BDR 34-993
AB 344

LOCAL GOVERNMENT

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 28, 2023

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Total	0	0	0	0

Explanation (Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Chief Principal 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
A.B. 344 / BDR 34 - 993

School District: **Carson City School District**
Approved by: Spencer Winward, Director of Fiscal Services
Comment: The proposed legislation will cause the revenues deducted from the State Education Fund to apply the NCEI cost adjustment factor to be applied back to the State Education fund to be allocated per pupil according to the PCFP. Carson City School district estimates an increase in revenue based on per pupil distribution using NCEI cost figures and estimated enrollment from NDE's PCFP Funding model.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	$0	$283,893	$298,228	$611,227

School District: **Churchill County School District**
Approved by: Dr. Summer E. Stephens, Superintendent
Comment: Will have an impact as it currently applies but cost cannot be determined at this time.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	$0	$0	$0	$0

School District: **Clark County School District**
Approved by: Steven Maiello, Coordinator IV
Comment: The exact amount of revenue reduction to the Clark County School District cannot be estimated at this time due to unknown factors related to the Pupil Centered Funding Plan model. However, the potential revenue reduction to CCSD in the 2023-2024 fiscal year could be $15 million, and $16 million in the 2024-2025 fiscal year. This is dependent on how this money is redistributed in the PCFP model will determine the exact reduction.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	$0	($15,000,000)	($16,000,000)	$0

School District: **Douglas County School District**
Approved by: Keith Lewis, Superintendent
Comment: We do not believe this will impact DCSD, or at least not significantly within the PCFP.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	$0	$0	$0	$0

School District: **Elko County School District**

Approved by: Julie Davis, CFO

Comment: FY22 and FY23 Nevada Cost of Education Index (NCEI) factor was 1.027, resulting in a NCEI adjustment of $1,841,573 per year. The projected factor for FY24 and FY25 is 1.00, meaning no adjustment for Elko CSD, or $1,841,573 less than FY22 and FY23.

If the floor of 1 is not maintained and if this trend continues, the District could find itself with an NCEI below 1, which could negatively effect PCFP revenues. If the NCEI factor is removed and the $19.2m is reallocated through the PCFP, this could be beneficial to many districts, including Elko CSD, when compared to FY24 and FY25.

If the amount is not reallocated through the PCFP and the NCEI index cannot go below 1 (or is removed), then revenues after this BDR would be similar to the projected FY24 and FY25 PCFP revenues.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	$0	$0	$0	$0

School District: **Humboldt County School District**

Approved by: Dr. David Jensen, Superintendent

Comment: Elimination of the cost adjustment factor would have a beneficial impact on our District's per-pupil funding in the 2024-26 biennium, based on the calculation of the Nevada Cost of Education Index (NCEI) included in the Governor's recommended budget. However, the cost adjustment factor can swing from one biennium to another and can vary greatly depending on the data sources used for the calculation.

The Commission on School Funding recommended eliminating the cost adjustment factor for cost of wages and living (NCEI). Therefore, in relation to that recommendation, because this bill implements that recommendation in law, there is no fiscal impact in that respect.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	$0	$0	$0	$0

School District: **Lincoln County School District**

Approved by: Pam Teel, Superintendent

Comment: Unclear on impact

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	$0	$0	$0	$0

School District: **Lyon County School District**
Approved by: Kyle Rodriguez, Fiscal Service Officer
Comment: The fiscal impact can not be determined, but a positive impact can be expected.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	$0	$0	$0	$0

School District: **Nye County School District**
Approved by: Kelly Wood, Executive Secretary
Comment: This could have a positive or negative fiscal impact in the amount of $1,000,000 - it is undeterminable.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	$0	$0	$0	$0

School District: **Pershing County School District**
Approved by: Russell D. Fecht, Superintendent
Comment: Any adjustment to the newly implemented funding formula would have a fiscal impact on PCSD however, I cannot determine the amount of fiscal impact this bill would have on PCSD at this time.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	$0	$0	$0	$0

School District: **Washoe County School District**
Approved by: Mark Mathers, Chief Financial Officer
Comment: Statewide, there is no fiscal impact for this bill, assuming any reallocation of the cost adjustment would be retained as part of base per-pupil funding.

Elimination of the cost adjustment factor would have a beneficial impact on our District's per-pupil funding in the 2024-26 biennium, based on the calculation of the Nevada Cost of Education Index (NCEI) included in the Governor's recommended budget. However, the cost adjustment factor can swing from one biennium to another and can vary greatly depending on the data sources used for the calculation.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	$0	$0	$0	$0

School District: **White Pine School District**

Approved by: Paul Johnson, Chief Financial Officer

Comment: I believe that the cost adjustment factor in this bill draft refers to the Nevada Cost of Education Index (NCEI) which is combination of a comparable wage index as well as nonwage components. If this factor is eliminated and the cost of the adjustment included in the base funding, then elimination would simply redistribute funds among the school districts. Based on this cost adjustment factor in the current biennium, our revenue would decrease slightly because our factor is greater than one. However, the current PCFP proposal provided has a factor of 1.00 so elimination of this factor would increase our estimated revenue for next year. The precise impact can not be determined until these factors are populated in the PCFP and a comparison provided with and without the factor.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	$0	$0	$0	$0

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