

II. NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

BACKGROUND—THE NEVADA PLAN

The *Nevada Plan* is the means used to finance elementary and secondary education in the State's public schools. The State develops a guaranteed amount of funding for each of the local school districts, and the revenue, which provides the guaranteed funding, is derived both from State and local sources. On average, this guaranteed funding contributes approximately 75 to 80 percent of school districts' general fund resources. Nevada Plan funding for the districts consists of State support received through the Distributive School Account¹ (DSA) and locally collected revenues from the 2.25-cent Local School Support Tax (LSST) (sales tax) and 25 cents of the Ad Valorem Tax (property tax).

To determine the level of guaranteed funding for each district, a Basic Per-Pupil Support Rate is established. The rate is determined by a formula that considers the demographic characteristics of the school districts. In addition, transportation costs are included using 85 percent of the actual historical costs adjusted for inflation according to the Consumer Price Index. A Wealth Adjustment, based on a district's ability to generate revenues in addition to the guaranteed funding, is also included in the formula.

Each district then applies its Basic Per-Pupil Support Rate to the number of students enrolled. The official count for apportionment purposes is taken in each district on the last day of the first school month. The number of kindergarten children and disabled 3- and 4-year-olds is multiplied by 0.6 percent and added to the total number of all other enrolled children, creating the Weighted Enrollment. Each district's Basic Per-Pupil Support Rate is multiplied by its Weighted Enrollment to determine the guaranteed level of funding, called the Total Basic Support.

¹ The Distributive School Account is financed by legislative appropriations from the State General Fund and other revenues, including a 2.25-cent tax on out-of-state sales, an annual slot machine tax, mineral land lease income, interest from investments of the Permanent School Fund, and a portion of estate taxes collected.

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To protect districts from decreases in enrollment, *Nevada Revised Statutes* contains a “hold harmless” provision. The guaranteed level of funding is based on the higher of the current or the previous two years’ enrollment.

An additional provision assists school districts that experience significant growth in enrollment within the school year. If a district grows by more than 3 percent but less than 6 percent after the second school month, a growth increment consisting of an additional 2 percent of basic support is added to the guaranteed level of funding. If a district grows by more than 6 percent, the growth increment is 4 percent.

Special Education is funded on a “unit” basis, with the amount per unit established by the Legislature. A “unit” includes the full-time services of licensed personnel providing a program of instruction in accordance with minimum standards prescribed by the State Board of Education. Special education unit funding is provided in addition to the Basic Per-Pupil Support Rate.

The *difference* between total guaranteed support and local resources is state aid, which is funded by the DSA. Revenue received by the school district from the 2.25 percent LSST and 25 cents of the property tax is deducted from the school district’s Total Basic Support Guarantee to determine the amount of state aid the district will receive. If local revenues from these two sources are less than anticipated, state aid is increased to cover the total guaranteed support. If these two local revenues come in higher than expected, state aid is reduced.

In addition to revenue guaranteed through the Nevada Plan, school districts receive other revenue considered “outside” the Nevada Plan. Revenues outside the formula, which are not part of the guarantee but are considered when calculating each school district’s relative wealth, include the following: 50 cents of the Ad Valorem tax on property; the share of basic

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government services tax distributed to school districts; franchise tax; interest income; tuition; unrestricted federal revenue, such as revenue received under P. L. 81-874 in lieu of taxes for federally impacted areas; and other local revenues.

In addition to revenues recognized by the Nevada Plan, school districts receive “categorical” funds from the State, Federal Government, and private organizations that may only be expended for designated purposes. Examples include the State-funded Class-Size Reduction program, Early Childhood Education, remediation programs, and student counseling services. Federally funded programs include the Title I program for disadvantaged youngsters, No Child Left Behind Act, the National School Lunch program, and Individuals with Disabilities Education Act (IDEA). Categorical funds must be accounted for separately in special revenue funds. Funding for capital projects, which may come from the sale of general obligation bonds, “pay-as-you-go” tax levies or fees imposed on the construction of new residential units are also accounted for in separate funds (Capital Projects Fund, Debt Service Fund).

Source: Fiscal Analysis Division, Legislative Counsel Bureau

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NEVADA PLAN EXAMPLE—SUMMARY

To understand how the system works, follow the steps in the example beginning on the following page. The count of pupils for apportionment purposes (1) is the number of children enrolled on the last day of the first school month in regular or special education programs, except that each kindergarten pupil and disabled or gifted and talented child under the age of five is counted as six-tenths of a pupil. In instances of declining enrollment, the higher of the current or previous two years' enrollment is used. This weighted enrollment figure is multiplied by the basic per-pupil support guarantee for the school district for that school year (2) to determine the school district's guaranteed basic support (3). Next, the number of state-supported special education units maintained and operated by the district that year is multiplied by the amount per program unit established for that school year (4), and the product is added to basic support to obtain the school district's total guaranteed basic support (5). This product is the amount of funding guaranteed to the school district from a combination of state and local funds.

Revenue received by the school district from the 2.25 percent LSST and 25 cents of the property tax (6) is deducted from the school district's total guaranteed basic support to determine the amount of state aid the district will receive (7). If local revenues from these two sources are less than anticipated, state aid is increased to cover the total basic support guarantee. If these two local revenues come in higher than expected, state aid is reduced. The difference between total guaranteed support and local resources is state aid, and it is funded by the DSA.

An amount for any specific programs, funded by the Legislature through the DSA, is added to a school district's total state aid to determine the total amount of revenue the school district will receive from the DSA (9).

Sources of revenue "outside" the formula are summed (15) and are added to total guaranteed support (5) and the amount provided for Adult High School Diploma programs and other legislatively approved programs (8), to determine the school district's total available resources (16).

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NEVADA PLAN EXAMPLE—SUMMARY

The following example illustrates the guaranteed funding process based on the revenue of a hypothetical district and, in addition, shows other revenue outside of the guarantee, making up the total resources included in an operating budget.

Basic Support Guarantee

1. Number of Pupils (Weighted Enrollment ²)	8,000
2. x Basic Support Per Pupil	\$ <u>4,700</u>
3. = Guaranteed Basic Support	\$ 37,600,000
4. + Special Education Allocation (65 units @ \$32,000 per unit)	\$ <u>1,820,000</u>
5. = Total Guaranteed Support	\$ 39,420,000
6. - Local Resources	
2.25-cent Local School Support (sales) Tax	(\$ 15,540,000)
25-cent Ad Valorem (property/mining) Tax	<u>(\$ 4,600,000)</u>
7. = State Responsibility	\$ 19,280,000
8. + Adult High School Diploma Funding	\$ <u>35,000</u>
9. = Total Revenue from Distributive School Account	\$ 19,315,000

(Continued)

² Weighted Enrollment includes six-tenths of the count of pupils enrolled in kindergarten, six-tenths of the count of disabled 3- and 4-year-olds, a full count of pupils enrolled in grades 1 through 12, and a full count of disabled minors age 5 and over receiving special education.

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NEVADA PLAN EXAMPLE—SUMMARY

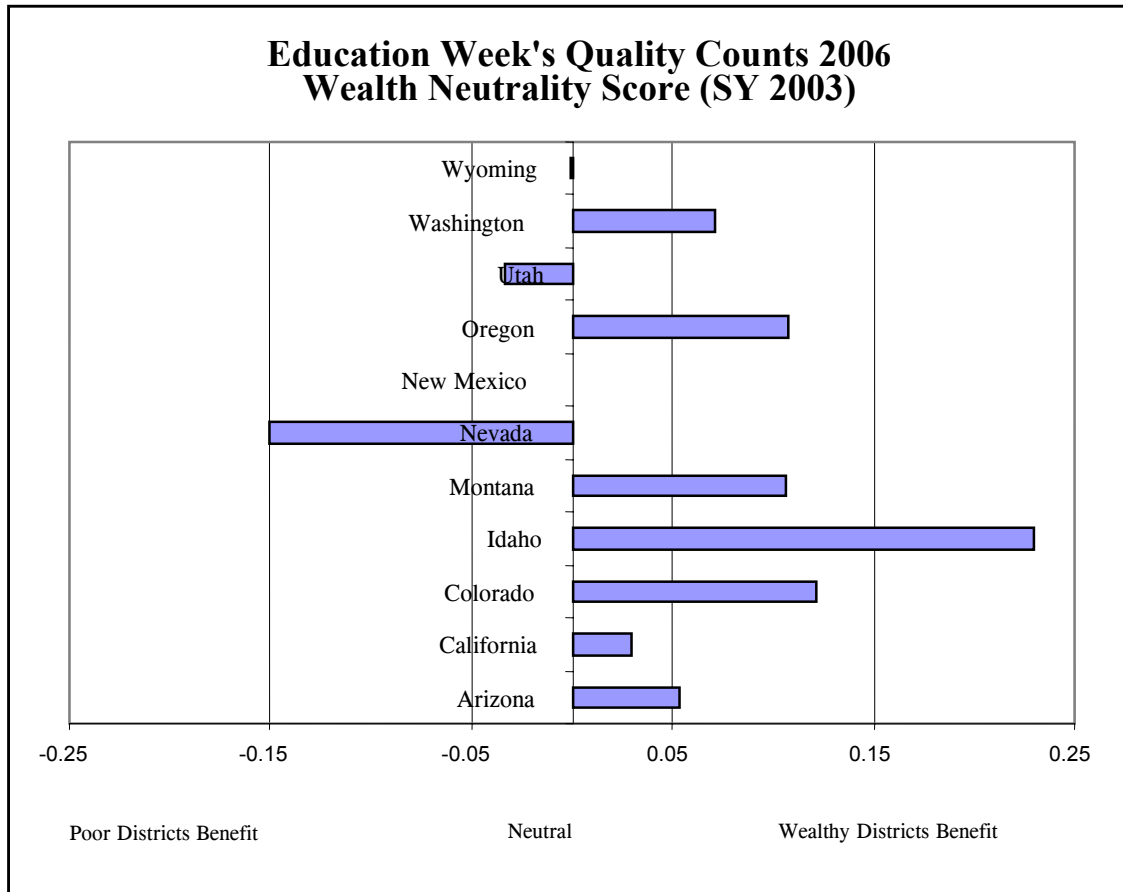
Resources in Addition to Basic Support:

10. 50-cent Ad Valorem (property) Tax	\$ 9,200,000
11. Motor Vehicle Privilege Tax	1,700,000
12. Federal Revenues (Unrestricted)	150,000
13. Miscellaneous Revenues	10,000
14. Opening Fund Balance	<u>2,000,000</u>
15. Total Resources in Addition to Basic Support	<u>\$13,060,000</u>
16. Total Resources Available (Add lines 5, 8, and 15)	\$52,515,000



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SCHOOL FINANCE SYSTEMS – FISCAL NEUTRALITY



Source: Education Week. Quality Counts 2006, January 2006, from the United States Census Bureau's Public Elementary-Secondary Education Finance Data for 2003.

Note: Wealth neutrality = 0. In states with positive scores, total funding increased as district income increased; in states with negative scores, total funding increased as district income decreased. The fiscal neutrality score (which controls for cost and need) is the elasticity of total funding per weighted pupil relative to income per weighted pupil.

