

Deer Valley Unified School District Budget Committee



January 22, 2025 – Identification of Budget Priorities

Jim Migliorino, Deputy Superintendent of Fiscal & Business Services
Tracy Rockwell, Director of Finance

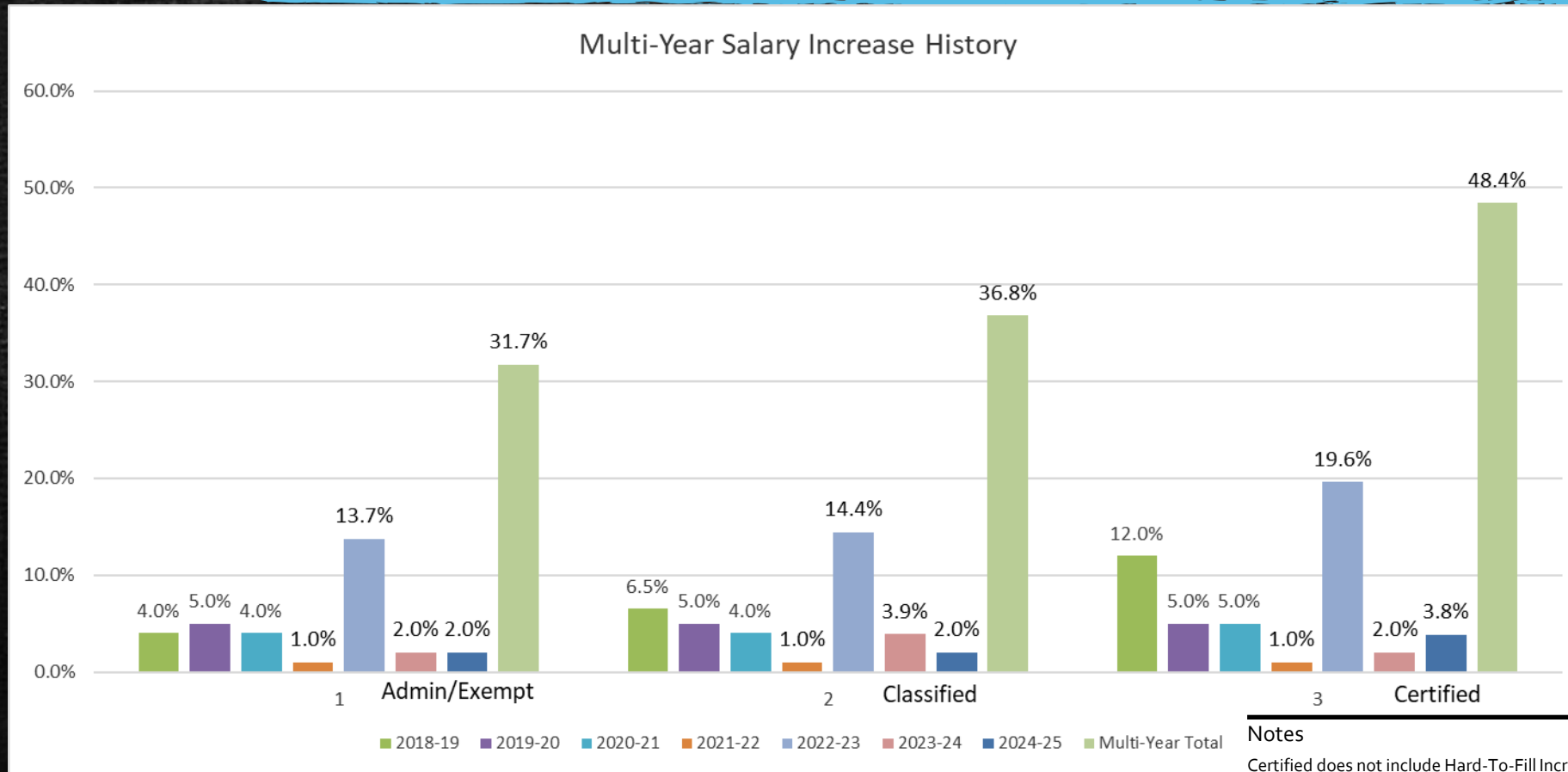


Topics

- Review of 1st Meeting, School Finance 101
- Review of DVUSD Financial Overview
 - Annual Financial Report (AFR) Comparison
- FY25 Budget Update and FY26 Assumptions
- Review of Previously Used Budget Guiding Principles
- Review of Community Input Survey
- Process for Determining Budget Priorities for Electronic Community Survey



Salary Increase History



aid out if AEL is resolved

Total salary increases are distributed with a portion as a flat-dollar amount and a portion as a percentage, per employee group

Notes

Certified does not include Hard-To-Fill Increases in these percentages
2021-22 does not include one-time payments (\$500/\$800/Classified 2.8%/1.8%; \$1,810 for CSF; nor addtl 2% for all staff)
2022-23 does not include addtl \$1 million paid out to Ranges 14 - 22 for Classified compression
2022-23 includes addtl \$1,880 paid to Certified & OPS from CSF increase (or 3.6%)
2022-23 includes AEL one-time payment, that was added to base amount for future years
2023-24 does not include one-time payment of \$2,500/FTE, plus an additional \$500/FTE
2024-25 does not include one-time payment of \$1,250/FTE



Education Savings Account (ESA) Impact on Deer Valley USD

ADE ESA Quarterly Report

2024 Quarter 4 ESA by District of Residence

Mesa USD	4069
Deer Valley USD	4025
Scottsdale USD	3777
Tucson USD	3742
Chandler USD	3238
Paradise Valley USD	3058
Peoria USD	2891
Gilbert USD	2825
Dysart USD	2257
Higley USD	1575
Queen Creek USD	1547
Phoenix Union USD	1465
Amphitheater USD	1367

