

Citizen Community Meeting #1

January 9, 2024

Time: 5:00 pm

Location:

Higley Unified School District

Governing Boardroom

2935 S Recker Rd

Gilbert, AZ 85295

The goal of the citizen's committee is to have thoughtful, public dialogue and provide our Governing Board with a recommendation that helps them make an educated decision on what critical needs should be addressed.

AGENDA

I. Call to Order

Meeting called to order by Tyler Moore, Chief Financial Officer for Higley Unified School District at 5:00pm.

II. Approval of the Agenda

III. Committee participant introductions and timeline review

The following committee members were present:

Tyler Moore	Melissa Johnson	Michelle Bugg
Gustavo Landeros	Vanessa Shepherd	Victoria Payne
Eric Braun	Melanie Shaha	Kathleen Richards
Taylor Francis	Domingo Santos	Ozzie Lewis
Robert Fumeaux	Marty Bender	Scott Hamilton

The following committee member joined remotely:

Christopher Sexton

Committee members not present:

Jennifer Nuñez

IV. Ground Rules

V. Introduction to the Higley Unified School District & Historical Context

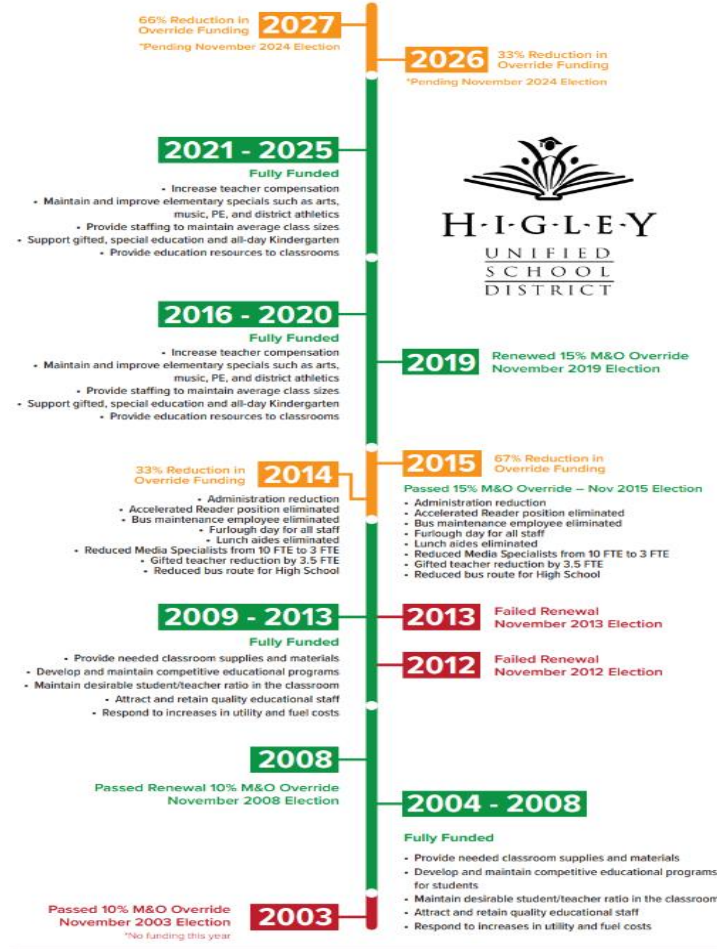
Chief Financial Officer Tyler Moore shared statistics about HUSD, including:

- 16 schools
- More than 1600 employees
- HUSD started in 1909
- 50 buildings/747 classrooms
- 149 vehicles

Melanie Shaha asked the capacity for students. Mr. Moore said he would get that number and share it later.

Higley's Override timeline was shared.

M&O Override History & Timeline



VI. School Funding 101

Chief Financial Officer Tyler Moore shared a summary of school district funds and the different accounts and how those funds can be used. Funds reviewed were Maintenance and Operations, District Additional Assistance (DAA), Federal/State grants, Adjacent Ways, Students FIRST, Debt service, Classroom Site Fund and Other special revenue funds. Mr. Moore shared how the maintenance and operation budget is calculated based on student counts and add-ons (if applicable). He shared how an Override works and the funding calculations. The District Additional Assistance (Capital) formula was shared, and how the Classroom Site Fund could be utilized. A review of Budget and Cash Controlled Funds was presented. Schools are funded 45% by Equalization Assistance, 50% by Local Property Tax and 5% by miscellaneous revenues. The Classroom Spending report was shared and how Higley compares to the rest of AZ and the United States.

