


BUDGET CHALLENGES FOR THE 2015-2016 SCHOOL YEAR

Emergency Board Meeting

August 13th, 2015

OVERVIEW OF BUDGET ISSUES

- ▶ Stagnant DSA Funding
 - ▶ No Access to other additional funds
 - ▶ Increased Contributions in PERS
 - ▶ Increased Health Care Costs
 - ▶ The Need to Make Necessary Salary Adjustments
 - ▶ Full-Day Kindergarten funding model for next 2 years
 - ▶ Change from “Count Day” to “Average Daily Enrollment”
- 

FY 2015

Mod 12 revised

Special Ed \$
Unit \$ ▶ 42,745 Per SB522

Additional Q1,
3rd month

SCHOOL DISTRICTS	DO R	FY 2015	HOLD HARMLESS: Audited Weighted Enrollment for PRIOR YEAR, unless 5% loss or greater	BASIC SUPPORT RATE Per SB522 - Revised	FYI: OUTSIDE REVENUE (For Charter School support)	GROSS (Per Pupil) Basic support Calculation (BEFORE deductions)	Special Education Units	Special Education Total	TOTAL PER PUPIL AND SPECIAL EDUCATION BASIC SUPPORT (Gross Amount)		CHARTER SCHOOL (Weighted) ENROLLED FROM THIS DISTRICT
		TOTAL WEIGHTED APPORTIONMENT ENROLLMENT FOR SY 2014-2015									
1 Carson City	CC	7,327.0	7,273.6	\$ 6,637	1,002.13	\$ 48,629,299	81.0	3,462,345	52,091,644	7,779.20	452.2
2 Churchill	CH	3,363.2	3,582.2	\$ 6,621	1,099.30	\$ 23,717,746	47.0	2,009,015	25,726,761	3,775.60	412.4
3 Clark	CL	307,112.4	303,447.2	\$ 5,527	978.65	\$ 1,697,410,21,934.	82,668,83	0	1,780,079,065	329,511.40	22,399.0

DSA FUNDING- 2014-2015

FY 2016									
		FY 2016							
SCHOOL DISTRICTS	DOR	TOTAL WEIGHTED APPORTIONMENT ENROLLMENT FOR SY 2014-2015	HOLD HARMLESS: Weighted Enrollment for PRIOR YEAR, if 5% loss or greater-added after count day	BASIC SUPPORT RATE Per SB515	FYI: OUTSIDE REVENUE (For Charter School support)	GROSS (Per Pupil) Basic support Calculation (BEFORE deductions)	Total Enrollment by district including Charters	CHARTER SCHOOL (Weighted) ENROLLED FROM THIS DISTRICT	
Carson City	CC	7,326.6		\$ 6,908	1,013.61	\$ 50,612,153	7,778.80	452.2	
Churchill	CH	3,363.2		\$ 6,720	1,098.47	\$ 22,600,704	3,775.60	412.4	
Clark	CL	307,112.4		\$ 5,512	1,007.73	\$ 1,692,803,540	329,606.8	22,494.4	

DSA FUNDING INITIALLY SENT OUT- JULY 30TH-SHOWING A MINOR INCREASE IN FUNDING

FY 2016

SCHOOL DISTRICTS	DOR	FY 2016	HOLD HARMLESS: Weighted Enrollment for PRIOR YEAR, if 5% loss or greater-added after count day	BASIC SUPPORT RATE Per SB515	FYI: OUTSIDE REVENUE (For Charter School support)	GROSS (Per Pupil) Basic support Calculation (BEFORE deductions)	Total Enrollment by district including Charters	CHARTER SCHOOL (Weighted) ENROLLED FROM THIS DISTRICT
		TOTAL WEIGHTED APPORTIONMENT ENROLLMENT FOR SY 2014-2015						
1 Carson City	CC	7,326.6		\$ 6,908	\$ 1,013.74	50,612,153	7,777.80	451.2
2 Churchill	CH	3,363.2		\$ 6,720	\$ 1,060.82	22,600,704	3,909.60	546.4
3 Clark	CL	307,112.4		\$ 5,512	\$ 993.59	1,692,803,549	334,296.40	27,184.0