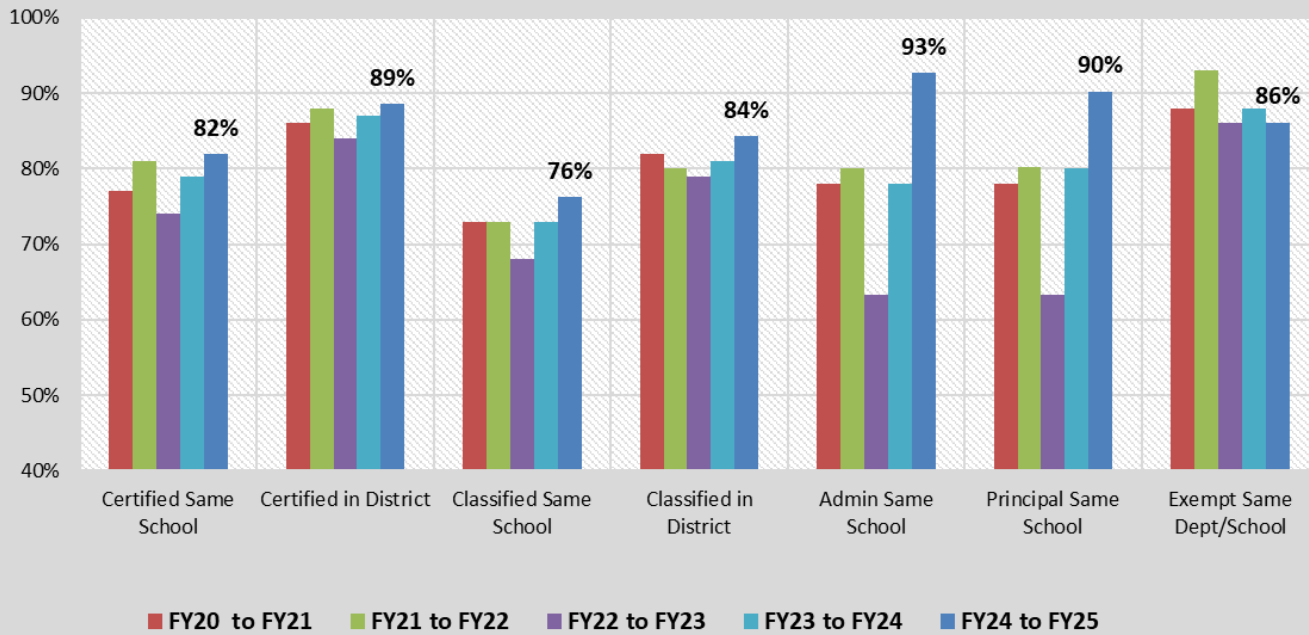
Table 20: Approximations of the most common award amount

Average	\$9,896
Median	\$7,409



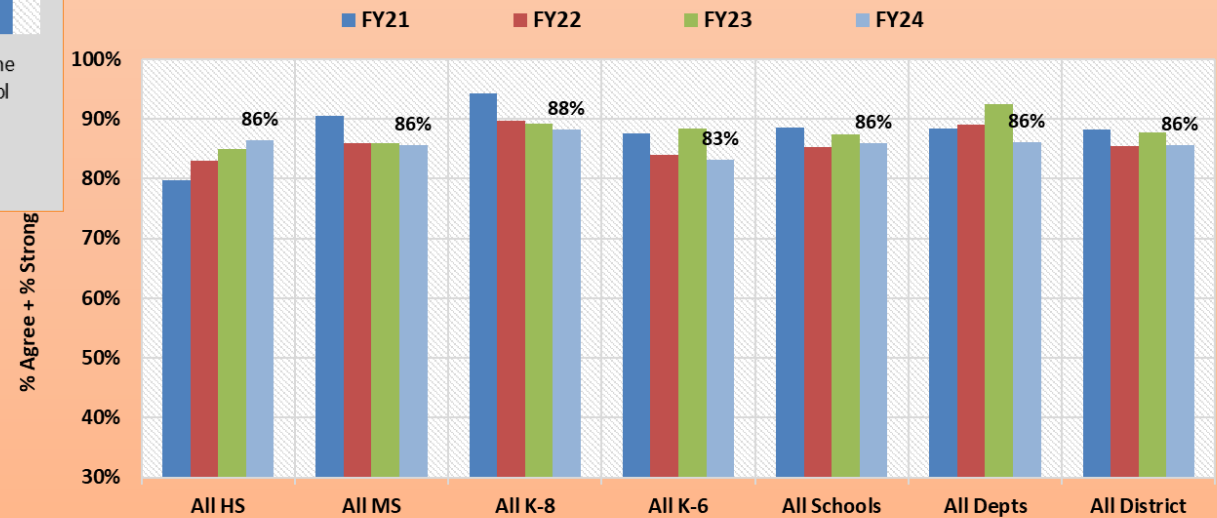
DVUSD Staff Retention

DVUSD Retention

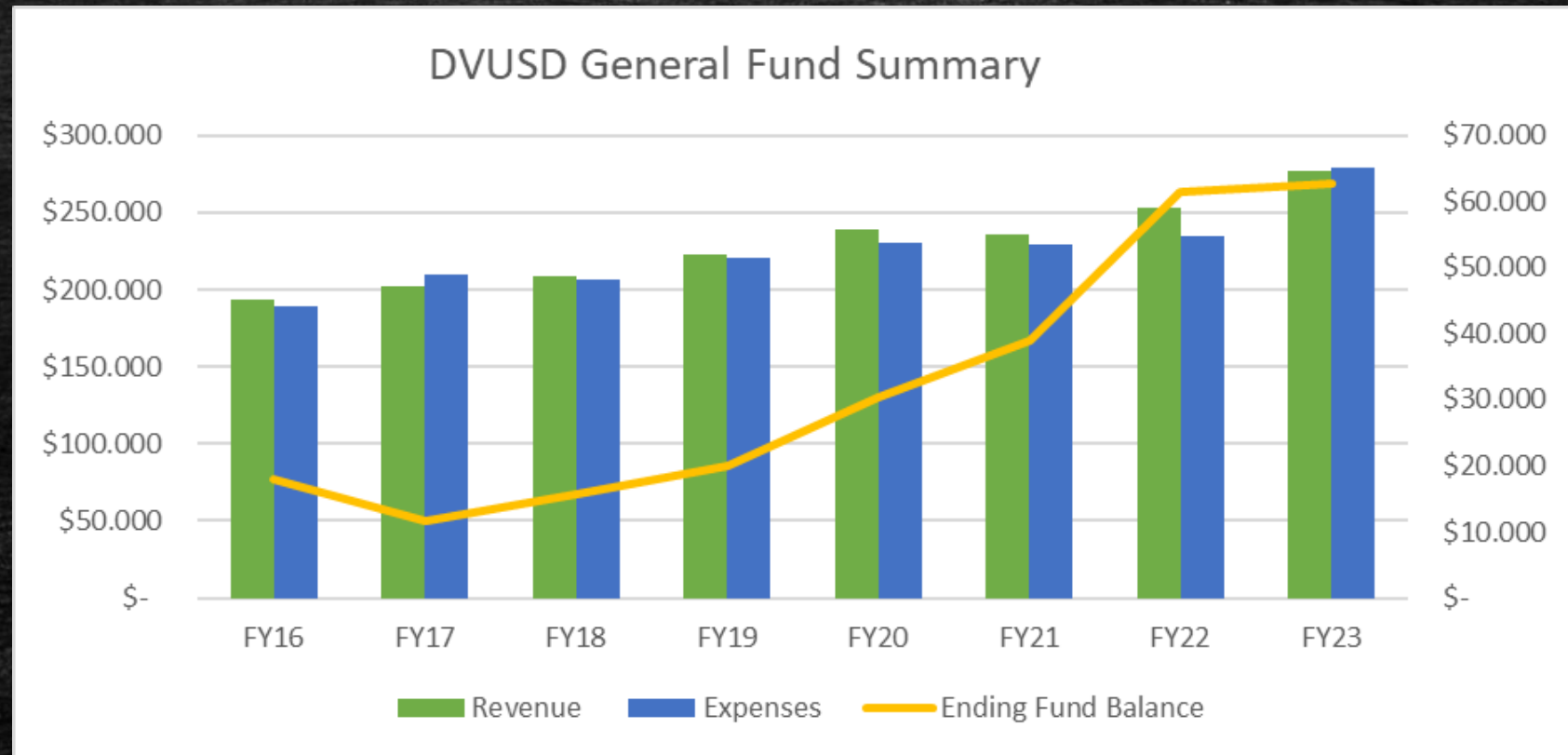


I Am Valued by My Principal/Supervisor

Percent of Employees Agree or Strongly Agree



DVUSD Net Position (updated from our 1st Meeting)



*NOTE - FY16 increase in Ending Fund Balance due to \$6 million in Prop. 123 funds carryforward
FY20, FY21, FY22 & FY23 include Federal Stimulus Funding (ESSER)*

Review of School Finance 101 or, What We Know.....



