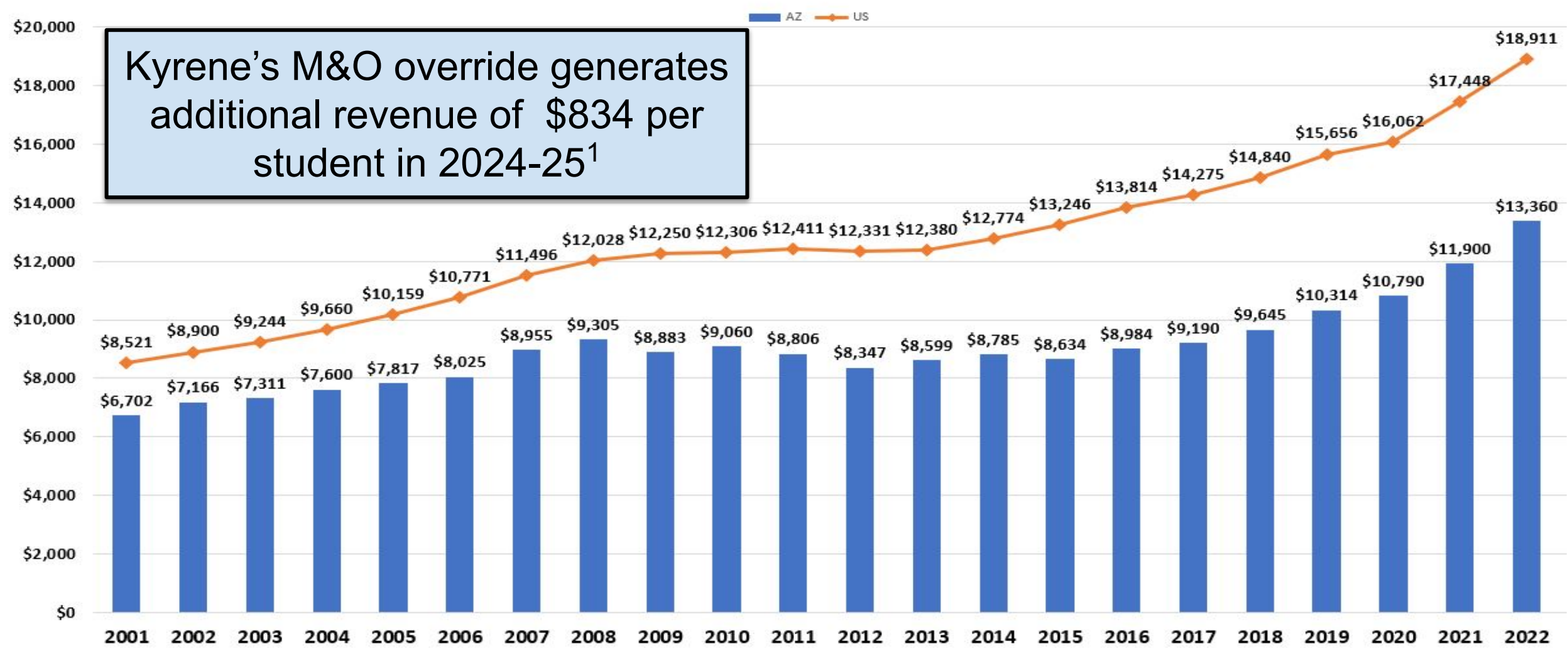
Table Talk

- Assign a facilitator and notetaker
- Use Chart paper
 - Create two columns
 - Common ground/understanding
 - Concerns
- Discuss these two areas
- Put Table # in upper corner

Importance of M&O Override Funding

- Without M&O Override funding, Kyrene would have to rely on state funding for ongoing operational expenses
- Arizona's national rank (out of 51) in total educational funding per pupil *
 - 46th in 2022
 - 48th in 2021
 - 47th in 2020
 - 49th in 2019
 - 48th in 2018
 - 49th in 2017
 - 49th in 2016
- Arizona has the lowest school administration costs per pupil in the nation (2016-2022)
- Kyrene has even lower administration costs (below both state and peer groups)

