



Cave Creek Unified School District

Budget Resource Guide

2021-2022

The Cave Creek Unified School District is proud of the educational experience we can provide for our students. However, 2021 has illustrated the sustained financial challenges we experience with providing that level of continued service to our students and families moving into the future.

In November 2021 a voter-approved Capital Bond did not pass by 751 votes out of 22,336 ballots cast. This bond would have been a sustainable financial source until 2028-2030 to help fund technology for students, health and safety upgrades for our schools, facility improvements to our schools for our students, athletic facility improvements and meet transportation needs. In addition, passage of the Bond would have allowed us to pay off debt service owed bringing about \$800,000 back to the Maintenance and Operation Budget.



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. In addition, it is important to note that CCUSD has the lowest combined tax rate of any unified school district in Maricopa County of \$1.57.

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. In January 2020, enrollment in CCUSD was 5,488 and today, as we continue to navigate out of the COVID-19 pandemic and parental choice of schools, enrollment is approximately 4,850, or a decrease of approximately 650 students.

It is also important to note for the fiscal year ended June 30, 2021, the Arizona Auditor General's Office listed the Cave Creek Unified School District as having "financial risk" in the following areas:

- 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

Some other factors determining the district's current financial position include:

- The District has not passed a Maintenance and Operations override since 2007
- The District has not passed a Capital Bond since 2014
- 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

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, as well as school choice in Arizona, forced the district to make very difficult decisions regarding people and programs in the Spring of 2021. When this occurs, 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 some programs/services it has enjoyed in the past in many cases. I appreciate you reading this 2022 Budget Resource Guide to become better educated with school district budget principles as well as become better acquainted with the unique challenges we face in the Cave Creek Unified School District. As the Superintendent, I remain committed to doing what is best for our students while being a responsible financial steward of taxpayer dollars. One team!

Dr. Cort Monroe, Superintendent

Governing Board

2022 Members

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

The M & O fund is used for daily operation of the school district, e.g. salaries, benefits, utilities, contracted services, paper, pencils, etc. The amount of funding is determined by the State's Equalization formula A.R.S.§15-943. CCUSD's M & O is funded solely with local property taxes. CCUSD is one of the few school districts in the state of Arizona that receives no State funding for their M & O Equalization.

DISTRICT ADDITIONAL ASSISTANCE (DAA)

This was formally called unrestricted capital. The amount for DAA is also determined by the State's Equalization formula A.R.S.§15-961. This fund may be allocated in whole or in part to either the M & O or unrestricted capital fund. Capital funds are used for such things as construction, instructional materials, furniture, 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

Bonds 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. 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). In 2020 and 2021 CCUSD received one-time Elementary and Secondary School Emergency Relief Funds for COVID related needs. Among the areas funded are positions to retain highly qualified staff, sanitize facilities, purchase technology and intervention programs.

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® 2021-2022 BUDGET

Maintenance and Operation (Operating Budget)	\$32,726,606
Capital	\$ 2,271,396
State and Federal Grants Received	
CTE Federal Perkins	\$ 80,118
CTE State Priority	\$ 28,267
ARP-IDEA—Basic	\$ 188,692
ARP-IDEA—Preschool	\$ 14,060
IDEA-Basic Entitlement	\$ 902,496
IDEA—Preschool	\$ 21,167
Title I LEA-ESEA	\$ 632,782
Title II Improving Teacher	\$ 138,815
Title IV	\$ 66,390
TOTAL	\$ 2,072,818

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.

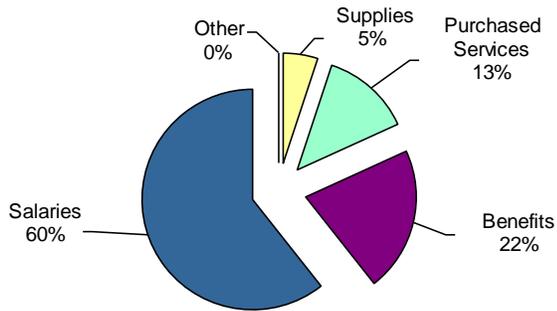
bond: a debt instrument that is secured by a political subdivision of Arizona. It allows school districts to fund projects immediately and pay back the debt over time against the taxation of homes and businesses in the district.

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).

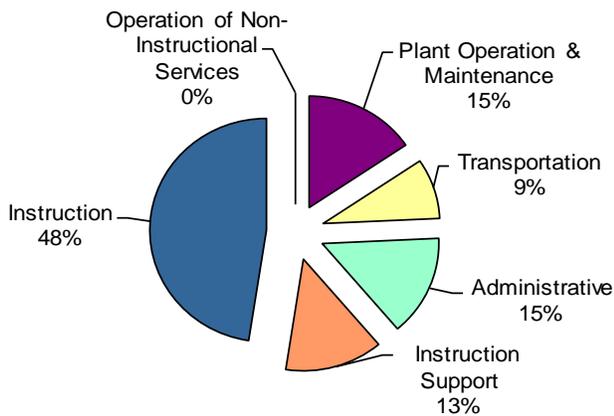
primary tax rate: this tax rate is applied to homes and businesses in a school district to help support the M & O and capital budgets.