- Amount of financial resources available to Deer Valley Unified School District is established by statutory formula
- Approximately 80% of funding is dependent on the number of students enrolled (Average Daily Membership or ADM)
- FY22 was the first year without State imposed reductions to capital funding or District Additional Assistance
- Proposition 301 (Classroom Site Fund) and Proposition 123 are integral components to funding that have expiration dates, although the Classroom Site Fund was extended to 2041. Proposition 123 was authorized for 10 years and expires in FY26.
- Other increases in funding can only come from increased students (ADM), Legislative action, and - now thanks to Prop. 123 - inflationary increases.
- Voters can provide additional local funding if approved by an election
 - November 2024 election did not continue the M&O Override, which starts phase down after FY25 (\$11+ M/year for the next 3 years, or until the Override is renewed by voters), and the 2023 Bond initiative not being approved will have a financial impact on DVUSD

Review of DVUSD Financial Overview or, What We Know



- We compare positively among our peer groups, even better when compared to State
- Although DVUSD spends less dollars per student than our comparable group, peer group and the State average - the student achievement results are comparable or better than some districts that spent more money per student
- Our Administrative Costs are higher than our comparable districts, largely due to a retiree health insurance benefit that not all comparable districts offer
- Our Student Support and Instructional Support categories are lower than our comparable districts
- Our Employee Benefit Costs are higher than our comparable districts, although our Salary Costs are lower

Review of DVUSD Financial Overview or, What We Know (con't)



- A teacher shortage exists; in fact, we have many areas that are difficult to staff
- Proposition 206 is causing an increase to minimum wage that is causing classified salary compression (lowest hourly positions getting higher percentage increases)
- We have varied student enrollment at our schools
- The State Aggregate Spending Limit provides an uncertainty for funding in FY26 and beyond (due to temporary legislative action this is not an issue for the current year, FY25)
- Any other learnings

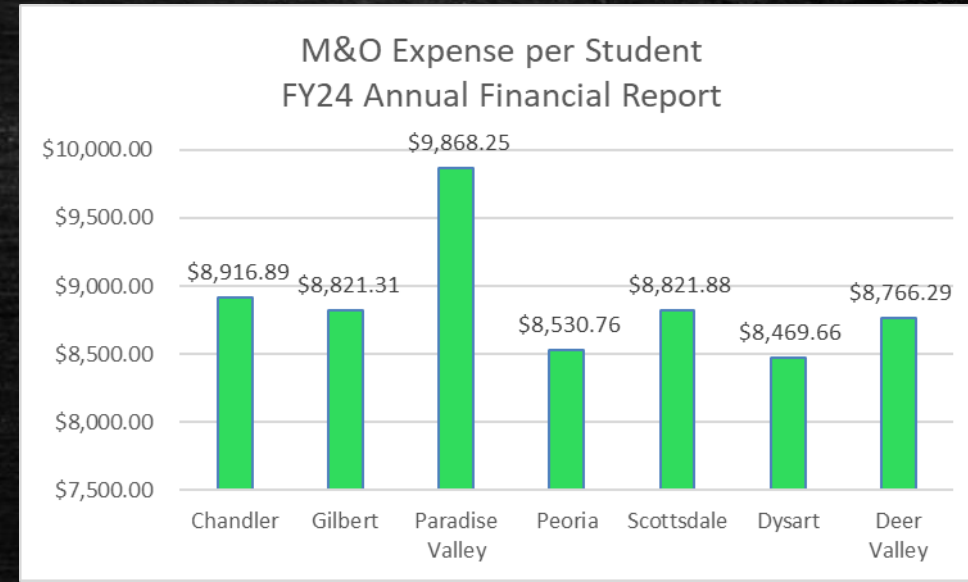
FY24 Annual Financial Report (AFR)

M&O Expenses Per Student



	<u>Total M&O Expenses</u>		<u>Resident Students</u>		<u>Expense per Student</u>	
Chandler	365,836,504		41,027.344		\$ 8,916.89	-0.8%
Gilbert	272,227,535		30,860.199		\$ 8,821.31	-1.9%
Paradise Valley	254,516,949		25,791.490		\$ 9,868.25	9.7%
Peoria	285,658,160		33,485.665		\$ 8,530.76	-5.1%
Scottsdale	174,212,998		19,747.833		\$ 8,821.88	-1.9%
Dysart	183,203,160		21,630.520		\$ 8,469.66	-5.8%
Deer Valley	271,225,255		30,939.582		\$ 8,766.29	-2.5%
5 Comparable District Average					\$ 8,991.82	

NOTE - this is with the existing Deer Valley USD M&O Override fully funded, which it will not be in FY26



FY24 Annual Financial Report (AFR)

M&O Salary and Benefit Expenses



	<u>Salaries - 6100</u>		<u>Benefits - 6200</u>		<u>Salaries & Benefits (adj. for 2 & 4)</u>	
Chandler	\$ 239,253,057	65.4%	\$ 70,072,337	19.2%	\$ 309,325,394	84.6%
Gilbert ¹	\$ 184,888,058	67.9%	\$ 57,235,623	21.0%	\$ 242,123,681	88.9%
PV ³	\$ 152,200,608	59.8%	\$ 61,067,209	24.0%	\$ 213,267,817	83.8%
Peoria	\$ 167,992,452	58.8%	\$ 61,116,103	21.4%	\$ 229,108,555	80.2%
Scottsdale ^{3,4}	\$ 115,890,769	66.5%	\$ 33,373,549	19.2%	\$ 141,882,147	85.0%
Dysart	\$ 109,481,480	59.8%	\$ 34,723,203	19.0%	\$ 144,204,683	78.7%
DV	\$ 165,510,176	61.0%	\$ 66,393,838	24.5%	\$ 231,904,014	85.5%
5 Comparable District Average		63.7%		20.9%		84.5%

Governing Board Policy DBD states (in part) - Competitive salaries and benefits will be a high priority to attract and retain highly qualified staff. The District will allocate a percent of the new budget, at least above the average of similar districts, to salary and benefits. However, outsourcing (Purchased Services) is skewing this data.

