HIGLEY UNIFIED SCHOOL DISTRICT
2935 South Recker Road, Gilbert, Arizona 85295
(480) 279–7000 • www.husd.org

October 27, 2026 - Board Meeting Agenda Questions & Responses

All questions related to the bond will be addressed during the October 27, 2026 Governing Board meeting.

7.2 Bond :
What potential savings would there be for district and taxpayers?
Will this add on any additional fees, hidden or managerial?
Of the $1.728 million in estimated savings, how much is actual interest-rate savings, and how much is generated because we're asking taxpayers to pay down the debt faster?
Could we achieve meaningful savings without substantially increasing their taxes in the next four years?
How would it position the district if these were paid off in '31?

4.1 FY2026 Annual Override Report
1. Slide 4 provides percentages showing how override funds were used. Based on the estimated $9.33 million in FY2026 override funding, those percentages represent approximately $2.52 million each for teacher compensation and elementary specials, $1.96 million for class sizes, $1.59 million for gifted education, special education and kindergarten, and $746,000 for classroom resources.
Are those the actual FY2026 expenditures, and what are the corresponding budgeted amounts for FY2027?

The FY26 expenditures are as follows:
Maintain and Improve Elementary Specials & Athletics $2.46M
Increase Teacher Compensation $2.4M
Maintaining Average Class Sizes $1.86M
Support Gifted, SPED, and All-Day Kindergarten $1.9M
Provide Education Resources to Classrooms $700K

FY27 estimated budget amounts:
Maintain and Improve Elementary Specials & Athletics $1.17M
Increase Teacher Compensation $1.17M
Maintaining Average Class Sizes $1M
Support Gifted, SPED, and All-Day Kindergarten $750K
Provide Education Resources to Classrooms $600K

2. Administration previously explained that $7.5 million of M&O carryforward was allocated to cover the FY2027 budget deficit.

How much of that $7.5 million represents recurring expenditures previously supported by override funding, and how does administration plan to sustain those expenditures as the override phases out?

$4.9M

3. With $10.4 million being reserved for FY2028 and beyond, what is the projected M&O ending balance for FY2028 after the override is fully phased out?

This is dependent on the direction from the Governing Board of how much funding is to be taken from budget balance carryforward (district savings).

6.4 Student Activities Fund

1. Higley High School Beginning Balance - July, August, and September FY2027
The July and August FY2027 Student Activities reports showed Higley High School with a beginning balance of $238,053.29. However, the September report shows a beginning balance of $408,590.20, an increase of $170,536.91.

Why did the FY2027 beginning balance increase by $170,536.91 between the August and September reports? Were beginning balances restated, funds reclassified, or additional accounts included?

To allow schools to make purchases in the new fiscal year while still working in and spending from the current year, we roll 70% of their cash balance early April to the new year. Once the AFR is completed, we reverse the 70% roll from April and the actual final cash balances in the cash accounts are posted to the new year with a date of 6/30/20xx.

2. Higley High School Student Council Beginning Balance - July, August, and September FY2027
Similarly, the July and August reports showed Higley High School Student Council with a beginning balance of $84,957.03, while the September report shows $175,094.03, an increase of $90,137.

What accounts for this $90,137 difference? Is it related to the adjustment in Higley High School's overall beginning balance, or was there a separate correction or reclassification?

Same answer as provided in question 1.

6.9 NASP-Please pull

This item will be moved to an action item.

6.11 Authorization to Change School Finance Grade Level Designations – Please pull

This item will be moved to an action item.

1. Administration explained that these changes are intended to provide the option of establishing preschool programs in the future and that neither campus is currently configured for preschool.
What prompted the request to change these designations now, and why were Chaparral and Bridges specifically selected? Was the decision based on declining enrollment, available classroom space, community demand, potential revenue, or other factors?

As stated in prior communication, Chaparral and Bridges are the only elementary schools who did not have a preschool designation. Adding the designation of preschool will allow the district to consider placing preschool students at either campus in the future.

2. At our October 13 meeting, I requested the actual enrollment, operating expenses, and revenue for the preschool programs at Cooley and Sossaman.
We were told the reported enrollment figures of 30 and 17 included only ADM-funded students with disabilities, not tuition-paying students.
Can administration provide the total enrollment at each facility, including tuition-paying students, along with their annual operating expenses and revenue? Are both facilities generating sufficient revenue to cover their costs?

