



*Preparing Every Student for Success  
in College, Career, and Life*

# **FACT SHEET**

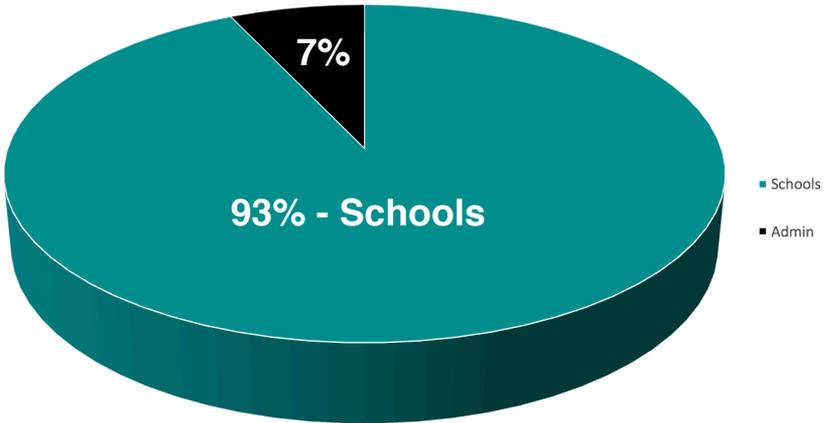
**2017 PUHSD  
Maintenance & Operations Override Renewal  
and Bond Election**

*November 7, 2017*

# BOND FACTS

- At its May 4 meeting, the Phoenix Union High School District Governing Board called for a Construction Bond election for November 7, 2017.
- The District annual capital budget had been cut from \$21 million to less than \$2 million since the recession. Voter approval of the bond would allow the district to meet operational and student needs.
- The Bond will be for \$269 million to fund the following capital projects: construction and renovation of school buildings; development of innovative school models; acquisition of school lots; improvement of school grounds such as athletics and performing arts facilities; purchase of state-of-the-art technology such as student devices for math, science, English, and social studies; expansion and improvement of wireless and high-speed Internet access; expansion of distance and virtual learning; purchase of furniture and equipment; and replacement of aging buses.
- Estimates of bond spending would be \$140 million for general improvement; \$60 million for technology and infrastructure; \$49 million for new construction; \$12 million for furniture and equipment; and \$8 million for transportation.

# Proposed Bond Allocation Percentages



## Estimated Average Annual Bond Tax Rate per \$100 of Assessed Valuation: \$0.3783

### RESIDENTIAL PROPERTY (Assessed at 10%)

*The tax impact over the term of the bonds on an owner-occupied residence valued by the County Assessor at \$250,000 is estimated to be \$91.47 per year for 22 years or \$2,078.41 total cost.*

Value for Tax Purposes	2016/17 Assessed Value	Estimated Average Annual Cost	Estimated Average Monthly Cost
\$109,010*	\$10,901	\$41.24	\$3.44
\$100,000	\$10,000	\$37.83	\$3.15

\*estimated average value

### COMMERCIAL PROPERTY (Assessed at 18%)

Value for Tax Purposes	2016/17 Assessed Value	Estimated Average Annual Cost	Estimated Average Monthly Cost
\$1,000,000	\$180,000	\$680.94	\$56.75

Estimated average annual tax rate for proposed bonds is \$0.3783 per \$100 of net assessed valuation used for secondary tax purposes.

## CAPITAL REVENUE REDUCTIONS

Historically, the District received capital funding and facility funding based on formulas. The State has not adhered to its funding formula. Since 2009, the District has been cut \$21 million in capital funding. In addition, the State's School Facilities Board has not provided funding for building maintenance and repairs for over eight years.

# OVERRIDE FACTS

- The Phoenix Union High School District Governing Board called for the Maintenance and Operations (M & O) Override election because budget override authorization expires after seven years and must be brought back to the voters in order to continue.
- There would be no tax increase with voter approval of the override.
- The override would request voter authorization to continue to exceed the Revenue Control Limit by 15 percent for fiscal year 2018-1019 and six subsequent years, a continuation of the existing override approved by the voters in 2013.
- The override amount for the first year of the proposed override would be \$25,000,000.
- The override funds will continue to fund the following areas: maintain smaller class size; enhance course offerings for more rigorous academic course work; strengthen alternative education programs; electives such as band and theater; attract and retain the highest qualified educators; fund small specialty schools; fund student services and counseling as well as safety and security; extended learning time for academic interventions; student competitive athletic programs.

# PHOENIX UNION HIGH SCHOOL DISTRICT OVERVIEW

- Founded in 1895

- Encompasses 220 square miles

- 20 schools:

10 comprehensive schools, 1 college and career magnet school,  
4 small specialty schools, 3 support schools and 2 micro schools

- Over 27,700 students

- 13 elementary partner districts

- Nearly 3,000 employees

- 85% 4-year graduation rate (2016)

- \$93 million in scholarships earned in 2017

- Nationally-ranked schools

- Award-winning academics, arts, and athletics

# FREQUENTLY ASKED QUESTIONS

## **1. What is the difference between a Bond election and M & O Override election?**

Bonds are a debt instrument, approved by voters, which are secured by a school district and paid back over time using property tax dollars. Bonds allow school districts to fund capital projects such as school buses, facility construction, renovations and repairs, computers, security systems. Bonds cannot be used for Maintenance and Operations expenses.

An override allows school districts to increase their M & O budget if the voters of the district approve by election. An override supports day to day maintenance and operation expenditures such as utilities, paper and other supplies, salaries and benefits of employees, and miscellaneous expenditures not of a capital nature. Overrides cannot be used for bond projects.

## **2. Why does a school district ask voter approval to increase its operating budget?**

A bond and override are direct ways for a local community to help provide funding for local schools. Increasing the operating budget allows a school district to provide a higher quality of education, and offer programs and services to better help students succeed in college, career and life.

## **3. What happens if the 15% M & O Override renewal does not pass?**

- The District must reduce \$8.33 million per year for three consecutive years starting in 2019-2020 until the entire \$25 million has been cut from the M & O budget.
- Reduction of over 420 full-time instructional and support staff
- Significant loss of programs and services that directly impact students

- Significant negative impact to the quantity and quality of course offerings for students
- Reduction to specialty and elective course offerings such as Band, Drama, Chorus, and Dance
- Reduction of Career & Technical Education (CTE) courses such as Automotive Technology, Culinary Arts, Nursing, Cosmetology, and Early Childhood Development
- Reduction to Athletic Programs, Counselors, Psychologists, and Security district-wide
- Reduction to extended learning opportunities for academic intervention such as evening and summer school

#### **4. How do I know the money will be spent as indicated?**

The Phoenix Union High School District is committed to responsible stewardship of bond and override funds. Arizona law requires the district to clearly identify how the bond and override will be spent in the voter information pamphlet. Additionally, school districts must hold public hearings annually to inform the public on the progress of how the bond and override proceeds are spent. Communication on the bond fund and override usage will be shared with stakeholders on a consistent basis on the PUHSD website located at [www.phoenixunion.org](http://www.phoenixunion.org).

#### **5. When will the bond and override be on the ballot?**

The Bond and Override election will be on the Tuesday, November 7, 2017. The election will be a mailed ballot-only election with ballots mailed to qualified electors residing within the District.

**For more information on the  
bond and override election, please contact:  
Sherry Celaya, Chief Financial Officer at 602-764-1410.**



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