

BDR 34-191
AB 137

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 15, 2011

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title 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
AB137 / BDR 34 - 191

<p>City/County: Clark County School District Approved by: James McIntosh, Deputy CFO Comment: CCSD currently has 48 elementary schools, 25 middle schools, and 16 high schools that would meet the "needs improvement" criterion in this bill. Based on these figures it is estimated that the loss in funds to the district to provide breakfast at these schools, less any reimbursement for free and reduced involvement, would be approximately \$4.1 million annually.</p>				
Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
Has Impact	\$4,100,000	\$4,100,000	\$4,100,000	\$8,200,000

<p>City/County: Douglas County School District Approved by: Holly Luna, CFO, Business Services Comment: Please see attached word document for detailed explanation.</p>				
Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

<p>City/County: Elko County School District Approved by: Jeff Zander, Superintendent Comment: BDR 34-191 will have a fiscal impact, resulting from the necessity to compensate finance staff and advisory committee members for the additional work required to satisfy an additional layer of bureaucracy. All of this information is currently being presented and discussed at School Board meetings, as required by NAC. Current statutes provide for a public, open process to develop and present school district budgets, and the related financial information. This oversight should remain with the elected local school board members.</p>				
Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

<p>City/County: Esmeralda County School District Approved by: Robert Aumaugher, Superintendent Comment: Esmeralda County School District currently operates a breakfast program for all students. There would be no additional financial impact for this portion of the proposed legislation. However, without specific knowledge of the new reporting requirements, it appears that there would be additional administrative expenses involved. More administrative expense equals money taken away from classrooms assisting students.</p>				
Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **Humboldt County School District**

Approved by: Dr. David Jensen, Assistant Superintendent

Comment: Cost analysis is based on additional time required to provide a breakfast program. Costs are factored at specific hourly rates for current employees, plus associated benefits. Each site is factored at plus one hour over a 180 day contract year.

An analysis of food costs to revenue shows a positive cash flow of \$901.80 annually.

Total anticipated cost is factored at \$46,820 over the biennium. The district would be required to offset General Fund transfers in support of Food Service to support this implementation. Given Humboldt's annual transfer of \$200,000 annually to support a non-self sustaining program, this becomes problematic during times of fiscal reductions.

A request to add expense while considering revenue reductions is not logical. Please do not support this BDR.

Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
Has Impact	\$0	(\$23,051)	(\$23,770)	(\$46,820)

City/County: **Lincoln County School District**

Approved by: Nykki L. Holton, Superintendent

Comment: The above dollar amounts are for food only. No salary cost has been added in. We already provide Breakfast in the Classroom at all of our schools so we wouldn't notice a difference in the impact. The reporting would probably be the same unless they required duplicate reporting. I don't see this BDR making much difference to us!

Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
Has Impact	\$60,000	\$65,000	\$70,000	\$75,000

City/County: **Mineral County School District**

Approved by: Stephen Summerbell, Finance Director

Comment: Expense to make a reporting mechanism applicable. Also person to gather and track the data. More expense to serve and prepare along with duties to monitor commodities and food items.

Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **Nye County School District**

Approved by: William E. Roberts, Superintendent

Comment: No fiscal impact. All 3 Needs Improvement schools serve breakfast & lunch. NCSD doesn't participate in breakfast after the bell or other special programs. For the most part, principals dictate when & how long students have meals. Only NCSD schools that do not serve meals are Duckwater & Pathways.

Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **Pershing County School District**

Approved by: Dan Fox, Supt.

Comment: There would be minimal financial impact to the district, since all schools currently participate in a breakfast program. However, the additional reporting requirements would certainly have an impact on staff.

Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **Storey County School District**

Approved by: Robert Slaby, Superintendent

Comment: Huge Impact. We currently lose about \$15,000/year on the food program. Breakfast about \$5000/year. This expansion would triple these losses

before we hired additional serving staff, food supervisor, increased custodial, etc. We would never recover this cost from an increase in federal funds. We are just too small. Poor timing with all the other budget cuts.

Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **Washoe County School District**

Approved by: Bryn Lapenta, Senior Director

Comment: For the school reporting, the avg. daily rate of a principal was used and it was estimated the reporting would take about 70 hours to collect the data and prepare the report. Multiply that by our schools INOI 3+ and the cost would be: \$91,980.00

For the district reporting, the hours used were 30 each for 8 schools.

Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
Has Impact	\$103,980	\$103,980	\$103,980	\$207,960

City/County: **White Pine County School District**

Approved by: Paul Johnson, CFO

Comment: Approximately one third of our nutrition program operation is subsidized by the General Fund. Currently, the District does not provide nutrition program services to the smaller, outlying communities of Baker and Lund due to budget constraints. Should this bill pass and these schools qualify as "in need of improvement" for three or more years, breakfast services would have to be expanded. The Lund and Baker programs are expected to realize operating deficits of \$6,902 and \$8,803 respectively. These deficits would be covered by transfers from the General Fund. This would increase operating expenditures by \$15,705 per year or \$31,410 per biennium (excluding inflation).

Impact	FY 2010-11	FY 2011-12	FY 2012-13	Future Biennia
Has Impact	\$0	\$15,705	\$15,705	\$31,410

The following cities/counties did not provide a response: Carson City School District, Churchill County School District, Eureka County School District, Lander County School District, and Lyon County School District.

DESCRIPTION OF FISCAL EFFECT

BDR/Bill/Amendment Number: 34-191
Name of Agency: Douglas County School District
Division/Department: Business Services
Date: 2-14-2011

Section 1.

#1 DCSD does not currently have any school designated as “needs improvement” therefore any bill requirements would *be at least three years in the future*.

Mandating “breakfast after the bell” in this section provides for service in the cafeteria, mobile cart, or classroom. With no school above a free/reduced price meal eligibility above 80% of enrollment, breakfast service in the cafeteria and bringing food to the classroom would have the least fiscal impact. Increased staff time needed would be likely but the number of hours would depend on number meals served. If hours increased such that an employee would meet employment limits for receiving benefits, the cost of providing service would increase dramatically. Estimate this would be needed at 8 schools for a total monthly increased cost of approximately \$900 per month, per school and approximately \$350 per month, per school at the remaining 3 schools.

Estimated additional expense: \$8200/month

#2,3, 4 Cost of additional paperwork and reporting unknown but anticipate increased cost associated with the requirement.

Section 4.

#1 Requires participation increases of 15% per year until a 100% participation rate is achieved. This section does not stipulate any association of the participation requirement with free and reduced price eligibility as a percentage of enrollment.

This section essentially requires that **all** parents and their children who do not qualify for free or reduced price meals participate in the National School Breakfast Program and therefore must purchase a breakfast daily at school. Clearly the question of legality of this requirement should be considered.

Cost to parents per child enrolled at the school who are not eligible for free or reduced price meals: **\$270 per year per child** (using current price of “full paid” breakfast meal)

Cost to parents per child enrolled at the school who are eligible for reduced price breakfast: **\$54 per year** (at \$.30/breakfast meal)

*If all students, including those not eligible for free/reduced price meals, were required to purchase breakfast meals at DCSD: **Estimated net revenue per month: \$70,000***

ALTERNATIVE:

If all breakfast meals at DCSD were to be provided without charge regardless of FRL eligibility daily to all students:

Approximate total cost per month: \$9380