

**BDR 34-112**  
**SB 238**

LOCAL GOVERNMENT  
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 9, 2007

Agency Submitting: Local Government

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2006-07</b>	<b>Fiscal Year 2007-08</b>	<b>Fiscal Year 2008-09</b>	<b>Effect on Future Biennia</b>
Total				

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

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LOCAL GOVERNMENT RESPONSES  
SB 238 / BDR 34 - 112

	<b>Impact</b>	<b>FY 2007 - 08</b>	<b>FY 2008 - 09</b>	<b>Future Biennia</b>	<b>Comments</b>
Carson City School District					This Fiscal Note assumes the enabling Legislation for creating an empowerment school is subscribed the Board of Trustees for the district. A \$50,000 grant allocation for designing the program determines the revenue. The remaining \$280,000 is for a school with 600 students at \$550 per less the \$50,000 program startup and leadership team. The district would ensure the program is cost neutral. Therefore, the bill draft does have impact, but does not create unfunded mandates.
Churchill County School District					The passage of this would have a negative impact on education.
Clark County School District					Until more is known about the specifics of the State's proposals regarding Empowerment Schools, it is difficult to estimate a fiscal impact for this proposed bill.
Douglas County School District					The financial impact of this BDR is that by funding empowerment schools at the proposed \$42.5 million for FY 2008-09 is that the money is taken from the state General Fund and could be used to better alternative support to all schools. Add it to the increased DSA funding, and distribute. Instead, this BDR essentially eliminates Douglas County from benefiting at all from any of these funds due to the requirements of Section 15.

	<b>Impact</b>	<b>FY 2007 - 08</b>	<b>FY 2008 - 09</b>	<b>Future Biennia</b>	<b>Comments</b>
Elko County School District					Many of the provisions of this BDR will contradict current negotiated agreement language established through the collective bargaining process as specified by NRS 288. As a result, additional liability could result through the grievance of specific instances viewed by staff as unfair, not in compliance with negotiated agreements, or contradictory with the district policy ensuring a good faith effort to provide equal opportunities for all employees. This will impact the district with additional legal fees and the allocation of staff to prepare for these grievances.
Esmeralda County School District					At this time, we have no idea as to the benefit of the empowerment school program. Esmeralda County School District functions on this level currently due to its very small schools. We are unable to see how it would alter our current practices. The program appears to add an additional layer of bureaucracy to an already huge burden on small district administrative offices.
Eureka County School District	<b>Increase In Expense</b>	<b>\$100,000</b>	<b>\$120,000</b>	<b>\$240,000</b>	Because Eureka County School District does not typically receive DSA funding, it appears that state funding would cover little or no cost of changing to an empowerment school. It is hard to anticipate the cost of changing to an empowerment school; however, it does appear that the transition would involve significant start-up costs. The position that ECSD would probably take would be to evaluate the success of pilot empowerment schools to see if the change has significant benefits.

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Humboldt County School District					<p>The idea of empowerment schools is an interesting concept. However, smaller rural districts will face a myriad of difficulties to establishing such a process. As I look at the funds being allocated, as well as the entitlement of 1.6 million to Clark County, I think funds can be spent in a more effective manner. One huge issue we would have to address would be that of the association. The components of incentive, extending day, etc., are all negotiated items. In addition, allowing schools to receive funds in support of empowerment from a variety of sources will increase our auditing requirements and thus have a fiscal impact on our district. We would not be able to assert the degree of impact until such time that the audit occurred. We are not in support of entitlement as is outlined in this BDR.</p>
Lincoln County School District	<b>Increase In Expense</b>	<b>\$50,000</b>	<b>\$35,000</b>	<b>\$70,000</b>	<p>Expense # 1 - It would easily take \$25,000 to establish a district design team and produce the amount of work and product that would enable schools to develop an empowerment plan.</p> <p>Expense # 2 - My estimate of the cost of developing and establishing a school plan in Lincoln County School District would allow 2 schools to develop plans for the \$25,000 listed above. If more than 2 schools wished to develop a plan, the cost would go beyond my estimate. This expense is estimated to continue into future years based on the assumption that other schools might wish to develop and submit an empowerment plan.</p> <p>Expense # 3 - This estimate is beyond the 1.5 percent mentioned in the BDR. As schools implement empowerment plans, changes will result in increased demands on district level supports to enable those</p>

<p>Lincoln County School District (Cont.)</p>					<p>changes to take place. These costs may be exhibited in extra administrative time to address issues that arise because of empowerment decisions; they will certainly require extra fiscal management of expenses and contract related issues. A likely scenario that could occur would be an empowerment decision that is grieved by an employee organization that may result in a huge cost to the district. Other similar costs could easily double or triple my \$10,000 estimate.</p>
<p>Nye County School District</p>					<p>Page 3, section 1; 2 (e)  Any cost of altering bus schedules would need to be covered by the school making changes to their schedule. The extending of contracts of classified (hourly) staff and certified (teacher) staff along with principals and other administration would require a negotiation with union representation. What happens if unions say no?  Page 15, section 14  There is no mention of the other 15 million of the 60 million that was available for the 1/5th retirement credit for teacher incentive.  Page 17, 6(c)  The I.F.C. selects at least one empowerment school from each school district that submits an application. It should be the first school on the school district's list of approved schools.  Page 18, section 15;8(b)  A district retaining not more than 1.5 percent of the grant for the maintaining of its empowerment school is not adequate. Rather 5 percent would be a more reasonable portion associated with the cost of maintaining.</p>

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Pershing County School District					Insufficient information to give an estimate of revenue increase for an empowerment school. However, if any of the schools were to receive an increase of \$550 per student, the elementary school's budget would increase by \$190,850; middle school by \$88,550; and/or high school by \$149,600.
Washoe County School District	<b>Net In Expense</b>	<b>\$70,000</b>	<b>\$120,000</b>	<b>\$240,000</b>	The fiscal impact is positive. The fiscal impact is difficult to determine as it is unknown how many empowerment schools will begin in Washoe County. A director of empowerment schools would be required as the designee of the superintendent the first year as part of the design team. In addition, thereafter to assist the schools, monitor their progress and ensure compliance with federal and state regulation.
White Pine County School District	<b>Increase In Expense</b>	<b>\$500</b>	<b>\$500</b>	<b>\$1,000</b>	White Pine County Schools have been operating as empowerment schools for several years now. If this bill passes it would have a negligible impact on existing operations. The only increase in costs would be additional paperwork and labor to document the process for communication and approval from the Department of Education.

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