



May 5, 2026 - Board Meeting Agenda Questions & Responses

6.2 Personnel

Can you please clarify whether any individuals listed under “terminated/resignation” on the personnel report were placed on administrative leave pending investigation, and identify who they are? We’ve had several cases recently, and since names aren’t provided in the initial notifications, it’s difficult to determine whether those individuals were terminated or resigned as a result of the investigation or were ultimately allowed to return to work.

There are individuals that were placed on leave and then decided to resign in lieu of termination. [REDACTED]

6.11 HUSD Data Center Relocation

\$172K/year - Adds to ongoing operational expenses. What fund will it be paid from? - How does this recurring cost fit into our long-term financial plan given declining enrollment?

This expense will be paid from the District’s M&O budget as an operational cost. A significant portion of this annual cost is offset by existing M&O expenses that will be reduced or eliminated under the current on-premise model. These include:

- VMware licensing: ~\$75,000 annually
- Backup systems (software licensing and cloud storage): ~\$47,000 annually
- Network monitoring tools: ~\$37,000 annually
- Load balancer licensing: ~\$6,000 annually
- Nimble storage support and licensing: ~\$6,000 annually

These costs total approximately \$171,000 per year, which the district is already incurring, or would need to incur, to maintain the existing on-premise data center environment.

By transitioning to the hosted model, these expenses are either eliminated or incorporated into the annual service cost. As a result, the approximately \$172,000 annual cost is largely a reallocation of existing M&O spend, rather than a new additional expense.

This shift allows the district to move from variable and increasing costs to a predictable, stable operating model, while also improving resiliency, scalability, and long-term financial planning.

-What is the total cost comparison over 5 years between our current model and this hosted model?

The current Higley Data Center operates on a 5-year hardware refresh cycle, driven by equipment lifecycle, performance requirements, and increasing licensing and support costs. Based on current estimates, the total cost to maintain the existing on-premise model over five years is approximately \$3.33 million, which includes hardware, software licensing, support, backup systems, and storage.

The next major refresh cycle is expected within approximately 2 years, which will require a significant capital investment to replace aging infrastructure.

In contrast, the hosted model shifts these costs to a predictable operational expense, eliminating the need for large upfront hardware purchases and reducing ongoing licensing, support, and infrastructure costs.

The total estimated cost for the hosted model over five years is approximately \$1.29 million, which includes:

- Annual hosting and infrastructure services
- A small, necessary on-site infrastructure presence at Higley will remain to support internet connectivity, network operations, printing, and other essential local services, and will still require periodic refresh, which is included in the hosted cost estimate

Overall, this represents an estimated cost avoidance of approximately \$2 million over five years, while also improving resiliency, scalability, and long-term cost predictability.

-Hardware replacement cycle costs?

Under the hosted model, hardware replacement is significantly reduced compared to the current on-premise approach.

Only a small, necessary on-site infrastructure footprint at Higley will remain to support internet connectivity, network operations, printing, and other essential local services.

The estimated cost to maintain and periodically refresh this local infrastructure is approximately \$300,000 over five years.

All hardware associated with the hosted data center environment, including servers, storage, and core infrastructure, is included in the annual service cost and managed by the provider. This eliminates the need for large, periodic capital investments and transfers the responsibility for hardware lifecycle, maintenance, and upgrades to the vendor.

-Staffing costs?

There is no change in staffing levels required to support this transition.

The district Information Technology Department will continue to manage the server operating systems, applications, and databases hosted in the data center environment, as well as provide user support. The hosted provider is responsible for the underlying hardware infrastructure, including servers, storage, and the physical data center environment.

This model allows the district to maintain current staffing levels while shifting hardware lifecycle management and infrastructure maintenance to the vendor.

-3-5 year cost projection?

The total projected cost for the hosted model is approximately \$1.29 million over five years.

This estimate includes:

- Annual hosting and infrastructure services
- A small, necessary on-site infrastructure presence at Higley to support internet connectivity, network operations, printing, and other essential local services, including periodic refresh of that equipment

This cost structure provides a predictable and stable operating expense over the 5-year term, avoiding the large capital spikes associated with the current on-premise model.

-Do we already have a DR (disaster recovery procedures) plan? Is this included or additional?