Nevada Plan for School Finance and Education Expenditures

DSA — Budgets & Actuals

DISTRIBUTIVE SCHOOL ACCOUNT FY96 THROUGH FY01 ACTUAL EXPENDITURES

DISTRIBUTIVE SCHOOL ACCOUNT	Actual 1995-96	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Actual 2000-01
Paid Weighted Enrollment	255,264	271,843	286,084	300,567	315,489	328,867
Change in Enrollment	5.57%	6.49%	5.24%	5.06%	4.96%	4.24%
Basic Support	\$3,497	\$3,620	\$3,698	\$3,804	\$3,802	\$3,815
Total Basic Support	\$892,534,627	\$984,093,238	\$1,058,278,275	\$1,143,217,908	\$1,199,526,708	\$1,254,675,975
Change in Total Basic Support	11.11%	10.26%	7.54%	8.03%	4.93%	4.60%
Class Size Reduction					\$82,900,043	\$86,880,711
Special Education	\$46,687,624	\$50,419,819	\$54,723,344	\$58,981,824	\$62,985,218	\$67,330,199
Special Units/Gifted & Talented					\$140,256	\$112,020
Adult Diploma	\$9,022,637	\$9,646,657	\$10,818,149	\$12,010,785	\$12,851,826	\$13,736,786
School Improvement Programs:						
Remediation					\$4,278,000	\$3,914,030
Professional Development					\$3,500,000	\$3,500,000
Student Assessments					\$1,200,000	\$1,200,000
School Lunch Program State Match						
NV Early Literacy Program						
Special Funding*:						
Net Proceeds Tax Advance					\$3,687,525	
SMART Student Records Sys.					\$2,000,000	\$1,993,734
Education Technology					\$1,526,532	\$2,645,791
Distance Education/Satellite Downlink					\$400,000	\$400,000
School-to-Careers					\$1,000,000	\$1,000,000
Early Childhood Education					\$500,000	\$498,961
At-Risk Retirement Credit						
High Impact Retirement Credit						
Special Student Services-Counseling					\$850,000	\$850,000
Bonus Growth Payments		\$72,015		\$21,543	\$43,296	\$70,195
Special Transportation	\$31,385	\$54,872	\$46,753	\$60,039	\$44,675	\$74,170
Retired Employee Group Ins.						
Eureka Co Adjustment	(\$136,919)	(\$141,490)	(\$147,016)	(\$149,232)	(\$792,419)	(\$1,021,651)
Non-traditional students					\$8,261	\$43,424
Emergency Financial Aid - Mineral Co.	\$428,003					
Prior Year Payments Adj.				\$334,370		
Total Requirements	\$948,567,357	\$1,044,145,111	\$1,123,719,505	\$1,214,477,237	\$1,376,649,921	\$1,437,904,345
Less:						
Local School Support Tax	(\$449,087,725)	(\$492,501,929)	(\$509,494,808)	(\$560,180,959)	(\$604,132,388)	(\$636,032,731)
25 Cent Property Tax	(\$77,410,458)	(\$84,989,673)	(\$93,284,659)	(\$102,529,456)	(\$114,935,803)	(\$124,396,459)
Eureka Co Adjustment	\$2,500,022	\$2,255,714	\$2,137,237	\$1,745,240	\$1,460,611	\$1,603,301
State Share	\$424,569,196	\$468,909,223	\$523,077,275	\$553,512,062	\$659,042,341	\$679,078,456
General Fund Appropriation	\$362,673,057	\$423,104,047	\$432,357,623	\$440,330,443	\$545,989,329	\$564,375,447
Interim Finance Allocation						
Annual Slot Tax	\$34,736,745	\$35,668,418	\$35,405,167	\$37,421,958	\$38,260,686	\$39,718,125
Investment Income	\$3,728,804	\$2,967,446	\$6,016,597	\$3,419,491	\$3,744,429	\$7,256,488
Mineral Land Lease	\$5,793,503	\$5,796,930	\$5,128,231	\$2,838,971	\$2,412,306	\$3,000,487
Out-of-State Sales Tax	\$44,623,979	\$50,516,093	\$56,879,469	\$65,365,286	\$62,402,171	\$64,081,112
Trans from School Improvement					\$13,891,737	\$16,767,624
Reimbursement						
Fiscal Relief Payments (PL 108-27)						
Balance From Previous Year		\$27,005,168		\$11,701,598		\$7,643,116
Prior Year Refunds	\$18,276	\$42,156	\$76,437	\$46,609	\$25,991	\$157,415
Transfer Appropriation						
Total	\$451,574,364	\$545,100,258	\$535,863,524	\$561,124,356	\$666,726,649	\$702,999,814
Bal. Forward to New Yr	\$27,005,168		Bal. Forward to New Yr.	\$11,701,598	Bal. Forward to New Yr.	\$7,643,116
Revert to General Fund			Revert to General Fund		Revert to General Fund	
Balance		\$76,191,035	\$1,084,651	\$7,612,294	\$41,192	\$23,921,358

* Special funding was not included in DSA until the 1999 Legislative Session.

Nevada Plan for School Finance and Education Expenditures

DSA — Budgets & Actuals

DISTRIBUTIVE SCHOOL ACCOUNT FY02 THROUGH FY06 ACTUAL AND FY07 PROJECTED

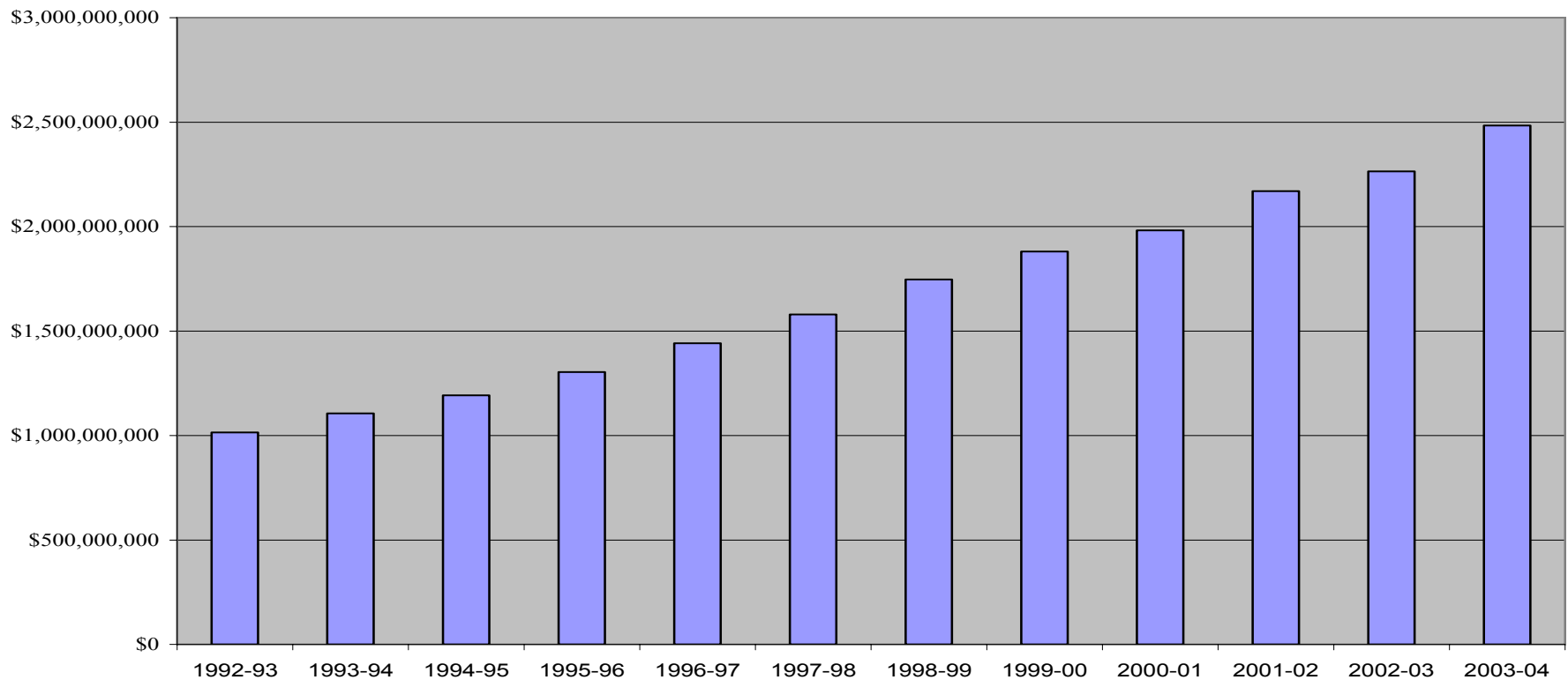
DISTRIBUTIVE SCHOOL ACCOUNT	Actual 2001-02	Actual 2002-03	Actual 2003-04	Actual 2004-05	Actual 2005-06	Projected 2006-07
Paid Weighted Enrollment	344,765	358,641	373,498	387,834	400,101	412,297
Change in Enrollment	4.83%	4.02%	4.14%	3.84%	3.16%	3.05%
Basic Support	\$3,921	\$3,987	\$4,298	\$4,433	\$4,490	\$4,702
Total Basic Support	\$1,351,677,697	\$1,429,955,586	\$1,605,345,160	\$1,719,363,163	\$1,796,267,717	\$1,938,622,374
Change in Total Basic Support	7.73%	5.79%	12.27%	7.10%	4.47%	7.93%
Class Size Reduction	\$91,822,619	\$99,714,942	\$108,937,389	\$117,142,553	\$125,552,187	\$137,922,619
Special Education	\$72,004,752	\$76,868,063	\$83,185,765	\$87,866,444	\$97,617,555	\$103,715,266
Special Units/Gifted & Talented	\$116,971	\$90,336	\$39,777	\$129,848	\$169,264	\$250,676
Adult Diploma	\$14,671,612	\$15,503,943	\$16,926,568	\$17,843,596	\$18,430,209	\$21,500,951
School Improvement Programs:						
Remediation	\$5,710,014	\$5,993,565	\$3,008,209	\$8,380,661	\$6,818,788	\$7,089,336
Professional Development	\$4,695,530	\$4,540,073	\$8,711,348	\$9,403,429	\$10,329,114	\$10,513,671
Student Assessments						
School Lunch Program State Match					\$588,732	\$588,732
NV Early Literacy Program	\$4,431,127	\$3,457,151	**	**	**	**
Special Funding*:						
Net Proceeds Tax Advance						
SMART Student Records Sys.						
Education Technology						
Distance Education/Satellite Downlink						
School-to-Careers	\$500,000					
Early Childhood Education	\$2,595,583	\$3,500,000	\$2,896,583	\$2,896,583	\$3,032,172	\$3,152,479
At-Risk Retirement Credit			\$2,689,206	\$7,044,149	\$11,141,975	\$23,430,629
High Impact Retirement Credit				\$5,732,643	\$6,976,617	\$12,156,733
Special Student Services-Counseling	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000
Bonus Growth Payments	\$67,571	\$184,015	\$156,498	\$167,352	\$63,929	
Special Transportation	\$47,715	\$80,719	\$81,663	\$89,471	\$112,012	\$112,012
Retired Employee Group Ins.			\$2,704,730	\$7,912,640	\$8,391,659	\$15,171,421
Eureka Co Adjustment	(\$1,141,107)		(\$1,046,942)	(\$1,006,229)	(\$1,773,310)	
Non-traditional students	\$53,444	\$59,759	\$68,635	\$63,663	\$68,063	
Emergency Financial Aid - Mineral Co.						
Prior Year Payments Adj.				(\$15,197)	(\$102,720)	
Total Requirements	\$1,548,103,528	\$1,640,798,152	\$1,834,554,589	\$1,983,864,769	\$2,084,533,963	\$2,275,076,899
Less:						
Local School Support Tax	(\$644,428,774)	(\$686,820,222)	(\$785,709,334)	(\$907,257,718)	(\$986,785,530)	(\$1,033,164,449)
25 Cent Property Tax	(\$131,974,493)	(\$144,944,838)	(\$157,931,475)	(\$173,825,735)	(\$197,524,650)	(\$222,834,382)
Eureka Co Adjustment	\$1,355,570		\$1,149,233	\$2,808,569	\$2,794,078	
State Share	\$773,055,831	\$809,033,092	\$892,063,013	\$905,589,885	\$903,017,861	\$1,019,078,068
General Fund Appropriation	\$588,121,907	\$717,889,077	\$746,727,016	\$892,141,890	\$849,687,448	\$963,564,914
Interim Finance Allocation			\$2,704,730			
Annual Slot Tax	\$38,429,229	\$37,151,319	\$36,643,286	\$36,763,773	\$36,757,113	\$37,022,590
Investment Income	\$4,765,750	\$3,838,309	\$3,366,985	\$7,161,655	\$8,281,185	\$4,621,839
Mineral Land Lease	\$3,655,780	\$4,511,684	\$3,531,041	\$5,435,489	\$7,608,185	\$2,746,080
Out-of-State Sales Tax	\$63,841,496	\$63,432,710	\$68,263,920	\$79,429,148	\$94,428,822	\$98,866,977
Trans from School Improvement	\$29,500,000	\$39,979,630	\$12,386,219	\$10,398,748	\$3,335,978	
Reimbursement					\$163,688	
Fiscal Relief Payments (PL 108-27)		\$33,975,577	\$33,975,577			
Balance From Previous Year		\$57,580	\$33,975,577	\$49,511,338		\$97,255,668
Prior Year Refunds	\$947,249	\$383,107	\$1,145,129	\$570,439	\$91,201	
Transfer Appropriation	\$43,852,000	(\$43,852,000)				
Total	\$773,113,411	\$857,366,993	\$942,719,480	\$1,081,412,480	\$1,000,353,620	\$1,204,078,068
	Bal. Forward to New Yr.	Bal. Forward to New Yr.	Bal. Forward to New Yr.	Bal. Forward to New Yr.		
	\$57,580	\$33,975,576	\$49,511,338	\$97,244,558		
		Revert to General Fund	Revert to General Fund	Revert to General Fund	Revert to General Fund	
Balance		\$14,358,325	\$1,145,129	\$175,822,595	\$91,201	\$185,000,000