Average Per Pupil Funding - US vs AZ

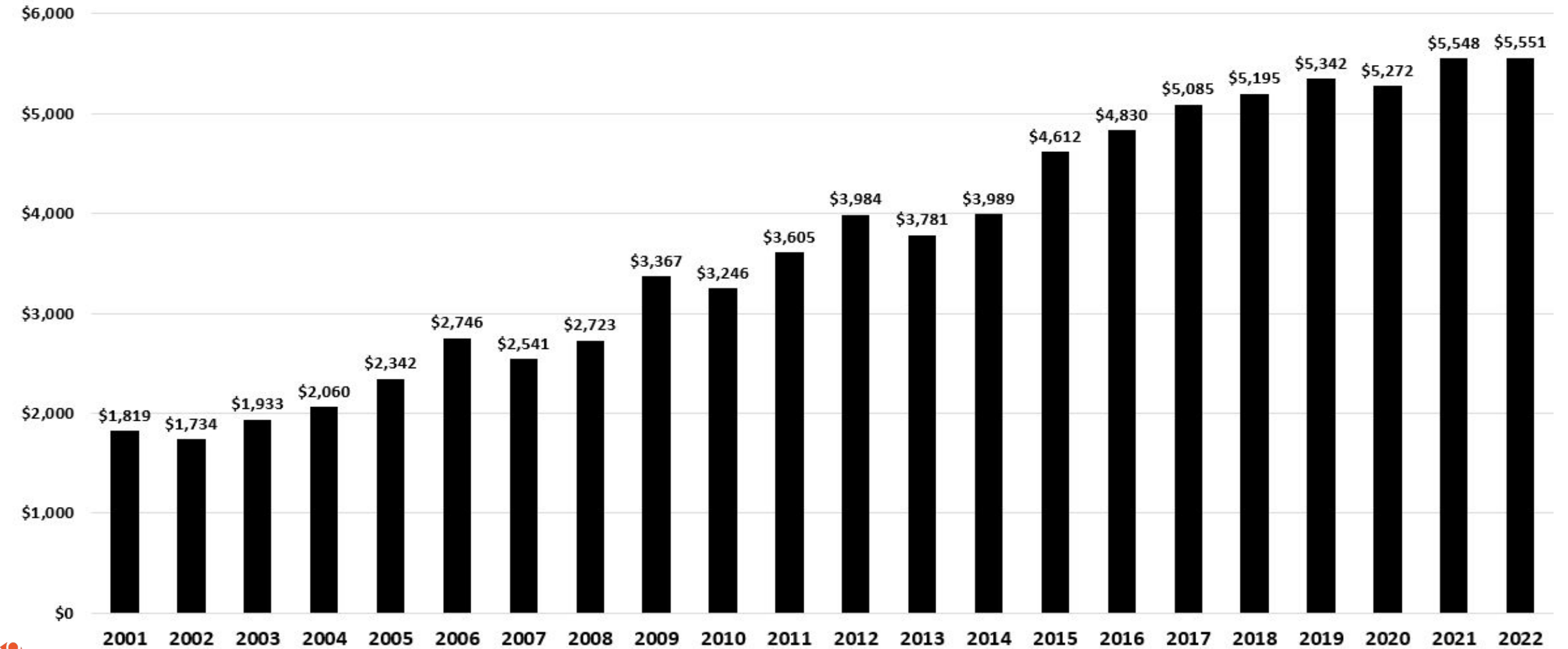


* Source: US Census Bureau Table 11 - States Ranked According to Per Pupil Public Elementary-Secondary School System Finance Amounts

1 - Average Daily Membership (ADM) is the number used for student enrollment

Difference in Per Pupil Funding - US vs AZ

Gap In Average Per Pupil Funding From All Sources
US vs Arizona



* Source: US Census Bureau Table 11 - States Ranked According to Per Pupil Public Elementary-Secondary School System Finance Amounts