This information is being compiled and will be provided in the future.

3. Does Fund 520 - Community School include the preschool and daycare operations at Cooley and Sossaman?

Yes.

If so, can administration provide the revenue and expenses separately for each facility rather than combining them with other Community Education programs?

This information is being compiled and will be provided in the future.

4. What is the maximum capacity at Cooley and Sossaman, and what percentage of that capacity is currently being utilized?
Are there waiting lists or demonstrated demand for additional preschool services, or is the District considering expansion primarily to generate revenue and utilize vacant classroom space as K–12 enrollment declines?

Current program enrollment for 387 student capacity:
Cooley-256 (66%)
Sossaman-293 (76%)
Expansion of additional satellite campuses is being considered to allow families of students to be engaged with the school community that they may attend for kindergarten.

5. Before establishing preschool programs at Chaparral or Bridges, would administration prepare a financial analysis identifying projected enrollment, startup costs, annual operating expenses, anticipated revenue, and the number of students needed to break even?
Would these programs be supported entirely through tuition and preschool-specific funding, or could District M&O or capital funds be needed? If enrollment falls short of projections, how would the District cover any operating losses?

The district evaluates the financial impact regarding programmatic changes. If needed enrollment is not met, then the program is evaluated and changes are determined.

6. Administration explained that Chaparral was originally designed and designated as a K–8 school. However, Chaparral currently serves K–6 students.
Since we're updating the designation anyway, why wouldn't we change it to Preschool–6 to accurately reflect the grades currently being served, consistent with Bridges?
Is there a financial, operational, or other reason for maintaining the K–8 designation?

Adding preschool and keeping the current designations allow for future operational flexibility for the district.

7. If the Board approves these designation changes, would administration be authorized to establish preschool programs without returning to the Board?
Or would any future expansion require Board approval after reviewing the proposed locations, enrollment projections, staffing needs, startup costs, ongoing expenses, and funding sources?

If any changes occur, the Governing Board will be notified, as it follows the process that has been completed in the past, when adding the previous satellite campuses.

6.13 Affiliation Agreement - Rio Salado College

Page 1- Before Section A - "It is therefore greed between the parties as follows"
Change "greed" to "agreed."

Corrected to agreed

Page 1 - Section A.2 Refers to students participating in the "intercept experience."
Likely intended to say "fieldwork experience" or "internship experience."

Corrected to fieldwork

Page 1, Section A.5 -The agreement requires valid fingerprint clearance cards and periodic verification by Rio Salado. However, it does not explicitly require HUSD to independently verify clearance before allowing students into classrooms.

The District's HR department determines whether the card is valid in all cases before granting permission to work in HUSD classrooms.

Page 1 - Section A.6 "In cases of employment aligned to the Teacher in Residence Program/Alternative Path College or Student Teaching Intern Certificate agrees to provide documentation"
Rewrite to identify the responsible party: "In cases of employment aligned with the Teacher in Residence Program, Alternative Pathway Program, or Student Teaching Intern Certificate, the College agrees to provide documentation of academic progress toward certification."

The responsible party is mentioned at the top of the section when the contract states:
It is therefore agreed between the parties as follows:
A. Responsibilities of the College:

Page 2, Section C The agreement remains in effect indefinitely until either party gives at least one semester's written notice. However, Section E requires an annual review without specifying who conducts it or whether the Governing Board receives the results.

All affiliation agreements are brought to the Governing Board for approval whenever changes are proposed by both the District and the affiliate.

Page 2 - Section D references the Education Amendments Act of 172, which appears to be a typographical error for 1972.

Corrected to 1972

Page 3 The final page states: Legal approval is needed only if the template is revised or the cost exceeds the delegated signature limit. Because the agreement contains errors requiring correction, administration should clarify whether correcting them triggers legal review.

Submitted corrections to both HUSD legal and MCCC.

6.14 Approval of Contracted Psychologist Through AB Staffing Solutions

1. Super Report explained that the contracted psychologist was originally intended to cover maternity leaves at Higley High School and Power Ranch Elementary but was reassigned to Cooley Middle School after a psychologist resigned.
Is administration actively recruiting a permanent replacement for Cooley, and can this contract be terminated without penalty if the position is filled before the end of the school year?

The position is posted. Unfortunately, often the quality of the individuals that are not under current contracts is questionable and leaves the district open to undesirable outcomes. The current contract does not indicate a penalty if terminated prior to the end of the school year.

