



Bond/Override Citizen's Advisory Committee

DEER VALLEY UNIFIED SCHOOL DISTRICT

JUNE 11, 2019

Committee Charge



The charge of this committee is to provide input regarding the educational and building needs of the District, including the possibility of recommending a future election(s).

Meeting Dates

April 10, 2019

April 17, 2019

May 8, 2019

Committee Members



Jim Migliorino	Deputy Superintendent	District Employee	Courtney Fredlund	DVBLT	District Employee
Michelle Ricart	Parent – BGHS Region	Parent	TBD	Administrator at Large	District Employee
Isaac Sweilem	Parent – BGHS Region	Parent	Nicholas Martin	DVEA	District Employee
Myong Covert	Parent – BCHS Region	Parent	Rick Weyker	Certified Staff at Large	District Employee
TBD	Parent – BCHS Region	Parent	Joe Davis	DVESPA	District Employee
Robyn Meade	Parent – DVHS Region	Parent	TBD	Certified Staff at Large	District Employee
TBD	Parent – DVHS Region	Parent	Marie Brennan	DVEF	Community
Lisa Best	Parent – MRHS Region	Parent	Joe Holcombe	Parent Organization Representative	Parent
TBD	Parent – MRHS Region	Parent	Dennis Lehan	Parent Organization Representative	Parent
Stefanie Calens	Parent – SDOHS Region	Parent	Tara Grenier	Business Partner	Community
Ric Traeger	Parent – SDOHS Region	Parent	Pam Edwards	Interfaith Representative	Community

April 10, 2019 Agenda



- ▶ Introductions
- ▶ School Finance Overview
- ▶ History & Uses of Election Proceeds
- ▶ M&O Override
- ▶ Capital Override & Bond
- ▶ Tax Information
- ▶ Next Steps/Next Meeting

April 17, 2019 Agenda



- ▶ Introductions
- ▶ Review of 1st Meeting
(<https://www.dvUSD.org/site/Default.aspx?PageID=62480>)
 - ▶ History of Elections
 - ▶ District Funding
- ▶ Tax Information
- ▶ District Needs
 - ▶ Maintenance & Operations (M&O)
 - ▶ Capital
- ▶ Next Steps/Next Meeting

May 8, 2019 Agenda



- ▶ Introductions
- ▶ Committee Meeting Information
(<https://www.dvUSD.org/site/Default.aspx?PageID=62480>)
- ▶ Tax Information
- ▶ District Needs
 - ▶ Maintenance & Operations (M&O)
 - ▶ Capital
- ▶ Development of Election Recommendation(s)

History of Deer Valley USD Elections



- ▶ 2001 Elections
 - ▶ \$77,500,000 Bond - *passed*
 - ▶ \$6,242,250/Year Capital Override - *did not pass*
 - ▶ 10% M&O Override - *passed*
- ▶ 2004 Election
 - ▶ \$90,000,000 Bond - *passed*
 - ▶ \$7,500,000/Year Capital Override - *did not pass*
- ▶ 2005 Capital Override Election
 - ▶ 10% M&O Override - *passed*
 - ▶ \$7,500,000/Year Capital Override - *passed*
- ▶ 2008 Bond Election
 - ▶ \$148,000,000 Bond - *passed*
- ▶ 2010 M&O Override Election
 - ▶ 15% M&O Override - *did not pass*
 - ▶ 10% M&O Override - *passed*
- ▶ 2012 Capital Override Election
 - ▶ \$7,500,000/Year Capital Override - *did not pass*
- ▶ 2013 Bond Election
 - ▶ \$158,315,000 - *passed*
- ▶ 2015 M&O Override
 - ▶ 15% M&O Override - *passed*

Note – M&O Overrides are only fully approved for 5 years - they are reduced by 1/3 in Year 6, 2/3 in Year 7 and then they are eliminated if not re-approved by voters

