



Cave Creek Unified School District

Budget Resource Guide

2020-2021

The Cave Creek Unified School District is keenly aware of the challenges faced across America in 2020 resulting from COVID – 19. Many sectors of the economy have suffered because of closures, quarantines, and the associated effects of the pandemic. The Cave Creek Unified School District is no exception.

In January 2020, enrollment in the District was 5,488 and today, enrollment is approximately 5,100 or a decrease of approximately 400 students. Since the number of students attending school dictate the District’s budget, the District is facing a potential budget shortfall in fiscal year 2022 of approximately \$4.1 million dollars, which represents a budget reduction of over 11%. This would be difficult in anyone’s budget but especially difficult when salary and benefits for employees equals 80% of the district’s operating budget.



Every school district in Arizona is unique and entered the pandemic in a different financial position. Historically 48th/49th in the nation in per-pupil funding in the United States, the State of Arizona support for public schools is markedly lower than the rest of the country. The Cave Creek Unified School District is unique because it is the only K-12 school district in Maricopa County that does not have additional funding from either Maintenance and Operations, Capital Outlay override, bond, or all three. The district does, however, have the lowest combined tax rate of any unified school district in Maricopa County of \$1.8155.

It is important to note, at this point, for the fiscal year ended June 30, 2020, before the country felt the full impact of the pandemic, the Arizona Auditor General’s Office placed Cave Creek School District on a watch list for “approaching highest financial risk” for the following reasons:

- Decline in General Fund revenues
- Decline in General Fund balances
- Decline in student count (the current capture rate of school-age children is about 50%)
- Decline in operating budget limit reserves
- Capital monies redirected to the Operations budget

In addition, some other factors determining the district’s financial position are:

- The District has not passed a Maintenance and Operations override since 2007
- The State reduced Capital funding up to 85% for many years beginning in 2009
- Funding for all-day-kindergarten was eliminated in 2011, forcing districts to fund it within their operating budgets
- World Language Programs began with Spanish in 2003, Chinese in 2014, and French in 2016 with no additional funding and currently cost around \$2.3 million dollars a year.

For many years, the district has attempted to keep programs alive by reducing staff, being creative, closing a school, and taking funding from Capital Outlay and placing it in the operating budget. The pandemic, with its accompanying decline in student count, has forced the district to make very difficult decisions regarding people and programs. The Administration’s goal is to make necessary budget reductions to maintain the long-range financial stability of the district, provide quality mandated programs for students to fulfill high school graduation requirements, and employ adequate staff to execute those programs. This is “why” the district is no longer able to sustain the level of programs/services it has enjoyed in the past. Notwithstanding these variables, I am both optimistic and committed to the vision that not only can the Cave Creek Unified School District maintain its level of excellence, but continue to improve the positive impact on our students so they can lead successful lives after high school.

Dr. Cort Monroe, Superintendent

Governing Board

2021 Members

- Beth Hatcher, President
- Jeff Fortney, Vice President
- Scott Brown
- Janet Busbee
- Bianna Walker

PHILOSOPHIES

Fiscal stewardship: Cave Creek Unified School District commits to inspiring excellence in all aspects of education, while acting in a financially responsible manner by maximizing all resources possible to enhance student education (e.g. grants; education, community, and business partners; and foundations).

Tax: Cave Creek Unified School District commits to providing its students with the most comprehensive, high quality education available, while maintaining the lowest voter-approved secondary tax rate possible.

Cave Creek Unified School District

33016 N. 60th Street
Scottsdale, AZ
P.O. Box 426
Cave Creek, AZ 85327
(480) 575-2000
www.ccusd93.org

CCUSD® Revenue Sources

MAINTENANCE AND OPERATION

This fund is used to budget expenditures for the daily operation of the school district, e.g. salaries, benefits, utilities, paper, pencils, etc. It is funded through the state by the primary tax rate. Funds generated by the primary tax rate are allocated to each school district using a state-defined formula. M & O funds cannot be used for capital items such as construction or new computers.

CAPITAL

There is one Capital Fund available for the daily operation of the district.

This fund accounts for budgeted expenses to obtain items by purchase, lease-purchase, lease or long-term lease of capital items. Capital funds are used for such things as construction, computers, and textbooks.

