

**LOCAL GOVERNMENT**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 21, 2023

Agency Submitting: Local Government

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2022-23</b>	<b>Fiscal Year 2023-24</b>	<b>Fiscal Year 2024-25</b>	<b>Effect on Future Biennia</b>
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  
**S.B. 231 / BDR S - 508**

<p><b>School District: Carson City School District</b>          Approved by: Spencer Winward, Director of Fiscal Services          Comment: Carson City School District cannot determine the fiscal impact of the proposed legislation. Although funding is provided for the initial disbursement of salaries, the proposed language doesn't offer enough clarification for us to determine the extent of additional costs. Potentials costs could be additional benefit costs including to cover PERS contributions not mentioned in the bill. Depending on interpretation, the increase in salary could be determined to be PERS-compensable. The increase in salary may also be subject to bargaining which could make the increase permanent which would have increased costs beyond the initial funding amount. Being subject to bargaining may also create increases to other classifications or employee groups not specifically mentioned in the bill or create discord within a bargaining group that will take time and costs to resolve. Without additional clarification, the fiscal impact cannot be determined.</p>				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

<p><b>School District: Churchill County School District</b>          Approved by: Dr. Summer E. Stephens, Superintendent          Comment: This bill would create a salary matching program for certain positions within school districts. The precise match is dependent on a number of factors, which have yet to be decided. Under this proposed program, the amount from the State (received as revenues to the District) would be offset by the cost of additional salaries (additional costs) and thus, in that respect, there is no net fiscal impact.</p> <p>A potential impact could occur if NVPERS determined that additional salaries covered under this bill were PERS-compensable. The bill does not appear to provide for any reimbursement to districts for any benefits associated with the additional salaries (e.g., Medicare, PERS). If NVPERS determined that these are salary increases, this would constitute compensation upon which contributions would be required. NRS 286.025 refers to the monthly rate of pay as reportable compensation. Thus, even if this compensation is not currently set to go beyond the next biennium, this could be considered to be an increase to the rate of pay and would require PERS contributions. Statewide, the potential PERS cost for school districts could be as much as \$83.75 million (\$250 million in salaries x 33.50% PERS rate for FY24-FY25).</p>				
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: Dillon kay, Director II - Budget

Comment: The potential fiscal impact cannot be determined due to the number of unknowns at this time. However, if this one-time funding is utilized for one-time incentives (bonuses) for the select group of employees, there will be no fiscal impact. However, if this one-time funding is utilized for recurring salary increases, then there will be a significant impact in year two of the biennium and future bienniums due to ongoing salary, PERS, and other benefit costs for which there is no dedicated funding.

<b>Impact</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Elko County School District**

Approved by: Julie Davis, CFO

Comment: The District currently has approximately 1,130 full time employees. It is important to note that the expenses listed above are not the full effect of the wage increase. Special Education is listed above, however, there are other funds that the General Fund funds via transfers if expenditures exceeded revenues in those funds. Assuming other revenue streams won't increase to fund a 15% wage increase, that would fall to the General Fund. The last PCFP document provided showed a 15% increase in funding totaling \$13,381,322 in base PCFP allocation in FY24. Assuming this is final revenue, with new curriculum purchases, unfunded bus purchases and high inflation, the full 15% wage increase may not be funded.

<b>Impact</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Future Biennia</b>
Has Impact	\$0	\$14,857,753	\$15,600,642	\$33,580,380

School District: **Humboldt County School District**

Approved by: Dr. David Jensen, Superintendent

Comment: This bill would create a salary matching program for certain positions within school districts. The precise match is dependent on a number of factors, which have yet to be decided. Under this proposed program, the amount from the State (received as revenues to the District) would be offset by the cost of additional salaries (additional costs) and thus, in that respect, there is no net fiscal impact.

A potential impact could occur if NVPERS determined that additional salaries covered under this bill were PERS-compensable. The bill does not appear to provide for any reimbursement to districts for any benefits associated with the additional salaries (e.g., Medicare, PERS). If NVPERS determined that these are salary increases, this would constitute compensation upon which contributions would be required. NRS 286.025 refers to the monthly rate of pay as reportable compensation. Thus, even if this compensation is not currently set to go beyond the next biennium, this could be considered to be an increase to the rate of pay and would require PERS contributions. Statewide, the potential PERS cost for school districts could be as much as \$83.75 million (\$250 million in salaries x 33.50% PERS rate for FY24-FY25).

