



EDUCATION CENTER  
Office of the Superintendent  
7575 E. Main Street  
Scottsdale, Arizona 85251

Telephone: 480-484-6120  
FAX: 480-484-6293  
Web site: [www.susd.org](http://www.susd.org)

**June 7, 2016**

**Executive Summary - Dr. A. Denise Birdwell, Interim Superintendent** 

### **Fiscal Responsibility – Bonds and Overrides**

When a community authorizes the Governing Board to issue bonds and overrides, the Governing Board commits itself to the fiscal responsibilities of oversight as follows:

- Authorizing the sale of the bond amount
- Priority of the expenditures
- Monitoring the appropriate expenditures
- Notifying the community yearly of the expenditures
- Approval of the design of schools
- Provide timeline of construction

When considering the sale of the bonds, the Governing Board has fiscal responsibility to review the District priority needs, community tax liability and the current and predicted enrollment data to assure that all factors have been weighed in the decision process. The Governing Board reviews the two-year plan and updated expenditures yearly making appropriate adjustments. The Governing Board may opt to move a project up or back in time after considering all factors. The Governing Board may opt to slow the sale of the bonds and projects. The Governing Board may accelerate the sale of bonds based on need and qualification. Based on review of District data, such as student enrollment decline, budget priorities, decrease in state funding, or other economic factors, the Governing Board may choose to not sell the bonds, letting the bonds expire.

The District superintendent and staff assure that the Governing Board receives the following:

- Bond budget balances
- Bond strategic plans
- Project reports and updates
- Yearly enrollment growth or decline
- Capital expenditure including category percentiles
- Measurable data on impact of expenditures in instructional practice

### **Initial Vote**

The Governing Board votes in a public meeting (June 7, 2016) to request for a bond or override to be placed on the ballot (November 8, 2016). These bonds are voter-approved initiatives that generate additional tax revenue to fund projects and operations for Scottsdale Unified School District. Bonds and overrides provide local funding for Scottsdale Unified School District. Over the past few years, our schools have weathered significant state funding cuts. Our Governing Board has been studying life-cycles, enrollment data and tax levels. We have discussed the difference between bonds and capital override expenditures. It has become clear that Scottsdale has fallen behind in life-cycle care of schools; however, the District should be commended in the longevity of some of the elementary



**Executive Summary – Page Two**  
**June 7, 2016**

schools still in use that date back to 1953. FMG provided a detailed report that revealed a significant need to provide healthy and safe environments as well as fiscally responsible investments.

**What is a bond?**

With voter approval November 8, 2016, Scottsdale Unified School District may issue bonds (which are purchased by investors) to fund projects that have a useful life longer than five years. We are asking for authorization to bond for \$229 million; however, the Governing Board does not have to approve \$229 million in sales during the life of the bond (\$40 million every spring). The Governing Board may choose to not rebuild a school in the future or they may choose to build a school academy based on community need. The Governing Board may determine that the needs are less than the \$229 million given enrollment and economic needs at the time of sale.

Our categories include: school building renewals, school building improvements (HVAC, roof, and lighting), safety and security, technology, school buses or equipment, to name a few.

**What is a capital override?**

Overrides are used to provide additional funding to support instruction and curriculum in our classrooms (teaching, learning and operations). In November 2016, a capital override would be placed on the ballot. This type of override funds equipment, furniture, technology, vehicles, etc. School districts may ask for an increase up to 10% for a capital override; however, our District is asking for 7% or \$8,500,000 yearly. Overrides are approved for a term of 7 years.



**Executive Summary – Page Three**  
**June 7, 2016**

Appendix (MCESA)

**OVERRIDES**

*If the proposed budget of a school district exceeds the aggregate budget limit for the budget year, the Governing Board shall order an override election to be held not less than 90 days from the date of the order for the purpose of presenting the proposed budget to the qualified electors of the school district who shall by a majority of those voting either affirm or reject the budget. In addition, the Governing Board shall prepare an alternate budget which does not include an increase in the budget of more than the amount permitted as provided in [A.R.S. 15-905](#).*

*For further information on override elections, refer to [A.R.S. Title 15, Chapter 4, Article 4](#).*

**BONDS**

*The Governing Board of a school district may, and upon petition of 15 percent of the school electors as shown by the poll list at the last preceding annual school election shall, call an election for the purposes prescribed by [A.R.S. 15-491](#).*

*For further information on bonds and bond elections, refer to [A.R.S. Title 35, Chapter 3, Article 3](#).*