OVERRIDES

An override is a way for a school district to generate additional revenue with voter approval. There are three types of overrides: Special Program, Capital, and Maintenance and Operation (M & O). The Special Program override allows a District to increase its Maintenance and Operation (M & O) budget by up to 5% for seven years. It may be paired with a general M & O override which allows for an increase of up to 10% for seven years. In place of these two, a District may have a general M & O override of up to 15% for seven years. Full funding of these overrides occurs for the first five years, then decreases by one-third each year, unless renewed. A Capital override may be approved and provides funding for capital purchases at a stated dollar amount per year for a stated number of years. Currently, up to 75 percent of the school districts in Maricopa County operate with some type of override.

However, CCUSD® does not have any type of override in place at this time.

BONDS

A bond is a debt instrument that is secured by a political subdivision of Arizona. It allows school districts to fund projects immediately and pay back the debt over time from the taxation of homes and businesses in the district. The last bond approved by voters was November of 2014. \$30 million in new bonds were approved for the renovation of existing facilities, a small amount of new construction, grounds improvements, student technology improvements, and the purchase of student transportation vehicles. In addition, the taxpayers approved the use of approximately \$10 million of existing bond funds for the renovation of existing facilities, grounds improvements, and technological improvements. All bond funds were expended as of June 30, 2020.

FEDERAL GRANTS

These funds are provided by the federal government to pay for federally mandated programs such as Title 1 (remedial education).

STATE GRANTS

The district receives these funds from the State of Arizona after completing an application and review process. They must be used for specific programs.



CCUSD® 2020-2021 BUDGET

Maintenance and Operation (Operating Budget)	\$32,562,020
Capital	\$ 2,474,517
State and Federal Grants Received	
CTE Federal Perkins	\$ 75,414
CTE State Priority	\$ 41,893
IDEA—Basic Entitlement	\$ 1,290,228
IDEA—Preschool	\$ 36,478
School Safety Program	\$ 132,190
AZ High School Health & Wellness	\$ -0-
Title I LEA-ESEA	\$ 491,782
Title II Improving Teacher	\$ 139,174
Title IV	\$ 54,312
Gifted Ed Grant	\$ -0-
SEI Grant	\$ 83,484
TOTAL	\$ 2,344,955

TERMS TO KNOW

budget: a financial plan that advances the mission of the organization utilizing available financial resources.

budgeting: a priority-setting process for expenditures.

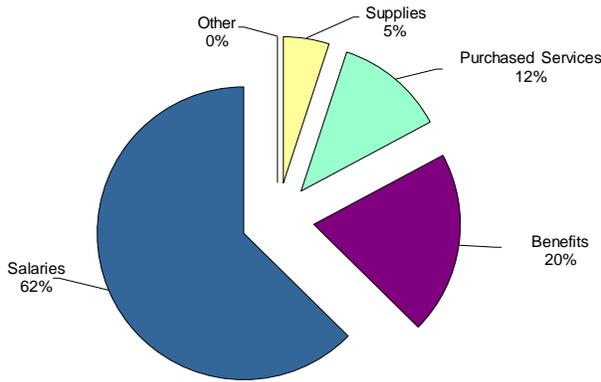
bond: a debt instrument that is secured by a political subdivision of Arizona. It allows school districts to fund projects immediately and pay back the debt over time against the taxation of homes and businesses in the district.

override: a mechanism for a school district to generate additional revenue with voter approval; there are three types of overrides: Special Program, Capital, and Maintenance and Operation (M & O).

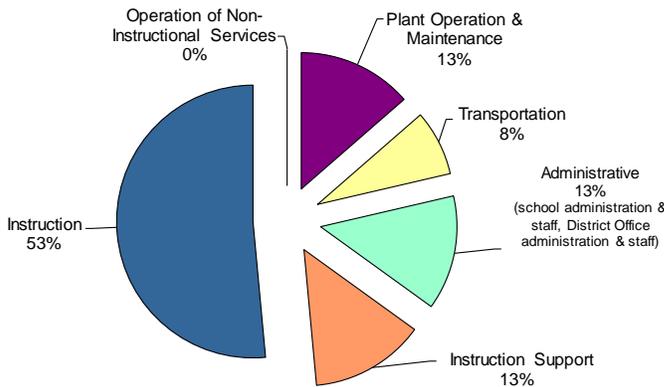
primary tax rate: this tax rate is applied to homes and businesses in a school district to help support the M & O and capital budgets.

secondary tax rate: this tax rate is applied to homes and businesses to pay for overrides and bonds.

**Cave Creek Unified School District No. 93
2019-20
M&O Expenditures Budget by Object**



**Cave Creek Unified School District No. 93
2019-20
M&O Expenditures by Function**



Where does the funding come from?

