

BDR 34-567

SB 302

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 30, 2015

Agency Submitting: Nevada Department of Education

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Personnel Expense and related cost (Expense)		\$51,310	\$64,752	\$135,261
MSA contractor (Expense)		\$76,125	\$76,125	\$152,250
IT costs (Expense)		\$424,431	\$397,824	\$822,255
Survey Cost (Expense)		\$47,500	\$47,500	\$95,000
DSA payment cost (Expense)		\$29,589,310	\$29,959,176	\$61,046,502
CPA audit cost (Expense)		\$5,159,925	\$5,159,925	\$10,319,850
Fee revenue-3% (Revenue)		\$915,133	\$926,572	\$1,888,036
Total	0	(\$34,433,468)	(\$34,778,730)	(\$70,683,082)

Explanation

(Use Additional Sheets of Attachments, if required)

BDR 34-567 creates a voucher system to pay for certain expenses for private school students, including tuition, fees, textbooks, online courses, payments to the NSHE prepaid tuition program, special education instruction and services costs, and fees to a financial management firm for management of the education savings account for students. The voucher system in sections 7, 8, 10, 11, 12 requires a number of duties for the Department of Education. These items include: creating an agreement form; approving private schools for participation in the voucher program; qualifying financial management firm(s), banks or banking institutions; creating accountability reports; taking action on improper use of funds; co-ordinate with a Certified Public Accountant to audit each account each year; reviewing grants to schools and requiring and tracking surety bonds necessary if the grant exceeds \$50,000; and conducting a survey of parents of students in the program. The program will require a new Management Analyst II at the Department to review applications, co-ordinate audits and the survey, and other duties required. The fiscal impact would include: personnel costs; a contract for the survey; fees for the CPA to audit the savings accounts annually; and IT costs to implement a new tracking system for the private school students in the program, which would require an MSA contract to complete the update and addition of the reporting and tracking requirements. Pursuant to Section 8 (2 & 5.), additional funding to the Distributive School Account would be required to pay for the additional private school students participating in the program. Costs are based on 25% of private school students participating in the program. Private school enrollment in FY 2015 is used as the base, with enrollment growth of 1.25% for each year.

Name Mindy Martini

Title Deputy, Business and Support

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Monday, March 30, 2015

The agency's response appears reasonable.

Name James R. Wells

Title Interim Director

BDR 34-567
Private School Vouchers
Nevada Department of Education
Fiscal Note

TOTAL STATE ENROLLMENT BY COUNTY-FY'15				Rates @ 90% of 2015					
County	Male	Female	Totals	LEA rate	LEA O/R rate	Cost of 75 % count	Cost of 50 % count	Cost of 25 % count	Cost of 10 % count
Carson City	209	249	458	6,637.00	1,001.75	2,361,518.12	1,574,345.41	787,172.71	314,869.08
Churchill	34	41	75	6,621.00	1,099.30	390,840.04	260,560.03	130,280.01	52,112.01
Clark	7,789	7,844	15,633	5,527.00	978.62	68,649,084.56	45,766,056.38	22,883,028.19	9,153,211.28
Douglas	80	96	176	5,941.00	2,469.28	999,141.16	666,094.11	333,047.05	133,218.82
Elko	31	26	57	6,707.00	1,301.15	308,113.46	205,408.97	102,704.49	41,081.79
Esmeralda	0	0	0	15,590.00	7,866.76	0.00	0.00	0.00	0.00
Eureka	0	0	0	5,653.00	26,219.73	0.00	0.00	0.00	0.00
Humboldt	0	0	0	5,738.00	2,268.53	0.00	0.00	0.00	0.00
Lander	0	0	0	3,955.00	6,086.32	0.00	0.00	0.00	0.00
Lincoln	0	0	0	10,369.00	1,469.45	0.00	0.00	0.00	0.00
Lyon	57	14	71	7,150.00	926.86	387,083.40	258,055.60	129,027.80	51,611.12
Mineral	0	0	0	9,561.00	1,644.35	0.00	0.00	0.00	0.00
Nye	73	71	144	7,104.00	1,457.96	832,222.46	554,814.97	277,407.49	110,962.99
Pershing	0	0	0	8,964.00	2,662.15	0.00	0.00	0.00	0.00
Storey	0	0	0	8,309.00	6,640.12	0.00	0.00	0.00	0.00
Washoe	1,892	1,729	3,621	5,582.00	1,150.55	16,455,531.71	10,970,354.47	5,485,177.24	2,194,070.89
White Pine	0	0	0	7,376.00	1,675.83	0.00	0.00	0.00	0.00
Totals	10,165	10,070	20,235			90,383,534.91	60,255,689.94	30,127,844.97	12,051,137.99

3% fee	2,711,506	1,807,671	903,835	361,534
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Management Analyst II costs

Grade 35-1	Costs-16	Costs-17	18 & '19
Salary and Benefits	47,021	63,969	133695.21
Operating costs	550	618	1236
Operating supplies	165	165	330
New furnishings	1990	0	0.00%
Computer software	330	0	0.00%
Computer hardware	1254	0	0.00%

Survey costs	\$	47,500
FY'18 & FY'19	\$	95,000
CPA saving account audit costs		
Hourly cost	\$	85
Time allotted		12
Caseload		5058.75
Total estimated cost	\$	5,159,925

Based on cost estimate of climate survey as provided by the GALLUP group, cost of Climate survey reduced by 50% due to lower # of participants

25% of PS students	FY'16	FY'17
1.25% student increase	30,504,443	30,885,749
Fee	915,133	926,572
Net effect on DSA	29,589,310	29,959,176