** Beginning in FY 2004, funding for the Nevada Early Literacy Program was combined into the Professional Development funding.

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

EXPENDITURES

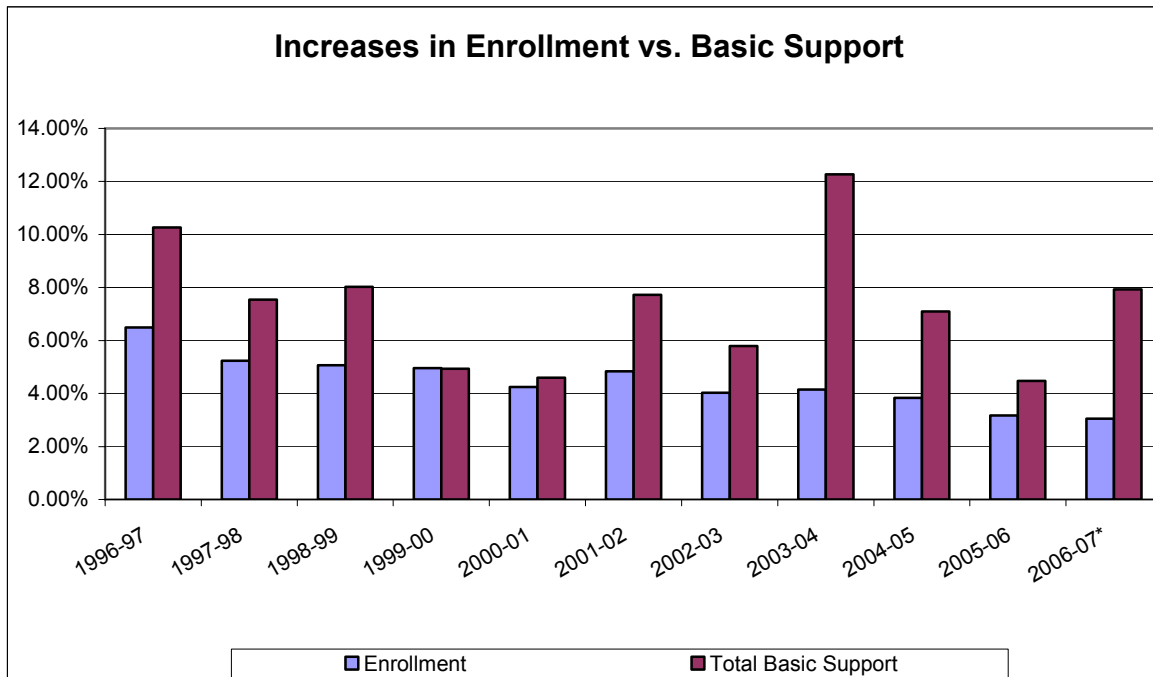
STATE OF NEVADA:
Current Expenditures for Public Elementary and Secondary Education
FY 1993 through 2004



Source: U. S. Census Bureau, "Public Education Finances," 1992-2003. March 2006.

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

EXPENDITURES



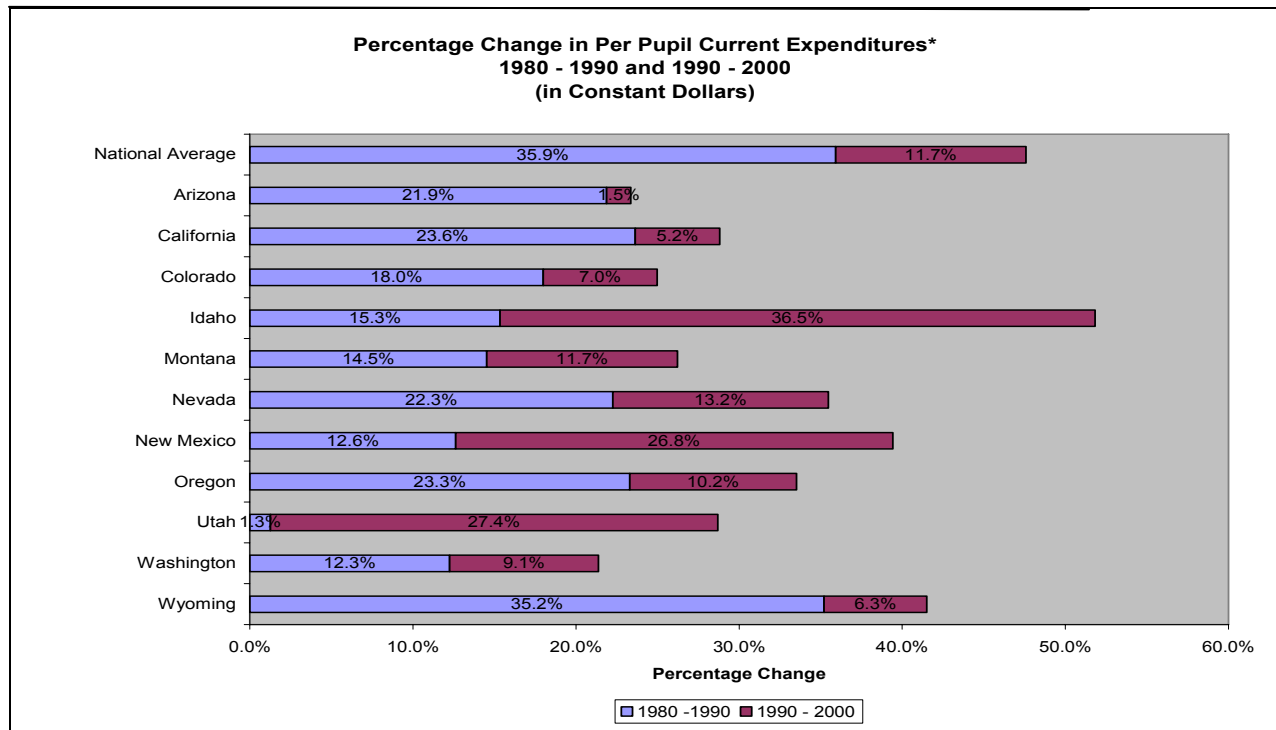
	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07*
Enrollment	6.49%	5.24%	5.06%	4.96%	4.24%	4.83%	4.02%	4.14%	3.84%	3.16%	3.05%
Total Basic Support	10.26%	7.54%	8.03%	4.93%	4.60%	7.73%	5.79%	12.27%	7.10%	4.47%	7.93%

Note: 2006-07 reflects current projections.

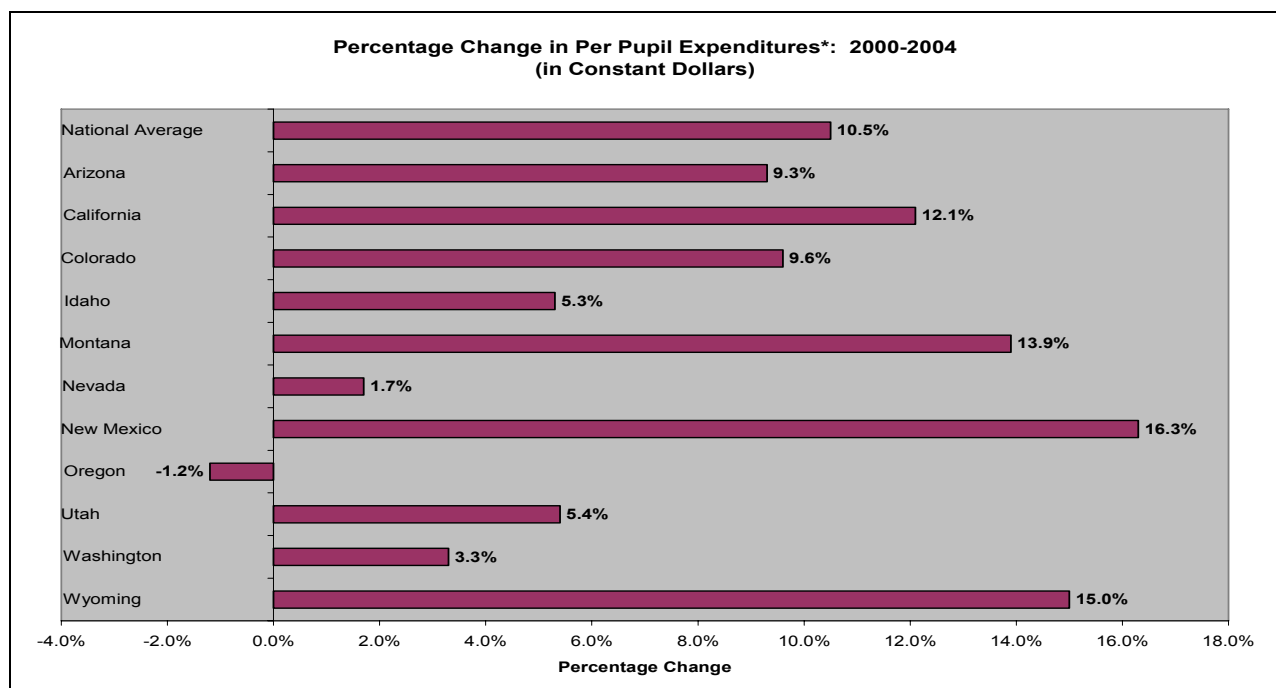
Source: Fiscal Analysis Division, 2006.

