



**GOVERNING BOARD AGENDA ITEM  
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10**

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**DATE OF MEETING:**        **June 20, 2019**

**TITLE:**        **Consideration of Proposed Resolution Order to Call for, and Provide Notice of, an Election to be Held on November 5, 2019, in and for the Amphitheater Unified School District No. 10 of Pima County, Arizona, to Submit to the Qualified Electors Thereof the Questions of: (1) Authorizing the Adoption of a Maintenance and Operations Budget for Fiscal Year 2019-2020 that Renews and Continues the Existing General Maintenance and Operations Budget Override of Ten Percent (10%), and (2) Authorizes a Separate Special Programs Budget Override Specifically to Benefit Kindergarten through Third Grade Programs in the District in the Amount of Three and One-Half Percent (3.5%), for a Combined Total Override of the Revenue Control Limit Specified by Statute in the Amount of Thirteen and One-Half Percent (13.5%), Approximately \$10,679,841, and Related Matters; Approval of Proposed and Alternate Proposed Budgets, and Related Matters.**

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**BACKGROUND:** The purpose of this item is to present the Governing Board with an opportunity to call for an election to continue Amphitheater’s current maintenance and operations budget override and to add a special programs override designed to provide more benefits for Amphitheater students in Kindergarten through third grade. In 2005, the voters in Amphitheater Unified School District voted to permit Amphitheater to exceed the State of Arizona’s Revenue Control Limit (a budget limit set for all school districts in the State), in the amount of ten percent (10%) of Amphitheater’s maintenance and operations budget. This voter-approved override was specific to the Amphitheater school district and it did not benefit any other school district.

The 2005 voters approved an override for 5-through-7-years, meaning that it remained in place for the first 5 years for the full override amount of 10%, and would then phase down to 2/3 of that amount in year 6, and 1/3 of that amount in year 7, absent a subsequent renewal. Fortunately, Amphitheater’s voters also voted to continue the maintenance and operations budget override in 2009 and again in 2014 so it was never phased-out. As a result, Amphitheater has been able to continue to offer those same benefits initially approved by its voters in 2005 consistently through this school year (2018-2019).

It has been 5 years since Amphitheater Unified School District asked its voters to continue the 10% maintenance and operations budget override that the electors put into place in 2005. The current maintenance and operations budget override (last renewed in 2014) will automatically begin to phase out during the 2019-2020 fiscal year unless Amphitheater’s electors vote to continue the override on November 5, 2019. The first step toward presenting the budget override to voters for continuation is for the Governing Board to call for an election to continue the override. *The deadline to do so expires Friday, June 28, 2019.* The Board can call for an election by approving the proposed Resolution of the Governing Board presented with this agenda item.

**Override Ballot Opportunities Available for Consideration**

Arizona state law limits the amount of a budget override that a school district can seek from its electors. A.R.S. § 15-481 permits a school district to seek a maintenance and operations budget override in an amount of up to fifteen percent (15%) of the “Revenue Control Limit” imposed on school districts by Title 15, Chapter 9 of the Arizona Revised Statutes. Amphitheater’s current budget override is for ten percent (10%) of the Revenue Control Limit.

A.R.S. § 15-482 also permits a school district to ask its electors to approve an additional override in an amount up to 5% more to provide for special programs designed specifically for children with disabilities in preschool programs or any or all of the pupils enrolled in kindergarten programs and grades one through twelve. These programs may involve efforts to remove barriers to academic achievement as well as efforts to improve instruction or increase the amount of instruction. The override amount permitted for a “special programs” maintenance and operations budget override is based upon the budgeted expenditures of the subject program for each fiscal year, not to exceed a total of five percent of the revenue control limit for each fiscal year. The maximum budget override permitted to a school district who pursues this option cannot exceed 15% of the Revenue Control Limit.

