

BDR S-900 AB 394(R1)

UNSOLICITED LOCAL GOVERNMENT FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: May 29, 2015

Agency Submitting: Clark 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
2 FTE's (Expense)		\$161,000	\$161,000	\$322,000
Creation of 5 precincts (Expense)		\$140,000,000	\$140,000,000	\$280,000,000
Transportation Operating Costs (Expense)		\$18,500,000	\$18,500,000	\$37,000,000
Bus Purchases (Expense)		\$8,400,000		
Total	0	\$167,061,000	\$158,661,000	\$317,322,000

Explanation

(Use Additional Sheets of Attachments, if required)

CCSD expects impact. Please see attached word document for further explanation.

Name Nikki Thorn

Title Deputy CFO

Part I: Study

Due to the scope of the study, CCSD expects a significant amount of information and data requests from the Deconsolidation Study Committee. CCSD feels it could absorb information requests by assigning them to various staff as a part of their regular duties. However, should AB 421, the SAGE Commission bill, pass as well as AB394, CCSD believes that current staff could not handle the anticipated workload of both committees during the same interim. Should both bills become law, CCSD would need to hire two budget and accounting professionals for these projects at a cost of \$161,000.

Part II: Implementation of Deconsolidation

The more significant fiscal impact that must be considered is the actual implementation of whatever decisions are made by the study committee. AB394 requires the district to be split up into no less than five precincts. While many assumptions are unknown, the underlying basis of this fiscal note contemplates new expenses associated with creating five precincts. Initially CCSD set out to determine the costs of the new departments that would be required to accommodate student learning in Clark County. While it is contemplated that some functions would remain the responsibility of a countywide district, the local precinct districts would still need to ensure compliance with state and federal law as well as provide certain services, such as:

- **Governing Bodies:** Each new district would have an elected Board of School Trustees and support staff to carry out its duties.
- **Superintendent's Office:** Each new district would have a superintendent, an executive assistant and other support staff.
- **Additional Central Office Services:** The following list is not inclusive but is considered a minimal list of services each precinct would be required to provide:
 - **Human Resources**
 - **Technology/Infrastructure**
 - **Curriculum Department**
 - **Special Education Services**
 - **Legal Office**
 - **Business and Finance**

The determination of these costs would be dependent upon many variables and would vary significantly depending on the underlying assumptions. Indeed, one of the fundamental responsibilities of a committee to study deconsolidation should be to evaluate options and create underlying the assumptions upon which true fiscal costs can be determined.

As a result, we have deployed another methodology to estimate the costs. CCSD has a student population of approximately 318,000. If divided into five districts, each district would be near the size of Washoe County School District's 63,000-student population. Using the data contained in the 2013 387.303 report, a comparison of student expenditures of WCSD multiplied by five and CCSD's student expenditures indicates **the creation of five precincts would increase costs by approximately \$140 million per year.**

County	Total Gen Fund and Spec Ed Expenditures per 2013 387.303 Report	Salary and Benefits	Operational	Property	Total Gen Fund and Spec Ed Expenditures (Excludes EFB, Reserves, & Transfers)
Washoe	\$515,768,877	\$384,399,039	\$37,682,187	\$3,052,987	\$425,134,213
Washoe x 5	\$2,578,844,385	\$1,921,995,195	\$188,410,935	\$15,264,935	\$2,125,671,065
Clark	\$2,363,964,467	\$1,747,288,192	\$225,933,857	\$12,397,685	\$1,985,619,734
Difference	\$214,879,918	\$174,707,003	(\$37,522,922)	\$2,867,250	\$140,051,331

Transportation

Although transportation costs are included in the chart above, the potential for a significant increase in costs is worth highlighting. Transportation efficiencies are achieved in CCSD through careful routing, scheduling and bus assignments to achieve maximum usage of busses and their drivers. Even when administered by a central office, five precincts utilizing the existing transportation system would negate many of the efficiencies achieved since the boundaries of the precincts and the varying bell schedules of each precinct would reduce the efficiencies we have achieved.

Based on a 25-mile radius of services, we estimate transportation costs would increase by approximately \$18.5 million per year (general education students increase of \$8,000,000, special education students increase of \$10,500,000); and would require the immediate purchase of approximately 60 new buses at a cost of \$8,400,000. This does not include the new transportation facilities that would be needed to house and service the additional vehicles.