



Office of the Superintendent
INTEROFFICE MEMORANDUM

**CLARK COUNTY
SCHOOL DISTRICT**

DATE: May 7, 2018

TO: All Principals

FROM: Pat Skorkowsky, Superintendent of Schools
Mike Barton, Chief Academic Officer
Jason Goudie, Chief Financial Officer

SUBJECT: Re-Opening School Strategic Budgets on May 7

An arbitrator recently ruled in favor of the Clark County Education Association to provide step increases and increased health care funds for licensed personnel for 2017-18 and 2018-19 school years.

The District has asked the District Court to vacate and set aside the decision, but in the interest of being fiscally responsible, it is prudent to plan for all situations.

Additionally, a separate arbitrator ruled with the Clark County Education Association regarding placement of teachers with master's or doctorate degrees on the new salary schedule, which will require increased salary costs for licensed personnel for the 2016-17, 2017-18, and 2018-19 school years.

The District is now estimating a \$68 million budget deficit primarily related to these rulings while heading into the 2018-19 school year. Here's how:

- \$51 million -- cost of the April arbitration decision for the licensed personnel contract in 2017-18 and 2018-19 – ([LINK TO LATEST JUST THE FACTS](#)).
- \$14 million -- cost of the first year of implementation of the Professional Growth System.
- \$3 million -- cost of the latest arbitration decision related to placement of teachers on the salary schedule.

Each school and department will be required to absorb the cost of their increased employee salaries within their respective budgets.

Therefore, we will need to reopen school strategic budgets on Monday, May 7, 2018 and require schools to reduce funds to pay for the salary increases and health insurance increases. This will amount to approximately \$47 million in total for school strategic budgets.

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We understand that elementary schools have less funding and less flexibility with their budgets. Therefore, based on the recommendation from the School Associate Superintendents, the \$47 million in cuts from strategic budgets will be calculated on a weighted per pupil basis. This reduction amount will be shown as a separate line item in each school's strategic budget and each school will be required to make the necessary reductions in order to balance the revised budget. The per pupil reductions will be impacted as follows - Elementary Schools - \$132.22, Middle Schools - \$153.30, and High Schools - \$184.68.

In order to allow 1- and 2-Star elementary schools appropriate flexibility to accommodate these cuts, we will be removing the required licensed ratio limits under Class Size Reduction that are currently within school strategic budgets. We will work with the Nevada Department of Education on this matter. School Associate Superintendents will review strategic budgets to ensure appropriate cuts are completed.

Please schedule a meeting with your School Organizational Team to discuss your revised school budget, review with your School Associate Superintendent, and submit the approved budget before Wednesday, May 16, 2018.

This is an unfortunate situation which could result in a reduction in force and a special late spring surplus for the employee groups. We know this is a challenging time and we appreciate your efforts as we work to improve the overall financial stability of the District.

ps/ec
c: Board of School Trustees
Central Services Executive Team
Superintendency
Ancillary Group