M&O Override Annual Amounts

- M&O Override amounts change each year as enrollment declines and state funding increases (due to inflation funding)
- Funding amounts are equal to approximately 200 teaching positions

(\$ Millions)

Category	2020-21	2021-22	2022-23	2023-24	2024-25 Budget
Total	\$14.3	\$13.9	\$14.9	\$14.9	\$14.8

How M&O Override Money is Used



Attract and retain high quality educators

- Competitive pay for Kyrene staff
- Increased staffing for reduced class sizes



Special area instruction

- Art, music, languages, physical education, etc.



Student support services

- Occupational and physical therapy
- Academic and behavior support
- Speech, vision, and hearing services

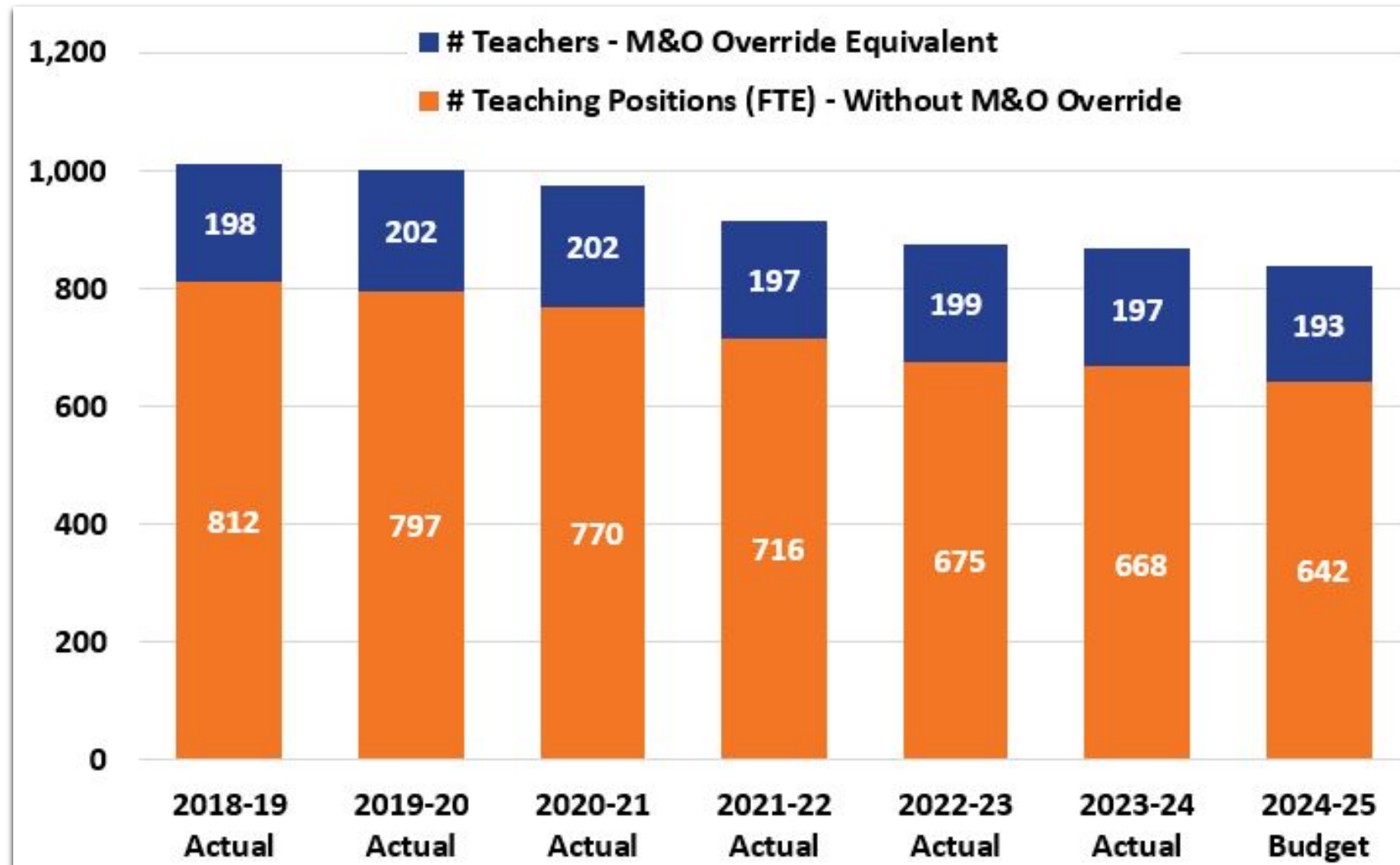
M&O Override funding is equal to approximately **200** teaching positions