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
2020-21
M&O Expenditures Budget by Object**



**Cave Creek Unified School District No. 93
2020-21
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, 2022. Redistricting will go into affect in late 2022.

DISTRICT 1

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

Rep. Judy Burges (R) / Rep. Quang Nguyen (R)
jburgess@azleg.gov qnguyen@azleg.gov

DISTRICT 15

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

Rep. Steve Kaiser (R) / Rep. Justin Wilmeth (R)
skaiser@azleg.gov jwilmeth@azleg.gov

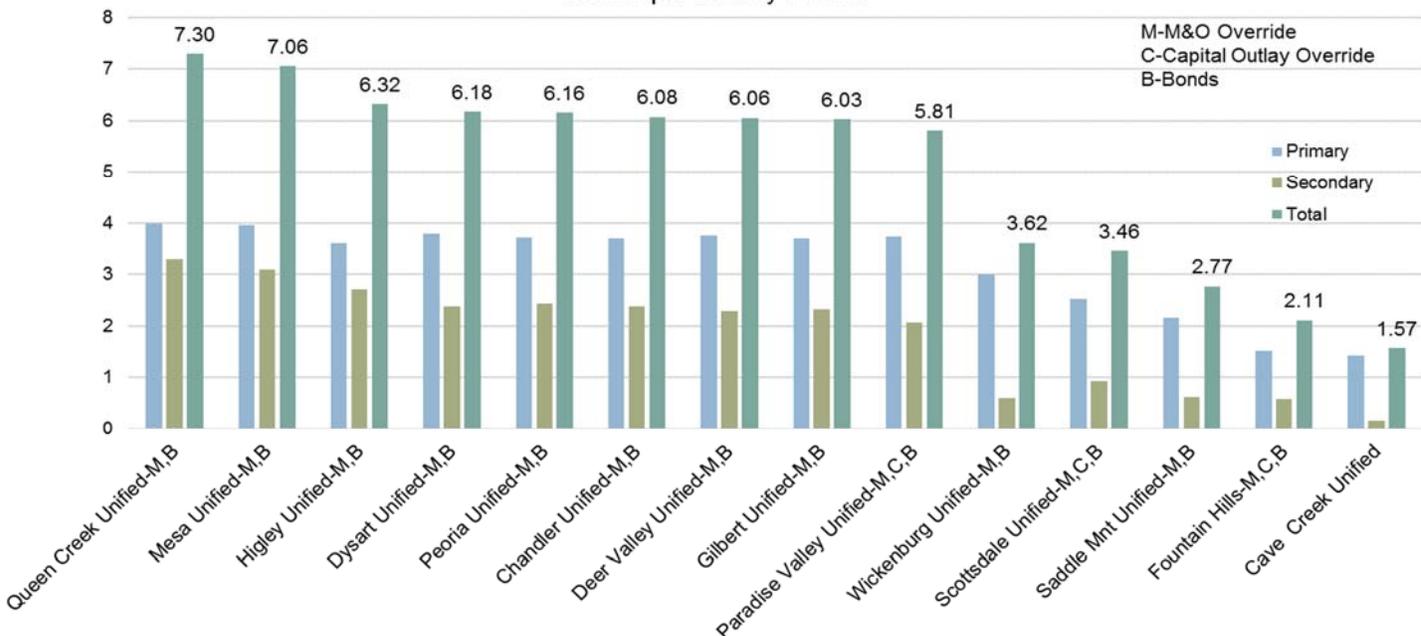
DISTRICT 23

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

Rep. John Kavanagh (R) / Rep. Joseph Chaplik (R)
jkavanagh@azleg.gov 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 FY 22**



FISCAL YEAR BUDGET CALENDAR

AUGUST

Finance and Human Resources conduct budget training sessions for new administrators.

Finance Department distributes new budget information.

OCTOBER/NOVEMBER -
MAY

Interest-Based Negotiations Teams meet to discuss compensation package for 2022-2023.

MARCH

Governing Board reviews budget proposals and provides additional input.

MARCH-APRIL

Interest-Based Negotiations Teams prioritize needs and define possible adjustments and submit proposed 2022-2023 compensation package proposal to District Administration.

APRIL-MAY

Finance Department prepares total district-wide preliminary budget request which includes:

- Interest-Based Negotiation Teams' proposal
- District-wide proposals
- Insurance and other fixed cost increases

MAY

Finance Department defines revenue sources and prepares budget summary comparing requested expenditures to available revenue.

MAY-JUNE

Finance Department prepares final budget proposal for presentation to Governing Board.

JUNE-JULY

Final budget proposal presented to Governing Board for approval and authorization to advertise.

Proposed 2022-2023 budget to Arizona Department of Education for advertising.

Publication of 2022-2023 Proposed Budget and Notice of Public Hearing.

Public Hearing and Adoption of 2022-2023 Budget.

Statutory deadline for Public Hearing and Adoption.

Statutory deadline to file 2022-2023 Budget with County School Superintendent.