



Understanding the Clark County School District's Budget Deficit

Summary: CCSD is dealing with a \$68 million budget deficit for the 2018-19 school year.

We are teaming with the community and with Nevada leaders to #FundTheBase and stop this cycle of budget cuts. Here are some reasons for the current budget deficit:

- **Recent increases in employee compensation** have amounted to \$68 million dollars.
- **Other rising costs** have drained most new revenue that CCSD receives even before the district can consider providing pay increases to employees.
- **Nevada has increased categorical funding for education, but it can't be used directly for employee raises.** Other initiatives supported by voters for education do not necessarily directly increase the funding for education.
- To stop this cycle of budget cuts, we must:
 - **Dispel misinformation:** Let's educate our community on Nevada's education funding system and work together to fix it.
 - **#FundTheBase** to provide proper employee raises and continue to accelerate the momentum of the academic achievements of CCSD's staff and students.

Recent increases in employee compensation - The district estimates a \$68 million budget deficit for the 2018-19 school year primarily related to the increased cost of employees:

- \$51 million – Cost of an April decision to provide step increases and increased health care funds for the licensed personnel contract in 2017-18 and 2018-19
- \$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

While CCSD has asked a District Court to vacate the largest arbitration decision, in order to be fiscally responsible and comply with state law, CCSD must adjust the budget in order to submit a balanced budget to the state. Increased employee costs are absorbed by the school or department where the employee works.

Other rising Costs have drained most new revenue that CCSD receives for the 2018-19 school year even before it can consider providing pay increases to our employees:

CCSD received \$34.1 million in additional funding for the 2018-19 school year. However, rising costs have accounted for approximately **98%** of those funds even before CCSD can consider providing pay increases to employees:

- **\$8.4 million:** Staff four new schools set to open in the 2018-19 school year
- **\$5 million:** New school expenses including transportation, maintenance and landscaping, as well as other support staff services

- **\$14 million:** Additional staffing to serve our growing Special Education student population
- **\$1.3 million:** Increase the number of school police officers and supplies for school safety
- **\$3 million:** Utilities expenses for all CCSD buildings and facilities estimated increase cost
- **\$800,000:** Fuel costs for school buses and other district vehicles estimated increase cost
- **\$600,000:** School supplies estimated increase cost
- **\$500,000:** Other anticipated increases

Ultimately, rising costs are outpacing revenues, leaving CCSD unable to provide additional compensation for employees.

To stop this cycle of budget cuts, we must dispel misinformation: Instead of fighting with each other, let's educate our community on Nevada's education funding system and work together to fix it.

- Questions about money in CCSD's Ending Fund Balance:
 - This is CCSD's primary reserve in case of emergency
 - CCSD should not take on an ongoing expense like raises with one-time funds such as the ending fund balance
- Questions about \$27 million more in schools' supply budget in 2017-18 than in 2016-17:
 - This represents funds schools have saved for major expenses such as textbooks and purchases for students
 - Again, it is not fiscally responsible to take on an ongoing expense such as raises and pay for it with one-time funds
- Questions about money saved from unfilled positions in 2017-18:
 - CCSD assumes we are not able to fill every position. Those savings were spent in 2018 budget on items such as employee salaries and programs for students.

To stop this cycle of budget cuts, we must #FundtheBase: The Governor and Legislature have made targeted investments in education, but we are largely unable to use those earmarked funds for our largest expense---paying our employees.

We need to change the way we fund education in Nevada -- not only the funding formula, but also to increase the actual amount of money that goes into education.

- CCSD has cut \$771 million from its budget since 2009
- Nevada is one of 29 states funding education lower than before the great recession when inflation is factored in, according to the Center of Budget and Policy Priorities
- CCSD is ranked second to last in per-pupil amount of funding of the largest 15 school districts in the nation, according to the U.S. Census Bureau Data

CCSD will team with the community in the 2019 Legislature to ask for an increase in the base education fund so we can offer our employees regular raises and stop the cycle of budget cuts. **We must #FundTheBase in order to stop this cycle of budget cuts.**