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# Humboldt County School District

310 E. 4th STREET, WINNEMUCCA, NEVADA 89445-2831  
TELEPHONE (775) 623-8100 FAX (775) 623-8102

CHARLOTTE A. PETERSEN  
Superintendent

HARVEY J. ESTES  
Assistant Superintendent

February 28, 2003

Dear State Legislator:

As a member of our state legislature you will have an opportunity to vote on whether or not school districts move from the current two year hold harmless program or the Governor's proposed one year hold harmless program for the distributive school account (DSA). As a Superintendent of Humboldt County School District and one of the district's who is currently on hold harmless and will be severely impacted by this bill, I would like to acquaint you with the significance of the impact of moving from two years to one year hold harmless for Humboldt County School District.

To give you some of Humboldt County School District's background, we reached a peak in 1998 of 4,286 students. Our current enrollment is 3451. Over a four and one-half period Humboldt County School District has lost one-fifth of its population, for a total of 835 students. When I became superintendent in July of 2000, I assessed our financial standing, looking both at revenues and at expenditures. In the spring of my first year I made a recommendation to the Board of Trustees to decrease our staff by approximately 14%. This included reducing our administrators from 19 to 14. The Board and I also moved to put two one-room schools on inactive status because of lack of numbers. The impact of those reductions allowed us to finish fiscal year 2001-02 with a good ending fund balance. Our hope was the ending fund balance and a conservative approach to expenditures would enable Humboldt County School District to get through the next two years without doing a further reduction in staff, while our enrollment begin to stabilize.

For FY03 Humboldt County School District is experiencing a \$765,469 drop in DSA compared to funding compared to FY01-02. In order to project our losses over the biennium, we have prepared a spreadsheet showing the loss of DSA funding each year under both a one year and a two year hold harmless scenario using our current DSA dollar allotment per student. We have had to estimate the impact on FY05 for the one year hold harmless using our January student enrollment converted to the appropriate weighted enrollment figures. As you look at the spreadsheet you will see that the two year hold harmless means a \$1,643,908 loss of revenues for Humboldt County in FY04 over FY02 DSA revenues. If the legislature approves the one year hold harmless, that will increase to a \$2,178,948 loss of revenues for Humboldt County School District. In FY05 the two year hold harmless would mean a reduction of \$2,178,948 in DSA revenues over FY02. A one year hold harmless will mean a minimum of a \$2,438,685 loss of DSA revenues compared to FY02.

ASSEMBLY WAYS AND MEANS

DATE: 3-3-03 ROOM: 3137 EXHIBIT H

SUBMITTED BY: Charlotte Petersen

H-1062

In short, Humboldt County will experience a \$4,588,324 loss in DSA revenues over a three year period compared to, at least, a \$5,383,102 loss if the one year hold harmless is passed. The Governor has calculated that moving from a two year to a one year hold harmless will save the state approximately \$4,000,000 per year. Humboldt County's portion of that on a yearly basis is approximately \$535,000 for FY04 and with an estimated \$260,000 additional loss for FY05.

When one considers the impact of a gain of \$535,000 to a large county such as Clark County, Clark would only see a \$2 increase per student in revenues. However, that \$535,000 loss in revenue will mean a severe impact to Humboldt County School District students, staff and the community in which we live. I believe that Humboldt County School District has taken strong steps to reduce our expenditures, while providing a quality educational program to our youth. If the legislature makes the move from two year to one year hold harmless, the impact on our students, our communities, and our county will be severe; causing us to cut many vital programs and further reduce the opportunities for our children. I strongly urge that the legislature consider retaining the two year hold harmless as each county school district who is in declining enrollment takes the necessary steps to decrease expenditures, while maintaining quality programs that having a two year grace period allows us.

I would greatly appreciate your support in maintaining the two year hold harmless for the benefit of all rural students in the State of Nevada. The loss of revenues to rural counties has a tremendously negative impact on our students. The gain of those revenues to other school districts, such as Clark County, is relatively insignificant.

If you have any questions about our concerns or the spreadsheet please feel free to give me a call at (775) 623-8103.

Sincerely,



Charlotte A. Petersen  
Superintendent

CAP/pw