Teacher Positions Funded From M&O Override

M&O Override
funding is equal to
approximately **200**
teaching positions

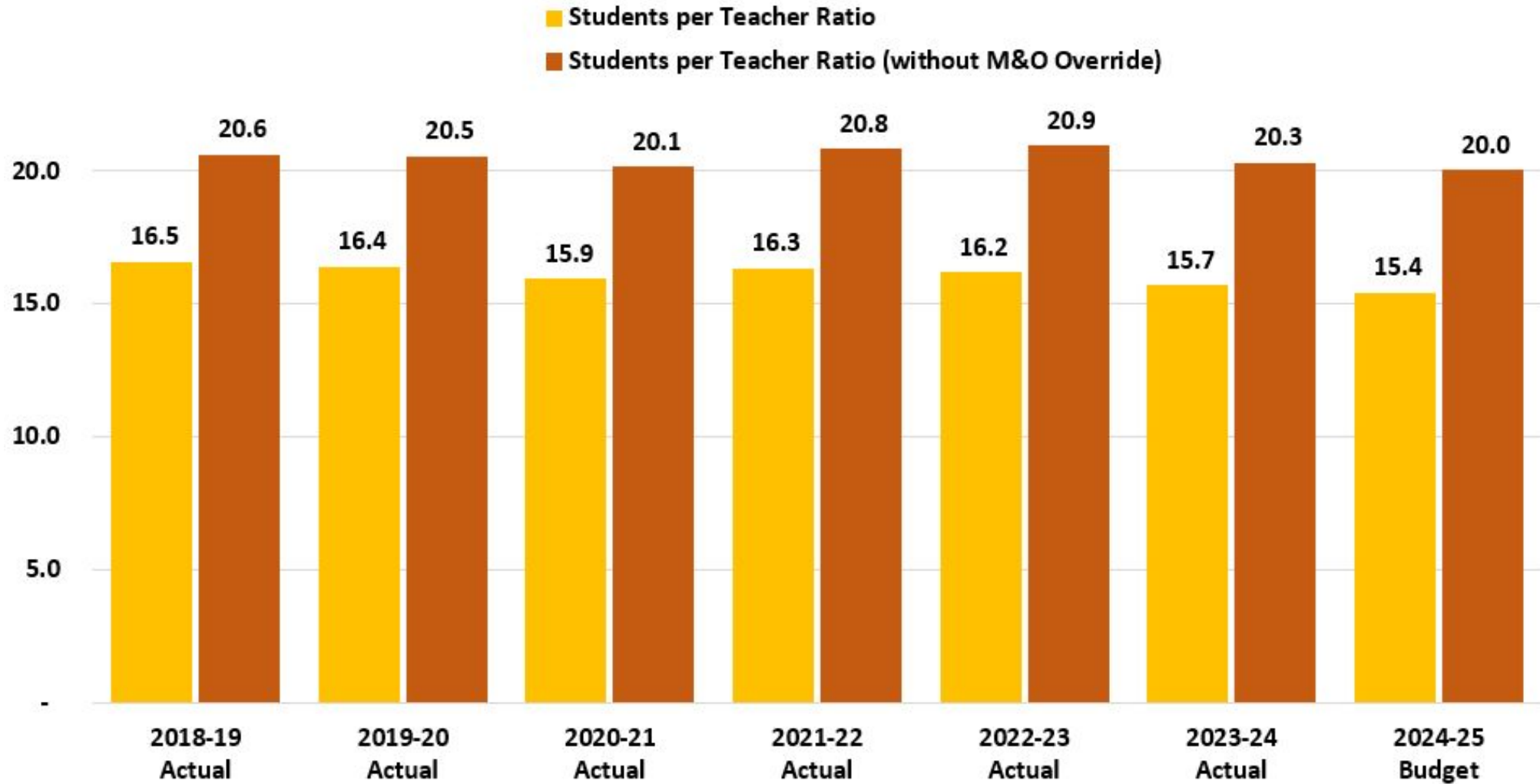
With 25 school sites,
this equates to
approximately **8**
teaching positions
per site