2. The contract totals $155,844 at $119.88 per hour. What was the previous Cooley psychologist's annual salary and benefits, and how does that compare with the contracted cost?

Previous employee’s compensation totaled $74,685 which is $81,159 less than projected contracted staff.

How much of the $155,844 will be covered by the vacant position's existing budget allocation, and how much additional M&O funding will be required?

Position is budgeted higher than previous staff’s compensation at $92,349 which requires an additional $63,495 from M&O to cover the contracted staff vs. the budget for this position.

3. How was the $155,844 calculated, and does that represent the maximum amount the District will pay, including any overtime?

The cost of the contracted employee is determined by the contract company. The approved amount is the full cost to cover the remaining school year. The district does not allow overtime unless agreed upon prior to.

The agreement guarantees 37.5 hours per week. Does that require the District to pay for hours during school breaks or other periods when services are not needed?

The district does not pay contracted individuals over breaks, only for hours worked.

4. The assignment lists a September 21 start date, but the Board is being asked to approve the contract in October? Has the psychologist already begun working? If so, under what authority was the assignment initiated before Board approval?

Originally, the contracted psychologist was being secured to cover multiple maternity leaves beginning in late October. With the unexpected resignation of the CMS school psychologist, the district had to move quickly to ensure State and Federal timelines were met. The school psychologist began on 9/22/2026.

5. With this contracted psychologist now assigned to Cooley, how is the District covering the maternity leaves at Higley High School and Power Ranch Elementary? Will additional contracted psychologists be necessary, and what is the total anticipated cost of covering these temporary vacancies and the Cooley position during FY2027?

The district is looking at current caseloads district wide to identify if any school psychologists can pick-up additional cases with their current load. If that is not the case, the district will be looking at contracting out individual evaluations as needed to ensure that Federal and State timelines are met.

6.16 Gateway Point Elementary - Flooring Replacement

1. The measurements listed in the project documentation do not appear to match the quantities included in the vendor's quote.
Has administration verified the actual square footage being replaced and reconciled those measurements with the quantities and pricing in the vendor's proposal to ensure the District is not being charged for more flooring than is necessary?

Yes. Maintenance and purchasing reviewed the actual square footage identified for replacement and compared those measurements to the quantities included in the vendor's proposal. The quantities in the quote exceed the exact measured replacement area because the district intentionally purchases additional carpet tile and installation materials for stock to account for cutting waste, future repairs, spills, damage, and other unforeseen replacement needs. Maintaining a supply of matching carpet tiles is a common practice, as flooring manufacturers periodically discontinue styles, colors, and dye lots, making it difficult or impossible to obtain an exact match later. The quantities and pricing in the vendor's proposal were evaluated with these factors in mind and were determined to be reasonable for the scope of the project rather than representing unnecessary flooring purchases.

7.1 FY2028 Budget Questions

1. At our January budget discussions, Option 3 proposed approximately $1.44 million more in expenditure reductions than Option 2 and was projected to preserve approximately $1.4 million more in M&O carryforward.
Based on the actual reductions implemented under Option 2, what additional recurring savings and carryforward could have been preserved under Option 3?

$1.4M

What would the estimated cumulative financial impact be through FY2028?

Approximately $2.8M contingent on updated ASRS and work comp rates beginning 7/1/2027.

2. At our January budget discussions, my compensation proposal included 3% for teachers, 3% for hourly employees plus legally required minimum-wage adjustments, and 1% for exempt employees. The Board approved 3% for teachers, 4% for hourly employees, and 3% for exempt employees.
What is the annual recurring cost difference, including benefits, between the two proposals?

$422,000

What is the estimated cumulative additional cost through FY2028?

$844,00 contingent on updated ASRS and work comp rates beginning 7/1/2027.

3. When will the Board receive the comprehensive school-level financial analysis I previously requested, including enrollment, capacity, utilization, operating costs per student, and deferred maintenance?

After the 6/30/2026 audit has been finalized late December/early January ’27.

Can the analysis distinguish between fixed costs, costs that would transfer to another campus, and expenses that could realistically be eliminated or reduced through consolidation or other facility changes?

These will be considered when the analysis is provided.

4. Will administration provide a proposed scope and timeline for a 5-10 year facilities utilization and capital plan that evaluates leasing, repurposing, partnerships, boundary adjustments, and potential consolidation?

