



INFORMATION
RELATED TO THE
ALLOCATION OF
UNRESTRICTED
FUNDS TO
SCHOOLS
AND
SCHOOL
CARRYFORWARD
FUNDS

State Board of Education

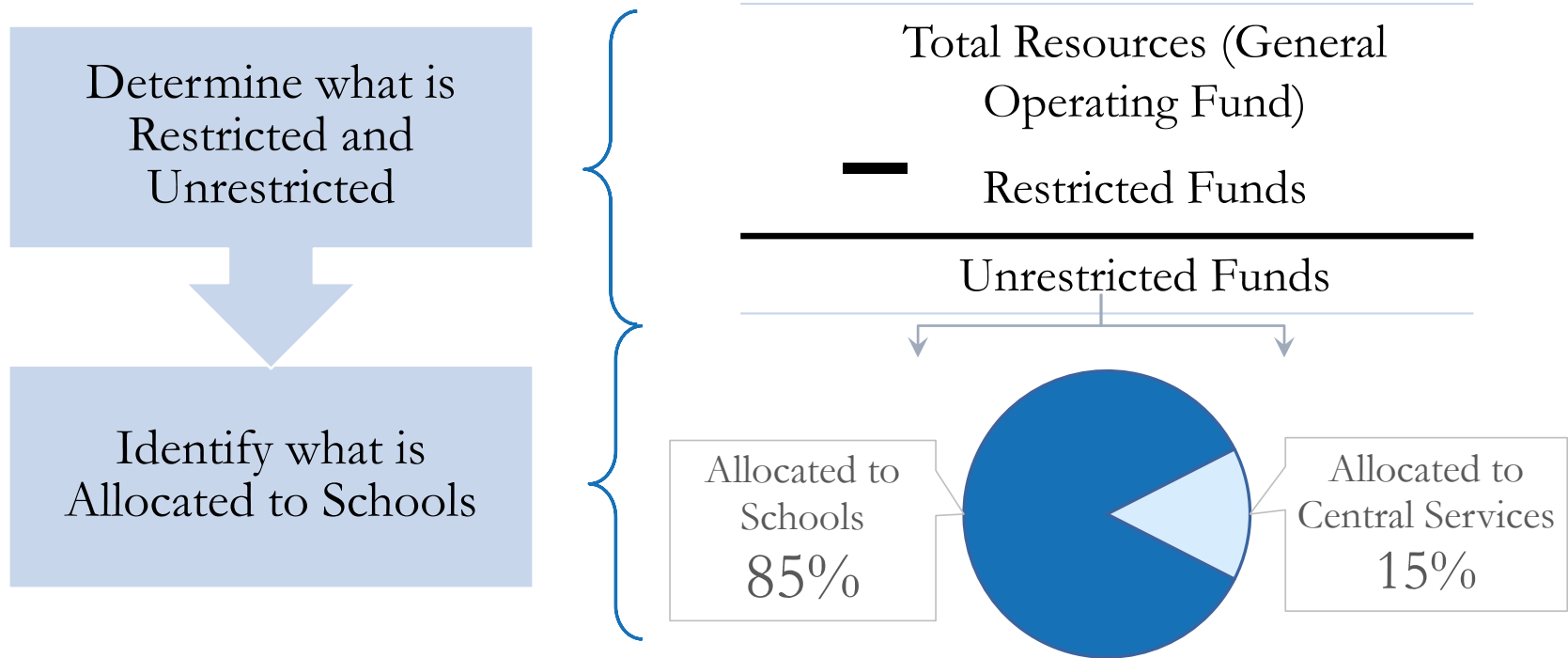
July 7, 2022

Jason Goudie, Chief Financial Officer

Kellie Kowal-Paul, Chief Strategy Officer



CALCULATING % OF UNRESTRICTED ALLOCATIONS TO SCHOOL BUDGETS



NRS
388G.660

1. On or before January 15 of each year, the superintendent shall establish for the next school year:

(a) The estimated total amount of money to be received by the large school district from all sources, including any year-end balance that is carried forward, and shall identify the sources of such a year-end balance and whether the year-end balance is restricted. If the year-end balance is restricted, the superintendent shall identify the source of the restriction and the total of amount of money to be received by the large school district that is unrestricted. Money may only be identified as restricted if it is required by state or federal law, if it is proscribed by the Department or if it has been otherwise encumbered.

