



DEER VALLEY
Unified School District

2023-2024 Preview Expenditure Budget

JUNE 13, 2023

Budget Process



- ▶ Input
 - ▶ Board Study/Executive Sessions
 - ▶ District Budget Committee
 - ▶ Negotiation Solution Team (NST) Meetings
- ▶ Proposed Budget approval provides the limit – or framework - for the Adopted Budget
 - ▶ Scheduled to be considered June 27, 2023
- ▶ Adopted Budget is the official budget
 - ▶ Scheduled to be considered July 11, 2023

(must be approved by July 15th each year)

Note – the State forms are the official adopted budget and the Gold Book represents our working budget

2023-2024 Budget Priority Recommendations



In order to continue the excellence of the Deer Valley Unified School District, the Budget Committee recommends the following priorities for FY24:

- ▶ Fund competitive salary and benefit package for the retention of all existing employees.
- ▶ Continued focus on School Safety to include physical campus security as well as staffing to have the appropriate personnel to effectuate a safe environment for our students and staff
- ▶ Ensure recruitment practices are targeted to fill vacancies, to include a competitive salary and benefit package for new hires
- ▶ Develop strategies to address the concerns of the student to staff ratio by reconvening the Student Teacher Ratio Support Team (STaRS), with a report from this Team by no later than December 15, 2023
- ▶ Focus on providing academic supports for students in addition to classroom instruction (tutoring, academic intervention, remediation, more instructional time).

Summary of Proposed Gold Book



Highlights of Proposed Budget Factors

- ▶ Base Support Level
 - ▶ M&O Override continues at 15%
 - ▶ 2.92% Inflationary increase added to M&O
 - ▶ Current year funding provision included (projecting no increase in students from prior year 100th Day)
 - ▶ The Teacher Experience Index (TEI) decreased from 1.0061 to 1.0034
- ▶ M&O carryforward projected to be \$13,950,634

Summary of Proposed Gold Book



Highlights of Proposed Budget Factors (con't)

- ▶ Staffing is based on a projected student enrollment remaining unchanged, using current staffing standards
 - ▶ The class size standards that are used are KDG (26), 1st (28), 2nd-3rd (29), 4th (33), 5th-6th (34), 7th-8th at K-8 schools (27), 7th-8th at middle schools (28), high schools (27.5)
- ▶ District Additional Assistance (capital) will be fully funded.
- ▶ Continued use of cash accounts included in budget at an amount of \$4,500,000 (includes: half of 5-Cash Accounts, \$4.15 M; Athletic Participation Fees, \$250K; Parking Fees \$100K)

Summary of Proposed Gold Book



Highlights of Proposed Budget Factors (con't)

- Net Result is the General Budget Limit increases from \$267.6 million in FY23 to \$281.4 million in FY24.

Increase			
\$10.9 M	Group A Weight	\$2.9 M	Group B Weight
\$3.2 M	M&O Override	\$6.1 M	Inflationary Funding (2.92%)
\$2.8 M	District Additional Assistance (Capital)	\$0.3 M	Cash Accounts
Decrease			
\$2.5 M	ESSER Funding	\$8.1 M	Carryforward
\$0.6 M	Teacher Experience Index (TEI)	\$0.3 M	Tuition revenue
		\$0.9 M	School Opening Fund

2023-24 Maintenance & Operations Fund

Base Support Level	214,472,574
Transportation Revenue Control Limit	8,694,166
Additional \$75 million (Prop 123)	2,163,071
District Additional Assistance (DAA)(Capital)	17,173,173
DAA Kept in Capital	(11,000,000)
Override Funds	33,475,011
Use of Cash Accounts	4,150,000
Parking Fees	100,000
Athletic Participation Fee	250,000
Contingency	(2,000,000)
Estimated Budget Balance from 2022-23	13,950,634
Projected General Budget Limit	\$ 281,428,629
Total Maintenance and Operation Fund Expenses	\$ 277,234,333
Budget Balance Remaining	\$ 4,194,296

