

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 3, 2015

Agency Submitting: White Pine 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
(Revenue)		(\$1,797,262)	(\$1,797,262)	(\$3,594,524)
Total	0	(\$1,797,262)	(\$1,797,262)	(\$3,594,524)

Explanation

(Use Additional Sheets of Attachments, if required)

Apportioning 80% of basic support funding based on student population and allocating the remaining 20% through the Nevada Plan formula would cause significant changes and, in most cases, the consequences would be significantly adverse. In order to determine the potential impact, I applied the current proposed changes to FY2015 financial information. I used DSA spreadsheets provided by the Department of Education and added columns for the 80% proposal and the remaining 20% was apportioned based on the current funding formula. Based on my estimates, reallocating money based on the proposed changes would essentially shift \$40.5 million from 12 school districts to 5 districts. The major beneficiaries of the change would be Clark and Washoe. Clark would receive \$32.7 million more (2.35%) and Washoe \$6.3 million (2.26%). Three other counties would receive an increase of \$1.5 million collectively. Decreases in funding in the other 12 counties would range from a low of -3.40% (Douglas) to a high of -171.32% (Esmeralda). The average percent decrease would be approximately -47%. This means that on average 12 counties would realize a decrease in funding of -47% in order to provide Clark and Washoe with an increase between 2.26 to 2.35%. In White Pine's case, the District would lose approximately \$1,797,262 per year which is roughly 28.37% of its operating revenue (refer to attached). Limiting the percent of fund balance that could be carried forward would ultimately diminish the school districts ability to accumulate fund reserves locally to hedge for financial stress. This could leave school districts more vulnerable to significant short-term budget changes that would affect the value of education and services offered from year-to-year.

Name Paul Johnson

Title CFO

Carson City
Churchill
Clark
Douglas
Elko
Esmeralda
Eureka
Humboldt
Lander
Lincoln
Lyon
Mineral
Nye
Pershing
Storey
Washoe
White Pine

80%	\$	1,888,514,898
20%	\$	472,128,725

Total	<u>2,360,643,622.5</u>
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