Saddle Mountain Unified School District No. 90
November 3, 2020 Maintenance & Operations (M&O) Override Election
Information Sheet

What is an M&O Override? School districts in Arizona are allowed by State law to increase their Maintenance & Operations (M&O) budgets each year by up to 15% of the revenue control limit imposed by the State Legislature. M&O funds are used almost exclusively for salaries for teachers and staff. School districts in Arizona representing approximately 70-80% of the students presently have a budget override in place.

How long do override funds last? An override lasts for seven years. If not renewed, the amount decreases by one-third in the sixth year and two-thirds in the seventh year. In year eight, it expires. Even though continuation overrides are not new taxes, per State law, they must be renewed through an election to continue for another seven years.

How much is the M&O override? The full amount is estimated at approximately $1.44 million for 2020-21.

How much does the override cost? For each $100,000 of Assessor's home value, the tax continuation is estimated to be approximately $16 per year ($0.16 tax rate per $100 of net assessed valuation). Currently, approximately 91% of the cost of the override is paid for by one taxpayer (Palo Verde Generating Station).

How long has SMUSD had an M&O override? Since 1985, the taxpayers of the District have supported an increase to the District's operating budget through an M&O override.

Continuation of the M&O Override would:

- Provide for staff to maintain smaller class sizes in all grade levels
- Maintain the improvement of instructional programs, including full-day kindergarten
- Attract and retain quality teachers and support staff
- Continue Fine Arts, Career and Technical Education programs
- Continue Athletics and other Extra-Curricular Activities
- Provide staff development to improve student achievement
- Maintain existing schools

What if the override fails? The loss of the override election will force the District to reduce its budget by an estimated $479,880 in fiscal year 2021-22, by an estimated $959,759 in fiscal year 2022-23, and by an estimated $1,439,639 in fiscal year 2023-24 and beyond. Knowing exactly what specifically would be eliminated is difficult to determine given the uncertainty in the economy, but it is expected the reductions will continue to come from all areas of the budget, most of which is comprised of instruction and instruction support programs.

How will taxes be affected? Passage of the override will continue the override tax in place now, since it is a continuation of the existing override. Taxes for each $100,000 of Assessor's home value are estimated to be $16 and the tax rate will not increase if the override is renewed.

Are my tax dollars being well spent?

- The District has retained 90% of its teachers over the past three years
- Tonopah Valley High School has a graduation rate over 99%, compared with a state average of 80%
- All district schools have letter grades of "B" from the Arizona Department of Education, ranking them among the top Title I schools in the State
- In Dec. 2017, Stanford University ranked SMUSD the top district in the country for academic growth
- In 2019, SMUSD received its first ever Certificate of Excellence in Financial Reporting Award

For more information, please contact SMUSD Superintendent Dr. Paul Tighe at paul.tighe@smusd90.org or 623-474-5115.