Finance works with maintenance annually, along with SFD, and has a 5-year capital plan. Cabinet has been, and will continue to, investigate different ways to reduce expenses and generate revenue.

Will the plan identify completed and anticipated major maintenance projects, their costs, funding sources, and how they are prioritized based on enrollment and facility utilization?

Yes and they will be based on estimates.

Can the Board receive the proposed scope and timeline before the December budget decisions?

Potentially

5. Administration has previously discussed using vacancies and attrition to reduce staffing costs, along with approximately $600,000 in proposed nonstaff reductions. Can administration provide an itemized breakdown of recurring savings already implemented, additional savings proposed for FY2028, and other potential savings through vacancies, attrition, contracts, travel, discretionary expenditures, and operational efficiencies?
Can this analysis be completed before the Board is asked to approve additional reductions to filled positions or classroom programs?

This will require the work of multiple departments, and we will work to have this completed before presenting reductions to the Governing Board.

6. Can administration provide a reconciliation of the projected FY2028 budget shortfall, separating the financial impact of declining enrollment, the override phaseout, recurring compensation costs, and other ongoing expenditure obligations?
After accounting for proposed reductions, what recurring shortfall remains, and what additional recurring reductions or revenues would be necessary to balance the budget without relying on M&O carryforward?

These budget discussions with board members will be ongoing during the next 2 months.

7. With projections indicating that M&O carryforward could be exhausted by FY2029, what is administration's plan to prevent that outcome?
What annual recurring savings targets, minimum carryforward levels, and projected year-end balances will be used to measure progress toward a sustainable budget?

These budget discussions with board members will be ongoing during the next 2

months.

8. The October 23 Superintendent's Report identified the elimination of the Property Control Specialist and Budget Control Specialist positions, along with the proposed Accountant promotion and redistribution of responsibilities.
What are the net annual recurring savings from these changes, including salaries, benefits, and any additional compensation associated with the promotion or redistributed responsibilities?

$59,500

How much of those savings is already reflected in the District's current budget projections?

$60,000

I would like these financial comparisons, the school-level operating cost analysis, and the proposed facilities planning timeline provided to the entire Board in writing before we're asked to make additional FY2028 budget reduction decisions.

School level operating costs are available on the FY2026 School Level AFR report. Facility planning timeline will be provided.

All questions related to the bond will be addressed during the October 27, 2026 Governing Board meeting.

7.2 Potential Bond Refunding Opportunity
1. The agenda states that refinancing approximately $34 million in outstanding bonds would generate at least $1 million in savings, while the presentation projects approximately $1.73 million in total debt-service savings.

- What are the total refinancing costs, including underwriting fees, bond counsel, legal fees, and other issuance expenses?
- Are those costs already included in the projected $1.73 million savings, or will they further reduce that amount?
- What are the actual net savings to taxpayers, including the net present value savings in dollars and as a percentage of the principal being refunded?

2. Page 3 shows that refinancing would significantly increase debt-service payments between FY2028 and FY2031, with the larger savings occurring from FY2032 through FY2035.

- How long will it take before cumulative savings exceed the additional payments required under the refinancing, and when will we recoup the transaction costs?
- Given that the existing bonds are scheduled to be paid off by FY2035, is refinancing financially worthwhile for the amount of net savings we would receive?

3. The agenda states that refinancing would have no adverse impact on the bond tax rate. However, page 3 shows that without refinancing, the bond tax rate would decrease to $0.44 in FY2028 and $0.42 in FY2029. Under the proposed refinancing, those rates would instead be $0.89 and $0.84.

- How is maintaining substantially higher bond tax rates during those years considered no adverse impact on taxpayers?
- What would the actual property-tax difference be for a homeowner under the existing repayment schedule compared with the proposed refinancing?
- Would refinancing prevent taxpayers from receiving the tax-rate reductions that would otherwise occur as existing debt is paid down?

4. Have we evaluated refinancing options that reduce interest costs without accelerating principal payments or maintaining higher property-tax rates?

- What would the total savings and net present value savings be under those alternatives, and why is the proposed accelerated repayment structure preferable to allowing the existing bonds to mature under their current schedule?

5. The agenda references approximately $34 million in outstanding bonds, the Preliminary Official Statement identifies approximately $31.275 million in proposed new bonds, and the presentation identifies approximately $25.835 million in existing principal being refunded.