IDENTIFYING RESTRICTED FUNDS

Fund Descriptions	Reason for Restriction
Funds transferred to the Special Education Fund for special education services.	Federal and state laws require services to be provided to eligible students.
Funds transferred from the General Fund related to the Special Revenue Fund weighted funding for English Learners, At-Risk, and Gifted and Talented students.	Per the Pupil Centered Funding Plan under state law, these funds can only be used for the weighted student programs
Funds included in the General Fund related to the District's medium-term bond issuances for buses, vehicles, and technology items.	Medium-term bond issuances require these funds to only be spent on the items for which the bonds were issued.
Funds related to nurses within the General Fund	NRS 632.240 requires nurses to report to a Chief Nurse
Special education-related expenditures that are not transferred to the Special Education Fund as noted above	Federal and state laws require services to be provided to eligible students.
Ending fund balance	Addressed at a minimum of 4 percent in NRS 288.150(5)(a)(2) and NAC 354.650(1). The District was previously placed on fiscal watch due to an inadequate ending fund balance.
Items required under NRS 388G.610(3)	NRS 388G.610(3) Except as otherwise provided in subsection 7, a large school district shall remain responsible for paying for and carrying out these items.

DISTRICT RESPONSIBILITIES UNDER NRS 388G.610(3)

Except as otherwise provided in subsection 7, a large school district shall remain responsible for paying for and carrying out all other responsibilities necessary for the operation of the local school precincts and the large school district which have not been transferred to the local school precincts pursuant to subsection 2, including, without limitation, responsibility for:

- (a) Negotiating the salaries, benefits and other conditions of employment of administrators, teachers and other staff necessary for the operation of the local school precinct;
- (b) Transportation services;
- (c) Food services;
- (d) Risk management services;
- (e) Financial services, including payroll services;
- (f) Qualifying employees for any position within the large school district;
- (g) Services to promote and ensure equity and diversity;
- (h) Services to ensure compliance with all laws relating to civil rights;
- (i) Identification, evaluation, program placement, pupil assignment and other services provided to pupils pursuant to the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., and the regulations adopted pursuant thereto, or pursuant to section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and the regulations adopted pursuant thereto;
- (j) Legal services;
- (k) Maintenance and repair of buildings;
- (l) Maintenance of the grounds of the local school precinct;
- (m) Custodial services;
- (n) Implementation of the master plan developed for English learners;
- (o) Internal audits;
- (p) Information technology services;
- (q) Police services;
- (r) Emergency management services;
- (s) Carrying out state mandated assessments and accountability reports;
- (t) Capital projects; and
- (u) Utilities.

DISTRICT RESPONSIBILITIES UNDER NRS 388G.610

Responsibility	FY23 Budget	Comments
(b) Transportation services	\$66.5 Million	<p>NRS 386.790 and 388.060 provide for the transportation for pupils by the board of trustees for the school district.</p> <p>Operationally the local school precincts could not coordinate and manage the process individually to ensure students are provided transportation services.</p> <p>Schools do not own buses. The District issues bonds to purchase buses and the individual schools would not have adequate funding nor the legal authority to issue bonds to purchase buses.</p>

DISTRICT RESPONSIBILITIES UNDER NRS 388G.610

Responsibility	FY23 Budget	Comments
(e) Financial services, including payroll services;	\$25.4 Million	There would be no manner by which to provide the districtwide services that are required through decentralization of these services.

DISTRICT RESPONSIBILITIES UNDER NRS 388G.610

Responsibility	FY23 Budget	Comments
(a) Negotiating the salaries, benefits and other conditions of employment of administrators, teachers and other staff necessary for the operation of the local school precinct	\$20.5 Million	<p>NRS 391.100 provides for the employment of a superintendent of schools, teachers and all other necessary employees by the board of trustees.</p> <p>NRS 288.150 requires the board of trustees, as a government employer, to negotiate with a recognized employee organization.</p>
(f) Qualifying employees for any position within the large school district;		<p>There would be no manner by which to provide the districtwide services that are required through decentralization of these services.</p>

DISTRICT RESPONSIBILITIES UNDER NRS 388G.610

Responsibility	FY23 Budget	Comments
(g) Services to promote and ensure equity and diversity;	\$3.8 Million	NRS 388.070 requires that boards of trustees maintain all the schools.
(h) Services to ensure compliance with all laws relating to civil rights;		There would be no manner by which to provide the districtwide services that are required through decentralization of these services.

