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02-24-03

11:28

From-Elko Co. School Dist.

775 738 5857

T-716 P.001/004 F-669

ELKO COUNTY SCHOOL DISTRICT



CENTRAL ADMINISTRATIVE OFFICE
DR. ALLEN R. BROWN, SUPERINTENDENT
TELEPHONE (775) 738-5196 * FAX (775) 738-5857
P.O. BOX 1012 * ELKO, NEVADA 89803

FAX MESSAGE

TO: Nevada Dept. of Education

ATTENTION: Doug Thunder

FROM: Dr. Brown

ELKO COUNTY SCHOOL DISTRICT
P.O. BOX 1012
ELKO, NEVADA 89803
TELEPHONE (775) 738-5196
FAX (775) 838-5857

RE: Testimony for 2-25-03

THIS FAX TRANSMISSION CONSISTS OF 4 PAGES INCLUDING THIS COVER SHEET.
ANY ADDITIONAL MESSAGE -

Doug - Hope this helps. A.B.

ELKO COUNTY SCHOOL DISTRICT**Office of the Superintendent****Dr. Allen R. Brown**

Telephone (775) 738-5196 * Fax (775) 738-5857

P.O. Box 1012 * Elko, Nevada 89803

MEMO

To: Doug Thunder
From: Dr. Brown
Date: February 24, 2003
Subject: DSA Legislation

I understand that there will be opportunity for testimony on February 25, 2003, concerning contemplated changes in the DSA. Due to several circumstances, we cannot attend this meeting; however, I would like to submit the following statement so that it might be entered into the record on this matter.

I would like to make the Committee aware of the effect the recommendation to change the "hold harmless" provision will have on the Elko County Schools. The change from a two year to a one year "hold harmless" will have a severe impact on our district at a time when we have very little equity with which to absorb a decrease of this magnitude.

As of now, the majority of school districts in Nevada are experiencing decreasing enrollments, therefore bringing into play "hold harmless." The Elko County School District is no different, and we have utilized the "hold harmless" provision for the past five fiscal years.

The change in the "hold harmless" provision that was made in the last legislative session positively impacted all rural districts to provide some insulation for rapidly increasing insurance and utility costs, as well as the staffing and program reductions most districts have been experiencing. Even under the current two year "hold harmless," the Elko County School District will recognize a \$1,113,961 decrease in Distributive School Account funds FY04. If the provision is changed to one year, the district will lose an *additional* \$763,887 in FY04 and \$640,332 in FY05.

With the estimated increase of \$600,000 for the PERS adjustment, \$1 million for increased health insurance premiums, \$500,000 for increased utility costs, increased fuel costs and salary roll-up, the additional decrease of \$763,887 would have a catastrophic effect on our school district.

The district has been fiscally responsible in previous years to reduce expenditures, while continuing to provide quality educational programs to all of our students. The enormity of this decrease would require us to seriously impact programs and opportunities for our children. The Elko County School District would greatly appreciate this Committee's recommendation to maintain the two year "hold harmless" provision for the benefit of all our students and staff.

If the Committee needs additional details, please feel free to contact my office at (775) 738-5196.

Thank you for your time.

Estimated DSA Funding
Decrease Comparison
2 Year to 1 Year Hold Harmless

Enrollment	FY02 Actual	FY03 Actual	FY04 2 Year Hold Harmless	FY04 1 Year Hold Harmless	FY05 2 Year Hold Harmless	FY05 1 Year Hold Harmless
Actual Weighted	9,473.4	9,317.6	?	9187(Estimated)	?	?
Weighted (Hold Harmless)	9,754.8	9,700.6	9,473.4	9,317.6	9,317.6	9,187.0
DSA Funding per Pupil amount	\$ 4,781	\$ 4,903	\$ 4,903	\$ 4,903	\$ 4,903	\$ 4,903
DSA Funding	\$ 46,637,699	\$ 47,562,042	\$ 46,448,080	\$ 45,684,193	\$ 45,684,193	\$ 45,043,861
Decrease in DSA Funding (using FY02 as base)		\$ 924,343	\$ (189,619)	\$ (953,506)	\$ (953,506)	\$ (1,593,838)

Total Loss of DSA Funding from FY02 through FY05 (using 2 year hold harmless) \$ (218,782)
Total Loss of DSA Funding from FY02 through FY05 (using 1 year hold harmless) \$ (1,623,001)

Using the current two year hold harmless provision and the FY03 unit funding the Elko County School District is anticipating a \$1,113,961 decrease in DSA funding for FY04. If the DSA calculation is changed to a one year hold harmless provision, the district will lose an additional \$763,887 in FY04 and \$640,332 in FY05.

- Assumptions are:
- 1.) Same DSA amount per student FY03 - FY05
 - 2.) No increase in student enrollment over 9/20/02 (count day)
 - 3.) All other revenues remain constant