FY24 Annual Financial Report (AFR)

M&O Services, Supplies and Other Expenses



	<u>Purch Serv</u>		<u>Supplies</u>		<u>Other</u>	
Chandler	36,602,012	10.0%	19,063,686	5.2%	845,412	0.2%
Gilbert ¹	18,984,553	7.0%	10,938,425	4.0%	180,876	0.1%
PV ³	27,212,131	10.7%	13,496,855	5.3%	540,146	0.2%
Peoria	44,015,409	15.4%	12,077,317	4.2%	456,879	0.2%
Scottsdale ^{3,4}	16,941,021	9.7%	7,399,059	4.2%	608,600	0.3%
Dysart	29,833,106	16.3%	8,826,964	4.8%	338,407	0.2%
DV	26,137,183	9.6%	12,787,943	4.7%	396,115	0.1%
5 Comparable District Average		10.6%		4.6%		0.2%

FY24 Annual Financial Report (AFR)

M&O Instruction & Special Education Expenses



	<u>Classroom - 100 & 200 1000</u>		<u>Special Education - All 200</u>		<u>Special Education (Subtotal)</u>		<u>Classroom Suppo</u>
Chandler	198,734,307	54.3%	66,125,526	18.1%	52,128,383	14.2%	68.5%
Gilbert ¹	153,848,802	56.5%	64,070,616	23.5%	57,938,795	21.3%	70.0%
PV ³	138,767,748	54.5%	65,055,310	25.6%	53,730,589	21.1%	71.4%
Peoria	149,987,661	52.5%	75,119,109	26.3%	66,090,103	23.1%	69.9%
Scottsdale ^{3,4}	85,946,436	49.3%	25,939,081	14.9%	22,786,574	13.1%	62.7%
Dysart	101,130,176	55.2%	46,630,352	25.5%	44,019,114	24.0%	69.9%
DV	159,742,372	58.9%	56,126,369	20.7%	52,402,987	19.3%	69.9%
5 Comparable District Average		53.4%		21.7%		18.6%	68.5%

FY24 Annual Financial Report (AFR)

M&O Administration Expenses



FY24 AFR	<u>2300 - General Admin.</u>		<u>2400 School Admin.</u>		<u>2500 - Central Services</u>		<u>Total</u>
Chandler	2,928,834	0.8%	24,650,070	6.7%	13,211,957	3.6%	11.2%
Gilbert ¹	3,342,428	1.2%	14,971,646	5.5%	8,367,694	3.1%	9.8%
PV ³	2,377,795	0.9%	12,858,741	5.1%	7,101,142	2.8%	8.8%
Peoria	5,844,455	2.0%	17,464,839	6.1%	10,513,967	3.7%	11.8%
Scottsdale ^{3,4}	2,343,296	1.3%	12,075,871	6.9%	4,526,293	2.6%	10.9%
Dysart	1,833,597	1.0%	9,916,107	5.4%	5,878,011	3.2%	9.6%
DV	5,294,609	2.0%	16,338,077	6.0%	9,085,338	3.3%	11.3%
5 Comparable District Average		1.3%		6.1%		3.2%	10.5%

Note – included in the General Administration data above is an expense for retiree continuing benefits that totals \$896K for Paradise Valley USD, \$1.9 M for Peoria USD, and \$4.2 M Deer Valley USD

Annual Financial Report (AFR) Comparison Updated



FY24 AFR Comparison of General Administration including all expenses paid for General Admin.

FY24 AFR	<u>2300 - General Admin.</u>	
Chandler	2,928,834	0.8%
Gilbert ¹	3,342,428	1.2%
PV ³	2,377,795	0.9%
Peoria	5,844,455	2.0%
Scottsdale ^{3,4}	2,343,296	1.3%
Dysart	1,833,597	1.0%
DV	5,294,609	2.0%
5 Comparable District Average		1.3%

FY24 AFR Comparison of General Administration without \$4.2 M paid by DVUSD for Retiree Benefits

Note – Peoria USD also reduced by \$1.9 M in OPEB expense
And Paradise Valley USD was reduced by \$896K

FY24 AFR	<u>2300 - General Admin.</u>	
Chandler	2,928,834	0.8%
Gilbert ¹	3,342,428	1.2%
PV ³	1,480,958	0.6%
Peoria	3,915,894	1.4%
Scottsdale ^{3,4}	2,343,296	1.3%
Dysart ³	1,833,597	1.0%
DV	1,093,718	0.4%
5 Comparable District Average		1.1%

FY24 Annual Financial Report (AFR)

M&O Administration Expenses (adjusted for OPEB)



FY24 AFR	<u>2300 - General Admin.</u>		<u>2400 School Admin.</u>		<u>2500 - Central Services</u>		<u>Total</u>
Chandler	2,928,834	0.8%	24,650,070	6.7%	13,211,957	3.6%	11.2%
Gilbert ¹	3,342,428	1.2%	14,971,646	5.5%	8,367,694	3.1%	9.8%
PV ³	1,480,958	0.6%	12,858,741	5.1%	7,101,142	2.8%	8.4%
Peoria	3,915,894	1.4%	17,464,839	6.1%	10,513,967	3.7%	11.2%
Scottsdale ^{3,4}	2,343,296	1.3%	12,075,871	6.9%	4,526,293	2.6%	10.9%
Dysart ³	1,833,597	1.0%	9,916,107	5.4%	5,878,011	3.2%	9.6%
DV	1,093,718	0.4%	16,338,077	6.0%	9,085,338	3.3%	9.8%
5 Comparable District Average		1.1%		6.1%		3.2%	10.3%

Note – adjustment for OPEB (for retiree continuing benefits) made in the General Administration data above that totals \$896K for Paradise Valley USD, \$1.9 M for Peoria USD, and \$4.2 M Deer Valley USD

FY24 Annual Financial Report (AFR)

M&O Operational Function Expenses



	<u>Operations - 2600</u>		<u>Transportation - 2700</u>	
Chandler	47,092,837	12.9%	18,306,835	5.0%
Gilbert ¹	33,984,673	12.5%	15,107,565	5.5%
PV ³	34,764,728	13.7%	9,982,133	3.9%
Peoria	34,267,354	12.0%	15,369,412	5.4%
Scottsdale ^{3,4}	26,061,953	15.0%	8,282,444	4.8%
Dysart	22,356,675	12.2%	11,441,952	6.2%
DV	34,071,854	12.6%	14,463,948	5.3%
5 Comparable District Average		13.2%		4.9%



Auditor General District Spending (Classroom Dollar) Report Background

- Arizona Revised Statutes §41-1279.03 requires the Auditor General to determine the percentage of every dollar Arizona school districts spend in the classroom annually. *(excludes charter schools)*
- The report also analyzes non-classroom spending, which includes administration, plant operations, food service, transportation, student support, and instruction support
- New since FY16 - Function 2350 (Administration) Retiree Health:
 - Payments made to provide retiree health benefits.