DISTRICT RESPONSIBILITIES UNDER NRS 388G.610

Responsibility	FY23 Budget	Comments
(j) Legal services;	\$6.2 Million	There would be no manner by which to provide the districtwide services that are required through decentralization of these services.
(o) Internal audits;	\$1.4 Million	Internal audit services must have a level of independence from the operations in order to maintain effectiveness. Therefore, the District believes these services cannot be transferred to local school precincts and still meet the professional requirements of an internal audit department.

DISTRICT RESPONSIBILITIES UNDER NRS 388G.610

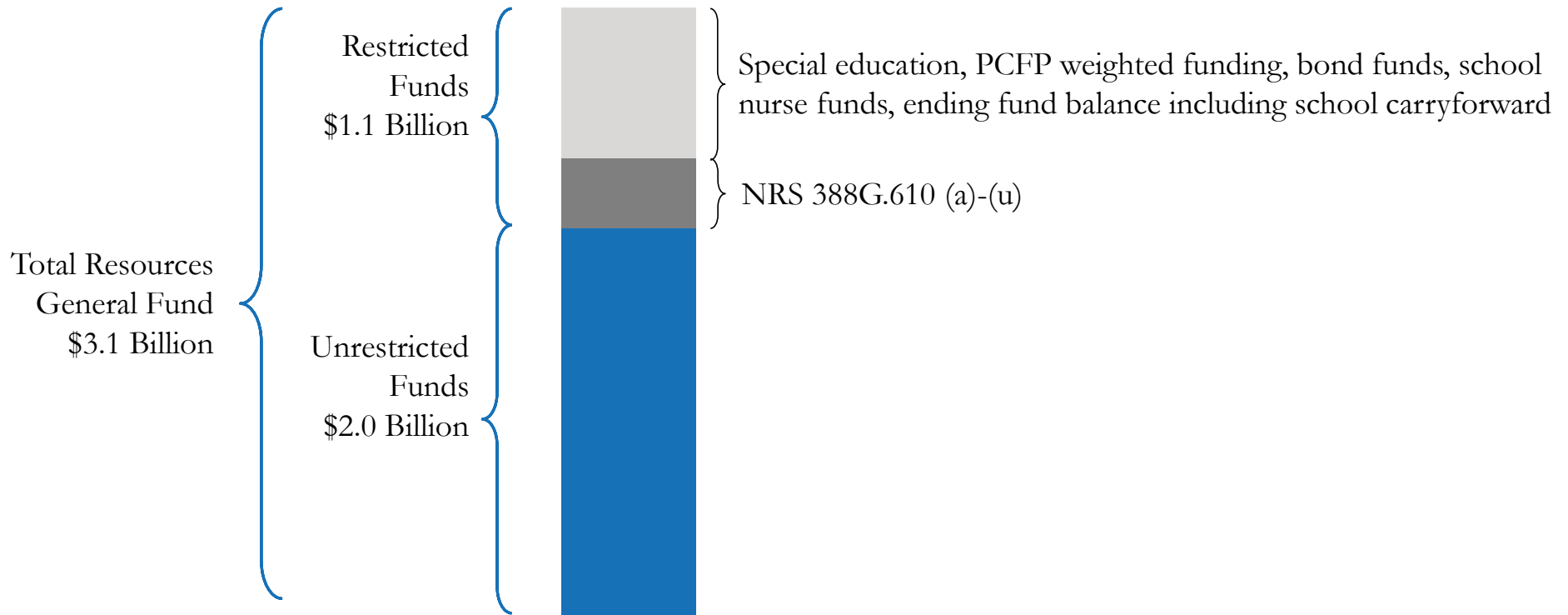
Responsibility	FY23 Budget	Comments
(q) Police services;	\$27.4 Million	NRS 391.281(5) requires the chief of school police to report to the superintendent of schools of the school district.

