

CITIZENS REVENUE GENERATING COMMITTEE

District Presentation

Apollo High School
February 5, 2011

Fiscal Year Reductions

2009 – 2 million M&O

3.6 million excess utilities

2010 – 6 million M&O

2.5 million soft capital

2011 – 1.2 million M&O

2.8 million soft capital

2009 mid-year reductions

- The district was able to save over **\$2 million** in costs through a hiring freeze, soft capital cuts and other program modifications to its Maintenance and Operations budget for the 2009 school year.
- In addition, the district lost of **\$3.6 million** funding for excess utilities.
- Prior to 2009, the district lost in excess of **\$27 million** in building renewal funding as a result of state budget reductions.

2009 mid-year reductions

- Freeze on replacing support staff outside the classroom
- Freeze on capital equipment purchases
- Moratorium on professional travel by staff and Governing Board
- Reduction on workshops to be held second semester
- Elimination of Saturday workshops
- Utility reduction efforts
- Moratorium on ALL non-athletic travel requiring M&O funding
- Reduction on substitute costs
- Club & class activities must pay the cost of using district transportation

2010 reductions

Glendale Union made significant reductions to its 2010 budget in response to growing concerns over state funding.

In all, over 74.4 positions were cut from the 2010 budget to offset anticipated reductions in State funding.

Criteria for budget reductions

1. Make cuts as far from the classroom as possible
2. Preserve as many jobs as possible
3. Make cuts across the board – no one group should suffer more than others
4. Cuts should be consistent from school-to-school
5. District Office should participate in budget reductions alongside schools

2010 Central Office Cuts Completed

Full Time Positions

■ Administrator	1.0
■ Support Staff	1.0
■ Information and Technology	2.0
■ Curriculum Coordinators	2.4

2010 Local School Cuts Completed

	<u>Full Time Positions</u>
▪ Teachers (increased class size)	20.0
▪ Instructional Aides	20.0
▪ Media Center Assistants	9.0
▪ Counselors	2.5
▪ Equipment Managers	9.0
▪ Counseling Center Assistants	4.5
▪ School Within A School	3.0

2011 reductions

- Class size increase of one-half student per class
- Extension of mandatory subbing responsibilities to all certified administrators and teachers
- Utility cost savings acquired through the application of a district energy reduction program
- Information and Technology department reorganization
- Elimination Sweeps program and staff

2011 reductions

	AMOUNT	Full Time Equivalents
• Soft Capital reduction of	\$2,825,815	
• Staffing increase to 27.7 to 1	\$400,000	10.0
• Mandatory subbing	\$282,000	
• District office IT reorganization	\$96,000	1.5
• Elimination of school clinics	\$17,828	.6
• Elimination of Sweeps program	\$233,000	9.0
• Elim. of tuition reimbursement	\$180,000	

Loss of Building Renewal funding

GUHSD #205 Building Renewal History

Fiscal Year	Formula Amount	Amount Received	Percent Received	Cumulative Shortfall
1999	2,822,059	2,032,313	72%	789,746
2000	2,944,060	2,240,230	76%	1,493,576
2001	3,369,764	3,368,087	100%	1,495,253
2002	3,369,764	1,703,327	51%	3,161,690
2003	3,376,852	1,097,003	32%	5,441,539
2004	2,435,279	0	0%	7,876,818
2005	2,580,125	1,338,889	52%	9,118,054
2006	3,935,918	2,098,922	53%	10,955,050
2007	4,610,787	2,463,902	53%	13,101,935
2008	5,164,322	1,171,265	23%	17,094,992
2009	6,036,791	0	0%	23,131,783
2010	6,418,943	0	0%	29,550,726
2011	5,898,148	0	0%	35,448,874
Total to Date	<u>52,962,812</u>	<u>17,513,938</u>	33%	

Current fiscal trends and concerns

Total spending per pupil decreased by 4.5 percent between SY2008 and SY2010. Spending in the classroom was fairly stable and decreased overall from 60.1 to 58.6 percent in 2009 according to the Auditor General. Spending on administration decreased as did spending on plant operations and instruction support.