Data is
from
Latest
Available
Report,
from
2022-2023

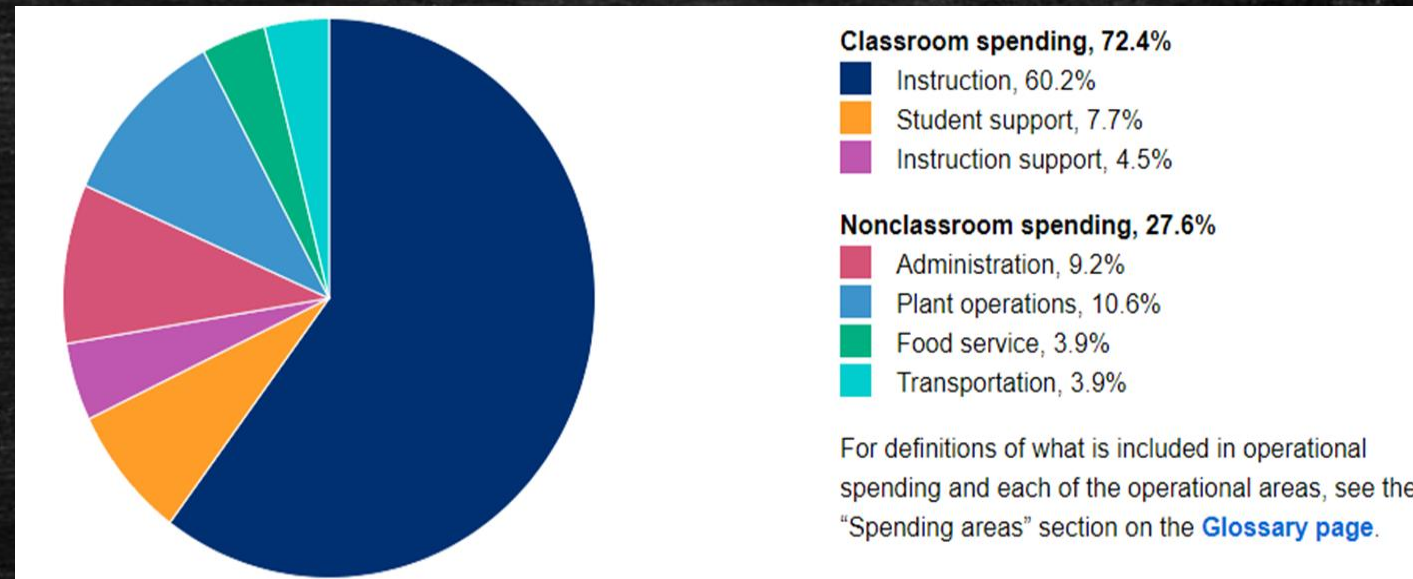


Classroom Dollar Percentage

Peer Group: Very-large unified and union high school districts in cities and suburbs with more than 15,000 students

	FY23 Instructional Spending
State Average	53.4%
<i>Peer Group Average</i>	<i>56.0%</i>
Deer Valley Unified School District	60.2%
Gilbert Unified School District	58.9%
Glendale Union High School District	58.6%
Chandler Unified School District	57.7%
Dysart Unified School District	56.8%
Paradise Valley Unified School District	56.7%
Peoria Unified School District	56.5%
Scottsdale Unified School District	54.6%
Mesa Unified School District	54.3%
Tucson Unified School District	51.2%
Phoenix Union High School District	50.5%

Deer Valley USD FY23





Auditor General District Spending Report

Basic District Information

	Chandler			Gilbert			Paradise Valley			Peoria			Scottsdale			Deer Valley		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Students Attending	43,081	42,702		30,960	32,056		27,968	27,443		34,320	34,869		19,855	20,461		30,569	31,657	
Number of Schools	44	44		39	38		42	43		41	41		29	29		39	39	
Number of Teachers																		
Student/Teacher Ratio	17.4	17.4	18.2	16.1	16.7	16.5	16.3	15.8	15.6	17.7	17.5	18.1	15.7	17	16.4	15.9	16.2	16.4
Average Teacher Salary	62,866	63,584	70,845	56,786	57,973	62,870	56,615	58,906	60,752	54,158	54,405	59,762	58,592	59,061	64,095	54,696	55,765	62,751
Average Years of Service	12.3	12.9	12.9	12.9	12.8	12.7	12.7	12.5	12.3	12.5	12.3	12.9	14.4	13.9	14.3	12.3	12.6	12.5



Auditor General District Spending Report

Percentages of Spending

		Chandler			Gilbert			Paradise Valley			Peoria			Scottsdale			Deer Valley		
		2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Classroom Dollars		61.7%	58.2%	57.7%	61.6%	59.6%	58.9%	57.4%	58.7%	56.7%	59.9%	57.1%	56.5%	56.7%	54.1%	54.6%	59.7%	59.4%	60.2%
Non-Classroom Dollars																			
	Administration	8.1%	8.1%	8.1%	8.1%	8.2%	8.5%	8.9%	7.7%	7.9%	9.3%	10.3%	10.1%	9.2%	9.6%	9.0%	9.9%	9.6%	9.2%
	Plant Operations	9.9%	10.4%	10.8%	9.6%	9.3%	10.0%	13.4%	12.1%	12.3%	9.8%	9.2%	9.4%	12.8%	12.8%	12.1%	10.7%	10.5%	10.6%
	Food Service	4.1%	5.3%	4.6%	3.3%	4.4%	3.5%	1.6%	2.3%	2.2%	3.7%	4.3%	3.8%	2.7%	3.3%	3.8%	3.5%	4.0%	3.9%
	Transportation	3.6%	4.1%	3.9%	3.8%	4.6%	4.7%	2.8%	3.1%	3.2%	3.0%	3.7%	4.2%	3.2%	3.6%	3.8%	3.8%	4.1%	3.9%
	Student Support	7.8%	8.1%	8.8%	9.8%	10.0%	9.9%	11.2%	11.1%	12.0%	10.1%	10.9%	11.4%	9.9%	11.1%	11.3%	8.0%	8.1%	7.7%
	Instructional Support	4.8%	5.8%	6.1%	3.8%	3.9%	4.5%	4.7%	5.0%	5.7%	4.2%	4.5%	4.6%	5.5%	5.5%	5.4%	4.4%	4.3%	4.5%
	Other																		
	Classroom Support	74.3%	72.1%	72.6%	74.5%	74.5%	74.5%	73.3%	74.8%	74.4%	74.2%	72.5%	72.5%	72.1%	70.7%	71.3%	72.1%	71.8%	72.4%