Teacher Positions With and Without M&O Override



Note: FTE = Full time equivalent

Impact of M&O Override



Note: Students per teacher ratios are NOT equal to class size

Table Talk

- Assign a facilitator and notetaker
- Use Chart paper
 - Create two columns
 - Common ground/understanding
 - Concerns
- Discuss these two areas

Gallery Walk

Gallery Walk Analysis



Election Information



Election Information & Costs

- School Districts are responsible for paying for election costs out of their budget
- Odd calendar years are mail in only elections
- Maricopa county election costs are variable based on odd or even calendar years
 - \$2.12 per registered voter in 2023
 - \$0.50 per registered voter in 2024
 - Costs are shared with other municipalities if they are also on the ballot in odd election years

Current Overrides

M&O

- 89 districts with current overrides
- 1 district has both M&O and SP overrides (final year)
- 1 district has K-8 and 9-12 small school overrides (final year)
- To maintain (without phasing), expect 18-23 on ballot each year

DAA

- 29 districts with current overrides
- 2 districts with only DAA overrides
- To maintain, expect 4 on ballot each year

Ballot count deviations

- Elections failing and coming back in future year
- Additional questions associated with new or increase overrides
- Preference for year

2024 Overview

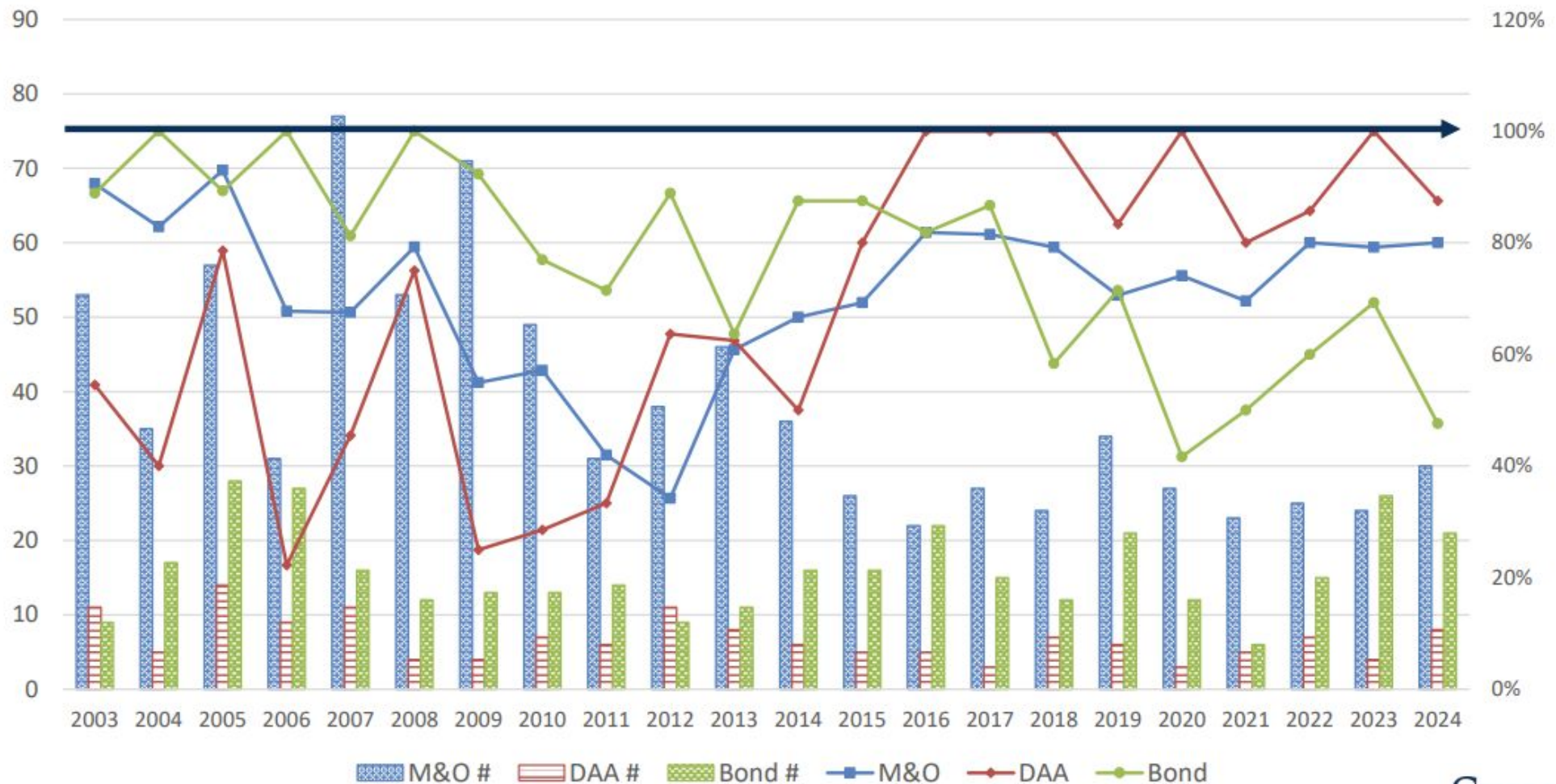
	M&O Override	DAA (Capital) Override	Class B Bond	Total
Number of Questions	30	8	21	59
Questions Passed	24	7	10	41
Questions Failed	6	1	11	18
Pass Percentage	80%	88%	48%	69%
Pass Percentage through 2024 (2003 for M&O/1999 for Bond and DAA)	70%	64%	80%	72%

Summary Data

	M&O Overrides (beginning 2003)		DAA (Capital) Overrides (beginning 1999)		Class B Bonds (beginning 1999)	
	No. of Questions	Pass Rate	No. of Questions	Pass Rate	No. of Questions	Pass Rate
Total	839	70%	159	64%	383	80%
Even	370	63%	76	63%	193	80%
Odd	469	71%	83	64%	190	79%
1999-2003	53	91%	21	48%	41	93%
2004-2008	253	78%	43	53%	100	94%
2009-2013	235	51%	36	47%	60	78%
2014-2018	135	75%	26	85%	81	81%
2019-2023	133	74%	25	88%	80	63%
2024	30	80%	8	88%	21	48%

Summary Data

School District Elections
Number of Questions and Pass Rates



M&O Override Elections

Year	No. ?	Passed	Pass Rate	Year	No. ?	Passed	Pass Rate
2003	53	48	91%	2014	36	24	67%
2004	35	29	83%	2015	26	18	69%
2005	57	53	93%	2016	22	18	82%
2006	31	21	68%	2017	27	22	81%
2007	77	52	68%	2018	24	19	79%
2008	53	42	79%	2019	34	24	71%
2009	71	39	55%	2020	27	20	74%
2010	49	28	57%	2021	23	16	70%
2011	31	13	42%	2022	25	20	80%
2012	38	13	34%	2023	24	19	79%
2013	46	28	61%	2024	30	24	80%

