

**MEMO to Rep. Bradford in summary of Survey of School Districts related to HB 2504:**

Attached please find the documents the Department of Education provided in response to the survey request concerning central administrative costs of USDs in counties with fewer than 10,000 students and more than one USD (and other USDs smaller than 1,500 students). The data from the districts is in the spreadsheet. The Department received responses from 250 of the 253 USDs surveyed.

Using the information in the spreadsheet, we can make several assumptions and generate a fiscal estimate for this proposal. First, we would assume that each county's largest USD would continue to exist and see no central administrative facilities sold or central administrative staff eliminated. Second, we would assume that all USDs which are not the largest in their county would be able to sell their central administrative facilities at their appraised value. Third, we would assume that all USDs that would be realigned into other USDs would lower their administrative staff expense by 50%. Using those assumptions, we would estimate that the sale of the central administrative real estate to generate \$11.7 million one time. Using those assumptions, we would estimate that the elimination of administrative staff, utilities, maintenance and insurance would result in savings of \$16.1 million annually. Over ten years this would result in \$172.7 million in revenue and savings. Obviously, there are limitations to those assumptions, considering that the bill does not dictate which USD's central administrative offices and staff are preserved and these decisions would largely be made at the local level.

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