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

EXPENDITURES – PER PUPIL



Source: NCES – Digest of Education Statistics: 2005



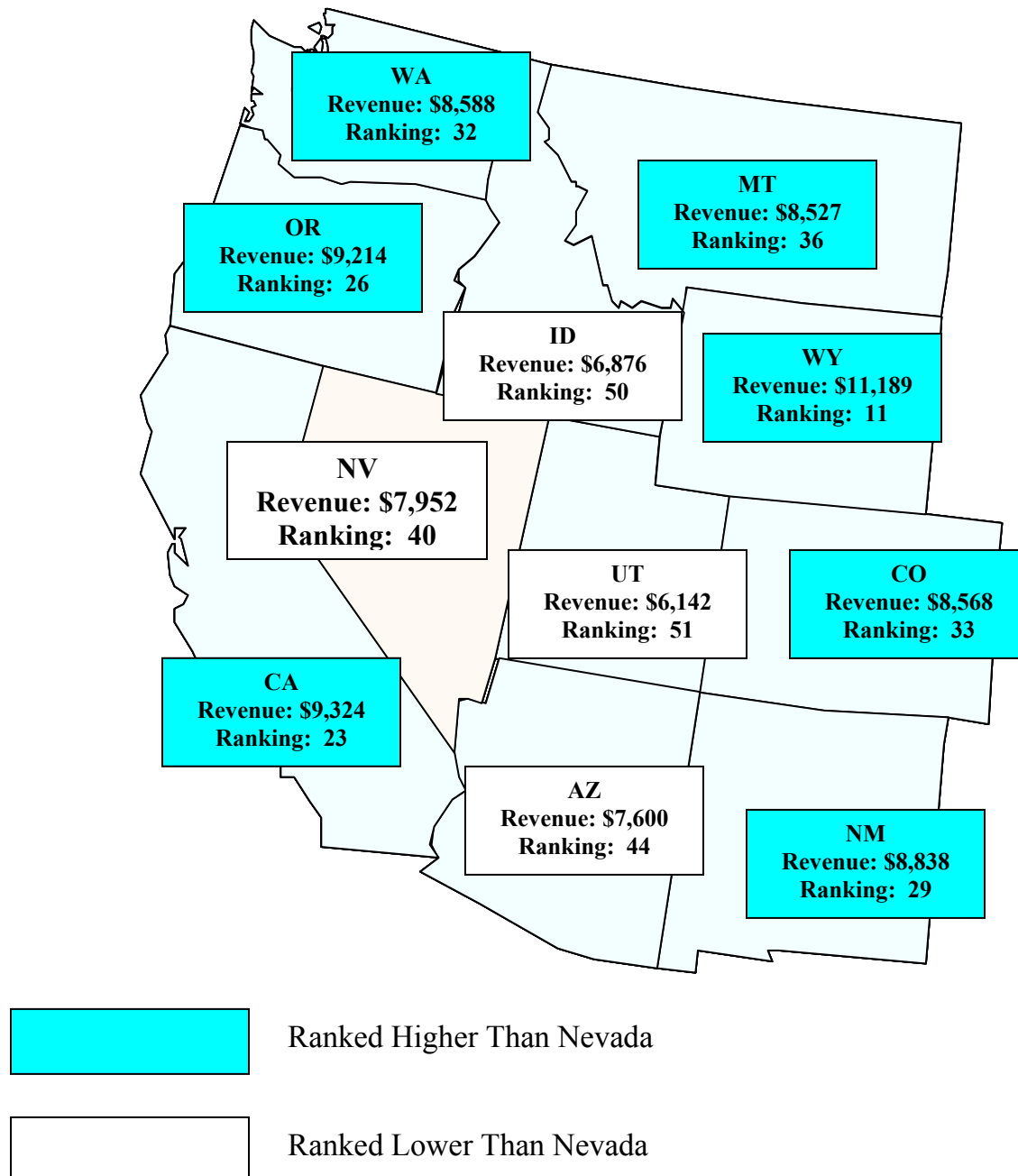
Source: Morgan Quitno *Education State Rankings 2006-2007*

*"Current Expenditures" do not include capital costs, debt service and other related costs.

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

REVENUE

Per Pupil Revenue Rankings - 2004

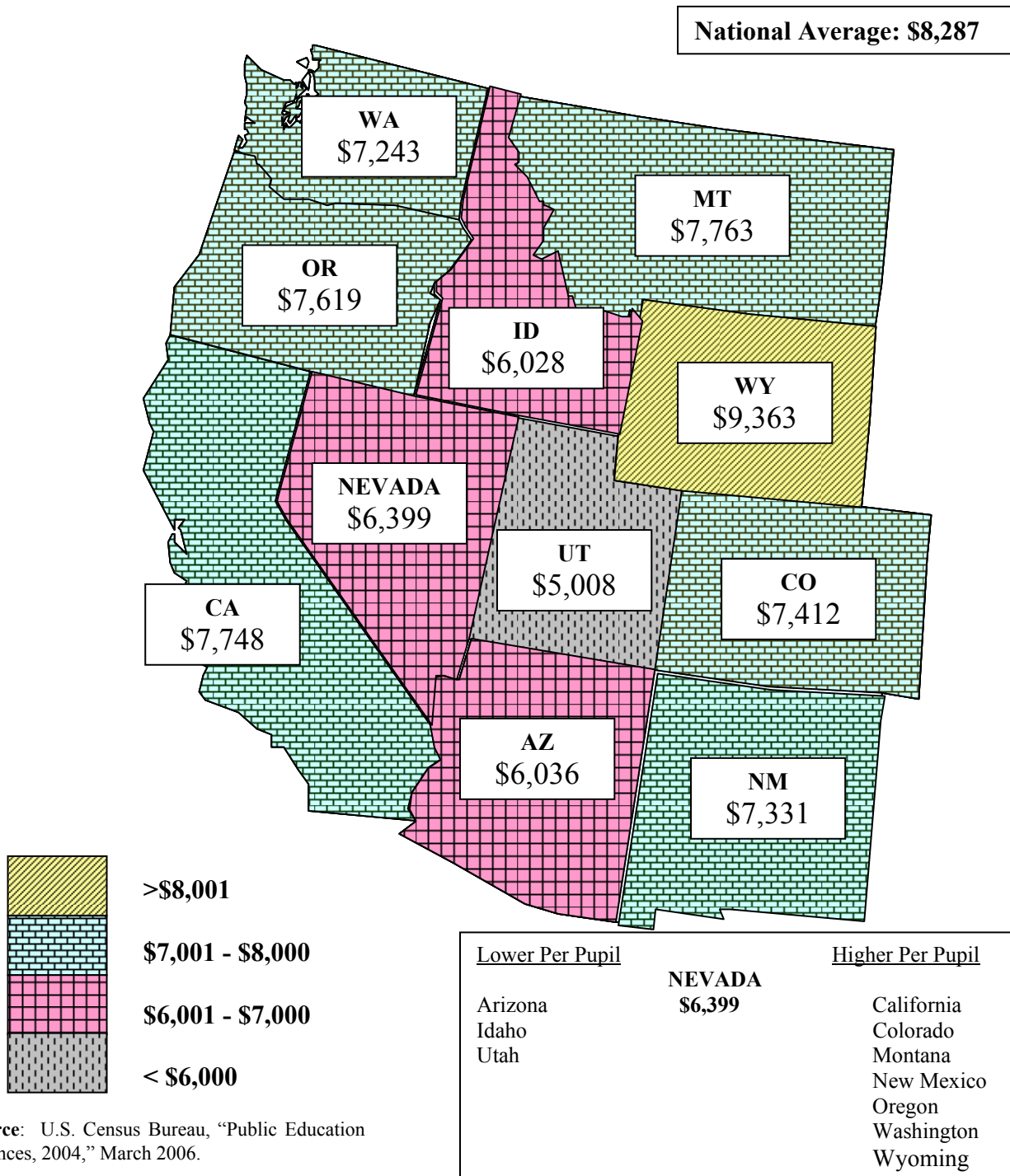


Source: U.S. Census Bureau, "Public Education Finances, 2004," March 2006.

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

EXPENDITURES

PER-PUPIL CURRENT EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOLS, SCHOOL YEAR 2003-2004



NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

EXPENDITURES

WESTERN STATE COMPARISON PER PUPIL EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOLS BY FUNCTION – 2003-2004

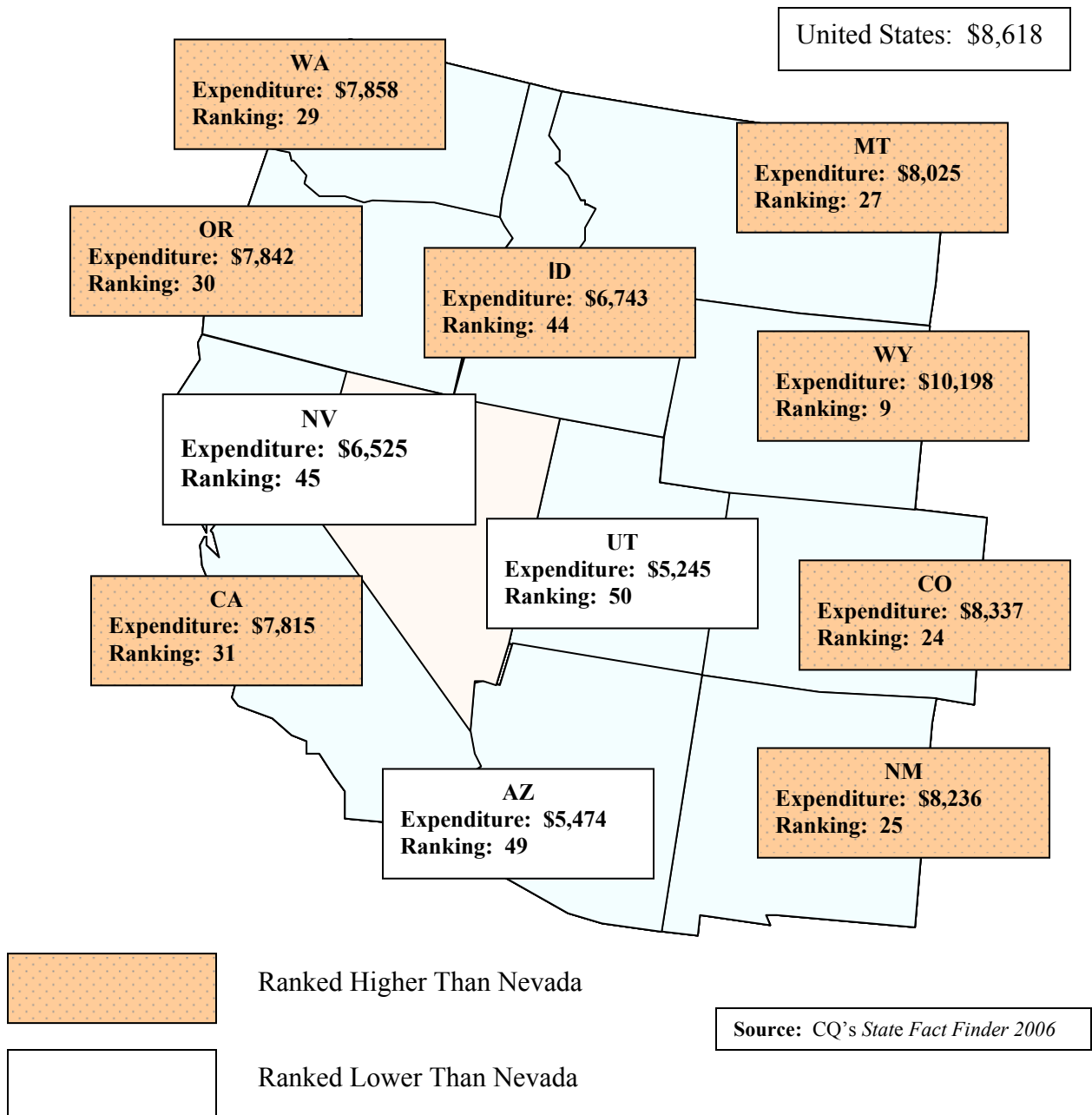
State	Current Per Pupil Expenditures				
	Total	Instruction	Student Support	Operations	Administration
Wyoming	\$9,307	\$6,000	\$551	\$1,684	\$1,072
National Average	\$8,310	\$5,492	\$429	\$1,475	\$914
Montana	\$7,824	\$5,087	\$400	\$1,462	\$875
California	\$7,673	\$5,150	\$343	\$1,231	\$949
Oregon	\$7,618	\$4,819	\$506	\$1,244	\$1,049
New Mexico	\$7,571	\$4,607	\$750	\$1,396	\$818
Colorado	\$7,478	\$4,656	\$334	\$1,206	\$1,282
Washington	\$7,392	\$4,745	\$459	\$1,337	\$851
Nevada	\$6,411	\$4,259	\$246	\$1,079	\$827
Idaho	\$6,166	\$4,060	\$343	\$1,143	\$620
Arizona	\$5,990	\$3,741	\$330	\$1,176	\$743
Utah	\$4,991	\$3,413	\$187	\$924	\$467