FINAL DSA FUNDING- SENT OUT JULY 31ST-
 SHOWING THAT 2015-2016 FUNDING WILL
 BE AT THE SAME AMOUNT AS 2014-2015

DSA FUNDING REMAINING STAGNANT DUE TO INCREASES IN GRANT FUNDING, SOME OF WHICH CHARTER SCHOOLS CANNOT ACCESS

The 2015 legislative session saw significant changes in school funding, which included transitioning some funds from the Distributive School Account per pupil funding to a Grant based model. However, many of these grant based programs are limited to school districts. Funds which charter schools cannot access include:

- ▶ Class-Size reduction funding in Grades 1-3 (SB 515, Sec. 15)
- ▶ Building Funds for Modular Buildings to support Full-Day Kindergarten (SB 515, Sec. 31)
- ▶ Teacher Recruitment Bonuses (SB 515, Sec. 33)

- ▶ Depending upon their employer, public employees may have a choice of contribution plans: (1) employee/employer joint contributory plan; or (2) employer pay plan. The majority of employees are under the employer pay plan. Under either plan, employees pay one-half of the contributions towards their retirement.
- ▶ Between July 1, 2011, and July 1, 2013, the contribution rate under the employee/employer plan increased from 12.25 percent to 13.25 percent from each, while the rate for the employer pay plan increased from 23.75 percent to 25.75 percent.
- ▶ <http://www.rgj.com/story/news/politics/2014/04/27/growing-cost-pers-raises-worries/8214213/>

PERS CONTRIBUTION RATES INCREASE AGAIN IN 2015, FROM 25.75 TO 28 PERCENT. THIS INCREASE WAS ALREADY INCLUDED IN PRIOR BOARD APPROVED BUDGETS.

	Health Plan of Nevada Current 9/1/14 - 9/1/15	Sierra Health & Life Current 9/1/14 - 9/1/15		Health Plan of Nevada Renewal 9/1/15 - 9/1/16	Sierra Health & Life Renewal 9/1/15 - 9/1/16	
Plan Type	Soluutuions HMO 30 LG	Sol PPO 35/500/80% LG		Solutions HMO 30 LG	Sol PPO 35/500/80% LG	
	In Network	In Network	Out of Network	In Network	In Network	Out of Network

CONDITIONS AND LIMITATIONS

Lifetime Maximum Benefit - Per Person	Unlimited	Unlimited		Unlimited	Unlimited	
Pre-Existing Conditions & Limitations	None	None		None	None	

DEDUCTIBLE & OUT-OF-POCKET EXPENSES

Individual Deductible	N/A	\$500	\$1,000	N/A	\$500	\$1,000
Family Deductible	N/A	\$1,000	\$2,000	N/A	\$1,000	\$2,000
Out-of-Pocket Maximum Individual	\$6,250	\$3,500	\$7,000	\$6,250	\$3,500	\$7,000
Out-of-Pocket Maximum Family	\$12,500	\$7,000	\$14,000	\$12,500	\$7,000	\$14,000
Coinsurance after Deductible	N/A	20%	50%	N/A	20%	50%

PROFESSIONAL SERVICES

Preventive Care Services	Covered 100%	Covered 100%	50% after ded	Covered 100%	Covered 100%	50% after ded
Primary Care Physician (PCP)	\$30	\$35	50% after ded	\$30	\$35	50% after ded
Specialist	\$60	\$50	50% after ded	\$60	\$50	50% after ded
Routine Lab & X-Ray	\$15 / \$25	\$20 / \$40	50% after ded	\$15 / \$25	\$20 / \$40	50% after ded

INPATIENT SERVICES

Medical & Surgical Admissions	\$400 per day up to \$1200 Max	20% after ded	50% after ded	\$400 per day up to \$1200 Max	20% after ded	50% after ded
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OUTPATIENT SERVICES