The budget override options available to the Governing Board through A.R.S. §§ 15-481 and 15-482 provide the Governing Board with two (2) different options during the November 5, 2019 election:

1. A single ballot initiative to continue the current maintenance and operations budget override for ten percent (10%) of the Revenue Control Limit; or
2. Two separate ballot initiatives on a single ballot that continues the current maintenance and operations budget override of ten percent (10%) of the Revenue Control Limit, and adds a special programs override (to benefit students in Kindergarten through third grade) in an amount of up to five percent (5%) of the Revenue Control Limit, for a total combined override in a maximum amount of up to fifteen percent (15%) of the Revenue Control Limit.

#### **Study Session Held by the Governing Board on March 12, 2019**

On March 12, 2019, the Governing Board studied the possibility of calling for a maintenance and operations budget override and/or special programs budget override election this November. As part of that study session, Administration provided the Governing Board with a detailed Board agenda item identifying how funds received through the current maintenance and operations budget override (10%) have been, and continue to be, utilized to benefit students in the Amphitheater Unified School District. That Board item also delineated Administration’s recommendations to continue funding those same programs with override funds if the electors vote to continue the 10% maintenance and operations budget override this November.

At that meeting, the Board also studied the benefits of increasing the maintenance and operations budget override of up to 15% of the Revenue Control Limit, or adding a special programs budget override in an amount of up to 5% of the Revenue Control Limit to benefit the youngest Amphitheater students in Kindergarten through third grade. After much discussion, the Board asked that further information be provided about the option identified as (2) above:

*Two separate ballot initiatives on a single ballot that continues the current maintenance and operations budget override of ten percent (10%) of the Revenue Control Limit, and adds a special programs override (to benefit students in Kindergarten through third grade) in an amount of up to five percent (5%) of the Revenue Control Limit, for a total combined override in a maximum amount of up to fifteen percent (15%) of the Revenue Control Limit.*

For the benefit of the Governing Board, a summary of the information presented and discussed at the March 12, 2019 Board meeting is provided below together with additional information supporting how a special programs override would be used.

## **Benefits to be Maintained through Continuation of the Current (10%) Maintenance and Operations Budget Override**

Amphitheater values the confidence of its taxpayers in continuing to authorize this override for the benefit of the students in the District. These good faith measures have greatly benefitted the students of Amphitheater. Despite school districts across the state having experienced some of the most severe cuts to educational funding in Arizona history, Amphitheater has been able to provide its students the opportunity to receive more focused instruction through reduced class sizes as well as access to progressive and specialized educational intervention tools designed to improve individual growth of all students. Amphi has also been able to provide all students additional access to fine arts instruction through the override's funding for art and music teachers at every school.

When the Governing Board first approved a resolution to present the maintenance and operations override to the voters in 2004 (with the election occurring in 2005), it did so for the specific purpose of addressing clear and defined concerns expressed by the taxpayers in the District. The District began studying the possibility of an override in 2001. It studied the benefits accessible by a budget override for more than three years before approaching taxpayers about this option. As part of this process, the District also engaged a Blue Ribbon Committee of interested stakeholders and taxpayers to evaluate and compare the benefits for students provided by the budget override with other potential interests of the taxpayers.

When the District first approached taxpayers about the potential of a budget override in 2005, Arizona ranked 49<sup>th</sup> or 50<sup>th</sup> of all the United States in its financial support of K-12 public education. Over the next 12 years (2005-2017), Arizona made continuous and significant cuts to public education funding. In fact, Amphitheater experienced over \$100 million dollars in cuts to its educational funding from the State during that time which, even after the return of District Additional Assistance (previously known as capital funding) last year and the Governor's "20 by 2020" plan to raise teacher salaries by 20% of their 2016-2017 salaries (to be implemented between 2018-2020) following the statewide teacher walkout in 2018, will never be fully recovered by the District. As explained during the June 11, 2019 meet and confer compensation package Board agenda item presentation, the 20 by 2020 plan requires school districts to use voter-approved inflationary funding provided through Prop 123/Prop 301 to help fund the promised 20 by 2020 plan teacher raises. In other words, if school districts pay teachers what the Governor promised to them as part of that 20 by 2020 plan, school districts lose the use of their Prop 123 inflationary funding to cover other expense increases due to inflation. In addition, state funding does not include additional monies to implement the state-mandated minimum wage increase support staff.