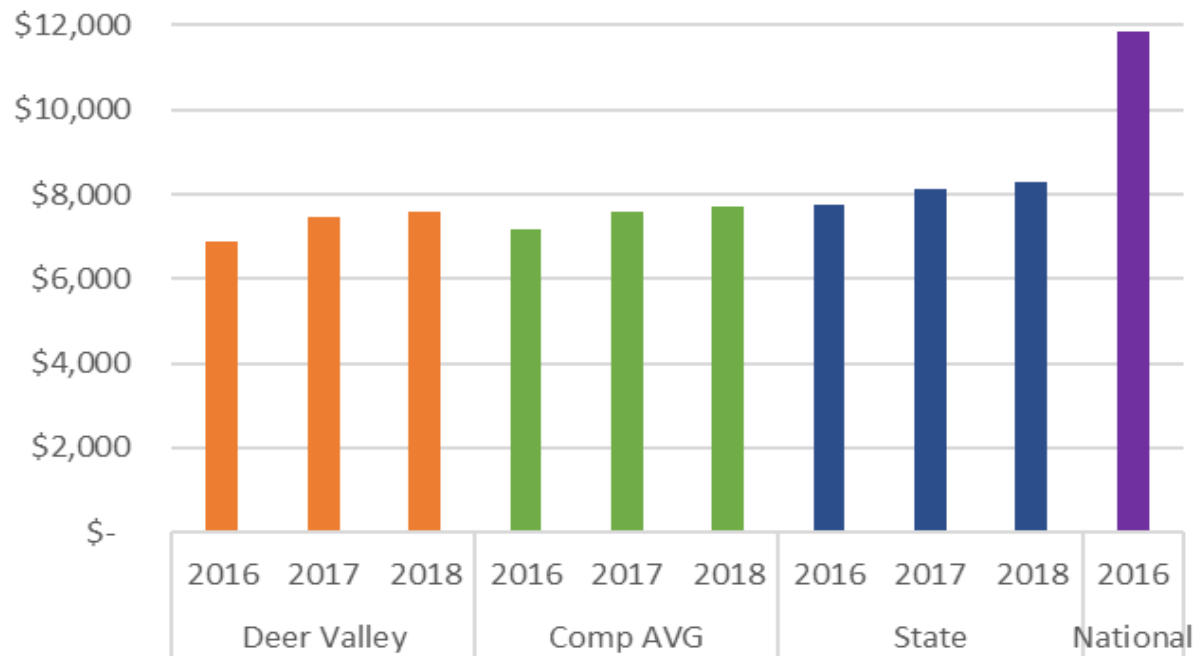


M&O

District Funding M&O



Operational Per Student Funding



NOTE - All listed districts have an existing M&O Override in place

FY18 AFR Data	Total M&O Expenses		Resident Students		Expense per Student	
	Chandler	263,627,298	44,149.484		\$	5,971.24
	Gilbert ¹	201,552,912	33,392.284		\$	6,035.91
	PV ³	201,377,016	30,277.521		\$	6,651.04
	Peoria	210,046,423	35,703.294		\$	5,883.11
	Scottsdale ^{3,4}	147,135,399	22,235.288		\$	6,617.20
	Dysart ³	144,169,166	23,523.847		\$	6,128.64
	DV	197,843,856	32,507.945		\$	6,086.02
	5 Comparable District Average			4,735,963	\$	6,231.70

2017-18 M&O Override Report (@15%)



M&O Override Category	FY18 Amount	Planned in FY19
Existing M&O Salaries	\$ 12,738,700	\$ 13,609,811
Class Size at Grades K-6 (-3 FTE Class Load)	\$ 2,900,000	\$ 3,200,000
Class Size at Grades 9-12 (-3 FTE Class Load)	\$ 3,250,000	\$ 3,650,000
Specialized Programs for Students Including Co-Curricular, Extracurricular and Full-Day Kindergarten	\$ 5,075,000	\$ 5,075,000
Extracurricular Activities	\$ 500,000	\$ 500,000
Support Services staff	\$ 500,000	\$ 500,000
District Budgets (10%)	\$ 525,000	\$ 525,000
School Budgets (10%)	<u>\$ 250,000</u>	<u>\$ 250,000</u>
	\$ 25,738,700	\$ 27,309,811

Legislation (ARS 15-481.Y) requires informational reporting of M&O Override expenditures beginning with 2010-11