- Can you reconcile these three amounts and explain what accounts for the approximately $5.44 million difference between the proposed issuance and the principal being refunded?
- Can administration provide a complete sources-and-uses schedule showing exactly where the bond proceeds will go, including whether any funds would become available for district expenditures outside the refinancing transaction?
- Which outstanding bond series are being refinanced, and which will remain under their existing repayment schedules?

6. The Preliminary Official Statement identifies existing bond maturities with interest rates ranging from approximately 3% to 5%, while the proposed resolution permits a maximum bond yield of 5.50%.

- What is the weighted average borrowing cost of the existing bonds compared with the anticipated effective yield on the new bonds, and what rate was assumed in calculating the projected $1.73 million savings?
- Why are we refinancing bonds that currently carry interest rates as low as 3% to 3.5%? If the new borrowing cost is higher, how does refinancing those maturities generate savings?

7. Does this refinancing provide any financial benefit to the district's M&O or capital budgets, or are the savings exclusively related to debt service funded through secondary property taxes?

- Does refinancing create any additional spending authority or available funding for the district?
- If the benefit is limited to reducing taxpayer-funded debt service, what is the justification for accelerating payments and maintaining higher tax rates for several years?

8. Page 6 explains that Stifel is serving as the underwriter rather than an independent municipal advisor and acknowledges that its financial interests differ from those of the district.

- Has an independent municipal advisor reviewed this proposal and evaluated whether the refinancing provides sufficient economic benefit to taxpayers?
- If not, will the district obtain an independent financial analysis before moving forward?

All questions related to the bond will be addressed during the October 27, 2026 Governing Board meeting.

8.1 Bond Refunding Resolution

1. The Board is being asked to authorize the refinancing at the same meeting it receives the financial presentation, while delegating authority to designated officials to finalize the transaction.

- Why does the resolution delegate authority to the Superintendent, CFO, or an individual Board member to finalize the transaction instead of requiring final approval from the full Governing Board?
- Once approved, under what circumstances, if any, would the final refinancing terms have to return to the Board?
- Can the resolution be amended to retain final Board approval before the bonds are issued?

- If the Board postpones authorization to allow additional review, what specific financial, legal, or market consequences would result?

2. The resolution establishes a minimum savings requirement of $1 million and permits a maximum bond yield of 5.50%.

- Why is the minimum savings requirement only $1 million when the presentation projects approximately $1.73 million?
- Does the $1 million minimum represent nominal debt-service savings after transaction costs or net present value savings?
- Could the transaction proceed with minimal or negative net present value savings as long as it meets the $1 million nominal savings requirement?
- Can the resolution be amended to establish a minimum positive net present value savings requirement after all transaction costs and tighter financial parameters before administration is authorized to proceed?

3. The resolution allows the Superintendent or CFO to select the outstanding bonds being refunded and authorizes designated officials to execute the agreements necessary to complete the refinancing.

- Why are we delegating authority to select bond series or maturities rather than identifying exactly which bonds are being refinanced?
- Could administration change the bonds selected, repayment schedules, or other material terms after Board approval without returning to the Board?
- What specific agreements and financial commitments would administration be authorized to execute without additional Board approval?
- Can the resolution establish limits on material changes to the transaction that would require additional Board approval?

4. Can bond counsel confirm in writing that the resolution complies with Arizona's requirements for refunding bonds without another election and does not authorize indebtedness beyond what voters previously approved?

- Does the resolution expressly restrict the use of proceeds to authorized refunding purposes and related transaction costs?
- Can language be added prohibiting any unrestricted proceeds from being used for unrelated District expenditures?
- Can the resolution require additional Board approval before any changes that could affect the District's indebtedness or the authorized use of proceeds?

5. Will the Board receive the final bond documents, financing terms, and debt-service schedule before the transaction closes?

- Can the resolution require administration to provide a public report after closing that identifies the final interest rates, issuance costs, actual savings, and use of proceeds?
- Can these reporting requirements be included in the resolution rather than relying on an informal commitment?

6. Given that the Board is being asked to authorize this transaction at the same meeting it receives the financial presentation, would postponing approval until the next Governing Board meeting prevent the District from completing the refinancing, or would it simply delay authorization?

If postponement would create a financial disadvantage, what specifically would that disadvantage be, and can it be quantified?
If the Board proceeds with authorization at this meeting, will administration support amendments requiring stronger financial safeguards and retaining final Board oversight?

[redacted]