Amphitheater's distinct advantage throughout these budget cuts has been the continued loyal support of its taxpayers through their approval of the budget override. These additional funds have allowed Amphi the additional dollars needed during statewide funding cuts to continue to serve students with specialized interventions, increased opportunities for art, music and physical education programs, and to provide staff members with salary increases to remain competitive in the job market and be able to attract experienced and qualified educators to the District. When other school districts had to raise class size, eliminate art and music and physical education programs, or eliminate instructional intervention programs or eliminate employees, Amphitheater was able to continue to provide these important services for its students. The current maintenance and operations budget override in the amount of 10% provides the following benefits to the students, families, and staff of Amphitheater:

### 1. *Class Size Reduction*

- Prior to override, class sizes at the elementary level were routinely at or over 30 students. In middle school, English and writing classes ranged up to 35 students; averages in Language Arts in 7th grade were 29.3; in Science 32.3; and both math and science classes were as high as 38 students. In high school, English, Math & Science classes ranged up to 35 or 36 students.
- The current general maintenance and operations override permits the District to add additional staff in schools where grade level sizes are larger to add another teacher and reduce the number of students in a class at that grade level or department. Unfortunately, budget cuts made since the Great Recession added to class size, so this particular funding is having less impact than it used to provide.

### 2. *Music, Art, PE and Additional Elective Course Offerings*

- The current maintenance and operations override also permits the District to provide additional specialized teachers in areas that further benefit students, such as physical education, art, and music.
- Prior to 2005, some elementary grade levels only received as little as 20 minutes a week in Art, Music and Physical Education instruction. That has changed, thanks to the override:
  - Through the current override, this has been enhanced to benefit all students at our elementary schools.
  - Now, at least 50 minutes per week per grade level in Art, Music, and Physical Education is provided in all District Elementary Schools. This alone has benefitted the approximately 7,000 elementary school students who attend an Amphitheater elementary or K-8 school each year since the voters approved the override in 2005.
- Math and Writing Labs have been added at each middle school, along with Technology, Science and Fine Arts electives, and new courses have been added at the high school level:
  - Middle school enhancements include Marine Biology, MESA (Mathematics, Engineering, and Science Achievement), Drama, and Dance.
  - At the high school level, course additions include the following: Studio Art, Computer Science, Engineering, French III and IV, Music Theory, AP Psychology, AP Environmental Science, Academic Challenges, and Teen Court.
  - For the more than 1100 students who graduated from one of Amphitheater's three high schools this year (2018-2019), each of these students had an opportunity to participate in these math and writing labs, as well as the technology, science and fine arts electives, offered made available through the maintenance and operations override. For example, the benefits currently being provided by the override have been in place for the duration of the 2019 graduating class' school careers with Amphi, and that is just one class of more than students (more than 1100) who began attending Amphitheater schools in 2007 (2 years after the override was initially approved by the voters). There are another 12 years of future graduating classes who are following them that have also been receiving those same benefits provided by the override for the duration of their school careers at Amphi. Suffice it to say, the benefits being provided to students through the voters' continuation of the maintenance and operations override since 2005 have and continue to significantly benefit an extensive numbers of students in the Amphitheater school district.

### 3. *Academic Interventions Intended to Benefit Student Growth*

- Through the current maintenance and operations budget override, tutoring and other intervention programs have been implemented which now serve students throughout the school year, as well as into the summer.

- Override funding has contributed to individual tutoring services and small group intervention services to those students who are struggling to learn in the areas of Reading and Math.