DISTRICT RESPONSIBILITIES UNDER NRS 388G.610

Responsibility	FY23 Budget	Comments
(u) Utilities.	\$87.5 Million	<p>Utilities are typically only provided by one specific provider in the various jurisdictions, so there is typically not an option to utilize a different provider.</p> <p>Additionally, the systems utilized by the District are not currently able to ensure that each local school precinct can alter the energy usage at the site level. This would require a significant capital investment which is not currently planned in our capital plan given the specific funding available for capital projects. These responsibilities cannot be transferred to local school precincts with the ability for them to actually fully accept responsibility for these costs.</p> <p>In addition, schools receive rebates for unused utility budgets.</p>

DETERMINING RESTRICTED AND UNRESTRICTED FUNDS

FY23 ESTIMATE



ALLOCATION OF UNRESTRICTED FUNDS TO SCHOOLS

NRS 388G.660

1. On or before January 15 of each year, the superintendent shall establish for the next school year:

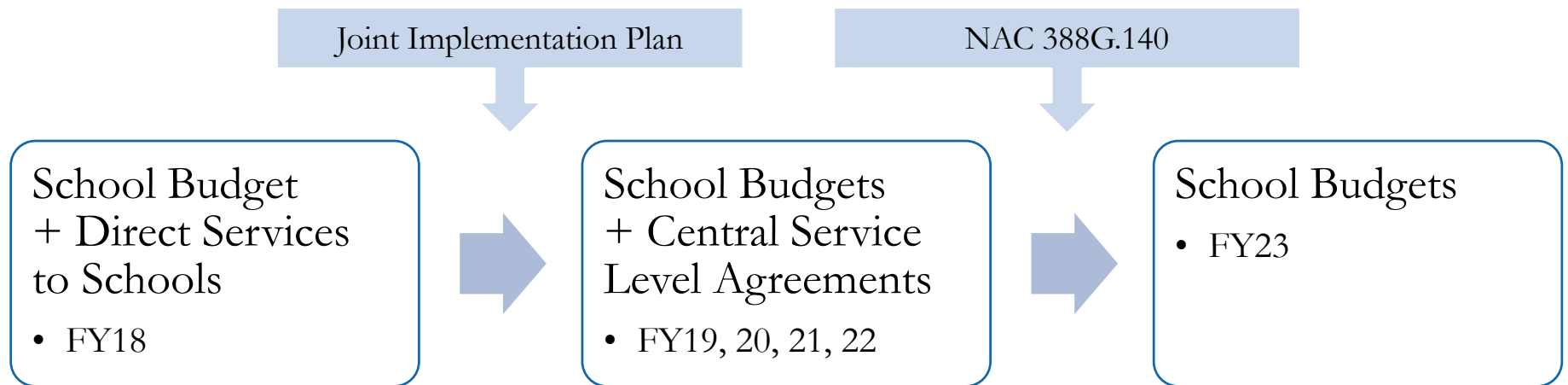
... (b) The estimated percentage of the amount of money determined pursuant to paragraph (a) to be unrestricted that will be allocated to the local school precincts. The percentage must equal:

... (2) For each subsequent school year, 85 percent of the total amount of money from all sources received by the large school district that is unrestricted for the school year.