Surgical Services (Out)	\$350	20% after ded	50% after ded	\$350	20% after ded	50% after ded
Emergency Room	\$300 Copay	\$150 + 20%		\$300 Copay	\$150 + 20%	
Urgent Care	\$35	\$35	50% after ded	\$35	\$35	50% after ded

MISCELLANEOUS SERVICES

Prescription Benefit	\$15 / \$40 / \$60	\$15 / \$40 / \$60		\$15 / \$40 / \$60	\$15 / \$40 / \$60	
Maternity Care	Included	Included		Included	Included	

Cost Breakdown

Type	Monthly Premium	Number	Monthly Premium	Number	Monthly Premium	Number	Monthly Premium	Number
Employee Only	\$296.15	152	\$400.92	67	\$316.88	152	\$428.98	67
Employee + Spouse	\$592.30	23	\$801.84	13	\$633.76	23	\$857.97	13
Employee + Child(ren)	\$562.69	39	\$761.76	18	\$602.08	39	\$815.08	18
Employee + Family	\$947.68	36	\$1,282.95	6	\$1,014.02	36	\$1,372.76	6
Total Enrollees	250		104		250		104	

EMPLOYEE
BENEFITS -
7 PERCENT
INCREASE
IN COST OF
PREMIUM

Academica

Coverage	Carrier Rate	Employer Monthly	Employee Monthly	Total	Semi Monthly EE per paycheck total	Employer Contribution
Medical HMO	HPN	HPN	HPN			
EE Only	\$296.15	\$296.15	\$0.00	\$296.15	\$0.00	\$332.00
EE + Spouse	\$592.30	\$445.30	\$147.00	\$592.30	\$73.50	\$480.00
EE + Child(ren)	\$562.69	\$440.69	\$122.00	\$562.69	\$61.00	\$475.00
Family	\$947.68	\$590.68	\$357.00	\$947.68	\$178.50	\$625.00
Medical 500 PPO	SHL	SHL	SHL			
EE Only	\$400.92	\$297.92	\$103.00	\$400.92	\$51.50	\$332.00
EE + Spouse	\$801.84	\$445.84	\$356.00	\$801.84	\$178.00	\$480.00
EE + Child(ren)	\$761.76	\$440.76	\$321.00	\$761.76	\$160.50	\$475.00
Family	\$1,282.95	\$590.95	\$692.00	\$1,282.95	\$346.00	\$625.00
Dental	UHC	UHC	UHC			
EE Only	\$29.75	\$29.75	\$0.00	\$29.75	\$0.00	
EE + Spouse	\$59.51	\$29.75	\$29.76	\$59.51	\$14.88	
EE + Child(ren)	\$70.15	\$29.75	\$40.40	\$70.15	\$20.20	
Family	\$105.30	\$29.75	\$75.55	\$105.30	\$37.78	
Vision	UHC	UHC	UHC			
EE Only	\$5.22	\$5.22	\$0.00	\$5.22	\$0.00	
EE + Spouse	\$9.90	\$5.22	\$4.68	\$9.90	\$2.34	
EE + Child(ren)	\$11.61	\$5.22	\$6.39	\$11.61	\$3.20	
Family	\$16.33	\$5.22	\$11.11	\$16.33	\$5.56	
Life AD&D	UHC	UHC	UHC			100%
EE Only	\$2.00	\$2.00	\$0.00	\$2.00	\$0.00	

NECESSARY SALARY ADJUSTMENTS

- ▶ Our pay for performance salary plan calls for increases in pay to be budgeted based upon increases in funding. This year, there is no increase in funding.
- ▶ Returning First Year Teachers were originally hired at \$35,250 per year, while Teachers new to our system this year were offered \$35,500 in order to stay ahead of the starting salary and bonuses being offered by CCSD to new teachers.
- ▶ Returning Teachers Should not make less than new hires.
- ▶ Consistency in raises across all teachers is necessary for employee moral.
- ▶ The lack of an increase in pay mixed with increased benefits costs would amount to a pay decrease to many employees.