Source: U.S. Department of Education, NCES, *Current Expenditures for Public Elementary and Secondary Education: School Year 2003-04*, July, 2006.

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

EXPENDITURES

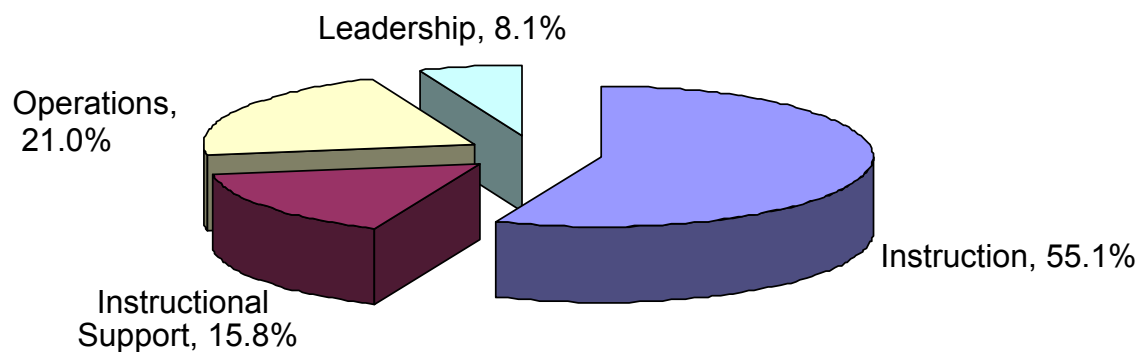
PER PUPIL SPENDING RANKINGS – 2004-2005



NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

EXPENDITURES IN\$ITE FINANCIAL ANALYSIS SYSTEM

**Total Expenditures (All Funding Sources)
By Four Major Functions
(Does Not Include Other Commitments*)
2004-05 School Year**

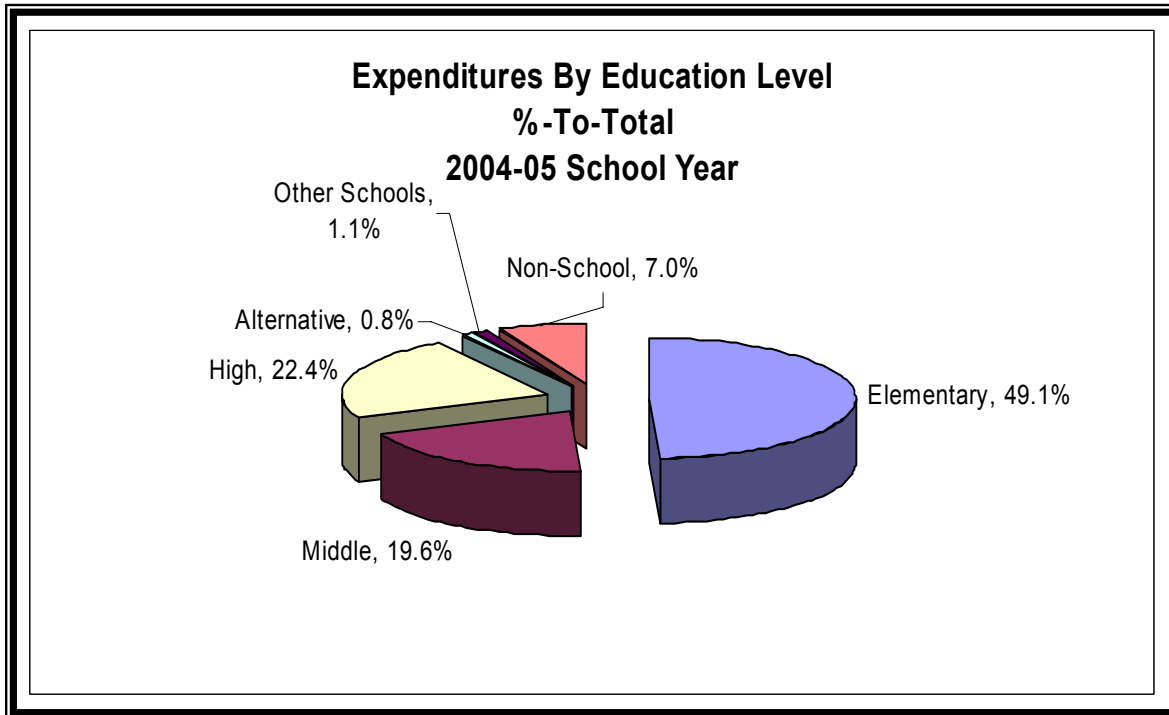


Enrollment:			
339,201			
	Amount	Per Pupil	%-To-Total
Instruction	\$1,463,638,907	\$3,783	55.1%
Instructional Support	\$418,885,946	\$1,083	15.8%
Operations	\$557,665,432	\$1,441	21.0%
Leadership	\$213,951,953	\$553	8.1%
Total Expenditures	\$2,654,142,238	\$6,859	100.0%

Source: EdMin.Com – In\$ite Reports: 2004-05 School Year

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

IN\$ITE FINANCIAL ANALYSIS SYSTEM

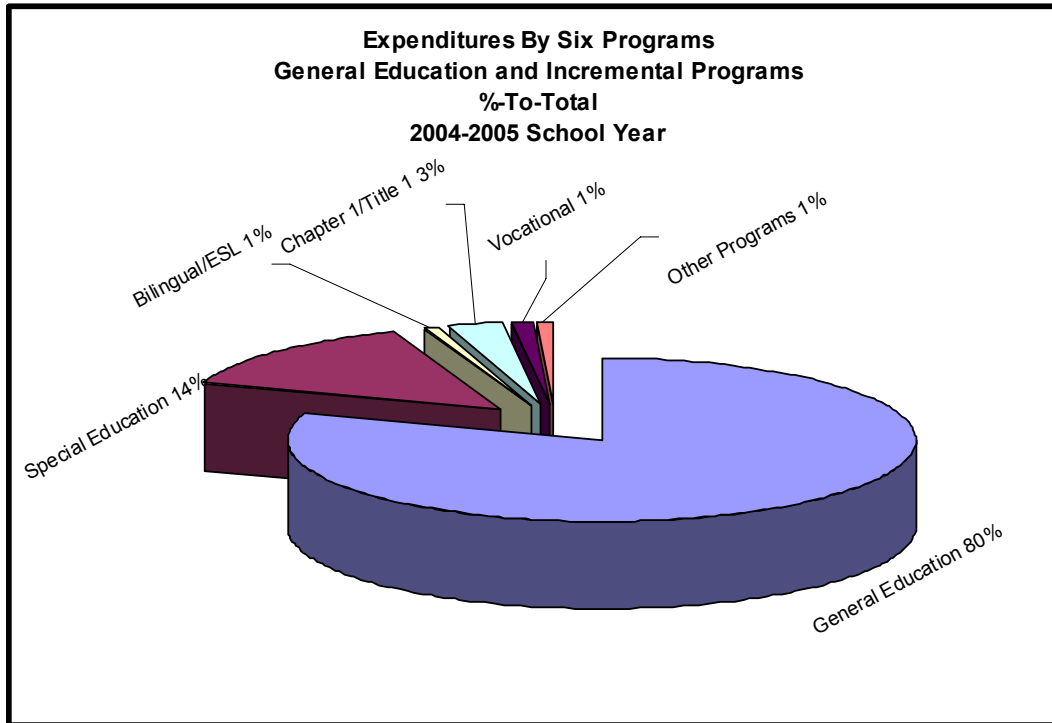


Education Level	Enrollment	Amount	\$ Per Pupil	%-To-Total
Elementary	186,609	\$1,302,858,361	\$6,982	49.1%
Middle	92,883	\$520,003,241	\$5,598	19.6%
High	103,745	\$595,109,998	\$5,736	22.4%
Alternative	2,948	\$21,707,599	\$7,364	0.8%
Other Schools	758	\$29,355,611	N/A	1.1%
Non-School	N/A	\$185,107,427	N/A	7.0%
Total	386,943	\$2,654,142,237	\$6,859	100.0%

Source: EdMin.Com – In\$ite Reports: 2004-05 School Year.

