

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 11, 2017

Agency Submitting: Nevada Department of Education

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Class Size Reduction Expansion (Expense)		\$16,412,501	\$17,352,285	\$37,648,893
.49 AAIH & .25 Auditor 2 (Expense)		\$49,289	\$56,739	\$113,478
Employee expenses (Expense)		\$8,313	\$4,398	\$8,796
General Fund (Revenue)		\$16,470,103	\$17,413,422	\$37,771,167
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

The effect of expanding CSR to non-district-sponsored charter schools for grades 1-3 is \$33.7 million over the biennium, as section 10 would require an appropriation for class-size reduction in charter schools, which wouldn't reduce the amount of money appropriated to school districts for class-size reduction.

Given that CSR plans, reporting, payments, and audits are not coordinated through the SPCSA, 17 additional separate charter submissions will be required for each such instance. NDE currently dedicates a .5 FTE position to CSR responsibilities for 17 school district entities. Doubling the number of entities for which reporting is required would double the required FTE equivalent. Additional audit staff time would similarly be required, exceeding available audit staff which is currently operating at capacity.

Specific responsibilities mandated by SB 249 are summarized below:

SB 249.2(1) requires that the Department perform an annual audit of CSR-related data, reporting, and plan implementation for all SPCSA-sponsored charter schools

SB 249.3 requires that the Department provide guidance, gather, and review quarterly CSR reporting from all SPCSA-sponsored charter schools

SB 249.7(1)(d) requires that the Department distribute CSR payments due to SPCSA-sponsored charter schools

SB 249.7(1)(a) requires that the Department monitor each CSR plan and review plans submitted to the State Board

Name Andrea McCalla

Title ASO III

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Tuesday, April 11, 2017

The agency's response appears reasonable.

Name Nikki Hovden

Title Executive Budget Officer

FISCAL NOTE: BDR 34-330		Projected Enrollment Growth	Grade				TOTAL CSR FUNDED TEACHERS	Projected Cost Inflation	Cost per Teacher (Salary + Benefits)	TOTAL PROJECTED COST
			K	1	2	3				
			Target Ratio*	16	16	16				
FY17	FY17 Student Count (Q2 Actual)		2,688	2,738	2,755	2,748	212		\$ 73,473	
	Required # Teachers @ Target Ratio		168	171	172	153				
	Current # Teachers (FY17 Actual)**		112	111	113	116				
	Total Additional Teachers Needed		56	60	59	37				
FY18	FY18 Student Count (Projected)	1.05%	2,716	2,767	2,784	2,777	219	2.00%	\$ 74,943	\$ 16,412,501
	Required # Teachers @ Target Ratio		170	173	174	154				
	Current # Teachers (FY17 Actual)**		112	111	113	116				
	Total Additional Teachers Needed		58	62	61	38				
FY19	FY19 Student Count (Projected)	1.25%	2,750	2,802	2,819	2,812	227	2.00%	\$ 76,442	\$ 17,352,285
	Required # Teachers @ Target Ratio		172	175	176	156				
	Current # Teachers (FY17 Actual)**		112	111	113	116				
	Total Additional Teachers Needed		60	64	63	40				
TOTAL PROJECTED COST OVER BIENNIUM (FY18-FY19)										\$ 33,764,785
FY20	FY18 Student Count (Projected)	1.25%	2,779	2,831	2,849	2,842	235	2.00%	\$ 77,971	\$ 18,323,096
	Required # Teachers @ Target Ratio		174	177	178	158				
	Current # Teachers (FY17 Actual)**		112	111	113	116				
	Total Additional Teachers Needed		62	66	65	42				
FY21	FY19 Student Count (Projected)	1.25%	2,814	2,866	2,885	2,878	243	2.00%	\$ 79,530	\$ 19,325,798
	Required # Teachers @ Target Ratio		176	179	180	160				
	Current # Teachers (FY17 Actual)**		112	111	113	116				
	Total Additional Teachers Needed		64	68	67	44				
TOTAL PROJECTED COST OVER BIENNIUM (FY20-FY21)										\$ 37,648,893

*Currently legislatively approved ratios are:

K 21:1
1 and 2 are 17:1
3rd 20:1

**All teacher counts are sourced from charter responses received by NDE during the week ending March 31, 2017, resulting in minor variances from previously reported Q2 FY17 CSR teacher counts.