Summary of 2023-24 Budget Adjustments



Staffing

- ▶ Salary increases provided for all employees:
 - \$5 million for salary increases are included (plus the AEL increases from FY23)
 - ▶ Certified and Other Professional Staff - \$5,500 plus an average of 2% (2.4% including Classroom Site Fund increase)
 - ▶ Classified - \$2.15 per hour
 - ▶ Admin/Exempt - \$7,500 plus an average of 2%
- ▶ Increase of 22.7 FTE Certified Staff
- ▶ Decrease of 24.7 FTE Classified Staff

Summary of 2023-24 Budget Recommendations



<u>FY24 Budget Recommendation</u>	<u>FTE</u>	
District Reclassifications		\$ 31,245
M&O Funded Positions	5.0	\$ 331,402

Summary of Adjustments to 2023-24 Budget (cont.)



Non-Staffing

- ▶ State Retirement increase from 12.17% to 12.29%
- ▶ Alternative Contribution Rate increased from 9.68% to 9.99%
- ▶ Using \$2.0 M of VSEBG reserves
- ▶ Increase in Utilities \$795,000 (Electricity and Water increase)
- ▶ Increase in Election Costs \$275,000
- ▶ Increase in school discretionary budgets \$17,000
- ▶ No increase in Property Liability Insurance
- ▶ Capital Budget established at \$11.0 M



Factors Impacting Tax Changes

Primary Tax

- ▶ Assessed Valuation Change & Qualifying Tax Rate (QTR)
 - ▶ DVUSD Net Assessed Valuation increased 5.1%
 - ▶ QTR decreased (3.4%) from to \$3.4266 in 2022-23 to \$3.3098 2023-24
 - ▶ State Equalization Assistance Property Tax Rate (SETR)
 - ▶ Homeowner's Rebate
- ▶ Cash no longer being considered in tax rate calculation

Secondary Tax

- ▶ Assessed Valuation Change
 - ▶ Fixed payment schedules for bonds and overrides being paid for by an increasing assessed valuation

Projected Tax Rate Implications of 2022-23 Budget



- ▶ Proposition 117 (2012) Made Changes to Assessed Valuations
 - ▶ Primary and Secondary Assessed Valuation combined in to one Net Assessed Valuation
 - ▶ Existing Assessed Valuation growth limited to 5% annually
 - ▶ Implemented for Tax Year 2015 (2015-16 School Year)
 - ▶ DVUSD Net Assessed Valuation increased 5.1% to \$3.40 Billion
- ▶ **Projected** Tax Rate Changes
 - ▶ Primary Rate decreasing -3.4%, or (\$0.1215), to \$3.4047
 - ▶ Secondary Rate increasing 1.8%, or \$.0426, to \$2.3517
- ▶ Net impact on the average assessed value residential parcel of \$260,249 is an annual increase of \$52.49, or 5.1% (due mostly to average Assessed Valuation increasing by 5.7%)



Deer Valley Unified School District

Tax Comparison 2022 to Projected 2023 (our FY24)

	2022 Tax Year		2023 Tax Year PROJECTED		
	<u>Rate</u>		<u>Rate</u>		<u>Difference</u>
Primary Tax Rate	\$ 3.5262		\$ 3.4047	\$ (0.1215)	-3.4%
Secondary Tax Rate	\$ 2.3091		\$ 2.3517	\$ 0.0426	1.8%
Combined Tax Rate	\$ 5.8353		\$ 5.7564	\$ (0.0789)	-1.4%
Homeowner's Rebate	47%		47%		
<u>Average Parcel</u>	2022 Assessed <u>Valuation</u>	<u>2022 Tax</u>	2023 Assessed <u>Valuation</u>	<u>2023 Tax</u>	<u>Difference</u>
Primary	246,320		260,249		5.7%
		\$ 868.57		\$ 886.07	2.0%
Homeowner's Rebate		\$ (409.88)		\$ (418.14)	
Secondary	246,320		260,249		5.7%
		\$ 568.78		\$ 612.03	7.6%
Total		\$ 1,027.47		\$ 1,079.96	5.1%

NOTE – includes an estimate of Homeowner's Rebate



Next Steps

- ▶ Approve the budget to be advertised 6/27/2023
- ▶ Advertise the budget and the adjacent ways at least 10 days prior to public hearing and adoption
- ▶ Adopt the budget 7/11/2023