DEER VALLEY
Unified School District

2025-2026 Proposed Expenditure Budget

JUNE 10, 2025

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 10, 2025
- Adopted Budget is the official budget
  - Scheduled to be considered June 24, 2025

  (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

2025-2026 Budget Priority Recommendations

In light of the financial circumstances for the upcoming year, the FY26 Budget Committee recommends the following priorities with the objective of minimizing the direct impact on the classroom:

- Maintain salary and benefits
- Continue to enhance student and school safety, including social and behavioral supports
- Maintain the student-to-staff ratio
- De-emphasize Professional Development opportunities
- Consider fees to continue programs

The Budget Committee identified that a focus on community outreach and communication is necessary to have a more informed community. The Committee also stated that seeking the continuation of the 15% M&O Override is needed for the long-term financial well-being of the District.

Summary of Proposed Gold Book

Highlights of Proposed Budget Factors

- Base Support Level
  - M&O Override reduced by 33% (-$11 M), first year of reduction
  - 2.0% Inflationary increase added to M&O
  - Current year funding provision included (projecting a 900 student decrease from prior year 100th Day)
  - The Teacher Experience Index (TEI) increased to 1.0056 and was at 1.0034 for fiscal years 2023 and 2024.
- M&O carryforward projected to be $11,081,000

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, with 75% remaining in Capital.
- Continued use of cash accounts included in budget at an amount of $8,300,000 (includes: half of 5-Cash Accounts, $8 M; Athletic Participation Fees, $250K; Parking Fees $50K)
- Net Result is the General Budget Limit decreased from $283 million in FY25 to $267 million in FY26.

Summary of Original Planned Revenue and Expense Changes

2025-26	
Revenue Changes	
Override @ 1/3	-$11,100,000
Student Loss	-$6,300,000
TOTAL	-$17,400,000
Expense Changes	
Furlough Jan PD Day	$1,100,000
District Office Reductions (5.5 FTE)	$425,000
Teacher Reductions (less students, program changes = 51 FTE)	$4,335,000
Capital Freeze/DAA Transfer	$2,500,000
Cash Reserves (including cash accounts, OPEB, and Valley Schools Net Position)	$10,000,000
Increase Participation Fees	$400,000
TOTAL	$17,235,000

2025-26 Maintenance & Operations Fund

2025-26 MAINTENANCE AND OPERATION FUND		
Base Support Level		220,441,689
Transportation Revenue Control Limit		8,694,166
Additional $75 million (Prop 123)		-
District Additional Assistance (DAA)(Capital)		18,162,630
DAA Kept in Capital		(13,662,630)
Override Funds		23,028,153
Use of Cash Accounts		8,000,000
Parking Fees		50,000
Athletic Participation Fee		250,000
Contingency		(2,000,000)
Estimated Budget Balance from 2024-25		11,081,612
Projected General Budget Limit		$ 274,045,620
Total Maintenance and Operation Fund Expenses		$ 274,079,945
Budget Balance Remaining		$ (34,325)

Summary of 2025-26 Budget Adjustments

Staffing

- Decrease of 64 FTE Certified Staff
- Decrease of 14.8 FTE Classified Staff
  - Includes addition of Special Education Specialized Programs in Certified and Classified numbers
- Includes one furlough day for all employees except 9-month Classified staff

Summary of Adjustments to 2025-26 Budget (cont.)