The legislature determines funding levels for school districts. The majority of funding for public education comes from the taxpayers. The state collects and allocates money to school districts using a state-defined formula. It is the Legislature that decides how much money schools will receive and which educational programs will be funded. If you have questions regarding public education funding, contact your state representative. Below is a list of the representatives in the Cave Creek Unified School District as of January, 2021.

DISTRICT 1

Sen. Karen Fann (R)
kfann@azleg.gov

Rep. Judy Burges (R)
jburges@azleg.gov

Rep. Quang Nguyen (R)
qnguyen@azleg.gov

DISTRICT 15

Sen. Nancy Barto (R)
nbarto@azleg.gov

Rep. Steve Kaiser (R)
skaiser@azleg.gov

Rep. Justin Wilmeth (R)
jwilmeth@azleg.gov

DISTRICT 23

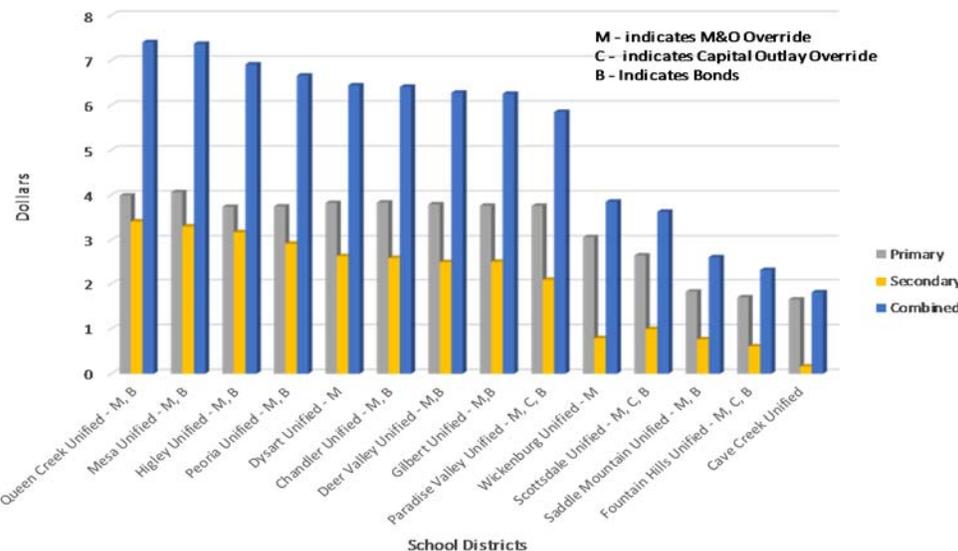
Sen. Michelle Ugenti-Rita (R)
mugenti-rita@azleg.gov

Rep. John Kavanagh (R)
jkavanagh@azleg.gov

Rep. Joseph Chaplik (R)
jchaplik@azleg.gov

For up-to-date information about bills being considered in the Legislature, go online to www.azleg.state.az.us. Or call: (602) 926-3559 (Senate) (602) 926-4221 (House)

**Unified School District Tax Rates
Maricopa County FY21**



FISCAL YEAR BUDGET CALENDAR

AUGUST	<p>Finance and Human Resources conduct budget training sessions for new administrators.</p> <p>Finance Department distributes new budget information.</p>
OCTOBER/NOVEMBER - MAY	<p>Interest-Based Negotiations Teams meet to discuss compensation package for 2021-2022.</p>
MARCH	<p>Governing Board reviews budget proposals and provides additional input.</p>
MARCH-APRIL	<p>Interest-Based Negotiations Teams prioritize needs and define possible adjustments and submit proposed 2021-2022 compensation package proposal to District Administration.</p>
APRIL-MAY	<p>Finance Department prepares total district-wide preliminary budget request which includes:</p> <ul style="list-style-type: none">• Interest-Based Negotiation Teams' proposal• District-wide proposals• Insurance and other fixed cost increases
MAY	<p>Finance Department defines revenue sources and prepares budget summary comparing requested expenditures to available revenue.</p>
MAY-JUNE	<p>Finance Department prepares final budget proposal for presentation to Governing Board.</p>
JUNE-JULY	<p>Final budget proposal presented to Governing Board for approval and authorization to advertise.</p> <p>Proposed 2021-2022 budget to Arizona Department of Education for advertising.</p> <p>Publication of 2021-2022 Proposed Budget and Notice of Public Hearing.</p> <p>Public Hearing and Adoption of 2021-2022 Budget.</p> <p>Statutory deadline for Public Hearing and Adoption.</p> <p>Statutory deadline to file 2021-2022 Budget with County School Superintendent.</p>