TRANSITION TO STATE FUNDED FULL-DAY KINDERGARTEN

- ▶ SB 515, Sec. 30 provides that “sums must be allocated to the school districts and charter schools for a full-day kindergarten program... The sums allocated by subsection 1 must be distributed by the Department of Education to the school districts and charter schools that elect to provide full-day kindergarten. In no event is a school district or charter school required to provide full-day kindergarten.”
- ▶ We were required to report to the State on or before July 21, 2015 whether we would be providing any full-day kindergarten classes.
- ▶ On July 24th we were informed that since we were operating full-day kindergarten, we would receive state funding for those students for this year and next year.
- ▶ On July 27th we were provided the funding model for full-day kindergarten, and learned that FDK funding for 2015-2016 and 2017-2018 is only 60% of regular student funding plus \$28,266 more per classroom (estimated half of a teacher salary).
- ▶ This results in a funding deficit of \$36,794 from a typical classroom, and a funding deficit of \$49,359 per classroom from the tuition based program which was budgeted.

TRANSITION TO STATE FUNDED FULL-DAY KINDERGARTEN

- ▶ A Principal's meeting was held on August 3rd and a plan was developed to present to the Board. The plan called for adding students to other grade levels to account for lost revenues at the Kindergarten level.
- ▶ On August 6th we learned that additional funding would be available through the Class-Size Reduction program that would reduce the funding deficit by \$226,120.
- ▶ On August 7th we were provided final and corrected funding figures with FDK and Class Size Reduction estimates.
- ▶ On August 11th we confirmed, telephonically with both the DOE and DAG, that no partial tuition could be charged to FDK families-providing the final piece of information necessary to finalize budgets and enrollment plans for Board Review and Approval.

Prior Year and Original Budget

	NLV	Sky Pointe	Lone Mtn	Losee	Stephanie	System wide
	2015-2016	2015-2016	2015-2016	2015-2016	2015-2016	2015-2016
DSA Gross Value	\$ 6,506	\$ 6,506	\$ 6,506.00	\$ 6,506.00	\$ 6,506.00	\$ 6,506.00
Student Teacher Ratio K 1/2 Day(25:1)	50	100	50	50	50	300
Student Teacher Ratio K Full Day(25:1)	75	25	50	75	50	275

Half day kinder DSA revenue (60%)	195,180	390,360	195,180	195,180	195,180	1,171,080
Full day kinder DSA revenue (60%)	292,770	97,590	195,180	292,770	195,180	1,073,490
Kinder Tuition (\$345 per month @ 9 months)	232,875	77,625	155,250	232,875	155,250	853,875
Total Kinder Revenue	720,825	565,575	545,610	720,825	545,610	3,098,445

New Kinder Budget

	NLV	Sky Pointe	Lone Mtn	Losee	Stephanie	System wide
	2015-2016	2015-2016	2015-2016	2015-2016	2015-2016	2015-2016
DSA Gross Value	\$ 6,506	\$ 6,506	\$ 6,506.00	\$ 6,506.00	\$ 6,506.00	\$ 6,506.00
Assumed Kinder teacher salary 1/2 (\$56,530)	\$ 28,265	\$ 28,265	\$ 28,265	\$ 28,265	\$ 28,265	\$ 28,265
Class reduction	\$ 45,224	\$ 45,224	\$ 45,224	\$ 45,224	\$ 45,224	\$ 226,120
Student Teacher Ratio K 1/2 Day(25:1)	50	100	50	50	50	300
Student Teacher Ratio K Full Day(25:1)	75	25	50	75	50	275