State of Arizona Office of the Auditor General

The Arizona Auditor General has issued its annual *Dollars In The Classroom Report* based on the 2008-09 school year (www.auditorgen.state.az.us)

- GUHSD Classroom Percentage 58.6%
- State Average Percentage 56.9%

(GUHSD spends more in the classroom than its peer group and more than the state average)



State of Arizona Office of the Auditor General

According to the AG report:

The Glendale Union High School District has reduced administrative costs from 11.4% in 2001 to slightly below 8% in 2009. This is well below the national and state averages of 10.8% and 9.2% respectively.

State budget crisis

There are still challenges ahead of us as the state legislature deals with the state budget crisis. Education expense and K-12 education in particular is a primary cost to the state budget.

Fiscal year 2011

Current estimates for FY2011 show a budget shortfall of \$530 million.

Fiscal Year 2012

The budget shortfall for 2012 is estimated to be \$975 million.

Break into school
groups for discussion

Bond Funding



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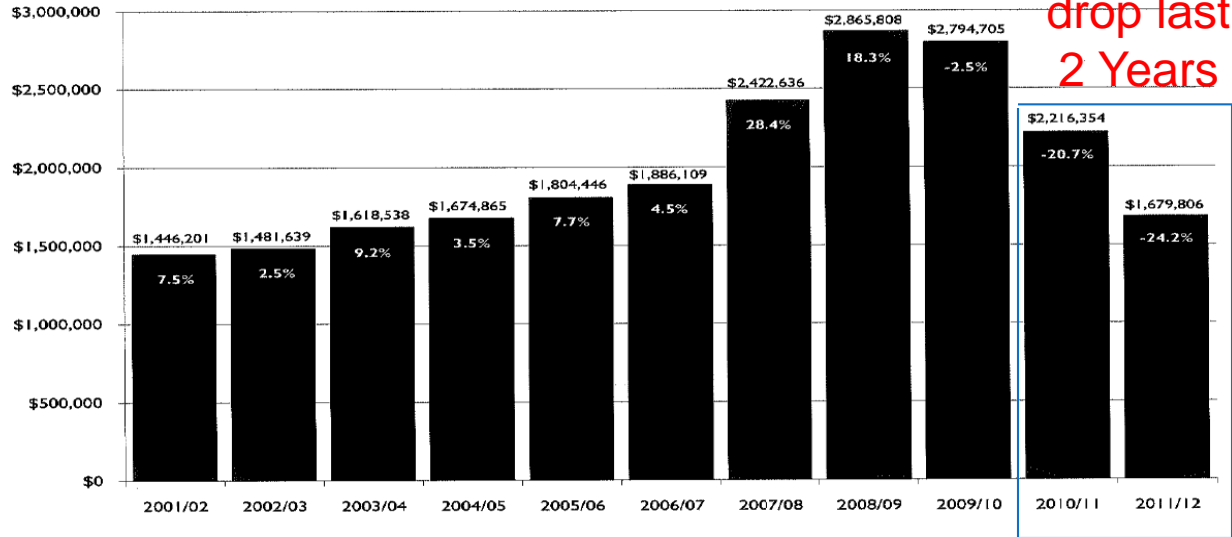
Bond Capacity

- Secondary Assessed Value (SAV)
- Multiplied by 5%
- Less Outstanding Class B Bonds
- Equals Bond Capacity

10-Year History of Secondary Assessed Valuation

Historical and Projected Secondary Assessed Valuations (\$000s)

	Actual	w/ 2011/12
5-Year Average:	5.62%	-0.13%
10-Year Average:	5.85%	2.68%



45%
drop last
2 Years

- Significant reduction in 2011/12 (Source: Maricopa County and City of Glendale)
- Consequently impacts secondary tax rate objectives
- SAV approximates 2004/05 values (7-year rollback)

Source: Property Tax Rates and Assessed Values, Arizona Tax Research Association. Fiscal Year 2011/12 - Projected and subject to change.