#### 4. *Compensation Enhancement for School District Employees*

- Several school districts in the Tucson area have long benefitted from overrides, making not just their programs and services more competitive, but so to their staff compensation. Locally, voters in neighboring school districts have implemented overrides that help those districts offer more competitive compensation and benefits to attract potential educators to their district.
- Therefore, the override included a specific component to adjust employee compensation – to make the District more competitive in the recruitment and retention of staff.
  - Certificated staff receive between \$1,275 to \$1,841 in their annual salary from the override.
  - Classified staff receive between \$325 and \$1,400 in their annual salary as a direct result of the override.

#### 5. *Added Support Staff*

- The override made possible the hiring of several new positions in our Facilities and Technology Departments, to better enable the District to maintain facilities and our growing technology demands.
- Still today, those positions continue to be supported and made possible through the override.

If the current override expires and begins to phase out, the programs and services supported by the override, as well as the employees whose salaries are benefitted by it, will be negatively affected. Since the majority of surrounding school districts operate on a budget override like Amphitheater<sup>1</sup>, it is important for Amphitheater’s students, families, and staff that the programs offered through the current override continue in order for the District to remain competitive with their peers.

### **Benefits to be Achieved through the Addition of a Special Programs Budget Override to Benefit K-3 Programs**

Since 2005 when the voters first approved the current maintenance and operations budget override, research has established the benefits of focused learning for Kindergarten through third grade students. As the District continues to develop Portrait of a Graduate skills for Amphitheater students, special focus will be on efforts to provide interventions and trainings that develop those “Portrait” skills in the youngest students so that they become inherent in the learning process as students grow up in Amphitheater schools. The funds derived from a simultaneous adoption of a special programs override designed specifically to benefit Kindergarten through third grade programs will be used as follows:

- Approximately \$1,200,000 to fund free full-day kindergarten at all of Amphitheater’s elementary and K-8 schools. Amphitheater Public Schools currently only offers free all-day Kindergarten to children attending schools that qualify for Title I funds given the ability to use Title I funds for this purpose. Schools that do not qualify for Title I offer half-day Kindergarten and parents who wish for their students to attend the full-day must subsidize the second half of the Kindergarten day. Kindergarten is an important opportunity for children to grow and learn at a formable time of brain development. The

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<sup>1</sup> Catalina Foothills, Flowing Wells, Marana, Sahuarita, Vail, and Alter Valley all currently have a voter-approved general maintenance and operations overrides in place. In addition, Catalina Foothills and Sahuarita also benefit from a voter-approved capital override, and the voters in the Catalina Foothills school district have approved a K-3 override to benefit the district’s youngest students.

opportunity to provide free full-day Kindergarten at all Amphitheater schools would be an important investment in our future. This is a priority for the District and the most important factor being considered in the special programs override. If nothing else, Administration recommends that a special programs override to fund all-day kindergarten be approved. Federal law requirements for equity in schools that qualify for Title I funding and those that do not will require that Kindergarten be funded out of the override funding identically in all schools if all-day Kindergarten is funded through the override in any non-Title I school.

- Approximately \$1,691,620 to add an additional teachers for Kindergarten to third grade classrooms to further reduce class size for the youngest learners. Research has established that smaller class size is an important determinant of academic and social student outcomes due to increasing the time available to the teacher to better tailor their instruction to meet individual student needs. Further, research shows increased student engagement, time on task, and decreased time spent by the teacher on classroom management.

The combined expense required to provide all of these special program interventions for Amphitheater's Kindergarten through third grade programs is \$2,891,620. This equates to an additional 3.5% of the Revenue Control Limit in addition to the current (10%) maintenance and operations budget override.