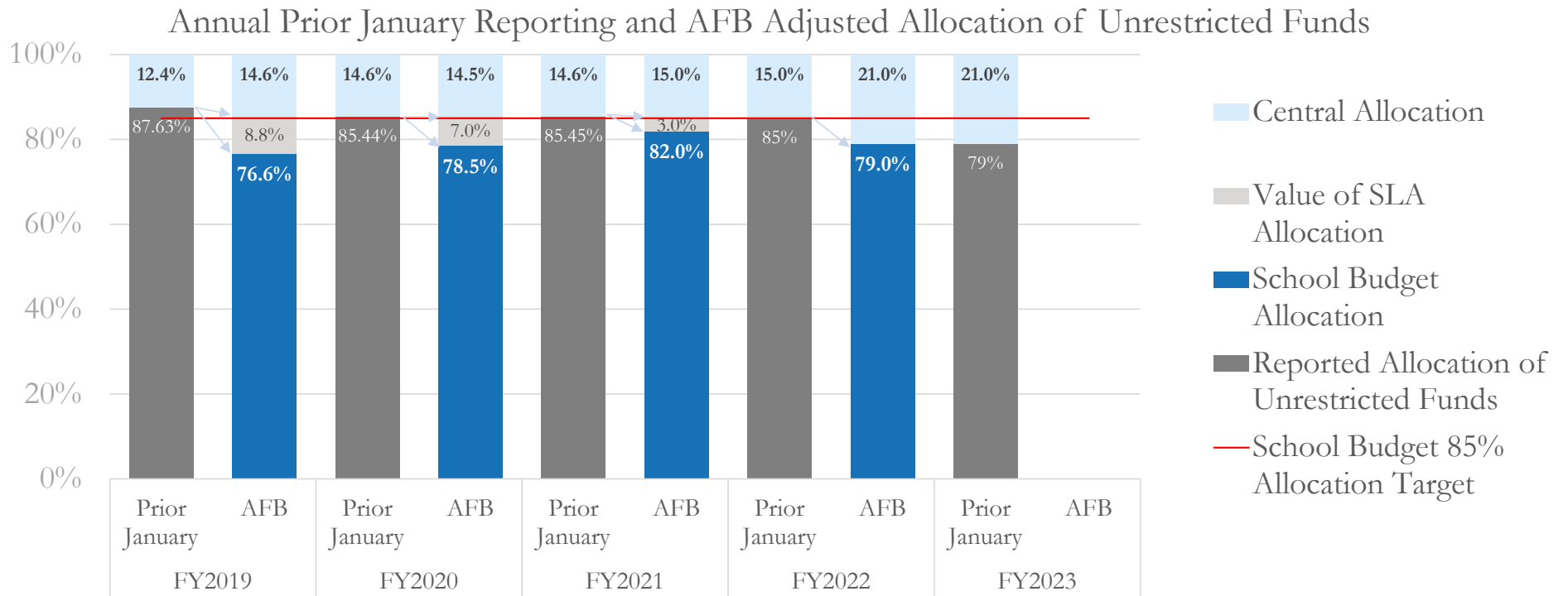
NAC 388G.140

2. Money shall be deemed allocated to a local school precinct pursuant to NRS 388G.660 only when the money is included in the portion of the budget for the local school precinct over which the local school precinct has control and discretion with respect to the manner in which the money is used.