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

IN\$ITE FINANCIAL ANALYSIS SYSTEM



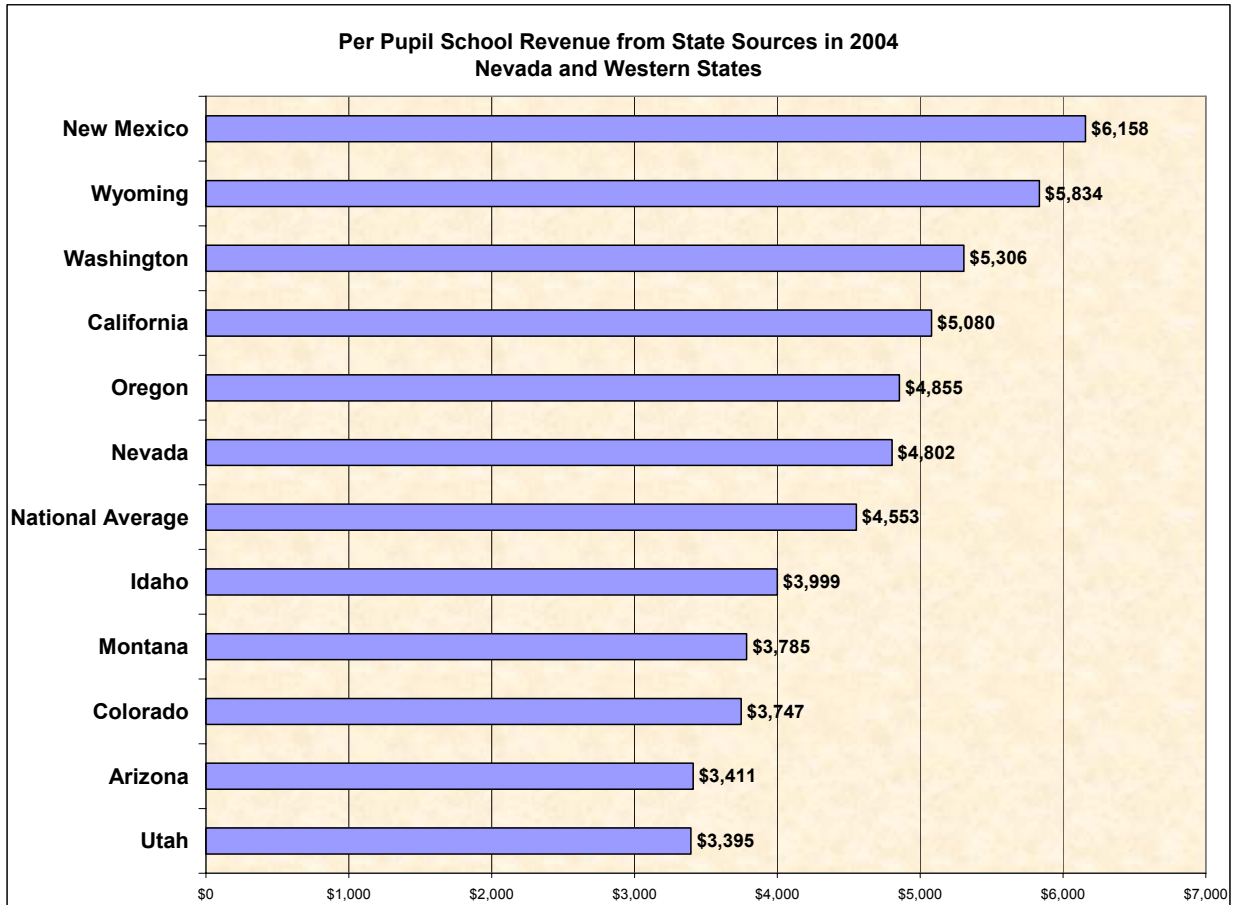
Program	Program Enrollment ¹	Amount	Incremental \$ Per Pupil ³	Total \$ Per Pupil ³	%-To-Total
General Education	386,940	\$2,132,394,290	\$5,511	\$5,511	80.3%
Special Education	46,732	\$377,149,041	\$8,070	\$13,581	14.2%
Bilingual / ESL	65,961	\$19,969,485	\$303	\$5,814	0.8%
Chapter 1 / Title 1	58,999	\$74,853,410	\$1,269	\$6,780	2.8%
Vocational	54,702	\$31,014,383	\$567	\$6,078	1.2%
Other Programs ²	N/A	\$18,761,629	N/A	N/A	0.7%
Total	386,943	\$2,654,142,238	N/A	\$6,860	100.0%

1. Students are counted as 1.0 in multiple programs. Therefore, the total of programmatic enrollments is greater than "Total District" enrollment. Kindergarten and pre-school students are counted as 0.6 for enrollment because they attend school for only part of the day.
2. "Other Programs" does not include a per pupil expenditure because these programs benefit various student populations with a variety of needs, and a per pupil calculation would not be comparable.
3. The per pupil programmatic expenditure amounts in the "Incremental \$ Per Pupil" column represent on the incremental program expenditures. The "Total \$ Per Pupil" column represents the total per pupil expenditures for the designated program (the General Education base per pupil amount in **bold** plus the incremental per pupil amount for each program).

Source: EdMin.Com – In\$ite Reports: 2004-05 School Year.

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

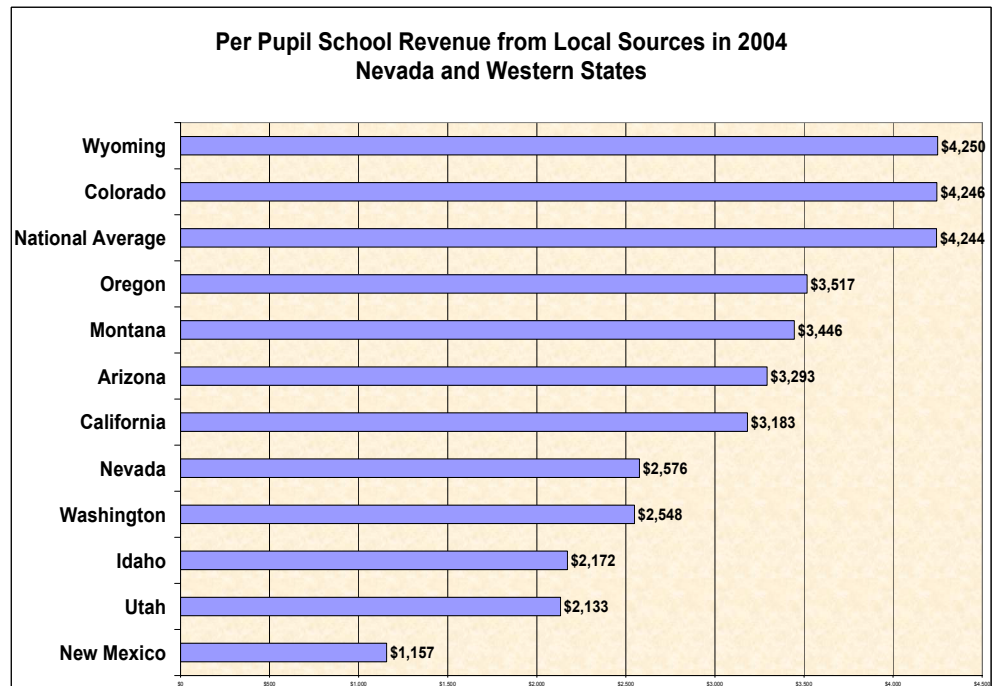
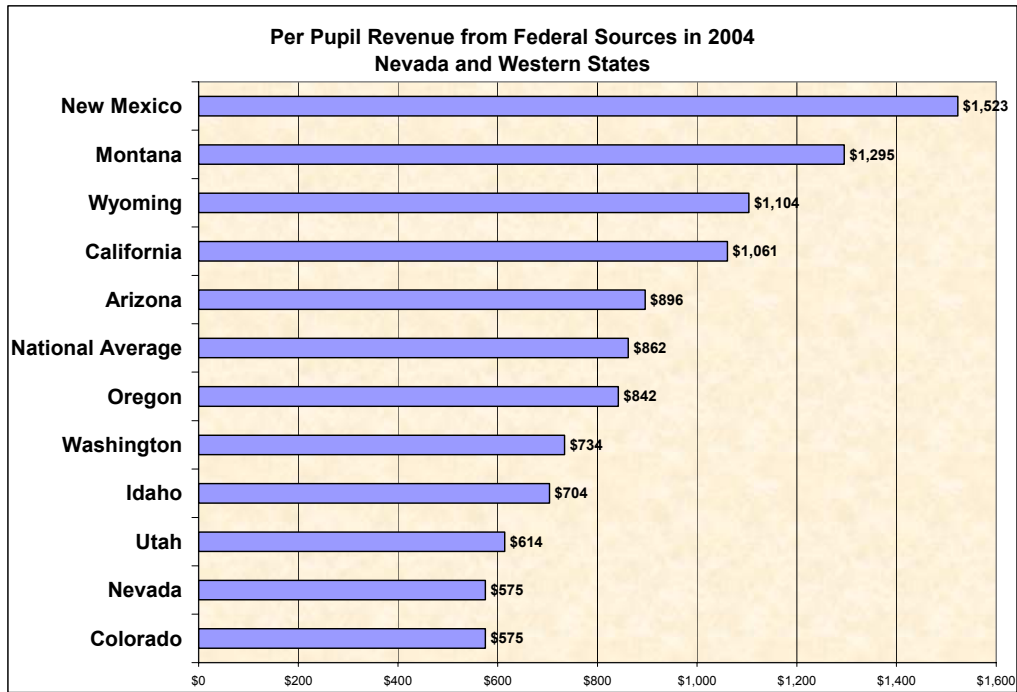
REVENUE SOURCES — NEVADA AND WESTERN STATES



Source: U. S. Census Bureau, "Public Education Finances, 2004," March 2006.

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

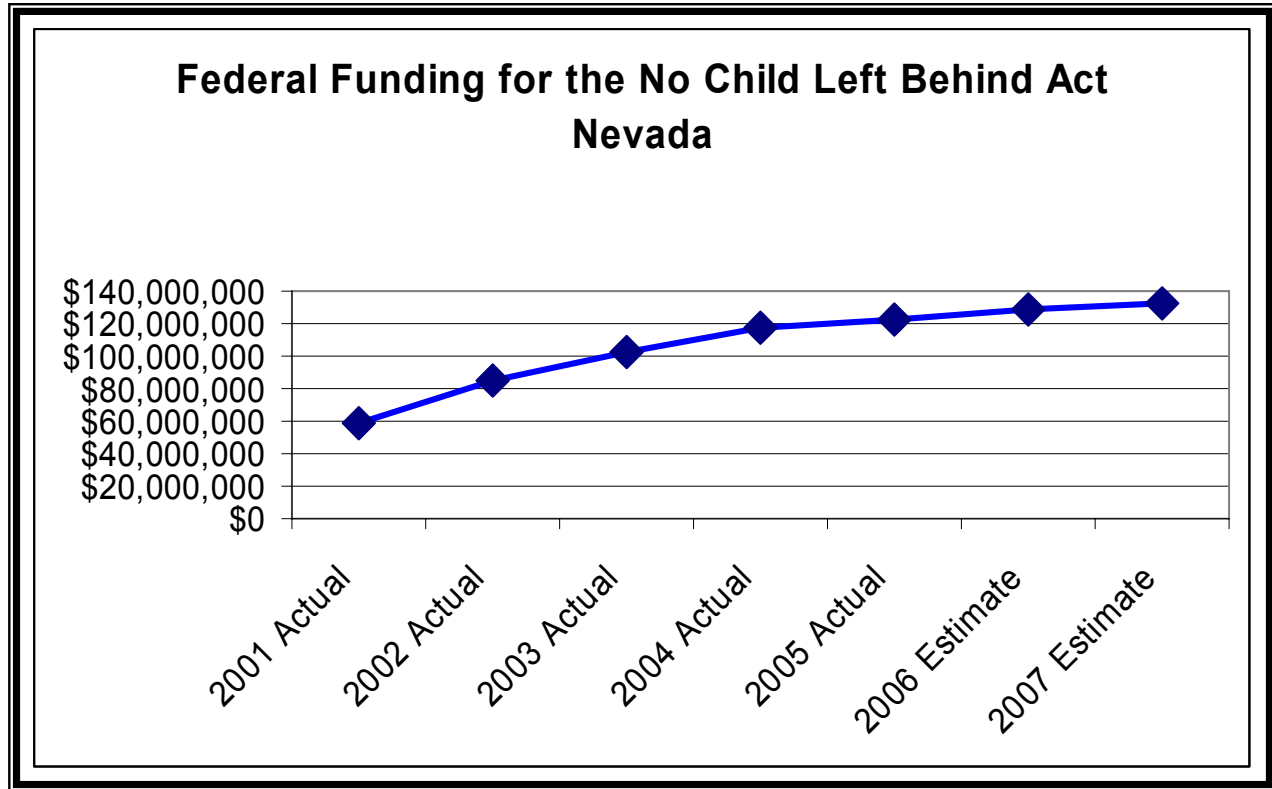
REVENUE SOURCES — FEDERAL AND LOCAL SOURCES



Source: U. S. Census Bureau, "Public Education Finances, 2004," March 2006.