Half day kinder DSA revenue (60%)	195,180	390,360	195,180	195,180	195,180	1,171,080
Full day kinder DSA revenue (60%)	292,770	97,590	195,180	292,770	195,180	1,073,490
1/2 Teacher salary (\$28,265) x # of full day classes	84,795	28,265	56,530	84,795	56,530	310,915
Kinder class reduction	\$ 45,224	\$ 45,224	\$ 45,224	\$ 45,224	\$ 45,224	226,120
Total Kinder Revenue	617,969	561,439	492,114	617,969	492,114	2,781,605

Difference in Kinder Funding

(102,856) (4,136) (53,496) (102,856) (53,496) (316,840)

KINDERGARTEN FUNDING

AFFECT ON OVERALL BUDGET SURPLUS

Board approved budget								
	North Las Vegas	Sky Pointe Elem.	Sky Pointe Mid/ High	Lone Mountain	Losee (Elem)	Losee (Middle/High)	Stephanie	Toal
<i>Surplus (Revenues-Total Expenses-Lease-Bond)</i>	\$ 322,474.41	\$ 30,279.66	\$ 87,082.66	\$ 72,594.50	\$ 119,183.10	\$ 221,856.78	\$94,815.44	\$ 756,586.55
	4.3%	0.7%	1.5%	1.5%	2.6%	5.6%	1.8%	1.7%
Budget as it is now without any change to enrollment								
	North Las Vegas	Sky Pointe Elem.	Sky Pointe Mid/ High	Lone Mountain	Losee (Elem)	Losee (Middle/High)	Stephanie	Toal
<i>Surplus (Revenues-Total Expenses-Lease-Bond)</i>	\$ 263,984.64	\$ (6,433.96)	\$ 68,059.76	\$ 16,832.73	\$ 22,840.20	\$ 216,738.39	\$46,203.24	\$ 529,428.60
	3.6%	-0.1%	1.2%	0.4%	0.5%	5.5%	0.9%	1.5%

- ▶ Student Counts were previously done once each year on “Count Day,” and students absent that day could be counted as enrolled if proof of attendance could be provided.
- ▶ Student Counts will now be completed on an “average daily enrollment,” with the number adjusted each quarter.
- ▶ When a student stops attending, and then later announces he is withdrawing, or when a student never shows up at the beginning of the year, the student’s withdrawal date is the last date of attendance.
- ▶ The result is that these gaps in enrollment will now cost the school revenues every day a seat sits empty. The cost will be approximately \$36.14 per day any available seat is not filled with an enrolled student.
- ▶ It is anticipated that enrollment rates, which have traditionally been within 1% of targets, will drop this year. Registrars are being trained to fill all seats immediately to minimize the affect of this new policy. Nevertheless, any enrollment allowance (budgeting at 95% of full enrollment) built into budgets should be preserved until the full effect of this new policy is known.

CHANGE IN ENROLLMENT COUNTS

Clark County School District says no to pay raises



By NEAL MORTON

LAS VEGAS REVIEW-JOURNAL

The approximately 40,000 employees who work for the Clark County School District will receive no pay raises in the upcoming school year as the district attempts to fill a \$67 million budget deficit.

Jim McIntosh, the district's chief financial officer, on Monday announced the decision to eliminate any salary increases in order to save \$32.3 million.

[Increasing class sizes in grades four and above](#), cutting administrative budgets, transportation costs and other measures should help the district balance its \$3.7 billion budget for the 2015-16 school year.

At a special school board meeting to approve an amended budget, Trustee Erin Cranor expressed "indignation" on behalf of the employees who now must stomach a salary freeze after the Nevada Legislature dropped the district's per pupil funding by \$15 to \$5,512 in the upcoming school year.

McIntosh estimated that decline will cost the district about \$4.7 million.

...

Fellow board member Chris Garvey questioned what impact the lack of salary increases will have on the district's recruitment efforts.

CCSD teachers rally over pay, flood School Board meeting

By [Ian Whitaker \(contact\)](#)

Thursday, July 16, 2015 | 6:30 p.m.

...

Deborah Whitt, chairwoman of the English department at Spring Valley High School, said the district was “in desperate need of progressive change.”