M&O Override Recommendation



- ▶ Call for a November 5, 2019 election to renew the 15% M&O Override to remain competitive in per pupil funding
 - ▶ Continue to pay a portion (approximately 8.5%) of all M&O Salaries
 - ▶ Maximum Class Size to remain unchanged (would otherwise increase +3)
 - ▶ Continue Full-Day Kindergarten and other specialized programs for students
 - ▶ Continue to support extracurricular activities for students
 - ▶ Continue to provide Counselors and Support Services staff
 - ▶ Continue to provide a portion (10%) of school and department budgets

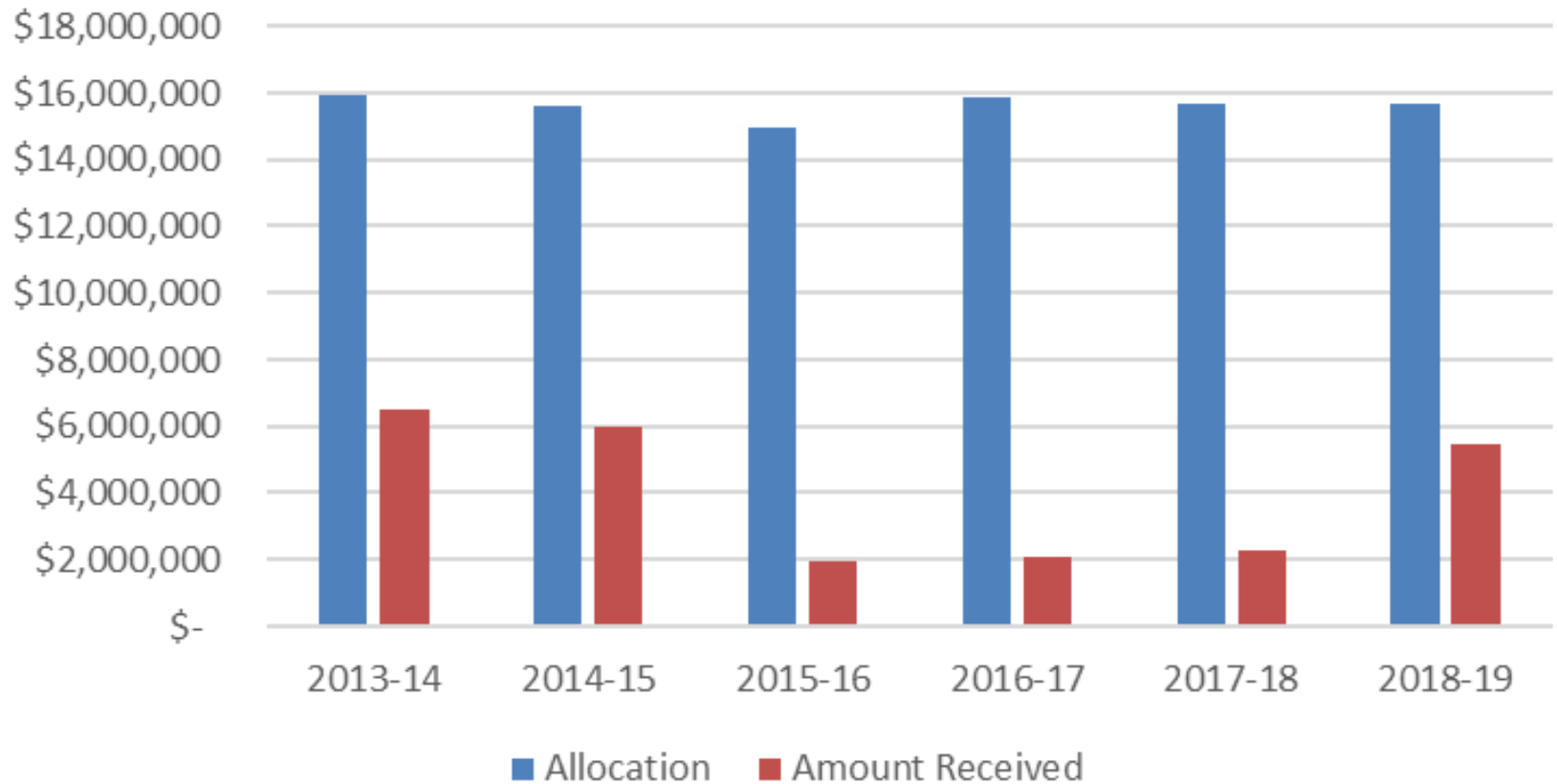


Capital

District Additional Assistance Funding (Capital)



