



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

DATE OF MEETING: July 5, 2011

TITLE: Delegation of Authority to Superintendent and Chief Financial Officer to Certify the District's Projected Ending Cash Balance for Any Fiscal Year

BACKGROUND: During its second regular session, the 49th Legislature passed SB 1188 as emergency act. The bill modified existing statutory provisions relating to the estimation of property taxes by each county school superintendent.

A.R.S. § 15-302 and A.R.S. § 15-991 presently outline the relevant duties of a county school superintendent. These elected officials are required to:

- distribute all laws, reports, circulars, instructions and forms that they receive for the use of school officers;
- record all official acts;
- appoint governing board members of school districts to fill all vacancies;
- make reports, when directed by the Superintendent of Public Instruction, showing matters relating to schools in that county;
- *file, in writing, with the governing board of each school district in the county and the Board of Supervisors the estimate of monies required by each school district annually, based on the budgets adopted by the governing boards; and*
- recalculate equalization assistance for education and compute the additional amount to be levied for pupil transportation costs no later than August 1 (A.R.S. § 15-991).

SB 1188 added the Property Tax Oversight Commission (PTOC) to the list of those to whom a county school superintendent must report the estimated amount of monies each school district needs for the upcoming year.

The PTOC, established pursuant to A.R.S. § 42-17002, consists of the Director of the Department of Revenue (as chairman) and four persons who are knowledgeable in the area of property tax assessment and levy. The commission members are appointed by the Governor, the President of the Arizona Senate, and the Speaker of the Arizona House of Representatives. The stated purpose of the PTOC is to further the public confidence in property tax limitations, provide a uniform methodology for determining those limitations, and provide a continuing review of practices for ensuring a fair and equitable administration of property tax laws.

SB 1188 also specifies that the county superintendent's estimate of the amount of funds required by each school district must include the projected ending cash balance from the previous year and be adjusted for encumbrances and payables as provided by the school district and as certified by the president of the school district governing board. The county superintendent is then required by the law to subtract from each school district's budgeted expenditures the total amount of estimated revenues including the projected ending cash balance from the previous year adjusted for encumbrances and payables in order to estimate the additional amounts needed from the primary and secondary property tax for each school district.

The county superintendent must then certify, in writing, the estimated additional amounts needed from the primary and secondary property tax for each school district to the Board of Supervisors and

the PTOC. The county superintendent must also certify the amount of equalization assistance for education and the amount needed for each school district from the primary property tax to the Board of Supervisors and the PTOC

The timing of these processes, culminating in the setting of the school district tax rate can be exacting. In order to facilitate the certification and budgeting process, and allow for timely procedures, SB 1188 allows a school district governing board to delegate the authority to certify the district's projected ending cash balance to a school district superintendent or business manager.

RECOMMENDATION: The Administration recommends the Board delegate authority to the Superintendent and Chief Financial Officer certifying the projected ending cash balance for any fiscal year to the Pima County School Superintendent.

INITIATED BY:



Todd A. Jaeger, Associate to the Superintendent

Date: June 29, 2011



Vicki Balentine, Ph.D., Superintendent