

BDR 34-563

SB 397

LOCAL GOVERNMENT FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 27, 2015

Agency Submitting: Douglas County School District

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

Please refer to the attachments, Exhibit 1 BDR 34-563 DCSD & Exhibit 2 BDR 34-563 DCSD. Unless we are provided more guidance with regards to whether or not the total allocation of DSA monies will be increased or remain as existing with a reallocation based on special population weighting, the fiscal impact cannot be determined. However, an attached example shows the potential need for additional resources if additional funding would be available. I cannot determine the fiscal impact if only the existing funds were re-allocated as this would require knowledge of every district's special population numbers and ability to redistribute funds, but it would have substantial negative impact to DCSD.

Name HOLLY LUNA

Title CFO, BUSINESS SERVICES

Fiscal Note: BDR 34-563 Revisions to DSA formula

Explanation Provided by: Holly Luna

Expense Description	FY14-15	FY15-16	FY16-17
	<i>Fixed Costs</i>	<i>Fixed Costs</i>	<i>Fixed Costs</i>
Salaries - Certified			
Benefits - Certified			
Salaries - Classified			
Benefits - Classified			
Salaries - Other			
Benefits - Other			
Sub Total:	\$0	\$0	\$0
	<i>Non-Salary</i>	<i>Non-Salary</i>	<i>Non-Salary</i>
Training			
Supplies			
Fixed Asset(*Explain)			
Other (*Explain)			
Other (*Explain)			
Sub Total:	\$0	\$0	\$0
Total	\$0	\$0	\$0

*Explanation of additional Non-Salary Related Expenditure(s):

Please select YES or NO on the following:

- (1) Has Fiscal Impact: **Yes** ☐ No ☐ (If NO, skip #2)
- (2) Unfunded Mandate: **Yes** ☐ No ☐ POTENTIALLY
- (3) Ongoing Costs: **Yes** ☐ No ☐ (If NO, skip #4)
- (4) Estimated Annual Fiscal Costs beyond FY16/17: cannot be determined

Fiscal Note Explanation:

This BDR would substantially revise the DSA formula as we know it. I wholly support the allocation of funds with more funding supporting special populations, and appreciate the consideration of a new allocation methodology. However, if there are no additional funds contributed and the current State Obligation is merely redistributed based on existing funds, the impact would be heavily felt by the smaller, rural districts, potentially very devastating for many.

However, I have many more questions than I have answers. If implemented, is that the revisions will impact multiple funding sources, or will it [ESL, CSR, and the State Obligation Share of the DSA

as it currently exists]? Will there be a required methodology used to categorize students as I'm sure the intent is not to "double-dip" if a student falls into multiple classifications [e.g. ESL, FRL and SPED]? In other words, it's in the school district's best interest to receive the higher allotment. There is a limitation of 13% of total population with regards to submittal for Special Education Funding. However, what if our district is above that population? Will there be an ability to provide exceptions if certain criteria are met so as to not harm a district with a potentially significant higher population? What methodology of accounting will be used to ensure that Maintenance of Effort required by Federal Mandate is not negatively impacted, and that there is no supplanting occurring? Will there be Hold Harmless provisions with regards to the 4 year implementation? Is the intent to secure additional funds to provide for the increase costs of basic support guarantee for each student? If not, there will be significant impact to the district in that the basic guaranteed support for students without special classification will be redistributed to other districts with higher special populations and will significantly reduce the State Obligation to the district thus requiring us to continue to support the existing population of our district with far fewer dollars although some offset will help accommodate our growing needs in supporting our Special Education population.

Douglas County School District

example of fiscal impact based on revisions to DSA formula per BDR 34-563

Existing DSA Revenues:

	multiplier	FY14/15	REVISED FY14/15 based on weighted formula for est. special populations				
			4.9%	37.9%	15.7%	41.5%	100.0%
			ESL Sub Pop	FRL Sub Pop	SPED Pop	Regular	Total
A) Basic Support		\$ 5,941	1.5	1.5	2.0	1.0	
B1) Weighted Enrollment		5,883.9					
B2) Actual Enrollment			295	2,280	945	2,497	6,016
C) DSA (Basic Support Guarantee) [A*Bx]		\$ 34,956,250	\$ 2,626,968	\$ 20,318,790	\$ 11,222,692	\$ 14,832,538	\$ 49,000,988

(in this estimate, there is overlap between the three special populations; only for demonstration purposes)

Less: Local Funds

D) LSST (2.6%) ***This is set to expire 06/30/15	\$ (14,184,140)	\$ (14,184,140)
E) 25 cent property taxes	\$ (6,203,879)	\$ (6,203,879)
F) Initial Calculation of State Share [C - D - E]	\$ 14,568,231	\$ 28,612,969
G) Less Charter Schools Share of State Revenues	\$ (397,583)	\$ (397,583)
H) Projected State Obligation [F - G]	\$ 14,170,648	\$ 28,215,386
I) Current SPED Funding = 71.0 Units	\$ 3,056,268	\$ -
Total State Funding [H + I]	\$ 17,226,916	\$ 28,215,386

Differential in Add'l State Funding Required = \$ 10,988,470