District Additional Assistance Funding



District Capital Needs



- ▶ Student Growth
 - ▶ New elementary school
- ▶ Instructional-Related Needs
 - ▶ Textbook Adoptions (cannot be funded from Bond Proceeds)
 - ▶ Software needs (cannot be funded from Bond Proceeds)
 - ▶ Building Renovations for Innovation
 - ▶ Technology
 - ▶ New Devices (1:1 Initiative)
 - ▶ Replacement Plan
 - ▶ Network Infrastructure
 - ▶ Peripherals

District Capital Needs (con't)



- ▶ Furniture, Fixture and Equipment
 - ▶ Replacement FFE (including extracurricular and cocurricular)
 - ▶ New school needs
- ▶ Transportation
 - ▶ Bus replacements
 - ▶ “White Fleet” additions and replacements
- ▶ Facility Building Renewal
 - ▶ Scheduled replacements/upgrades
 - ▶ Safety & Security
 - ▶ Conservation
 - ▶ Extracurricular improvements

DVUSD Proposed 2019 Bond Needs

May 9, 2019 Draft



Non-Admin Needs		<u>Non-Admin</u>	<u>Admin</u>
Instruction-Related Needs			
Library/Media Center Improvements		\$ 10,000,000	
Facility Improvements		\$ 3,000,000	
Extracurricular/Cocurricular Equipment		\$ 5,500,000	
Technology			
Replacement/New		\$ 16,932,058	
Projectors/Peripherals/Printers		\$ 8,265,848	
Network Upgrades		\$ 7,650,000	
Wide Area Network		\$ 11,250,000	
Server/Distribution Replacements		\$ 2,745,000	
Copiers		\$ 2,200,000	
Furniture & Equipment		\$ 875,000	
New School Furniture & Equipment		\$ 2,000,000	
Transportation			
Replacement Buses		\$ 5,775,000	
Microbuses		\$ 700,000	
Van Replacements		\$ 625,000	
Technology		\$ 250,000	
Facility Needs			
Building Renewal (Roofing, Painting, Flooring, Restroom Renovation)		\$ 29,950,000	
Conservation		\$ 26,025,000	
Safety & Security		\$ 9,750,000	
Furniture and Equipment		\$ 187,500	
Student Growth			
Student Growth		\$ 2,000,000	
Elementary #32		\$ 22,000,000	

DVUSD Proposed 2019 Bond Needs



May 9, 2019 Draft

Administration Needs

Technology

Replacement/New Admin	\$ 714,840
Projectors/Peripherals/Printers	\$ 435,045
Network Upgrades	\$ 200,000
Wide Area Network	\$ 1,250,000
Server/Distribution Replacements	\$ 305,000
Copiers	\$ 300,000

Transportation

Fleet Vehicle Replacement	\$ 750,000
Northern Services Center Improvements	\$ 1,200,000

Facility Needs

Building Renewal (Roofing, Painting, Flooring, Restroom Renovation)	\$ 1,275,000
Conservation	\$ 325,000
Furniture and Equipment	\$ 437,500

Totals	\$ 167,680,406	\$ 7,192,385
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Grand Total	\$	174,872,791
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Potential Tax Rate Impact