Section A1: Line Item Detail by GL

Budget Account: 2719 NDE - DISTRICT SUPPORT SERVICES

Item No	Description	Actual 2015-2016	Work Program 2016-2017	W01 Year 1 2017-2018	W01 Year 2 2018-2019
E280	EDUCATED AND HEALTHY CITIZENRY				
	EXPENDITURE				
01	PERSONNEL SERVICES				
5100	SALARIES	0	0	28,253	32,658
5200	WORKERS COMPENSATION	0	0	670	774
5300	RETIREMENT	0	0	4,097	4,736
5400	PERSONNEL ASSESSMENT	0	0	170	196
5500	GROUP INSURANCE	0	0	14,684	16,782
5700	PAYROLL ASSESSMENT	0	0	39	46
5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	667	771
5800	UNEMPLOYMENT COMPENSATION	0	0	19	24
5840	MEDICARE	0	0	410	472
	TOTAL FOR CATEGORY 01	0	0	49,009	56,459
04	OPERATING				
7050	EMPLOYEE BOND INSURANCE	0	0	1	1
7054	AG TORT CLAIM ASSESSMENT	0	0	86	86
	TOTAL FOR CATEGORY 04	0	0	87	87
26	INFORMATION SERVICES				
7554	EITS INFRASTRUCTURE ASSESSMENT	0	0	114	114
7556	EITS SECURITY ASSESSMENT	0	0	79	79
	TOTAL FOR CATEGORY 26	0	0	193	193
	TOTAL EXPENDITURES FOR DECISION UNIT E280	0	0	49,289	56,739
	TOTAL REVENUES FOR BUDGET ACCOUNT 2719	0	0	0	0
	TOTAL EXPENDITURES FOR BUDGET ACCOUNT 2719	0	0	49,289	56,739

Rates

FTE Driven Costs			Year 1 Rate Per FTE	Year 2 Rate Per FTE
Category	Object Code	Description		
04	7050	Employee Bond	\$ 1.00	\$ 1.00
04	7054	AG Tort	\$ 115.00	\$ 116.00
26	7554	EITS Infrastructure Assessment	\$ 148.00	\$ 155.00
26	7556	EITS Security Assessment	\$ 97.00	\$ 107.00
Monthly Service Costs			Year 1 Rate Per Month	Year 2 Rate Per Month
Category	Object Code	Description		
26	7533	Email Service	\$ 3.48	\$ 3.82
26	7545	VPN	\$ 9.73	\$ 10.32

Category	Object Code	Description	Monthly Rate
04	7291	Cellular Phone	\$ 35.00
04	7292	Voice Mail	\$ 5.42
04	7295	State Phone Line	\$ 13.58

Category	Description	Annual Rate
04	7461 Telephone (Budgeted in Cat 04-Operating)	\$ 300.00
05	Secretarial Office Furniture 'Entire Unit'; Cubicle or desk credenza, chair, 4 drwr filing cabinet, wastebasket, bookcase, & workstation - all but Chiefs/Deputies/Administrators	\$ 1,990.00
26	8371 Laptop W/Operating System	\$ 1,575.00
26	8371 Laptop Docking Station	\$ 350.00
26	8371 2nd Computer Monitor - Desktop	\$ 144.00
26	8371 Surge Protector	\$ 24.00
26	7771 Microsoft Office Suite Pro	\$ 330.00

Costs for AA3	\$ 361.00	\$ 361.00
Costs for Audi	4,952.48 plus \$3,000 travel	\$ 7,952.48
		\$ 8,313.48