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

FEDERAL FUNDING FOR NO CHILD LEFT BEHIND



Federal Programs Funded under the No Child Left Behind Act

Title I Grants	21 st Century Community Learning Centers
School Improvement	Innovative Programs
Reading First	State Assessments
Even Start	Rural School Programs
Migrant	Indian Education
Neglected and Delinquent	Safe and Drug Free Schools
Comprehensive School Reform	Language Acquisition
High School Reform	Community Service - Expelled Students
Improving Teacher Quality	Eisenhower Professional Development
Mathematics and Science Partnerships	Class-Size Reduction
Educational Technology State Grants	Immigrant Education

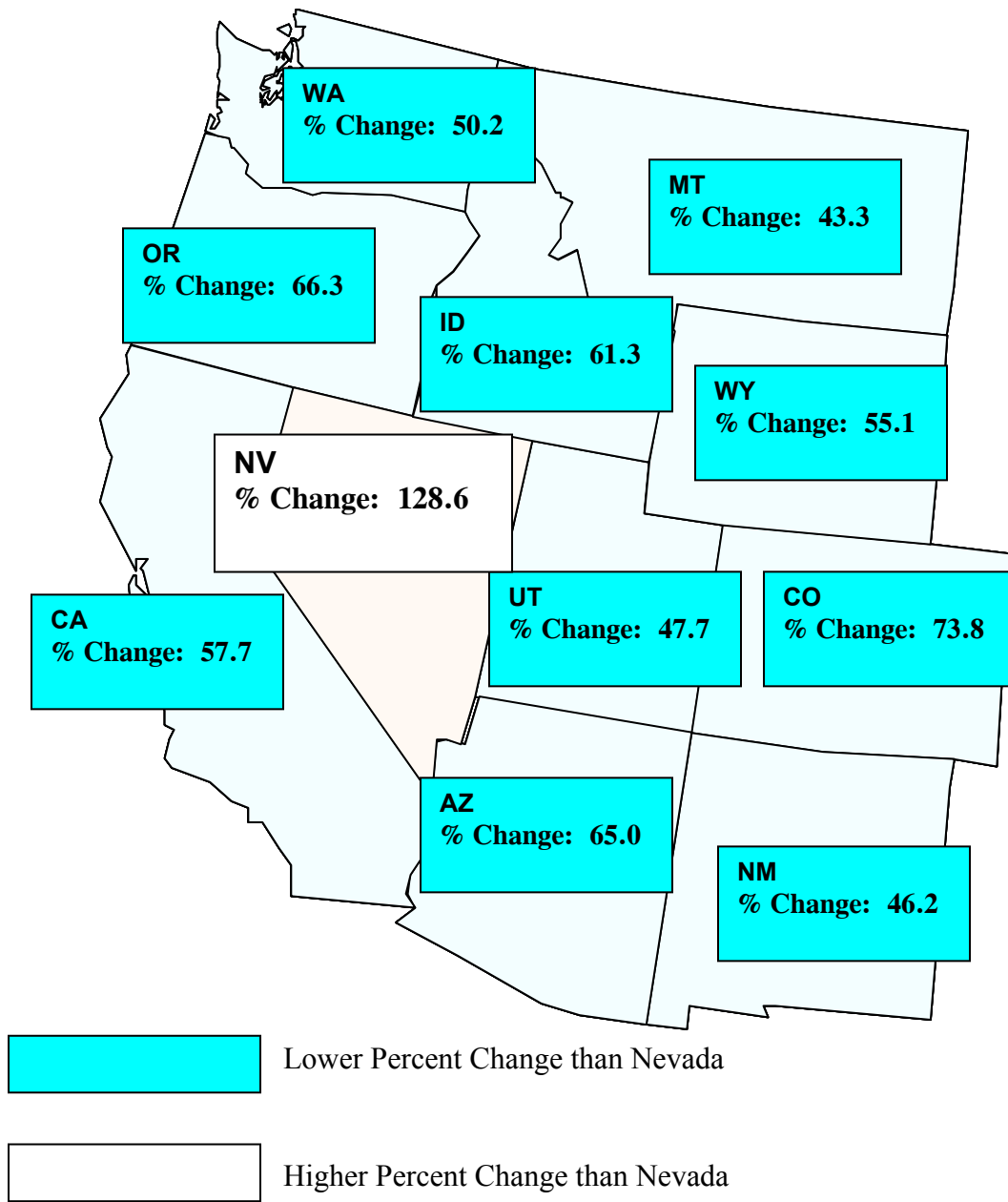
Source: U.S. Department of Education, "State Budget Tables - 2007."

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

FEDERAL FUNDING FOR NO CHILD LEFT BEHIND

Federal Funding for the No Child Left Behind Act (NCLB) Percent Change – Fiscal Years 2001-2007

United States: 57.6%



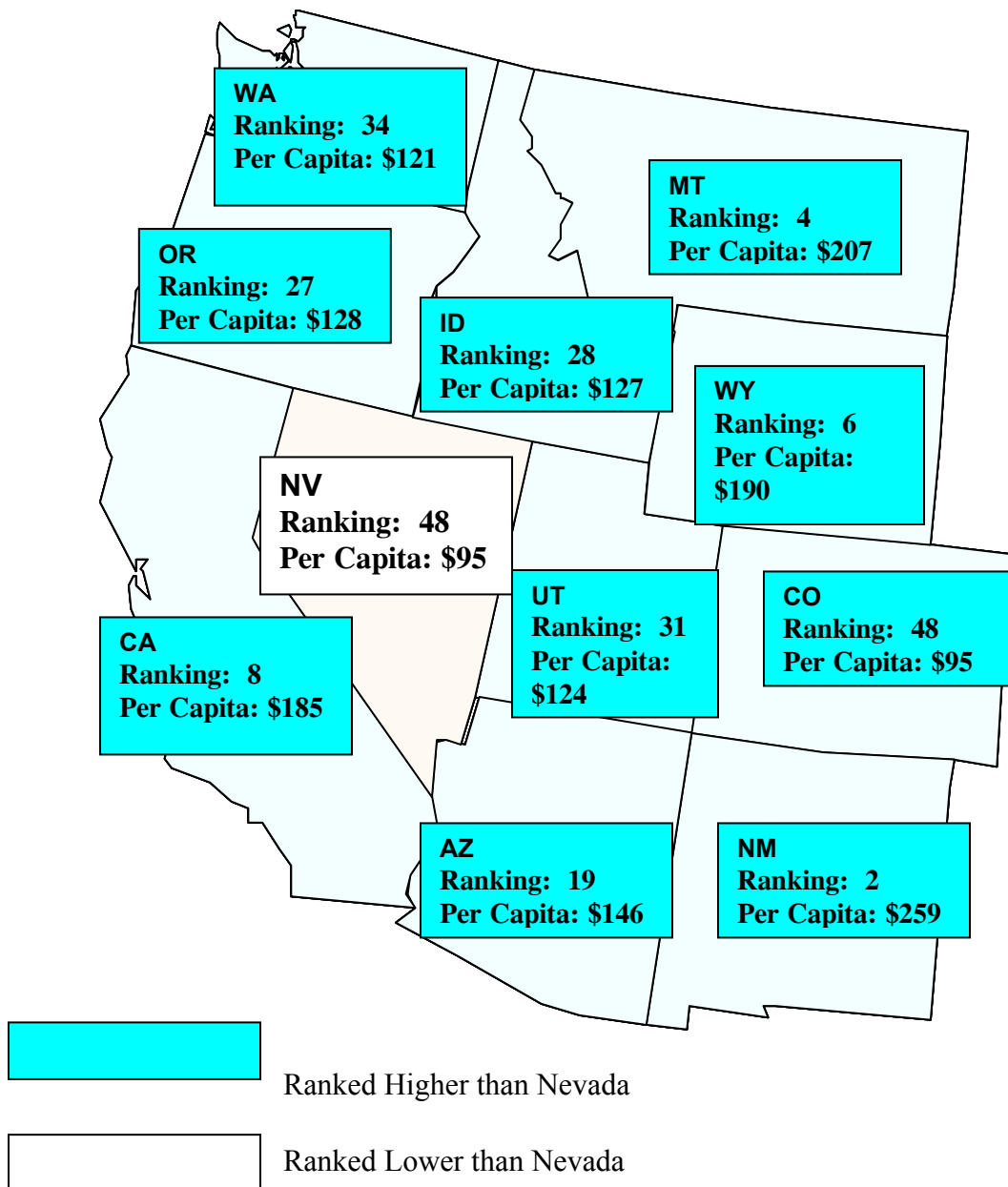
Source: U.S. Department of Education, www.ed.gov, "State Budget Tables – 2007."

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

REVENUE SOURCES — FEDERAL GRANTS

Revenue from Federal Sources – 2004 Western States Per Capita with Rankings

National Per Capita: \$141



Source: Morgan Quitno Press, Education State Rankings – 2006-2007.

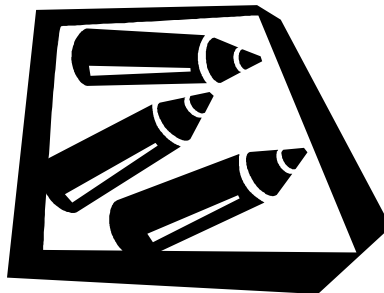
NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

LOCAL GOVERNMENT INDEBTEDNESS

LOCAL GOVERNMENT INDEBTEDNESS GENERAL OBLIGATION BONDS OF SCHOOL DISTRICTS AND OTHER LOCAL GOVERNMENT ENTITIES IN NEVADA June 30, 2006

