

LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis



Recommendation No. **RECOMMENDATION 201**

Streamlining Draft **AGMARTIN 29**

Date: December 8, 2009 2:34 PM	Author:
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Subject: MFP-Dollars follow the student	

The Streamlining Commission recommends the Minimum Foundation Program be restructured so that the MFP, as well as federal, dollars follow the child and that 80% of the MFP funds are spent on the classroom as directed by the principal of each school.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW					
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The recommendation could increase State General Fund and Local expenditures to initially implement student based budgeting. It is likely that the same amount of funding from the state could be dispersed to the districts. However, the school systems would change their operations, and it is possible that more funding will be dispersed to the classroom and not expended through the local central office. According to the Department of Education, such a shift would have a significant impact on school district budgeting and planning processes. The department anticipates that a phase in period would be required to adjust school district operations to this new allocation methodology. In addition, school leadership would need to be trained with the skills necessary to manage the funds at the site level. The central office would also change to become more of a support function to the school leaders. It is not known if the state would hire a consultant to work with the districts to provide guidance on making these changes, or if the districts would hire their own consultants to enable them to implement the system according to their own needs.

Nevada attempted legislation that would require all school districts to enroll a certain percentage of their schools in student based budgeting. The Nevada legislature was offering an incentive for school districts to participate by providing \$9 million, which would have resulted in an additional \$400 per pupil to schools that would have participated. The legislation was not implemented due to budget cuts. However, one district in the state has implemented student based budgeting in a few of their schools. According to the Clark County School System, they hired a consultant to provide guidance on how to implement the changes in budgeting, and to provide guidance on the changes in managing schools in their system.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

- Senate
- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

- House
- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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