Non-Staffing

- State Retirement decreased from 12.27% to 12.00%
- Alternative Contribution Rate decreased from 10.19% to 9.75%
- Using $2.26 M of VSEBG reserves
- No changes to Utilities
- No changes to District Department discretionary budgets
- Decrease in school discretionary budgets $38,400
- No increase in Property Liability Insurance
- Capital Budget established at $13.6 M

Factors Impacting Tax Changes

Primary Tax

- Assessed Valuation Change & Qualifying Tax Rate (QTR)
  - DVUSD Net Assessed Valuation increased 4.2%, to $3.75 B
  - QTR decreased (2.1%) from to $3.186 in 2024-25 to $3.1212 2025-26
  - 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 2025-26 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 4.2% to $3.75 Billion
- **Projected** Tax Rate Changes
  - Primary Rate decreasing -2.1%, or ($0.07), to $3.20
  - Secondary Rate decreasing -21.0%, or ($.47), to $1.75
- Net impact on the average assessed value residential parcel of $283,641 is an annual decrease of $102, or 9.8%

Deer Valley Unified School District

Tax Comparison 2024 to Projected 2025 (our FY26)

	2024 Tax Year		2025 Tax Year PROJECTED		Difference
	Rate		Rate		
Primary Tax Rate	$ 3.2695		$ 3.2000	$ (0.0695)	-2.1%
Secondary Tax Rate	$ 2.2262		$ 1.7500	$ (0.4762)	-21.4%
Combined Tax Rate	$ 5.4957		$ 4.9500	$ (0.5457)	-9.9%
Homeowner's Rebate	50%		50%		
Average Parcel	2024 Assessed Valuation	2024 Tax	2025 Assessed Valuation	2025 Tax	Difference
Primary	272,755		283,641		4.0%
		$ 891.77		$ 907.65	1.8%
Homeowner's Rebate		$ (445.89)		$ (453.83)	
Secondary	272,755		283,641		4.0%
		$ 607.21		$ 496.37	-18.3%
Total		$ 1,053.09		$ 950.20	-9.8%

NOTE – includes an estimate of Homeowner's Rebate

Deer Valley Unified School District

Tax Comparison 2024 to Projected 2025 (our FY26)

Parcel A	2024 Assessed Valuation	2024 Tax	2025 Assessed Valuation	2025 Tax	Difference
Primary	514,241		539,954		5.0%
		$ 1,681.31		$ 1,727.85	2.8%
Homeowner's Rebate		$ (600.00)		$ (600.00)	
Secondary	514,241		539,954		5.0%
		$ 1,144.80		$ 944.92	-17.5%
Total		$ 2,226.11		$ 2,072.77	-6.9%

Parcel B	2024 Assessed Valuation	2024 Tax	2025 Assessed Valuation	2025 Tax	Difference
Primary	112,523		118,149		5.0%
		$ 367.89		$ 378.08	2.8%
Homeowner's Rebate		$ (183.95)		$ (189.04)	
Secondary	112,523		118,149		5.0%
		$ 250.50		$ 206.76	-17.5%
Total		$ 434.45		$ 395.80	-8.9%

NOTE – includes an estimate of Homeowner's Rebate

Deer Valley Unified School District

Tax Comparison 2024 to Projected 2025 (our FY26)

Parcel C	2024 Assessed Valuation	2024 Tax	2025 Assessed Valuation	2025 Tax	Difference
Primary	262,138		275,246		5.0%
		$ 857.06		$ 880.79	2.8%
Homeowner's Rebate		$ (428.53)		$ (440.39)	
Secondary	262,138		275,246		5.0%
		$ 583.57		$ 481.68	-17.5%
Total		$ 1,012.10		$ 922.07	-8.9%

Parcel D	2024 Assessed Valuation	2024 Tax	2025 Assessed Valuation	2025 Tax	Difference
Primary	393,296		412,961		5.0%
		$ 1,285.88		$ 1,321.48	2.8%
Homeowner's Rebate		$ (600.00)		$ (600.00)	
Secondary	393,296		412,961		5.0%
		$ 875.56		$ 722.68	-17.5%
Total		$ 1,561.44		$ 1,444.16	-7.5%

NOTE – includes an estimate of Homeowner's Rebate

Next Steps

- Approve the budget to be advertised 6/10/2025
- Advertise the budget at least 10 days prior to public hearing and adoption
- Adopt the budget 6/24/2025