

BDR 34-995 SB 462

LOCAL GOVERNMENT FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 3, 2015

Agency Submitting: Local Government

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)

See attached.

Name Michael Nakamoto

Title Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses
S.B. 462 / BDR 34 - 995

School District: Carson City School District Approved by: Andrew J Feuling, Director of Fiscal Services Comment: Does this include General Fund transfers to cover deficits out of Special Ed, Nutrition, and Class Size Reduction Funds, which essentially become General Fund monies being used to pay for students at the local sites but attributed to other funds? There needs to be much more defined language as to what is considered. The difference is huge.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: Clark County School District Approved by: Nicole Thorn, Deputy CFO Comment: Based on information from InS\$te reports related to all CCSD schools and the DSA and total local sources revenues calculated at 80%, CCSD more than exceeds the requirement already. Operationally to implement, if the bill proposal were to pass, would require additional staff if the process resembled "flex budgeting" as CCSD currently utilizes for a portion of its schools, although this process is currently manual. In order to move the remaining schools and automate the process would require five additional staff at a cost of \$380,211 annually which includes salary and benefits. It should be noted that although the 5% threshold for money distributed to a public school that is not expended is not an issue as a whole for CCSD, some schools do save for large dollar amount multi-year projects (usually two or three years)and that piece of the bill could be problematic.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$380,211	\$380,211	\$760,422

School District: Douglas County School District Approved by: HOLLY LUNA, CFO, BUSINESS SERVICES Comment: This BDR would devastate school districts that are small, and potentially hurt even the larger districts when there is declining enrollment and/or downturns in the economy when the State cannot fund its obligation or share of the DSA formula. The larger the school district, the more economies of scale occur, and thus the overhead of centralized functions can be spread across more schools and will drop below 20% of the proposed expenditures as noted in this BDR. My estimate for Douglas is that given today's enrollment, number of schools and current DSA funding, we are currently funding the schools at greater than 80% which is the requirement of section 1. However, this doesn't appear to have any relief valves should we close a school due to declining enrollment, and/or if the state reduced our DSA such as what happened during the Great Depression.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: Lincoln County School District

Approved by: Steve Hansen, Superintendent

Comment: The cost is in wasted dollars for frivolous spending. If money for Capital Projects that can't get finished by the end of a fiscal year because of construction delays beyond our control, is sent back then the projects would be partially completed without the roll over financial planning to complete the project because the only funding is for per pupil enrollment the next year. Being fiscally responsible and saving extra funds for roll over planning is extinguished. Inefficiency and frivolous spending will cost Lincoln 200,000 to 300,000 a year.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$300,000	\$200,000	\$200,000

School District: Lyon County School District

Approved by: Philip Cowee, Director of Finance

Comment: BDR 34-995 will have fiscal impacts to the district. Currently the district allocates money per student by grade level. All grade levels throughout the districts 17 schools are funded equally. Having the same allocation per student isn't realistic. A elementary student requires less resources than a high school student based on curricular, co-curricular, and extracurricular activities. A definition of allowable and non-allowable expenditures of per pupil would be necessary since all support functions of the district are to support students. With the current lack of adequate DSA and local revenue money to support current operations a carryover provision isn't necessary. It looks like additional state reporting will also be required with this BDR.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: Nye County School District

Approved by: Kerry Paniagua, Executive Secretary

Comment: Distribution of funds in this manner would impede Nye County School District. How would we fund district offices, transportation & maintenance? How would we provide services for rural areas in our district? Salaries & benefits account for 86% overall, and the cost for utilities would be another huge expenditure.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: **Pershing County School District**

Approved by: Dan Fox, Superintendent

Comment: This would certainly have a negative fiscal impact on the district, but it's impossible to estimate what it would be. Take for example, accumulating funds from year-to-year (carrying over) so as to make a "one-shot" purchase such as a bus(es) so as to avoid paying interest through an installment purchase. Additionally, this scenario would also apply to some maintenance repairs, such as repairing/replacing a leaking roof, under this the district would have to take out a loan and pay interest on it to make the necessary repairs.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: **Storey County School District**

Approved by: Robert Slaby, Superintendent

Comment: Limits carry -over of funds for large projects.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: **Washoe County School District**

Approved by: Lindsay E. Anderson, Director of Government Affairs

Comment: Washoe County School District cannot determine the fiscal impact of this legislation without additional information regarding the appropriation to the district.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

The following school districts did not provide a response: Churchill County School District, Elko County School District, Esmeralda County School District, Eureka County School District, Humboldt County School District, Lander County School District, and Mineral County School District.