<b>Impact</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Lincoln County School District**

Approved by: Pam Teel, Superintendent

Comment: Would increase budget for an increase in educators pay, cannot determine amount of increase.

<b>Impact</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

School District: **Lyon County School District**

Approved by: Kyle Rodriguez, Fiscal Services Officer

Comment: Fiscal impact can not be determined but a negative fiscal impact can be expected. With this funding being additional to the already negotiated salary increases, there are concerns regarding this fiscal sustainability for future biennia after these monies have been spent.

<b>Impact</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Nye County School District**

Approved by: Kelly Wood, Executive Secretary

Comment: This could have a huge fiscal impact on our district. The amount is undeterminable because there is no information of how this would be sustained in the future years.

<b>Impact</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

School District: **Pershing County School District**

Approved by: Russell D. Fecht, Superintendent

Comment: This bill would create a salary matching program for certain positions within school districts. The precise match is dependent on a number of factors, which have yet to be decided. Under this proposed program, the amount from the State (received as revenues to the District) would be offset by the cost of additional salaries (additional costs) and thus, in that respect, there is no net fiscal impact.

A potential impact could occur if NVPERS determined that additional salaries covered under this bill were PERS-compensable. The bill does not appear to provide for any reimbursement to districts for any benefits associated with the additional salaries (e.g., Medicare, PERS). If NVPERS determined that these are salary increases, this would constitute compensation upon which contributions would be required. NRS 286.025 refers to the monthly rate of pay as reportable compensation. Thus, even if this compensation is not currently set to go beyond the next biennium, this could be considered to be an increase to the rate of pay and would require PERS contributions. Statewide, the potential PERS cost for school districts could be as much as \$83.75 million (\$250 million in salaries x 33.50% PERS rate for FY24-FY25).

<b>Impact</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

School District: **Washoe County School District**

Approved by: Mark Mathers, Chief Financial Officer

Comment: This bill would create a salary matching program for certain positions within school districts. The precise match is dependent on a number of factors, which have yet to be decided. Under this proposed program, the amount from the State (received as revenues to the District) would be offset by the cost of additional salaries (additional costs) and thus, in that respect, there is no net fiscal impact.

A potential impact could occur if NVPERS determined that additional salaries covered under this bill were PERS-compensable. The bill does not appear to provide for any reimbursement to districts for any benefits associated with the additional salaries (e.g., Medicare, PERS). If NVPERS determined that these are salary increases, this would constitute compensation upon which contributions would be required. NRS 286.025 refers to the monthly rate of pay as reportable compensation. Thus, even if this compensation is not currently set to go beyond the next biennium, this could be considered to be an increase to the rate of pay and would require PERS contributions. Statewide, the potential PERS cost for school districts could be as much as \$83.75 million (\$250 million in salaries x 33.50% PERS rate for FY24-FY25).

<b>Impact</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **White Pine School District**

Approved by: Paul Johnson, Chief Financial Officer

Comment: This bill would create a salary matching program for certain positions within school districts. The precise match is dependent on a number of factors, which have yet to be decided. Under this proposed program, the amount from the State (received as revenues to the District) would be offset by the cost of additional salaries but may not cover payroll related costs such as PERS (29.75%), Medicare (1.45%) and workers compensation (2.75%). The total of these payroll costs is approximately 33.95%. If the wage increase is considered a bonus and exempt from PERS, payroll costs would be reduced to approximately 4.20%. Compensation is subject to mandatory collective bargaining pursuant to NRS 288.150 so it is unclear how this will affect collective bargaining or whether it will be exempt from collective bargaining. If the \$250 million is considered a restricted grant fund for the specific purposes of matching a wage increase as a one-time appropriation and passed through to the employees in the form of a bonus, then this would not create an ongoing expenditure that school districts would have to fund beyond the life of the appropriation. However, if the matching funds are considered a wage increase, this would create ongoing expenditure that would continue beyond the appropriation. The amount that school districts would incur in future biennia would depend on the factors identified in the bill that are yet to be determined. Also, if the wage increase is considered a salary increase instead of a bonus, this would affect collective bargaining in the association of classroom teachers and the support staff organization. Separate salary schedules would have to be created for those employees that qualified for the incentive and those that did not. At this point the impact can not be determined until the factors in the bill are identified.

<b>Impact</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

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