HISTORICAL ALLOCATION OF UNRESTRICTED FUNDS

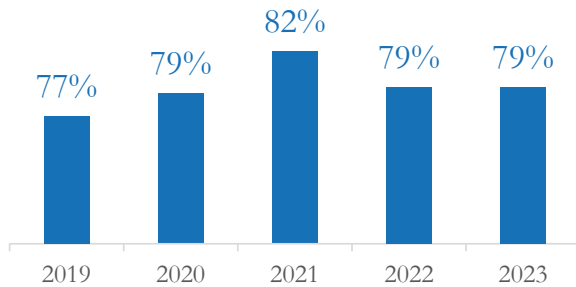


HISTORICAL ALLOCATION OF UNRESTRICTED FUNDS

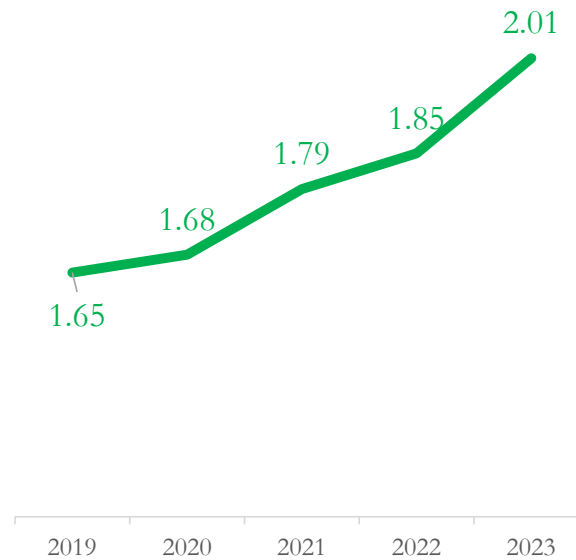


HISTORICAL ALLOCATION OF UNRESTRICTED FUNDS IN CONTEXT

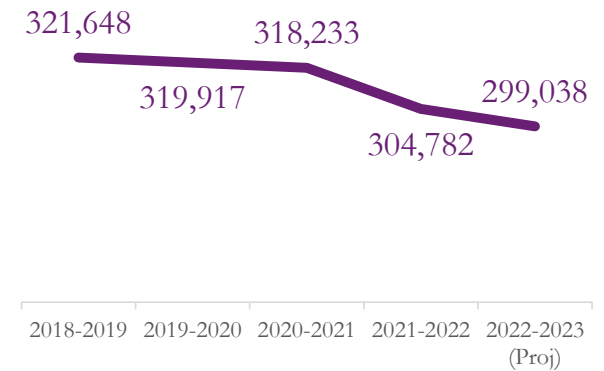
% Unrestricted Funds Allocated to School Strategic Budgets, AFB (Excluding Service Level Agreements)



\$ Allocated to School Budgets (Restricted and Unrestricted), as Reported (in Billions)



Student Enrollment

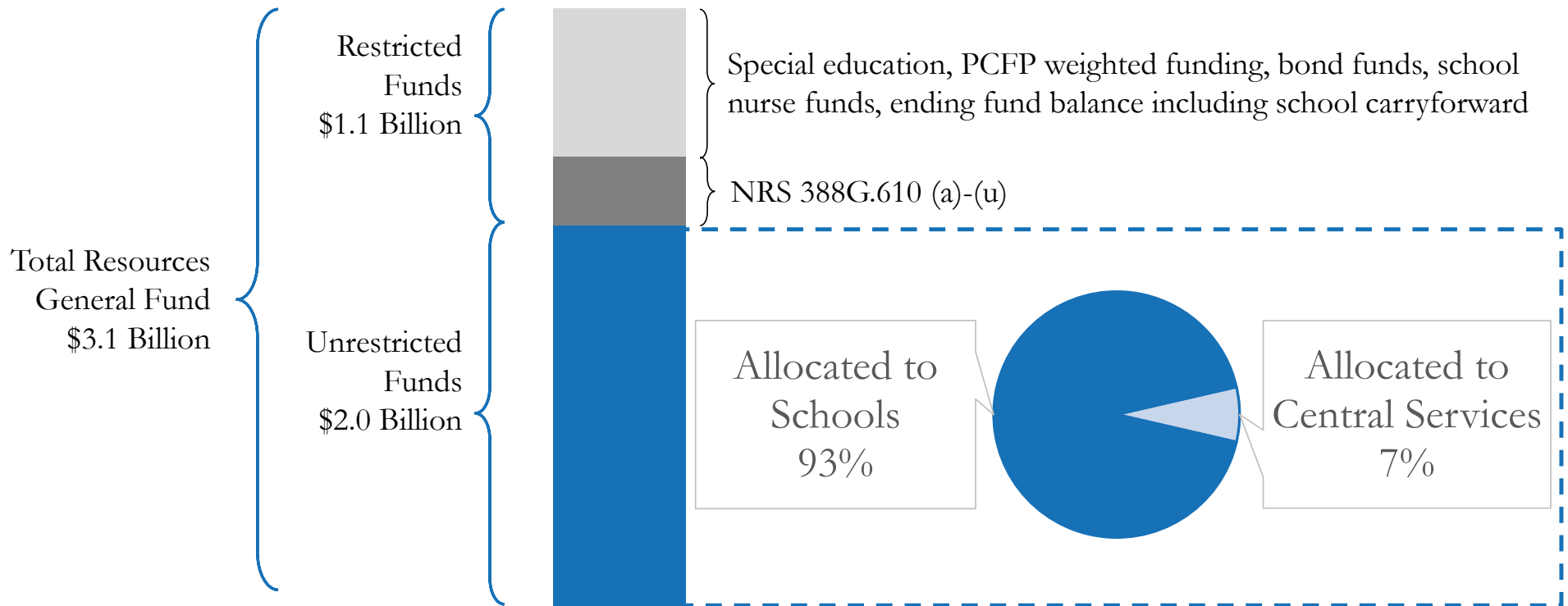


To ensure comparable visual comparison, vertical axes have been indexed.

