



Tools for Strategic Analysis

A Financial Report January 2009

Del Mar Union School District

1. PROPERTY TAXES

- ☛ **32% of Unrestricted General Fund Revenues always at risk**
- ☛ **Current Undesignated Reserves are 20%**
- ☛ **RECOMMENDATION: Budget to lower level of income growth and increase undesignated reserves to 32%.**

2. STUDENT DEMOGRAPHICS

a. *Special Education*

- ☛ **Contribution to Special Education from Unrestricted General Fund is \$3 Million**
- ☛ **RECOMMENDATION: Investigate early intervention and other strategies to improve the program.**

b. *Special Education Transportation*

- ☛ **Contribution from Unrestricted General Fund of \$300,000**
- ☛ **RECOMMENDATION: Continue current cost savings methods.**

c. Special Education Preschool

- ☛ **Contribution from Unrestricted General Fund of \$600,000**
- ☛ **RECOMMENDATION: Investigate improved delivery models.**

d. Child Nutrition Program

- ☛ **Current Board Policy states that Child Nutrition Fund must be self-supporting**
- ☛ **No projected financial assistance from the Unrestricted General Fund**
- ☛ **RECOMMENDATION: Continue to evaluate future meal price increases as necessary for program to remain self-supporting.**

e. Title I

- ☉ **DMUSD is eligible for \$105,000 of Federal funding**
- ☉ **Compliance requirements would exceed funding**
- ☉ **Targeted students are being served by Assisted Learning Program at a cost of \$70,000 to the Unrestricted General Fund**
- ☉ **RECOMMENDATION: Continue current program.**

f. Economic Impact Aid

- ☉ **Current funding is sufficient to provide English Language Learner services**
- ☉ **RECOMMENDATION: Continue current program.**

3. INCOME GROWTH

- ☉ **Changes in property tax revenue due to changes in assessed valuation**
- ☉ **RECOMMENDATION: Continue to monitor property tax projections**
- ☉ **RECOMMENDATION: Budget conservative revenue increases in future years based on actual income.**

4. ENROLLMENT GROWTH

- ☉ **Enrollment is projected to increase until the year 2011**
- ☉ **Gradual decline of 50 students per year projected beginning in 2011**
- ☉ **RECOMMENDATION: Carefully monitor enrollment growth/decline trends. Adjust spending accordingly.**

5. GROWTH IN FACILITIES

- ☛ **No impact on General Fund revenues**
- ☛ **RECOMMENDATION: Continue to work with Community Facilities Districts.**

6. EMPLOYEE CONTRACTUAL OBLIGATIONS

- ☛ **Elements of DMCTA contract are estimated to be valued at \$4.9 Million**
- ☛ **RECOMMENDATION: District continue to operate within collective bargaining agreement parameters, work with DMCTA to review contract parameters to reduce financial impact.**

7. FINANCIAL SUPPORT/ SCHOOL COMMUNITY

- **Local donations support about 18% of Extended Studies Curriculum (ESC) Program**
- **ESC Program is estimated to cost between \$3 million and \$3.5 million**
- **District supports balance of the ESC Program with Unrestricted General Fund revenues**
- **RECOMMENDATION: Increase local donations and educe ESC Program to fit contractual obligations.**

8. CHANGE IN DISTRICT LEADERSHIP

- **No fiscal impact**
- **One of the Fiscal Indicators used to determine fiscal health of a district**
- **District should be aware of transitional changes that may occur in the process**
- **RECOMMENDATION: Provide support for new leadership. Develop Board/Administrative norms of operation.**

9. SMALL CLASS SIZES

a. Kindergarten – 3rd grades

- ☛ **Class Size Reduction program is underfunded by the State**
- ☛ **Students could be taught in classes of 30:1 ratio**
- ☛ **Cost of \$2.9 Million dollars to the Unrestricted General Fund to maintain 20:1 ratio.**
- ☛ **RECOMMENDATION: Study implications of 30:1 class sizes at K-3.**

b. 4th – 6th grades

- ☛ **No additional funding for grades 4-6**
- ☛ **Students could be taught in classes of 30:1 ratio**
- ☛ **Cost of \$600,000 dollars to the Unrestricted General Fund to maintain current 27:1 ratio.**
- ☛ **RECOMMENDATION: Study implications of 30:1 class sizes in 4-6.**

c. Class Size Reduction Option 1 in Kindergarten

- ☉ **Kinder students are currently being taught in 20:1 class size (Option 1)**
- ☉ **Kinder students may be taught in early/late configuration (Option 2)**
- ☉ **Cost to the District of \$590,000 in Unrestricted General Fund revenues to maintain Option 1**
- ☉ **RECOMMENDATION: Study implications of implementing Option 2 in Kindergarten.**

10. SMALL SCHOOLS

- ☉ **Small schools represent fixed costs of delivering educational services**
- ☉ **Fixed costs of staff at each site are \$1.6 million**
- ☉ **RECOMMENDATION: Investigate reconfiguring school sites/closing school sites.**

DEL MAR UNION SCHOOL DISTRICT
Summary of

"A TOOL FOR STRATEGIC ANALYSIS"

January 2009

Factor	Impact	Recommendations
1. PROPERTY TAXES	32% of Budget at risk, Current reserve of 20%	Budget at lower level of growth, increase reserve.
2. STUDENT DEMOGRAPHICS		
a. Special Education	Contribution from Unrestricted General Fund \$3 Million	Investigate Early Intervention and other strategies to improve the program.
b. Special Education Transportation	Contribution from Unrestricted General Fund \$300,000	Cost savings measures already in place.
c. Special Education Preschool	Contribution from Unrestricted General Fund \$600,000	Investigate improved delivery models.
d. Child Nutrition Program	Board Policy states must be self-supporting	Continue to evaluate meal prices.
e. Title I (Underachieving Students)	Unrestricted General Fund Revenues of \$70,000	Continue to provide services to targeted students in Alternative Learning Program.
f. Economic Impact Aid (English Language Learners)	Funding is sufficient to provide services	Continue current program.
3. INCOME GROWTH	Increase/Decrease in revenue due to assessed valuation changes	Budget conservative revenue increases in future years based on actual income.
4. ENROLLMENT GROWTH	Enrollment growth through 2011, gradual decline in future years	Monitor enrollment and adjust spending accordingly.
5. GROWTH IN FACILITIES	No impact to the General Fund	Continue to work with Community Facilities Districts
6. EMPLOYEE CONTRACT OBLIGATIONS	Estimated cost of \$4.9 million	Continue to work within collective bargaining agreement, work with DMCTA to review contract parameters to reduce financial impact.
7. FINANCIAL SUPPORT/SCHOOL COMMUNITY	Over 80% (About \$3 Million) of ESC program supported by Unrestricted General Fund Revenues	Increase local donations and reduce ESC program to fit contractual obligations.
8. CHANGE IN DISTRICT LEADERSHIP	No Fiscal Impact	Provide support for new leadership. Develop Board/Administrative norms of operation.
9. SMALL CLASS SIZE		
a. K-3	\$2.9 Million cost to Unrestricted General Fund	Study the implications of 30:1 class sizes in K-3.
b. 4-6	\$600,000 cost to Unrestricted General Fund	Study the implications of 30:1 class sizes in 4-6.
c. Class Size Reduction Option 1 in Kindergarten	\$590,000 cost to Unrestricted General Fund	Study implications of Option 2 CSR
10. SMALL SCHOOLS	\$1.6 Million for each site being operated by the District	Investigate reconfiguring school sites/closing school sites.