**DEER VALLEY UNIFIED SCHOOL DISTRICT NO. 97
SCHOOL IMPROVEMENT BOND PROGRAM
Bond Election: \$175,000,000**

FYE	Growth Rate	Projected Net Assessed Valuation (a)	Existing Bonds Outstanding		Plus: \$47,115,000 Series 2019 E			Plus: \$35,000,000 Series A 2020		Plus: \$35,000,000 Series B 2021			Plus: \$35,000,000 Series C 2022			Plus: \$35,000,000 Series D 2023		Plus: \$35,000,000 Series E 2024		Proposed Bonds to be Outstanding		ALL BONDS Estimated Debt Service			
			Annual Debt Service (b)	Tax Rate	Principal	Coupon	Interest	Principal	Interest	Principal	Interest	Capitalized Interest	Principal	Interest	Capitalized Interest (c)	Principal	Interest	Principal	Interest	Debt Service (c)	PROP Tax Rate	Aggregate Debt Service	Est. Tax Rate for Bonds		
2017		\$ 2,299,621,371	\$ 31,544,563	\$ 1.3717																		\$ 31,544,563	\$ 1.37		
2018		2,440,361,475	34,642,318	1.4196																		34,642,318	1.42		
2019		2,575,110,830	38,726,967	1.5039																		38,726,967	1.50		
2020	7.2%	2,759,527,994	37,368,444	1.3542	\$ 1,100,000		\$ 2,439,135														\$ 3,539,135	\$ 0.13	40,907,579	1.48	
2021	0.0%	2,759,527,994	32,195,100	1.1667		4.00%	2,280,750	\$ 1,950,000	\$ 2,479,167													8,709,917	0.32	40,905,017	1.48
2022	0.0%	2,759,527,994	31,706,800	1.1490		5.00%	2,200,750	-	1,652,500	\$ -	\$ 2,479,167	(\$ 1,350,000)										9,232,417	0.33	40,939,217	1.48
2023	0.0%	2,759,527,994	34,806,400	1.2613		5.00%	1,988,250	-	1,652,500				\$ -	\$ 2,479,167	(\$ 2,479,167)							6,140,750	0.22	40,947,150	1.48
2024	0.0%	2,759,527,994	12,492,350	0.4527		5.00%	1,913,250	5,575,000	1,652,500	3,250,000	1,750,000	-	1,725,000	\$ 1,750,000	-	\$ -	\$ 2,479,167					26,344,917	1.03	40,837,267	1.48
2025	0.0%	2,759,527,994	14,730,750	0.5338		5.00%	1,500,750	4,750,000	1,373,750	2,000,000	1,587,500	-	1,500,000	1,663,750	-	750,000	1,750,000	\$ -	\$ 2,479,167			26,104,917	0.95	40,835,667	1.48
2026	0.0%	2,759,527,994	5,542,500	0.2008		5.00%	1,163,250	9,000,000	1,136,250	3,000,000	1,487,500	-	2,000,000	1,588,750	-	1,000,000	1,712,500	-	1,750,000			35,336,250	1.28	40,880,750	1.48
2027	0.0%	2,759,527,994	3,386,250	0.1227		5.00%	588,250	8,000,000	686,250	4,000,000	1,337,500	-	2,500,000	1,488,750	-	2,500,000	1,662,500	1,250,000	1,750,000			37,526,250	1.36	40,914,500	1.48
2028	0.0%	2,759,527,994	-	-		-	-	5,725,000	286,250	11,000,000	1,137,500	-	12,500,000	1,363,750	-	2,500,000	1,537,500	3,000,000	1,687,500			40,737,500	1.48	40,737,500	1.48
2029	0.0%	2,759,527,994	-	-		-	-	-	-	11,750,000	587,500	-	6,500,000	738,750	-	10,750,000	1,412,500	7,500,000	1,537,500			40,776,250	1.48	40,776,250	1.48
2030	0.0%	2,759,527,994	-	-		-	-	-	-	-	-	-	8,275,000	413,750	-	17,500,000	875,000	12,645,000	1,162,500			40,871,250	1.48	40,871,250	1.48
2031	0.0%	2,759,527,994	-	-		-	-	-	-	-	-	-	-	-	-	-	10,605,000	530,250	11,135,250			11,135,250	0.40	11,135,250	0.40
TOTALS:					\$ 47,115,000	\$ 14,074,365	\$ 35,000,000	\$ 10,919,167	\$ 35,000,000	\$ 12,116,867	\$ 2,100,000	\$ 35,000,000	\$ 11,486,667	\$ 2,479,167	\$ 35,000,000	\$ 11,429,167	\$ 35,000,000	\$ 10,896,916.67	\$ 288,456,802	\$ 0.87					

Tax Rate remains at \$1.48 for bond program with new \$175 million authorization (assuming no assessed valuation growth, which if AV growth happens the tax rate will decrease)

Bond Election Recommendation



- ▶ Call for a November 5, 2019 election for a new bond authorization in the amount of \$175,000,000.