Mr. Francis asked about the 70% reduction to DAA during 2008. Mr. Moore stated that in 2008 property values dropped drastically, reducing the amount schools received and

that inflation increases were not granted by the state. Because of this reduction many capital needs could not be met for many years. The fund was not brought back to 100% until FY22.

Ms. Johnson asked about the use of the adjacent ways levy. Mr. Moore stated that levy funds are for needs to fix traffic issues surrounding the schools with the input of the municipality.

Mr. Bender stated that if a levy is proposed to the board and if approved, then that levy is put on the property taxes for that year. Mr. Moore confirmed that that is correct. The levy does not need to be voter approved.

Mr. Bender asked if the bond debt had any relation to the middle school leases, Mr. Moore said that the two items are not connected.

Ms. Payne asked if the state has different line items from monies from the state. Mr. Moore responded that each fund from the state is calculated differently, and each fund has its regulations as to how they can be used. Salaries are funded from the M&O Fund and Classroom Site Funds.

Mr. Francis asked about the revenue funds. Mr. Moore stated Higley has worked very hard to make sure that the revenue driven programs are self-funded and do not require additional funds.

Mr. Francis asked if funding could be reduced if the Teacher Experience Index is lower than the state average, Mr. Moore stated that the Teacher Experience Index will only add to your budget, not reduce it.

Mr. Santos asked for more information on tuition income and proposed if an override isn't passed, then suggested charging tuition. Mr. Moore stated that as a public district, tuition cannot be charged. Mr. Moore explained that for most public schools when tuition is charged it is because a smaller, neighbouring district is not equipped to provide for the needs of one of their students. That student would attend a neighbouring district that can service those needs and tuition would be paid by the smaller district to the servicing district. Ms. Johnson asked if Higley has looked at providing this service for other districts or charter schools. Mr. Moore responded that our surrounding districts are large and can provide services for their students. Charter schools' students would have to be serviced by the public district in which they live and therefore charter schools would not pay tuition to a public district.

Mr. Francis asked if Higley could charge tuition, Mr. Moore stated that there are laws that state we must provide free education.

Mr. Santos asked about the override funding percentages, Mr. Moore stated that this is the last year the current override is fully funded at 15%. It will drop to 10% in FY25 and 5% for FY26.

Ms. Richards asked if the state expects districts to attain an override to supplement their budgets. Mr. Moore shared that the state does not expect schools to be funded by overrides. There are many rural districts that cannot pass overrides.

In reference to charter schools receiving a considerable dollar amount more per student for District Additional Assistance (Capital), Ms. Shaha asked if charters must build their own facilities and do not receive additional funds from the state. Mr. Moore responded that charter schools do not have school boundaries or a tax base and thereby cannot ask the voters for an override, and that Higley still has two lease payments for the middle schools that the state did not grant additional funds to build.

Ms. Payne asked if the property tax rate that is paid is determined by where one attends school. Tax rates are determined by school boundaries, not town or county boundaries or where the student attends school.

Mr. Santos shared that Higley does not have a big commercial property tax base, that it is mainly residential.

Mr. Francis asked what monies are included in the percentages on the classroom spending report. The percent noted on the classroom spending slide included all sources of revenue; state and federal.

- VII. Future Agenda Items
 - A. Demographic report
 - B. Classroom Space Usage
 - C. Survey Instrument Review

Ms. Johnson asked if the demographic report would relate to re-zoning (re-boundaring) some schools. Drawing new boundaries is not the scope of this committee.

The demographic report will include growth projections for the future.

The committee will be able to review what was asked for the last time a bond election was held, and what the identified needs for the district will be, and what the district has recommendations for its use.

Apartment buildings are taxed at a residential rate.

A breakdown of funds from state and federal was asked for. This is difficult to provide because each fund is not granted to each student but for specific uses and students. Federal funds/grants must be reapplied for each year and are based on needs, not student count.

Ms. Shaha asked about capacity. Mr. Moore said he just finished school walkthroughs and will provide this data to the committee at a future meeting.

- VIII. Adjournment

Meeting was adjourned at 6:44pm

Next meeting date January 30, 2024