The district currently has a documented Disaster Recovery (DR) plan in place. As part of this transition, that plan will be enhanced and modernized to align with the hosted environment. The provider will assist in designing, refining, and strengthening the district's disaster recovery procedures as part of the implementation, with no additional cost for this support.

The hosted solution includes built-in backup and disaster recovery capabilities as part of the service, providing a more structured and reliable foundation for recovery compared to the current model.

-What is the timeline? Downtime expectations?

The project will follow a phased migration approach starting in July 2026, allowing systems to be transitioned in a controlled and deliberate manner.

Critical systems, such as the Student Information System (SIS), are planned to be moved in Fall 2026, based on operational timing and coordination with department workflows, as summer represents a critical processing period for SIS.

Downtime is expected to be minimal and will be carefully scheduled during off-hours in the evenings or weekends, to avoid impact to instruction and district operations.

6.12 ESI

How many long-term subs do we have?

Five

How many FTEs are we effectively staffing through ESI, and in what roles?
Why did ESI spending increase significantly in Q3 compared to Q1 and Q2?

Long Term Subs filling FTEs (majority of the year)

- CHP – Teacher Media Specialist – 08/04/2026 – 05/21/2026
- SAN – Kinder DL – 07/14/2026 – 05/21/2026
- SMS – Teacher PE – 07/14/2025 – 05/21/2026
- WFHS – Teacher Software App and Design – 01/30/2026 – 05/20/2026
- Elementary – Music Orchestra – 07/17/2025 – 03/26/2026

ESI spending is relevant to the number of employees who use general leave. The last two quarters of the school year usually have a higher rate of absenteeism.

6.13 Activity Supplemental

I noticed the athletic trainer positions are no longer listed in the supplemental schedule—where are those costs now accounted for?

The district now has an annual contract for athletic trainer services with Phoenix Children's Hospital that covers the middle schools and high schools for services. This was awarded after an RFP process last year.

I see that the supplemental for Event worker was increased by 3% from last year. Who falls under event worker?

Event workers are ticket takers, security, score keepers, clock operators, and any other staff needed to run an event (not coaches or administrators).

6.15 Coronado Cooling Towers Rev-1

Do we have an estimate for concrete pad repairs, since the proposal states they are not in good condition? Is there a different quote for that? It's not included in this one.

The district maintenance department will be pouring the pads with our in-house team, which reduced the quote by about \$25,000.

6.16 Property Casualty Insurance Renewal to The Trust

What is driving the nearly 19% increase in prepaid legal services, and how does our usage compare to prior years?

Over the last 5 years, prepaid legal services have increased an average of 200% however the loss ratios are trending downward the last 3 years.

Policy Year	Claims Count	Total Contribution	Total Incurred	Loss Ratio (Incurred)
2025	137	\$143,000.00	\$151,401.30	106%
2024	136	\$117,647.00	\$145,260.94	123%
2023	126	\$103,000.00	\$142,570.90	138%
2022	120	\$41,250.00	\$127,993.17	310%
2021	84	\$26,000.00	\$84,076.29	323%
2018	16	\$35,785.00	\$13,798.50	39%
2017	27	\$34,887.00	\$22,191.60	64%
2016	28	\$37,718.00	\$41,313.81	110%
2015	22	\$57,598.00	\$22,404.78	39%

Have we evaluated higher deductible options to reduce annual premiums given our financial position?

Yes, this is evaluated annually. The district currently has a \$10,000 deductible on property and fuel storage tanks and \$5,000 deductible on equipment breakdown.

6.17: Approval of Agreements between Higley and Arizona Department of Homeland Security.

Are we still in control of the data?

Yes.

The services being funded through this program include email security (Check Point) and cybersecurity monitoring (CrowdStrike). These are tools the district already uses or would otherwise procure independently.

- Data is processed through these vendor platforms for filtering and threat detection
- A limited amount of data is stored by the vendors for security analytics and operations
- Higley Unified retains full ownership and control of its data

The Arizona Department of Homeland Security does not store, access, or control district data. Their role is limited to administering the federal funding that pays for these services.

Is this format better suited to protect student data/privacy?

Yes.

This does not introduce a new data model or reduce protections. The district already utilizes email security and cybersecurity monitoring tools. This program allows us to replace and offset the cost of those services using federal funding, while maintaining or improving our security posture.