Auditor General District Spending Report

Per Pupil Spending

		Chandler			Gilbert			Paradise Valley			Peoria			Scottsdale			Deer Valley		
		2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Per Student		\$ 8,902	\$ 9,934	\$ 11,159	\$ 9,294	\$ 9,540	\$ 11,203	\$ 9,764	\$ 11,535	\$ 12,083	\$ 8,920	\$ 9,330	\$ 10,221	\$ 10,156	\$ 10,137	\$ 11,515	\$ 9,301	\$ 9,553	\$ 10,794
Classroom Dollars		\$ 5,492	\$ 5,786	\$ 6,439	\$ 5,723	\$ 5,685	\$ 6,600	\$ 5,607	\$ 6,771	\$ 6,852	\$ 5,340	\$ 5,329	\$ 5,775	\$ 5,761	\$ 5,488	\$ 6,290	\$ 5,549	\$ 5,674	\$ 6,500
Non-Classroom Dollars																			
	Administration	\$ 719	\$ 801	\$ 910	\$ 757	\$ 780	\$ 951	\$ 864	\$ 891	\$ 954	\$ 828	\$ 962	\$ 1,035	\$ 935	\$ 974	\$ 1,040	\$ 919	\$ 916	\$ 990
	Plant Operations	\$ 885	\$ 1,028	\$ 1,202	\$ 897	\$ 883	\$ 1,115	\$ 1,310	\$ 1,393	\$ 1,482	\$ 869	\$ 854	\$ 959	\$ 1,303	\$ 1,301	\$ 1,388	\$ 999	\$ 1,000	\$ 1,144
	Food Service	\$ 362	\$ 530	\$ 517	\$ 303	\$ 421	\$ 388	\$ 154	\$ 261	\$ 266	\$ 329	\$ 403	\$ 386	\$ 274	\$ 331	\$ 440	\$ 320	\$ 387	\$ 425
	Transportation	\$ 316	\$ 412	\$ 435	\$ 352	\$ 442	\$ 528	\$ 270	\$ 358	\$ 384	\$ 272	\$ 346	\$ 427	\$ 330	\$ 369	\$ 439	\$ 350	\$ 392	\$ 420
	Student Support	\$ 693	\$ 803	\$ 979	\$ 915	\$ 957	\$ 1,109	\$ 1,097	\$ 1,283	\$ 1,445	\$ 902	\$ 1,013	\$ 1,169	\$ 1,001	\$ 1,125	\$ 1,296	\$ 748	\$ 774	\$ 825
	Instructional Support	\$ 435	\$ 574	\$ 677	\$ 347	\$ 372	\$ 512	\$ 462	\$ 578	\$ 700	\$ 380	\$ 423	\$ 470	\$ 552	\$ 549	\$ 622	\$ 416	\$ 410	\$ 490
	Other																		
Non-Classroom Subtotal		\$ 3,410	\$ 4,148	\$ 4,720	\$ 3,571	\$ 3,855	\$ 4,603	\$ 4,157	\$ 4,764	\$ 5,231	\$ 3,580	\$ 4,001	\$ 4,446	\$ 4,395	\$ 4,649	\$ 5,225	\$ 3,752	\$ 3,879	\$ 4,294
	Classroom Support	\$ 6,620	\$ 7,163	\$ 8,095	\$ 6,985	\$ 7,014	\$ 8,221	\$ 7,166	\$ 8,632	\$ 8,997	\$ 6,622	\$ 6,765	\$ 7,414	\$ 7,314	\$ 7,162	\$ 8,208	\$ 6,713	\$ 6,858	\$ 7,815

Auditor General District Spending Report

Key Metrics



		Chandler			Gilbert			Paradise Valley			Peoria			Scottsdale			Deer Valley		
		2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Administration																			
	Cost Per Pupil	\$ 719	\$ 801	\$ 910	\$ 757	\$ 780	\$ 951	\$ 864	\$ 891	\$ 954	\$ 828	\$ 962	\$ 1,035	\$ 935	\$ 974	\$ 1,040	\$ 919	\$ 916	\$ 990
	Students per Admin	95	95	94	83	84	85	62	61	60	90	91	90	68	70	69	79	86	86
Plant Operations																			
	Cost Per Square Foot	\$ 7.26	\$ 7.91	\$ 9.24	\$ 5.75	\$ 5.93	\$ 7.43	\$ 7.34	\$ 7.52	\$ 7.68	\$ 6.39	\$ 6.38	\$ 7.16	\$ 6.26	\$ 6.42	\$ 6.72	\$ 6.64	\$ 6.88	\$ 7.76
	Square Foot Per Pupil	123	130	130	156	149	150	178	185	193	136	134	134	208	202	207	150	145	147
Food Service																			
	Cost Per Meal	\$ 3.44	\$ 2.96	\$ 3.07	\$ 2.94	\$ 2.83	\$ 4.38	\$ 4.52	\$ 2.75	\$ 3.77	\$ 2.97	\$ 2.79	\$ 3.72	\$ 3.75	\$ 2.92	\$ 4.22	\$ 3.35	\$ 2.92	\$ 4.15
	Meals Per Student	105	179	168	103	149	89	34	95	71	111	145	104	73	113	104	96	133	102
Transportation																			
	Cost Per Mile	\$ 6.10	\$ 6.36	\$ 7.37	\$ 5.94	\$ 5.69	\$ 6.36	\$ 9.66	\$ 6.13	\$ 6.54	\$ 4.58	\$ 5.58	\$ 6.43	\$ 8.43	\$ 7.20	\$ 7.65	\$ 10.77	\$ 6.27	\$ 7.03
	Cost Per Rider	\$ 1,444	\$ 1,851	\$ 1,935	\$ 3,150	\$ 2,176	\$ 2,717	\$ 3,198	\$ 2,289	\$ 3,034	\$ 2,125	\$ 2,084	\$ 2,672	\$ 4,180	\$ 2,669	\$ 2,922	\$ 2,071	\$ 1,752	\$ 1,920

Auditor General District Spending Report

Conclusions



- We compare positively among our peer groups, even better when compared to State
- Although DVUSD spent less dollars per student than our comparable group (3.4% or \$369) and the State average (8.4% or \$909), our student achievement results are comparable or better than some districts that spent more money per student
- One factor impacting Administration cost per student is a result of a benefit cost that not all districts have (retiree insurance)
- Opportunities exist for us to explore more efficient ways to address our transportation needs

Arizona Auditor General Financial Risk Assessment (Jan 2025 Report for FY24)

Change in weighted
student count



Analysis —

-1.2%

(1-year change)

0.7%

(4-year change)

Budget limit reserve—
Operating budget



Analysis —

-24.7%

(1-year change)

24.2%

(4-year change)

Budget limit reserve—
Capital budget



Analysis —

59.2%

(1-year change)

100.0%

(4-year change)

Arizona Auditor General

Financial Risk Assessment (Jan 2025 Report for FY24)

Financial position—
General Fund operating reserve ratio



Analysis —

19.5%

2024 unaudited

22.5%

2023 audited

Financial position—
General Fund operating margin ratio



Analysis —

4.6%

2024 unaudited

-0.5%

2023 audited

Risk reduced by FY 2024 per student fund balance.