Each vertical axis represents a minimum value of 75% and a maximum value of 125% of the 2019 value for each chart.

CALCULATING % OF UNRESTRICTED ALLOCATIONS TO SCHOOL BUDGETS

FY23 ESTIMATE



SCHOOL
CARRYFORWARD
FUNDS

NRS 388G.650

2. Each local school precinct must carry forward its year-end balance to the next school year for use by the local school precinct. The large school district must account for any such amount that is carried forward as a restricted fund balance.

JOINT IMPLEMENTATION PLAN ACTIONS RELATED TO SCHOOL CARRY FORWARD

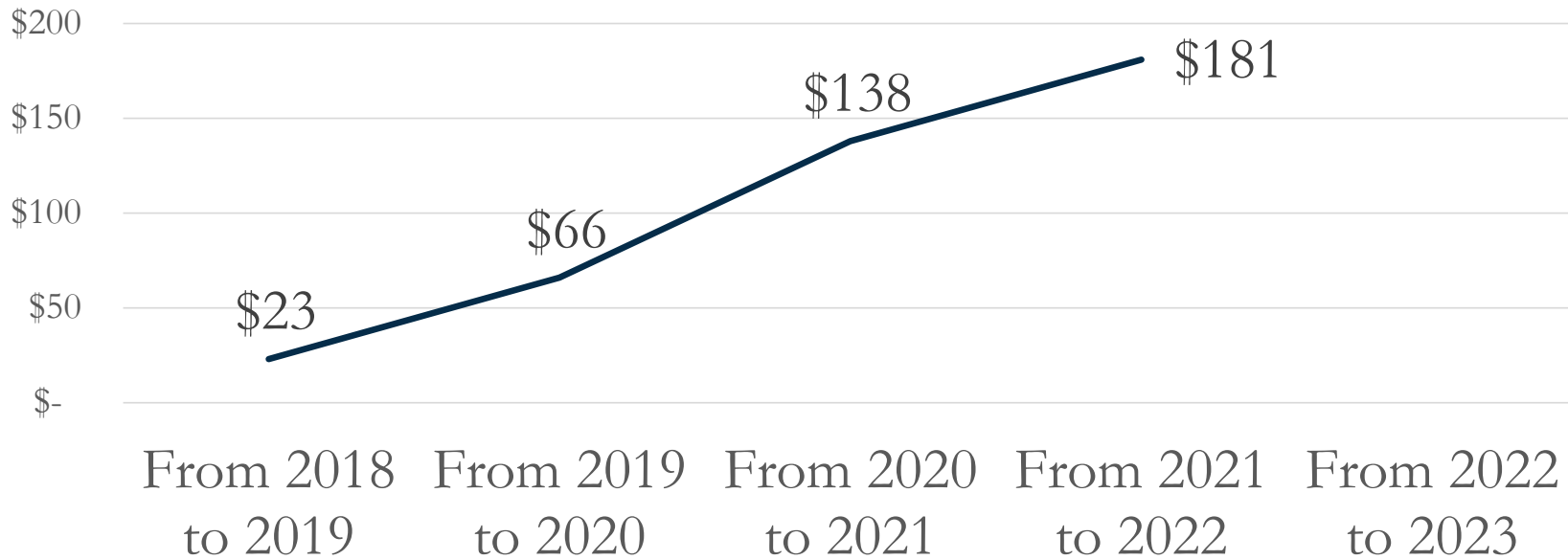
1. Beginning with the budget for fiscal year 2019, discontinue the practice of budgeting estimated in advance potential savings from lower than budgeted payroll costs in school budgets into other positions, programs, services, and supplies throughout Central Services and schools.
2. For the 2018-2019 school year and beyond, budget for the expectation that schools will either spend all allocated dollars or carry forward those dollars into the next school year.