Glendale Union High School District #205

Projected Bonding Capacity

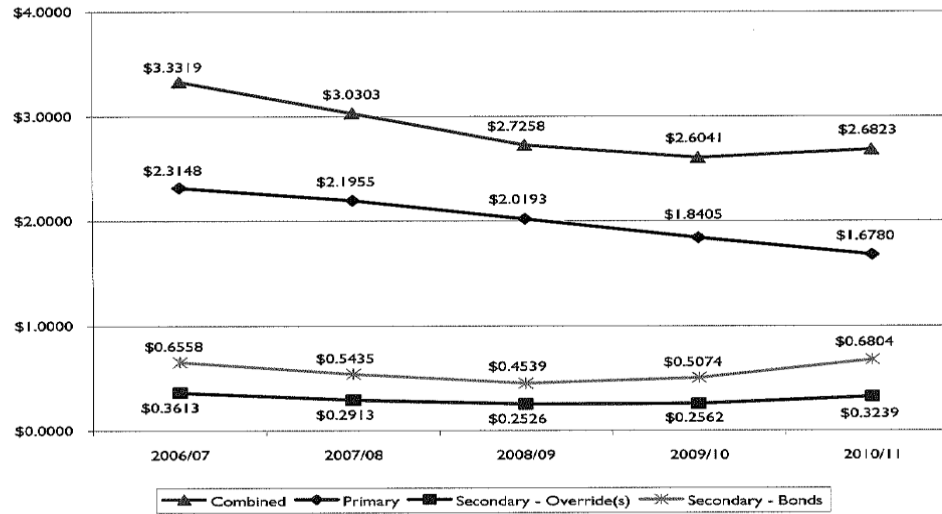
	Class B	Issue New	New Bonds			Current Legal
After of 7/1 pmt	Bonds Outstanding	Bonds	Outstanding	Estimated SAV	5% SAV	Capacity
2010	66,560,000			2,216,354,284	110,817,714	44,257,714
2011	61,655,000			1,679,805,707	83,990,285	22,335,285
2012	57,315,000	25,000,000	25,000,000	1,679,805,707	83,990,285	1,675,285
2013	52,775,000		23,400,000	1,553,820,279	77,691,014	1,516,014
2014	42,365,000		21,565,000	1,553,820,279	77,691,014	13,761,014
2015	29,940,000	25,000,000	44,915,000	1,553,820,279	77,691,014	2,836,014
2016	16,650,000		44,915,000	1,553,820,279	77,691,014	16,126,014
2017	2,830,000	25,000,000	69,665,000	1,571,689,212	78,584,461	6,089,461
		75,000,000				

Glendale Union High School District #205

Projected Bonding Capacity

	Class B	Issue New	New Bonds			Current Legal
After of 7/1 pmt	Bonds Outstanding	Bonds	Outstanding	Estimated SAV	10% SAV	Capacity
2010	66,560,000			2,216,354,284	221,635,428	155,075,428
2011	61,655,000			1,679,805,707	167,980,571	106,325,571
2012	57,315,000	25,000,000	25,000,000	1,679,805,707	167,980,571	85,665,571
2013	52,775,000		23,400,000	1,553,820,279	155,382,028	79,207,028
2014	42,365,000		21,565,000	1,553,820,279	155,382,028	91,452,028
2015	29,940,000	25,000,000	44,915,000	1,553,820,279	155,382,028	80,527,028
2016	16,650,000		44,915,000	1,553,820,279	155,382,028	93,817,028
2017	2,830,000	25,000,000	69,665,000	1,571,689,212	157,168,921	84,673,921
		75,000,000				

5-Year History of Property Tax Rates



Five Year Average Tax Rate	
Primary Tax Rate	\$2.0096
Secondary - Override(s)	\$0.2971
Combined Tax Rate	\$2.8749

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association.