Financial position—
General Fund change in fund
balance



Analysis —

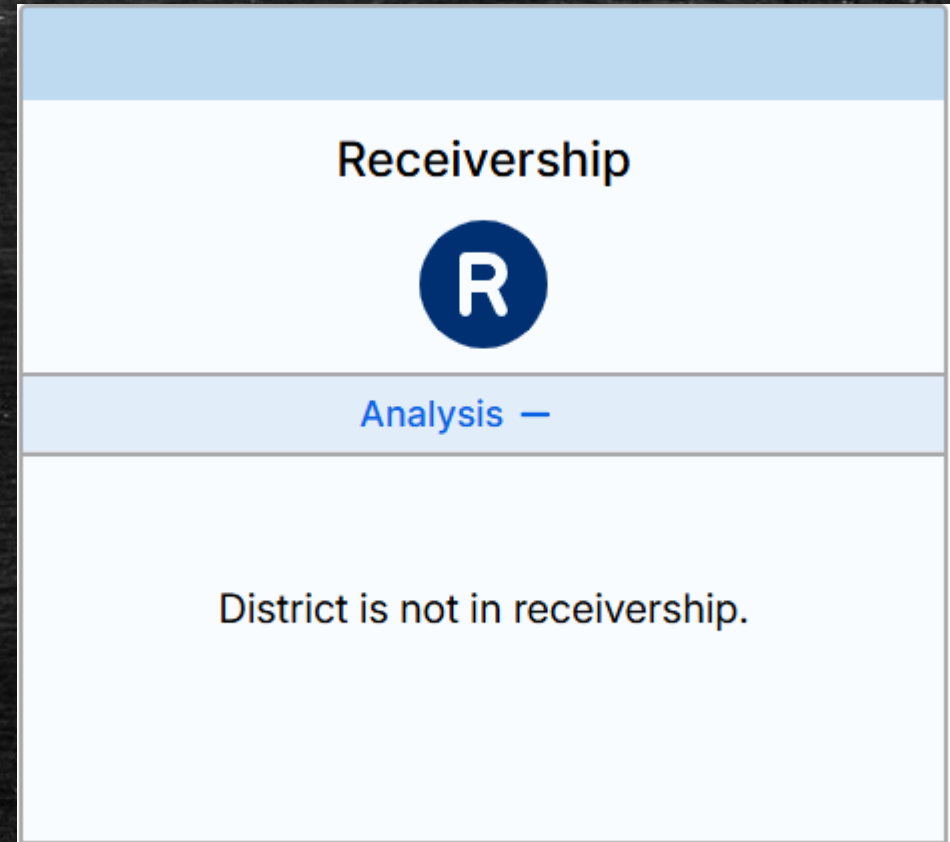
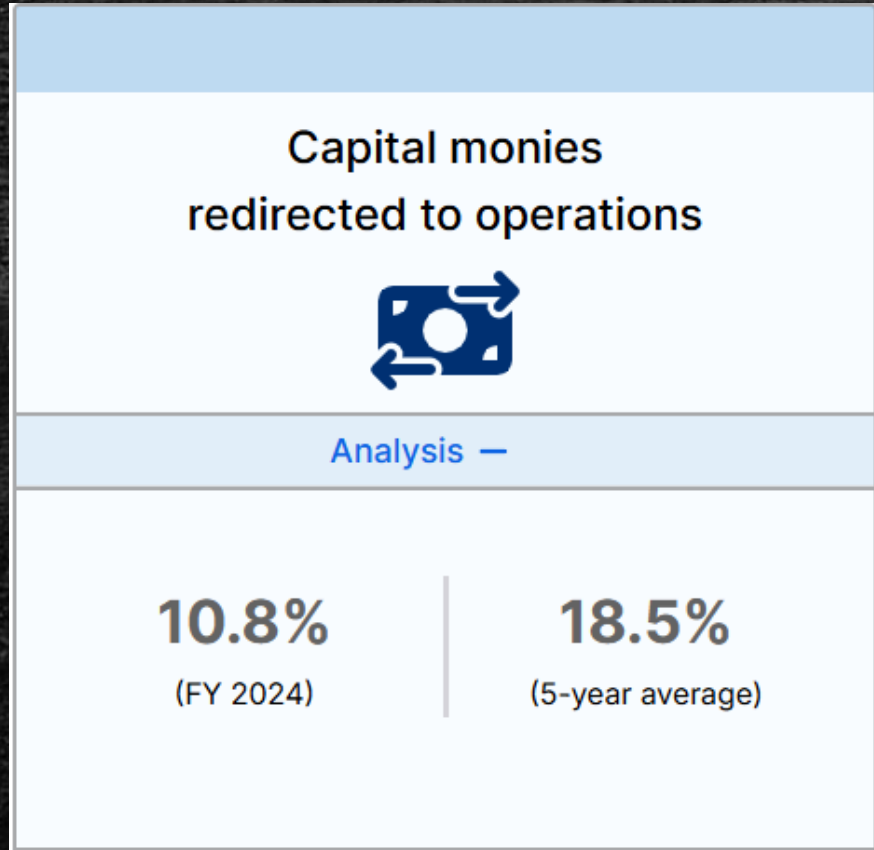
41.6%

2023 to 2024 unaudited

2.2%

2022 to 2023 audited

Arizona Auditor General Financial Risk Assessment (Jan 2025 Report for FY24)





FY26 Budget Assumptions

- Inflationary Increase 2%
- A reduction of 1/3 of M&O Override (1st Year Phase Down) = \$11.1 million
- Decrease of Students (ADM) ~ 3%
- A need for a decrease in total staffing (due to decreased students)
- Small decrease to ASRS contribution
- Potential to utilize more revenue from cash accounts
- Reduction of available capital funds due to the bond not being approved
- Any Legislative changes

Review Previously Used Budget Guiding Principles (for 2024-25)



The FY25 Budget Committee recommends the following priorities with the objective to focus on the proficiency of students, by optimizing all potential funding resources:

- Continue to enhance student and school safety, to include social and behavioral supports
- Provide for salary increases for all employees, with an increase greater for school staff than District Office staff
- Address the implications of the student to staff ratio and how it impacts student learning
- Evaluate and increase academic supports for students