CLARK COUNTY SCHOOL DISTRICT
2018 PLAN FOR THE
IMPLEMENTATION OF ACTIONS TO
FINALIZE COMPLIANCE WITH
ASSEMBLY BILL 469 (2017)
REVISION 2

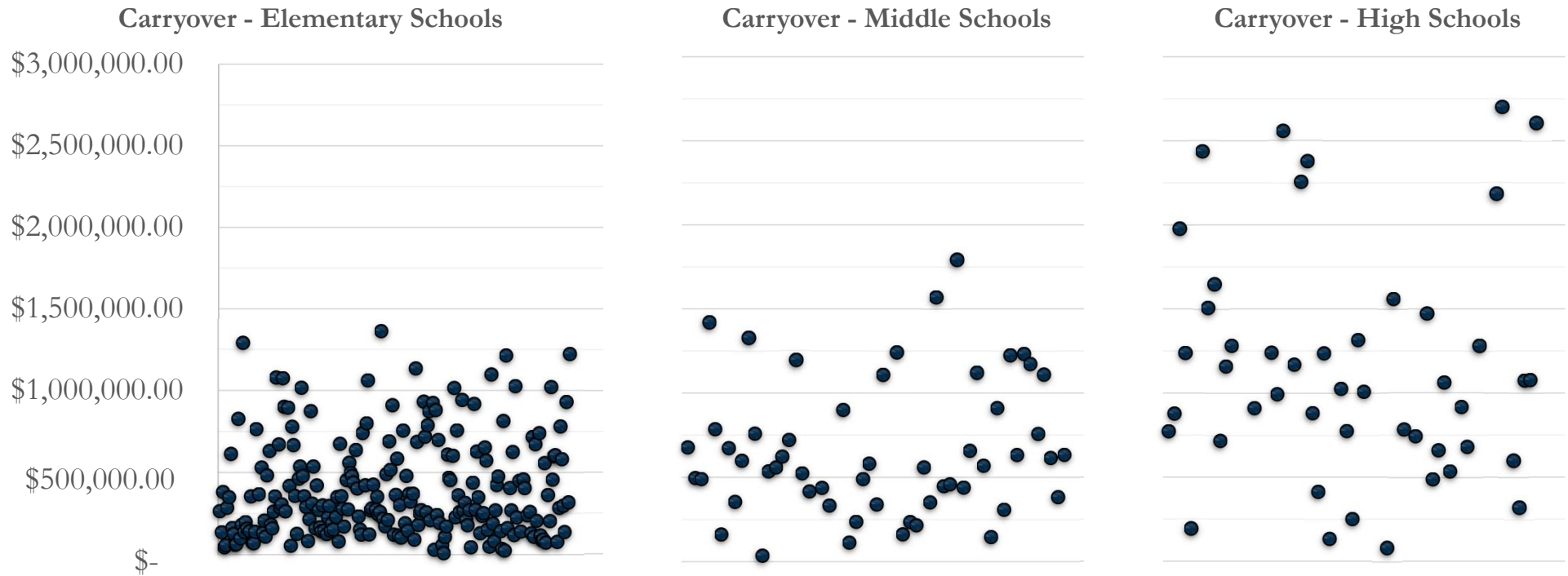
March 15, 2018
Revised April 3, 2018

SCHOOL CARRY-FORWARD OF UNSPENT FUNDS

Amount Carried Forward in School Budgets (in Millions)



SCHOOL CARRY-FORWARD OF UNSPENT FUNDS – 2020-2021 TO 2021-2022



EXAMPLES OF PLANNED USE OF CARRYOVER FUNDS BY PRINCIPALS

Licensed Staff (for class size reduction or instructional support, including prep-buy-outs)

Technology

Building/Maintenance
(including safety)

Instructional Materials
(e.g. supplemental curricular programs, books)

Support staff (most frequently instructional support staff)

Administrative Staff

MOST-REPORTED BARRIERS TO USE OF CARRYOVER FUNDS

Inability to budget carryover funds in initial January school budget

Teacher and Substitute Teacher Shortage

Districtwide purchases that principals have saved for

Supply-chain delays with technology purchases that lead to cancelled orders

District capacity to support site-funded projects

Fear of losing staff due to enrollment coming in under projections

The belief that schools will encounter budget cuts

DISTRICT STRATEGIES TO COUNTER BARRIERS TO USE OF CARRYOVER FUNDS

Monitor impact of accelerating availability of carryover funds

Implement a variety of strategies related to hiring

Communicating planned districtwide purchases with January budget estimates

New construction management processes and facilities principal working group

Continue to work with principal advisory groups on mitigating barriers



CLOSING COMMENTS AND QUESTIONS



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