“When the district itself doesn’t want to honor or respect the commitment we as educators are willing to make,” she said. “It becomes more and more difficult to honor this idea of excellence.”

Staci Maxwell a 15-year veteran of CCSD teaching at Hummel Elementary, said she turned down a job at a charter school because they couldn’t give her a competitive salary, only to hear that the district would not be giving her the scheduled raise for her progress in pursuing a master’s degree.

“I was so upset I couldn’t see straight,” she said. “How could a school district publish a salary schedule, recruit teachers by using that salary schedule, and then say ‘never mind.’”

PROPOSED SOLUTION TO BUDGET SHORTFALL

- ▶ It is proposed that we increase total enrollment by 46 students across all 5 campuses to increase revenues by \$299,276 to provide a 1.9% budgeted surplus.
- ▶ It is proposed that we then allocate .4% of that surplus to Necessary Salary Adjustments, an average of \$750.00 per returning employee. This would create a final budgeted surplus of 1.5%.
- ▶ It is proposed that the additional 46 students be allocated to each of the 5 elementary school campuses, by allowing the Principals to either (1) increase 3rd, 4th or 5th grades to 26 students per class, or (2) increase 5th grade classes to 27 students per class. The Principals may make this decision based upon considerations such as staffing, student waitlists, and classroom size and availability.
- ▶ It is proposed that these changes be phased out as soon as practicable in future years as these students roll into the middle school grades, which already have an average class size of 30. (See final page of this presentation for funding changes in future years which will hopefully allow for a rollback of 3rd, 4th and 5th grade class sizes.)

NEW REVISED FINAL BUDGET SURPLUS

Budget as it is now without any change to enrollment								
	North Las Vegas	Sky Pointe Elem.	Sky Pointe Mid/ High	Lone Mountain	Losee (Elem)	Losee (Middle/High)	Stephanie	Toal
<i>Surplus (Revenues-Total Expenses-Lease-Bond)</i>	\$ 263,984.64	\$ (6,433.96)	\$ 68,059.76	\$ 16,832.73	\$ 22,840.20	\$ 216,738.39	\$46,203.24	\$ 529,428.60
	3.6%	-0.1%	1.2%	0.4%	0.5%	5.5%	0.9%	1.5%
Budget with 46 students added								
	North Las Vegas	Sky Pointe Elem.	Sky Pointe Mid/ High	Lone Mountain	Losee (Elem)	Losee (Middle/High)	Stephanie	Toal
<i>Surplus (Revenues-Total Expenses-Lease-Bond)</i>	\$ 319,962.68	\$ 49,467.43	\$ 68,059.76	\$ 62,169.51	\$ 78,804.09	\$ 216,758.20	\$88,526.97	\$ 679,048.64
	4.3%	1.1%	1.2%	1.3%	1.7%	5.5%	1.6%	1.9%
						Necessary Salary Adjustments		\$138,750
						Remaining Surplus After NSA		\$ 540,298.64
				\$ -				1.50%

FUNDING IMPROVEMENTS IN FUTURE YEARS WHICH SHOULD PERMIT THE ROLLBACK OF ANY ENROLLMENT INCREASES

- ▶ SB 515, Section 2 - Projects that the State portion of the DSA for the 2016-2017 school year will increase from \$5512 to \$5573.
- ▶ Special Education Units (which are assigned to the SPCSA and then distributed to Charter Schools on a per pupil basis) are increasing from \$45,455 in 2015-2016 to \$55,141 in 2016-2017.
- ▶ SB 508 Revises the entire Distributive School Account funding model, with the intention of providing a significant increase in funding for English Language Learner and Special Education students, while maintaining funding levels for all other students.
- ▶ Full-Day Kindergarten funding increases from \$75,073,244 statewide in the current fiscal year to \$96,381,674 in the 2016-2017 fiscal year, which will hopefully translate to better overall funding.
- ▶ Full-Day Kindergarten is expected to transition to a 1.0 DSA Model in the 2017-2018 School Year.