### **Costs of Pursuing the Override**

As explained on page 3 of this Board item, it is apparent that state funding shortfalls will likely not be completely remedied in the foreseeable future. The monies received for fiscal year 2018-2019, following the statewide teacher walkout, were used for much overdue salary increases for teachers and other District staff. Teachers received the benefit of all of the funds provided through the Governor's proposal for teachers. As a consequence, the District used half of money the returning as District Additional Assistance ("DAA") from fiscal year 2018-2019 to provide salary increases for non-teaching District staff. The remaining 50% of the DAA was used to restore the District's capital account which had become so depleted as a result of the substantial state funding cuts. The funding provided through the current override is vital to the District's continued operations. Its loss would greatly impact the District and negatively affect its students, families and staff.

As a result, the Administration recommends that the Governing Board approve a Resolution to call an election to renew and continue the existing maintenance and operations budget override in the amount of ten percent (10%) of the Revenue Control Limit. The valuable programs and interventions identified above would be totally lost to the District if the current override is not renewed and it automatically begins to phase-out this year. In addition, Administration recommends pursuing a special programs override on the same ballot specifically to benefit Kindergarten through third grade programs to enable the District to continue to provide excellent education focused on individual student growth and success. ***This is the last chance that Amphitheater has to renew the existing M&O override before it begins to phase out.*** It will enable the District to increase its funding capacity to a level necessary to provide much needed services to its youngest students while also maintaining the standard of care currently provided to all students and staff here in Amphitheater.

The override options available to the Governing Board for consideration are as follows:

1. **Renew and Continue Existing Maintenance and Operations Budget Override in the amount of 10% of the Revenue Control Limit:** Currently, the M&O override is \$7,910,993. If the override is renewed and continued at 10% of the Revenue Control Limit, there would be no change to the taxpayers of the District.
2. **Add a special programs override (to benefit students in Kindergarten through third grade) in an amount of 3.5% of the Revenue Control Limit, for a total combined override in a maximum amount of 13.5% percent of the Revenue Control Limit:** If the District pursues a separate special programs override to benefit the K-3 programs identified above, in the amount of 3.5% , in addition to the already existing override of 10%, the additional capacity that would be provided by that override is

\$2,891,620. This would mean a tax rate increase of \$0.1818 per \$100 of assessed valuation. In other words, the estimated additional cost to the average homeowner, assuming a value of \$236,370, \$42.97 annually.

- 3. Add a special programs override solely to fund all-day Kindergarten throughout the District, which would require a Revenue Control Limit increase of \$1,200,000 for a total combined override in a maximum amount of \$9,110,993 over the Revenue Control Limit:** If the District were to pursue an override solely to fund all-day Kindergarten, it would provide the additional capacity of \$1,200,000. This would mean a tax rate increase of \$0.0754 per \$100 of assessed valuation. The estimated additional cost to the average homeowner, assuming a value of \$236,370, would be \$17.82 annually.

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**RECOMMENDATION:** Based upon the previous recommendation of the Blue Ribbon Committee convened in 2005, as well as the subsequent legislative funding cuts to the District and the serious and continuing needs of the District and its students and staff, the Administration recommends that the Governing Board adopt and pass the attached form of Resolution, calling for and ordering an election on November 5, 2019, which would seeking voter approval through the form of two separate questions to be included on the ballot:

1. To renew and continue the existing M&O Budget Override for fiscal year 2019-2020 in an amount of 10% of the Revenue Control Limit, and
2. To add a special programs override as permitted by A.R.S. § 15-482 specifically for the benefit of K-3 programs, in an amount of three and one-half (3.5%) of the Revenue Control Limit, for a total budget override in the amount of thirteen and one-half percent (13.5% ) of the Revenue Control Limit.

Administration further recommends that the Governing Board delegate necessary authorities, as specified in the Resolution, to the Superintendent and his designees as needed to pursue the election.

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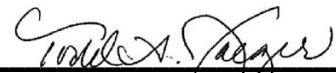
**INITIATED BY:**



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**Michelle H. Tong, J.D.**  
Associate to the Superintendent and General Counsel

**Date: June 17, 2019**



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**Todd A. Jaeger, J.D., Superintendent**