

BDR 34-1082
AB 459

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 11, 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. 459 / BDR 34 - 1082

School District: Carson City School District

Approved by: Spencer Winward, Director of Fiscal Services

Comment: Carson City School District will see a significant negative fiscal impact from this proposed legislation. The removal of language from paragraphs (a) and (b) of section 1, with the addition of final language, "whichever is less" makes the law read that the transfer will always be the lesser of the two methods of calculation. For this upcoming fiscal year, the projected growth from the economic forum is roughly 22%. The combined rate of inflation (6% roughly) and estimated enrollment growth (.1%) will generate an increase of .6 %, effectively zero. This would put Carson City School District back into Hold Harmless with no revenue increase at all. The proposed legislation is undoing the advances made in SB 543. Since this act is effective on passage and approval, we would not expect to see any revenue in FY23 and FY 24 even though the amounts listed above are in the final revenue projections of the PCFP.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	\$0	(\$10,700,000)	(\$13,100,000)	\$0

School District: Clark County School District

Approved by: Steven Maiello, Coordinator IV

Comment: AB 459 would change law to only require the Governor's proposed budget to increase K-12 funding by the lesser of the Economic Forum's projected growth rate for State General Fund revenues or the combined rate of inflation and enrollment growth. Under the current law, the State's portion of K-12 funding provided under the Pupil Centered Funding Plan is supposed to increase consistent with the Economic Forum's projected growth rate for State General Fund revenues in years in which General Fund revenues increase.

Secondly, the bill deletes requirements regarding weighted funding and base per-pupil funding in SB543. Thus, there is no protection to prevent reductions in weighted funding, and the bill allows the State to not follow the "waterfall" of funding in the PCFP. The State could thus recommend different weighted funding or adjusted base funding. The impact of these changes in any given year could be a reduction to school districts of hundreds of millions of dollars.

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

School District: **Douglas County School District**

Approved by: Keith Lewis, Superintendent

Comment: DCSD does not know the impact of this bill, as we don't know what the future will hold for state funding. Our fiscal concern is the maintenance of funding to ensure we don't see drastic shifts year to year which creates unstable situations for staffing. This bill could have either a positive or negative impact.

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

School District: **Lincoln County School District**

Approved by: Pam Teel, Superintendent

Comment: Cannot determine exact cost but if education fund is diverted could have large impact on already unfunded system

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: **Lyon County School District**

Approved by: Kyle Rodriguez, Fiscal Services Officer

Comment: Fiscal Impact cannot be determined, however a positive impact can be assumed.

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 is undeterminable the way it is written.

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 Fecht, Superintendent

Comment: Amount of fiscal impact is unknown.

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: SB 459 would change law to only require the Governor's proposed budget to increase K-12 funding by the lesser of the Economic Forum's projected growth rate for State General Fund revenues or the combined rate of inflation and enrollment growth. Under the current law, the State's portion of K-12 funding provided under the Pupil Centered Funding Plan is supposed to increase consistent with the Economic Forum's projected growth rate for State General Fund revenues in years in which General Fund revenues increase.

Secondly, the bill deletes requirements regarding weighted funding and base per-pupil funding in SB543. Thus, there is no protection to prevent reductions in weighted funding, and the bill allows the State to not follow the "waterfall" of funding in the PCFP. The State could thus recommend different weighted funding or adjusted base funding.

The impact of these changes in any given year could be a reduction to school districts of hundreds of millions of dollars.

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

School District: **White Pine School District**

Approved by: Paul Johnson, Chief Financial Officer

Comment: Existing law guarantees the State Education Fund will receive an increase equal to the revenue growth rate if it is higher than inflation and enrollment growth. AB459 would change this to the lesser of the revenue growth rate or the combined rate of inflation and enrollment growth. This could effectively reduce future revenue in the event revenue growth outpaces inflation plus enrollment growth but this impact cannot be determined at this time. Existing law requires a proposed statewide base and multiplier for categorical student populations (English learners, at-risk and gifted and talented student). which are part of the pupil-centered funding plan (PCFP). Funding for these categories are derivatives of base funding multiplied by a program weight (i.e. multiplier). In other words, funding for the categories is tied to the base. Section three would no longer require this connection and programs could be funded without this correlation which could jeopardize the integrity of the formula and the relationship between base funding and weighted categories. The impact of these changes cannot be determined at this time however.

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: Churchill County School District, Elko County School District, Esmeralda County School District, Eureka County School District, Humboldt County School District, Lander County School District, Mineral County School District, and Storey County School District.