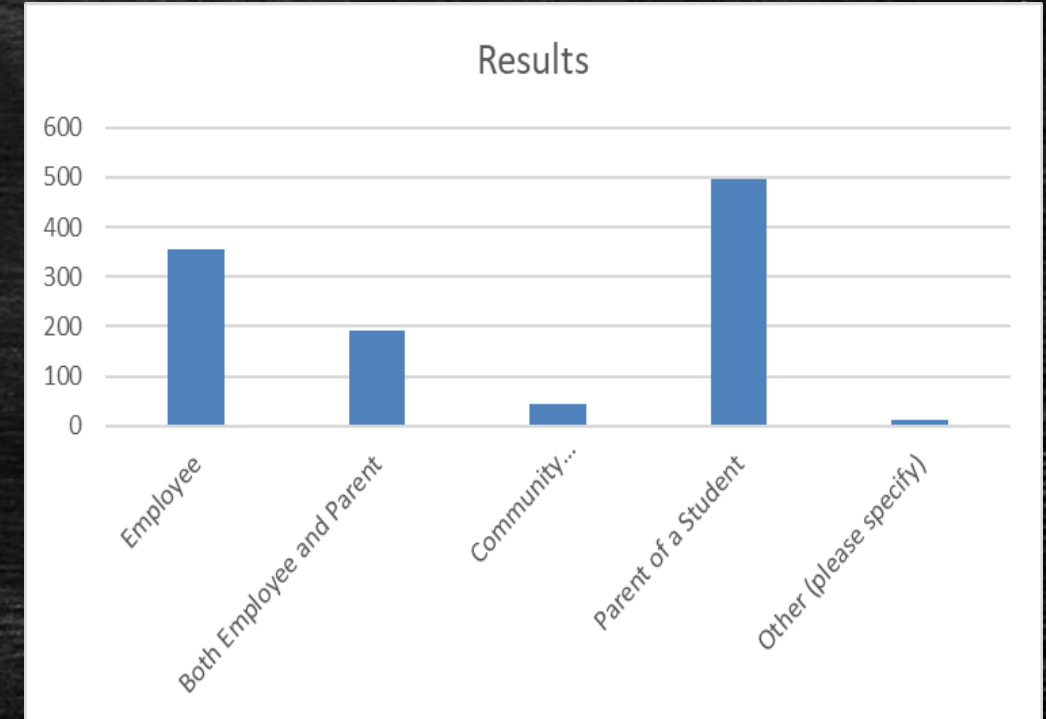
The Budget Committee noted that all the priorities above are unachievable without local financial support (M&O Override and Bond), a focus needs to be on addressing the disconnect between these local financial supports and meeting these priorities.



Suggested Budget Priorities for 2025-26 from Community Input Survey

Survey Questions

- Name one budget area that you feel needs to be preserved the most for the 2025-26 year:
- Name one budget area that can be reduced for the 2025-26 year:



1101 responses

Suggested Budget Priorities for 2025-26

from Community Input Survey



- **Parent Preserve Responses:**

- 1. Staff Compensation is overwhelmingly the top priority, with 112 mentions. This includes teacher salaries, staff pay raises, and competitive compensation to aid retention.
- 2. Class Size/Student-to-Teacher Ratios is the second most mentioned priority (45 mentions), with strong emphasis on maintaining or reducing current class sizes.
- 3. Safety & Security ranks third (35 mentions), reflecting concerns about student and campus safety.
- 4. Special Programs and Services (34 mentions) covers both gifted education and special education services, showing strong community support for diverse learning needs.
- 5. Full-Day Kindergarten appears as a distinct priority with 25 mentions, specifically emphasizing the desire for it to be free.

- **Employee Preserve Responses:**

- The dominant priority across both sets of responses was compensation-related:
- The second most emphasized priority was class size and staffing:

Suggested Budget Priorities for 2025-26

from Community Input Survey



■ Reduce Responses:

- **1. Class Size & Teacher Support:** Concerns about class size, student-to-staff ratios, and the need for academic support, mental health services, and specialized programs like full-day kindergarten, counseling, and extracurriculars.
- **2. Administration Costs:** There is significant concern about administrative salaries, unnecessary spending, and inefficiencies within district offices, with calls to reduce administration budgets and refocus on classroom support and teacher salaries.
- **3. Extracurricular Activities & Sports:** Multiple references to funding for sports, extracurriculars, and after-school programs. Some suggest charging fees for activities or reducing those with low participation to save costs.
- **4. Facilities & Technology:** There are mentions of school maintenance, upgrades, and building new schools. Some suggest reducing technology expenditures, especially on devices like laptops and tablets for students.

The overarching theme emphasizes the need to protect teaching staff and student support services while scrutinizing administrative expenses and non-essential programs. .

FY25 Forced Ranking Survey (as a sample)

The Deer Valley Unified School District (DVUSD) is an award-winning District continually adding to its list of accomplishments highlighted by the largest number of “A-rated” schools in DVUSD’s history (26) and its highest percentage of A+ School of Excellence designations ever (52%). We continue to reach our annual goal of at least 50 state athletic team, individual, Career & Technical Education (CTE), future business professionals (DECA), and future Health Care Professionals (HOSA) state titles a year, and continue to add to the number of National Board Certified Teachers annually.

Despite these accolades in and out of the classroom, DVUSD is not immune to the financial challenges faced by public education both in Arizona and nationwide. As a result of the November 2023 Bond and Override elections not passing, this has compelled DVUSD to take a deeper look at its sustainable budget strategies and assess its priorities in preparation for potentially difficult decisions that lie ahead.

In December, DVUSD asked the community for feedback regarding priorities it should consider for shaping next year’s budget and beyond. With thanks to all those who participated, DVUSD is now asking stakeholders to rank the suggested priority items in the order they feel is most important. Please take a few moments to fill out the attached survey by February 12, 2024. Your feedback will assist greatly in providing the Budget Committee, DVUSD Administration, and the Governing Board with important information needed to provide the best educational opportunities for our students.

Thank you for your time and continued support of DVUSD!

FY25 Forced Ranking Survey (as a sample)

FY25 Budget Forced-Ranking Survey for Budgeting Considerations:

For these budget considerations, please rank the options (1 is the highest priority and 7 is lowest priority) from the list below:

1. Provide uniform salary increases for all staff [This would provide salary increases to retain existing employees, and provide increases to the hiring schedule to recruit new staff in all positions.]
2. Pursue continuation of local financial support through M&O Override and Bond Elections [This would include seeking a continuation of the existing M&O Override to continue to fund programs - such as full-day kindergarten, decrease class size and existing salary amounts/positions - as well as a Bond for capital improvements in November 2024]
3. Increase academic supports for students [This may include additional tutoring, academic intervention, remediation, or more instructional time for specific students either during or outside of the school day.]

FY25 Forced Ranking Survey (as a sample)

4. Student and School Safety [This would allocate additional funds to expand security enhancements such as updated security cameras, physical improvements, additional School Resource Officers (SROs) at more campuses, etc.]
5. Increase/Enhance/Maintain special programs for students [This may include STEM (Science, Technology, Engineering, Math), STEAM (Science, Technology, Engineering, Arts, Math), arts, foreign languages, special education, gifted education, Career and Technical Education (CTE), and/or other instructional programs, etc.]
6. Academic and Social Supports for Students [This may include increasing the number of counselors, social workers, and mental health education and supports for students.]
7. Decrease the student to staff ratio [This would increase the number of staff (not necessarily teachers), especially in classrooms with the most number of students.]

Optional priority not listed above or provide any additional information related to budget priorities you would like to share (limited to 50 words)



Next Steps

- Create forced-ranking electronic survey to be sent to all stakeholders
- Implement communication plan to solicit input of electronic survey
- Forced-Ranking Survey to be open from January 27 to February 12
- By February 18, 2025 – Compile Results of Survey
- February 19, 2025 – Budget Committee Meeting - Finalize recommendation of budget priorities
- February 25, 2025 – share recommendation with Governing Board