M&O Override Elections - Breakdown

	NEW	INCREASE	CONTINUE	EARLY CONTINUE
Number of Questions	5	4	12	9
Pass	2	3	10	9
Pass Percentage	40%	75%	83%	100%

NEW

- No override in place in FY 2024-25

INCREASE

- Request for FY 2025-26 is higher than FY 2024-25 override percent (could be a change in percent or as a result of phasing)

CONTINUE

- Request for FY 2025-26 is same as FY 2024-25 override percent

EARLY CONTINUE

- Request for FY 2025-26 is same as FY 2025-26 override percent if election fails

M&O Override Elections

	NEW	INCREASE	CONTINUE	EARLY CONTINUE
Number of Questions: 2024	5	4	12	9
Pass	2	3	10	9
Pass Percentage	40%	75%	83%	100%
Number of Questions: 2023	1	3	7	13
Pass	1	2	7	9
Pass Percentage	100%	67%	100%	69%
Number of Questions: 2022	3	3	7	12
Pass	0	3	7	10
Pass Percentage	0%	100%	100%	83%
Number of Questions: 2021	0	1	6	16
Pass	0	0	3	13
Pass Percentage	-----	0%	50%	81%

M&O Observations

Relatively high number
of questions

Pass rate continues at
70% or above
(beginning 2016)

Effect of economy
visible from 2009 to
2015 (COVID impact
not as visible)

While not always the
case, the logical
holding true – it's
easier to retain than
start

Kyrene Election Results

Year	M&O Override	DAA/Capital Override	Bond
November 2005	NA	64.2%	71.8%
May 2007	58.9%	NA	NA
November 2010	NA	49.9%	70.0%
March 2010	58.6%	NA	NA
November 2011	NA	50.5%	NA
November 2017	63.5%	63.2%	68.1%
November 2021	61.3%	NA	NA
November 2023	NA	53.7%	55.0%

5 finger Consensus

5-Finger Consensus Overview

5-Finger Consensus

1st Vote

2nd Vote

3rd Vote: Majority Rules

- 5 – Strongly agree
- 4 – Agree
- 3 – Will go with group's decision
- 2 – Disagree
- 1 – Strongly disagree and can't support

1st Vote

On the first vote, if everyone shows a 5, 4 or 3, consensus has been reached, and we can move ahead.

If there are any 1s or 2s, those who indicate such are given the opportunity to explain to the rest of the group why they gave the rating and make recommendations to change the alternative in order to make it acceptable to them.

The originator of the alternative has the option to make the change or leave the option as it is and explains the decision to the rest of the group. If a change is made to the recommendation, then it is a new first vote. If no change is made then it goes on to the second vote.

2nd Vote

On the second vote, if everyone shows a 5, 4, 3, or 2, the decision is made, and we can move ahead.

The 2s are in essence saying, “I don’t think it is a good idea, but if that is what the group wants to do, I won’t block it.”

However, if there are any 1s, those who indicate such are given the opportunity to explain to the rest of the group why they gave the rating and make recommendations to change the alternative in order to make it acceptable to them.

Once more, the originator of the alternative has the option to make the change or leave the option as it is and explains the decision to the rest of the group. If a change is made to the recommendation, then it is a new first vote. If no change is made, then it goes on to the third vote.

3rd Vote

Majority rules

The decision is made based on the majority of the participants.

Next Steps

Board Study Session – Tuesday, May 13

- Long Range Plan Committee Presentation/Recommendation
- Governing Board Discussion about M&O Override

Governing Board Meeting – Tuesday, May 27

- Recap of Long Range Plan Committee Presentation/Recommendation
- Consideration and possible action on Citizens' Budget Committee recommendation to order and call for M&O Override

Volunteers Needed!

- Two to three volunteers to present recommendation to Governing Board
 - Board Study Session on May 13, 2025, 5:00 p.m.
 - Board meeting on May 27, 2025, 6:00 p.m.
- Volunteers are needed to serve on Keep Kyrene Strong, the political action committee that will direct the campaign in support of the override





Wrap Up