

BDR 23-843 SB 297

LOCAL GOVERNMENT FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 2, 2017

Agency Submitting: White Pine School District

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
PERS (Expense)		(\$121,395)	(\$121,395)	(\$242,790)
Total	0	(\$121,395)	(\$121,395)	(\$242,790)

Explanation

(Use Additional Sheets of Attachments, if required)

Refer to attachment

Name Paul Johnson

Title CFO

White Pine County School District
BDR 23-843 Fiscal Note
March 22, 2017

Reducing the current retirement benefit will adversely affect the District's ability to attract and retain teachers. This will make it increasingly difficult to fill vacant positions in an already shallow labor market. This means that more and more teaching positions are likely to be filled with substitute teachers.

Existing collective bargaining agreements guarantee that employees will not realize a decrease in compensation if there are changes to the public employee's retirement system. According to existing, mandated collective bargaining agreements, the District will pay the full PERS contribution for all eligible employees. Changes in PERS contributions mandated by the PERS shall not result in a salary schedule change. This affects all employees that share the PERS contribution. Certificated personnel would not be affected because the school district pays 100% of the PERS contribution for teachers and licensed personnel pursuant to NRS and collective bargaining.

In order to mitigate the impact of these changes, the District would have to negotiate completely separate salary schedules for each labor group for those employees hired after July 1, 2018 with the new PERS rate. In order to provide an estimate of the impact of this change, the District assumed an employee turnover ratio of 7% for all personnel. We compared the PERS rate and amount that the District would pay under the existing system (28%) with rate under the proposed system (6%) for the estimated number of new hires in FY2018. The table below attempts to provide an estimate of the difference between the PERS rates.

				PERS	New PERS	
<u>Employment Category</u>	<u># Ees</u>	<u>Ave. Wage</u>	<u>Total</u>	<u>28%</u>	<u>6%</u>	<u>Difference</u>
Certificated/Teachers	6	45,043.00	270,258.00	75,672.24	16,215.48	59,456.76
Support Staff	6	31,000.00	186,000.00	52,080.00	11,160.00	40,920.00
Admininstrator	1	95,538.00	95,538.00	26,750.64	5,732.28	21,018.36
Totals	13.00	171,581.00	551,796.00	154,502.88	33,107.76	121,395.12