IT costs for implementation of Data requirements	FY'16	FY'17
Less MSA	424,431	397,824
See Exhibit 2 and 3 for breakdown and explanation	Future	822,255
MSA contractor	76125	76125

Caseload	5058.75	FY'18	FY'19
Total estimated cost	\$ 5,159,925	31,271,820	31,662,718
		938,155	949,882
	10,319,850	30,333,666	30,712,837

Total cost items	\$ 35,348,600.74	\$ 35,705,302.11
		\$ 72,571,119

Total Future Fees	1,888,036
Total Future DSA	61,046,502

Executive Agency Fiscal Note					
Scholarship Program Fiscal Impact Analysis					
	Summary of Expenses			FY2016	FY2017
	IT MSA Contract Expenditures			\$ 76,125	\$ 76,125
	IT Expenses			31,181	3,280
	Student Information System Expenses			51,750	53,044
	State Assessment Expenses			341,500	341,500
	TOTAL COST			\$ 500,556	\$ 473,949
Based on 23,000 Potential Students (5% total student population)					
Current Reported Private School Population = 20,235					
Category Type	Detailed Expenses	Cost per Item	Number of Personnel	Fiscal Year FY2016	Fiscal Year FY2017
Expense	MSA Contractor	\$76,125.00	1	76,125	76,125
Expense	Computer Server	\$13,501.00	1	13,501	-
Expense	VMWare software	\$8,000.00	1	8,000	-
Expense	VMWare software Maint	\$2,000.00	1	2,000	2,000
Expense	MS Server software	\$1,600.00	4	6,400	-
Expense	MS Server software Maint	\$320.00	4	1,280	1,280
Expense	Infinite Campus License (State)	\$2.00	5,000	10,000	10,250
Expense	Infinite Campus Hosting (State)	\$0.15	5,000	750	769
Expense	Infinite Campus License (local)	\$6.00	5,000	30,000	30,750
Expense	Infinite Campus Maint. (local)	\$1.20	5,000	6,000	6,150
Expense	Infinite Campus Hosting (local)	\$1.00	5,000	5,000	5,125
Expense	State Standardized Testing (SMARTER)	\$13.93	5,000	69,650	69,650
Expense	State End of Course Assessment	\$16.66	5,000	83,300	83,300
Expense	State College and Career Readiness	\$15.56	5,000	77,800	77,800
Expense	State Science Test	\$20.15	5,000	100,750	100,750
Expense	State Data Collection and Reporting	\$2.00	5,000	10,000	10,000
	Total Expenses			\$ 500,556	\$ 473,949

State of Nevada
BAV Line Items

3/25/15 2:44 PM

Budget Period: 2015-2017 Biennium (FY16-17)
Budget Account: 2720 NDE - DEPARTMENT SUPPORT SERVICES
Version: G01 GOVERNOR RECOMMENDS
Department: 30 DEPARTMENT OF EDUCATION
Division: 300 NDE - DEPARTMENT OF EDUCATION
Function: 020 EDUCATION
Sub-Function: 010 DEPARTMENT OF EDUCATION
Fund: 101 GENERAL FUND
Assigned Analyst: mccalla

DU	Grp	Catg	GL	Description	Actual	Work Pgm	Year 1	Year 2 Schedule
E227	000	00	2511	BALANCE FORWARD FROM PREVIOUS YEAR	0	0	0	-51,456 - None -
E227	000	01	5100	SALARIES	0	0	30,012	41,306 PAYROLL
E227	000	01	5200	WORKERS COMPENSATION	0	0	763	874 PAYROLL
E227	000	01	5300	RETIREMENT	0	0	8,403	11,566 PAYROLL
E227	000	01	5400	PERSONNEL ASSESSMENT	0	0	183	248 PAYROLL
E227	000	01	5500	GROUP INSURANCE	0	0	6,477	8,330 PAYROLL
E227	000	01	5700	PAYROLL ASSESSMENT	0	0	42	58 PAYROLL
E227	000	01	5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	666	934 PAYROLL
E227	000	01	5800	UNEMPLOYMENT COMPENSATION	0	0	39	54 PAYROLL
E227	000	01	5840	MEDICARE	0	0	436	599 PAYROLL
E227	000	04	7020	OPERATING SUPPLIES	0	0	165	165 - None -
E227	000	04	7050	EMPLOYEE BOND INSURANCE	0	0	1	1 PAYROLL
E227	000	04	7054	AG TORT CLAIM ASSESSMENT	0	0	116	116 PAYROLL
E227	000	04	7292	EITS VOICE MAIL	0	0	29	38 EITS
E227	000	04	7295	EITS STATE PHONE LINE	0	0	108	142 EITS
E227	000	04	7460	EQUIPMENT PURCHASES < \$1,000	0	0	146	0 EQUIPMENT
E227	000	05	8241	NEW FURNISHINGS <\$5,000 - A	0	0	1,990	0 EQUIPMENT
E227	000	26	7533	EITS EMAIL SERVICE	0	0	60	80 EITS
E227	000	26	7554	EITS INFRASTRUCTURE ASSESSMENT	0	0	133	138 PAYROLL
E227	000	26	7556	EITS SECURITY ASSESSMENT	0	0	103	103 PAYROLL
E227	000	26	7771	COMPUTER SOFTWARE <\$5,000 - A	0	0	330	0 EQUIPMENT
E227	000	26	8371	COMPUTER HARDWARE <\$5,000 - A	0	0	1,254	0 EQUIPMENT
E227	000	86	9178	RESERVE - BAL FWD TO SUBSEQUENT FY	0	0	-51,456	-116,208 - None -