- Replaces our current email filtering solution (Mimecast) with a comparable enterprise-level solution (Check Point)
- Offsets a portion of existing cybersecurity monitoring costs (CrowdStrike)
- Maintains and improves protection against phishing, malware, and cyber threats
- Aligns with current cybersecurity best practices

Student data protections remain consistent with current standards, with equal or enhanced security coverage, while reducing district costs.

How crucial is this for the district?

This is highly beneficial to the district.

Through this program, the district is able to replace and offset existing cybersecurity and email security costs using federal funding, rather than funding these services through district M&O and Capital expenditures.

- Approximate savings (per fiscal year):
 - \$95,000 in M&O
 - \$25,000 in Capital

These are services the district is already utilizing or would be needed to maintain the district's current level of cybersecurity protection and monitoring. This program allows us to sustain and enhance those protections while reducing ongoing M&O and Capital expenditures.

Beyond cost savings, these services remain important to:

- Protect district systems from cyber threats
- Safeguard student and staff data
- Maintain operational continuity

Are there any hidden cost or strings attached?

No.

There are no direct costs to the district and no requirement for district funding to participate in these services.

The program is fully funded through federal grant allocations administered by the Arizona Department of Homeland Security.

Each funding cycle operates within a defined four-year period of performance, and continued access to services is dependent on future federal funding availability.

At present, this is a fully grant-funded opportunity that reduces district M&O and Capital expenditures, with no financial obligation to the district.

6.17 Worker's Compensation Renewal to Alliance

Can you confirm that the increase is primarily driven by growth in classified payroll, and what specifically is driving that increase?

Workers Compensation is for all employees, not just classified employees. Payroll growth impacting workers' compensation costs is driven primarily by increases within specific classifications. Specifically high-risk roles, which carry significantly higher premium rates than low-risk positions.

How does the growth in classified payroll align with our overall staffing strategy given declining enrollment?

All positions are evaluated based on student needs, i.e. Paraprofessionals.

Have we evaluated deductible or alternative structures to reduce workers' compensation costs?

Yes, the district meets with our provider quarterly and continues to look at ways to limit increases while maintaining quality service.

What is our expected variance from payroll audit adjustments based on current trends?

We see a +/- of 2% historically.

8.3 Approval of Supplemental Instructional Materials

Can you confirm that all materials are **age-appropriate at each grade level**, especially in early grades?

This is one of the criteria evaluated by the supplemental review committee and process.

Are there any materials that touch on **sensitive or controversial topics**, and if so, how are parents or how are we adapting?

This is one of the criteria evaluated by the supplemental review committee and process. All recommended materials are reviewed to ensure alignment to Arizona state standards. Teachers are expected to provide advance notice of resources used with students to provide parents with the opportunity to review and discuss with the teacher.

How are we measuring success or failure of these materials over time?

We will be initiating a process to cyclically review supplemental materials and novels in the 2026-2027 school year beginning with K-5 ELA to support the new adoption.

8.4 Authorization of Property Lease:

What is the **total annual revenue** from this lease, and how does it compare to market rates per square foot?

For FY27, the total annual revenue will be \$230,380 before utilities are balanced out. For years 2-6 the annual revenue increases per the chart on page 2 of the lease, with the continue of \$4,800 being paid annually for landlord-performed shared services and utilities will be paid at actual cost of usage.

How are we ensuring **student safety and separation** between HUSD students and AZ Aspire students?

AZ Aspire will not have any entry points to the campus as a traditional student does. There will be fencing dividing the outside areas in which the organization occupies, walls block access to the rest of the building, and they have more staff supervision due to staff/student ratio. Staff or students will not have access to Power Ranch except through the front office.

Who is responsible for **discipline, supervision, and emergencies** on shared property?

AZ Aspire is responsible for all things related to their organization. In any campus wide emergency, HUSD will have contact information for the administration of AZ Aspire.

What background check and **security protocols** apply to AZ Aspire staff?

Their staff goes through a background check like other educators.

How will this affect **traffic, parking, playground, lunch and campus logistics** for current families?

AZ Aspire will be utilizing the parking lot loop and newly installed parking lot for their traffic entering/exiting Power Ranch. They will be renting the playground that is connected to the 300 building and utilizing their own lunch system. AZ Aspire students will not be allowed to go onto Power Ranch campus.

Overall is this a great move for the District?

Partnering with AZ Aspire will provide a wonderful opportunity financially for HUSD with the money that is collected through the lease and the ability to send HUSD students to their program as needed.