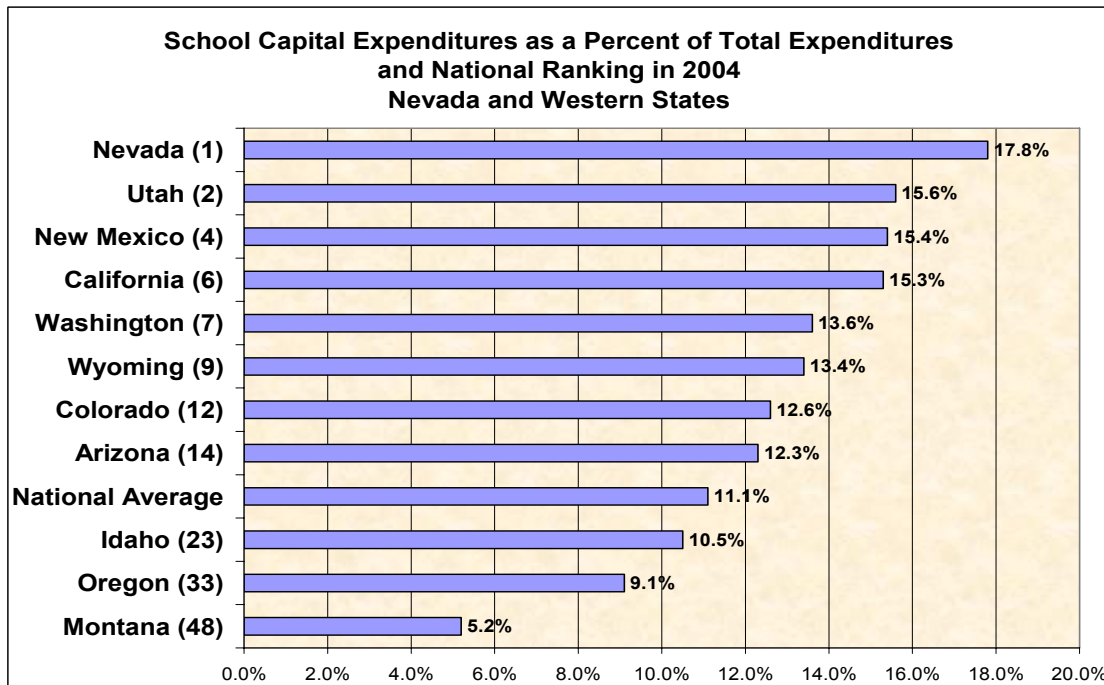
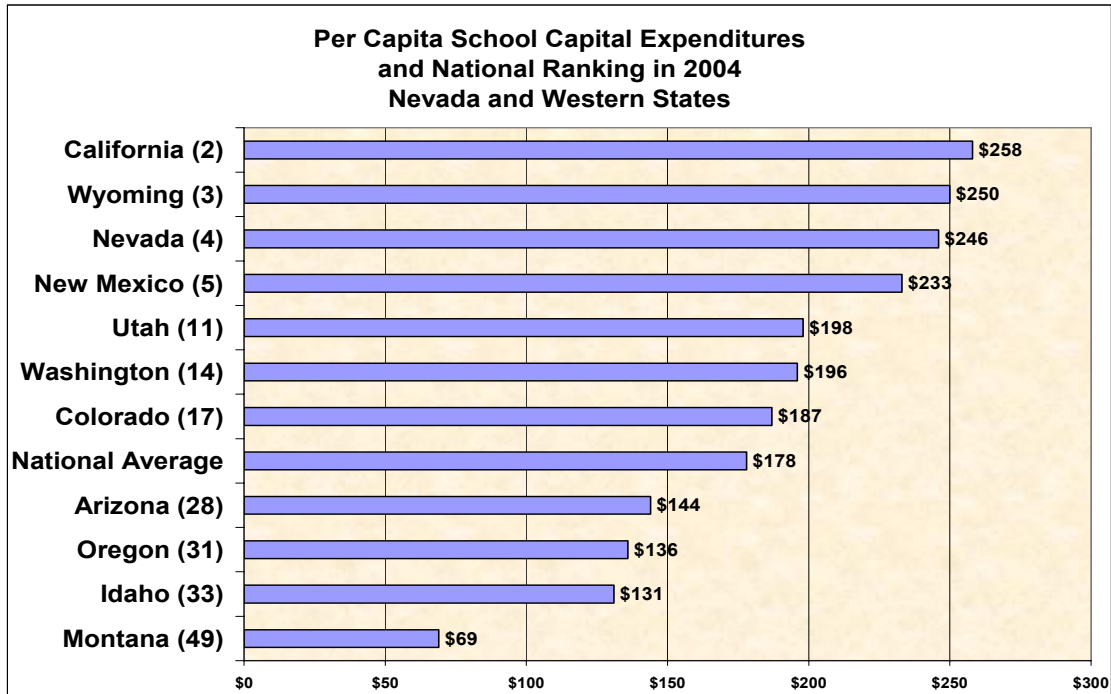
County	County Bond Amount	Schools Amount	Cities/Other Amount	Total	Percent of G.O. Bonds for Schools
Carson City	\$355,000	\$31,493,000		\$31,848,000	98.9%
Churchill		\$19,465,000		\$19,465,000	100.0%
Clark	\$99,160,000	\$2,837,545,500	\$219,974,576	\$3,156,680,076	89.9%
Douglas		\$12,340,000	\$245,000	\$12,585,000	98.1%
Elko			\$820,000	\$820,000	0.0%
Esmeralda				\$0	0.0%
Eureka		\$5,532,000		\$5,532,000	100.0%
Humboldt		\$3,215,000	\$3,093,000	\$6,308,000	51.0%
Lander	\$3,450,000			\$3,450,000	0.0%
Lincoln		\$4,200,000		\$4,200,000	100.0%
Lyon		\$63,995,000		\$63,995,000	100.0%
Mineral		\$4,485,000		\$4,485,000	100.0%
Nye		\$60,545,000		\$60,545,000	100.0%
Pershing		\$3,385,000		\$3,385,000	100.0%
Storey		\$4,555,000		\$4,555,000	100.0%
Washoe	\$70,150,000	\$433,985,000	\$22,550,000	\$526,685,000	82.4%
White Pine		\$6,245,000		\$6,245,000	100.0%
Statewide	\$173,115,000	\$3,490,985,500	\$246,682,576	\$3,910,783,076	89.3%

Source: Nevada Department of Taxation, "Annual Local Government Indebtedness"



NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

EXPENDITURES — CAPITAL CONSTRUCTION



Source: U. S. Census Bureau, "Public Education Finance", 2004, in Morgan Quitno's *Education State Rankings 2006 2007*.

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

EXPENDITURES — CURRENT VS. TOTAL

Total Per Pupil Expenditures 2003-2004 School Year		
Rank	State	Per Pupil
1	New Jersey	\$15,048
2	New York	\$14,500
3	Connecticut	\$13,349
4	Alaska	\$12,337
5	Vermont	\$12,170
6	Delaware	\$11,921
7	Rhode Island	\$11,719
8	Massachusetts	\$11,718
9	Pennsylvania	\$11,464
10	Wisconsin	\$11,350
11	Michigan	\$11,013
12	Maine	\$10,960
13	Wyoming	\$10,825
14	Ohio	\$10,612
15	Minnesota	\$10,440
16	New Hampshire	\$10,365
17	Maryland	\$10,259
18	Illinois	\$10,04
19	United States	\$9,762
20	Indiana	\$9,754
21	Hawaii	\$9,650
22	Nebraska	\$9,630
23	West Virginia	\$9,430
24	California	\$9,421
25	Virginia	\$9,382
26	New Mexico	\$9,159
27	Georgia	\$9,082
28	Colorado	\$9,073
29	Washington	\$8,946
30	Oregon	\$8,924
31	Iowa	\$8,924
32	Missouri	\$8,788
33	South Carolina	\$8,748
34	Texas	\$8,683
35	Kansas	\$8,652
36	Florida	\$8,455
37	North Dakota	\$8,373
38	Nevada	\$8,364
39	Montana	\$8,322
40	South Dakota	\$8,100
41	Louisiana	\$7,997
42	Arkansas	\$7,956
43	North Carolina	\$7,614
44	Alabama	\$7,497
45	Kentucky	\$7,313
46	Tennessee	\$7,292
47	Idaho	\$7,070
48	Arizona	\$7,031
49	Mississippi	\$6,780
50	Oklahoma	\$6,677
51	Utah	\$6,263

Current Per Pupil Expenditures 2003-2004 School Year		
Rank	State	Per Pupil
1	New Jersey	\$13,338
2	New York	\$12,638
3	Connecticut	\$11,436
4	Vermont	\$11,211
5	Rhode Island	\$11,078
6	Massachusetts	\$11,015
7	Delaware	\$10,212
8	Alaska	\$10,116
9	Maine	\$9,746
10	Pennsylvania	\$9,708
11	Maryland	\$9,433
12	Wyoming	\$9,308
13	Wisconsin	\$9,240
14	New Hampshire	\$9,161
15	Michigan	\$9,094
16	Ohio	\$9,029
17	Illinois	\$8,606
18	West Virginia	\$8,588
19	Hawaii	\$8,533
20	Nebraska	\$8,452
21	Indiana	\$8,431
22	Minnesota	\$8,405
23	United States	\$8,310
24	Virginia	\$8,219
25	Montana	\$7,825
26	Kansas	\$7,776
27	Georgia	\$7,742
28	California	\$7,673
29	Iowa	\$7,626
30	Oregon	\$7,618
31	New Mexico	\$7,572
32	Missouri	\$7,542
33	Colorado	\$7,478
34	Washington	\$7,391
35	North Dakota	\$7,297
36	Louisiana	\$7,271
37	South Carolina	\$7,177
38	Texas	\$7,151
39	South Dakota	\$7,068
40	Kentucky	\$6,861
41	Arkansas	\$6,842
42	Florida	\$6,793
43	North Carolina	\$6,613
44	Alabama	\$6,581
45	Tennessee	\$6,466
46	Nevada	\$6,410
47	Mississippi	\$6,199
48	Idaho	\$6,168
49	Oklahoma	\$6,154
50	Arizona	\$5,991
51	Utah	\$4,991

NOTE

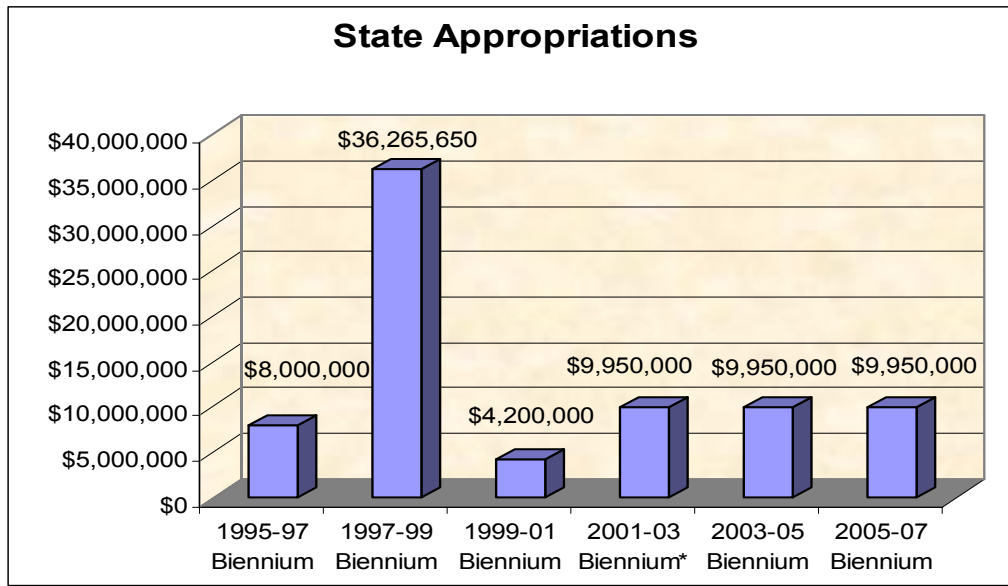
The NCES explains the differences between current and total as follows: "Because of the variation in the kinds of programs run by school districts and the large swings in school construction expenditures, researchers often use current rather than total expenditures when reporting and comparing school district expenditures. Current expenditures are expenditures for the day-to-day operations of schools and school districts. They do not include expenditures for construction, equipment, debt financing, and programs outside of public elementary/secondary education. * * Total expenditures for public elementary and secondary education and other programs include current expenditures for public elementary and secondary education, capital outlays, other programs, interest on debt, and payments to state and local governments."--: NCES, *Revenues and Expenditures for Public Elementary and Secondary Schools: School Year 2000-01, April 2004.*

Source: National Center for Education Statistics. Advance copy of "Table 164v: Total and current expenditures per pupil in fall enrollment in public elementary and secondary education, by function and state or jurisdiction: 2003-04" (for unpublished edition of *Digest of Education Statistics 2006*)

NEVADA PLAN FOR SCHOOL FINANCE AND EDUCATION EXPENDITURES

TECHNOLOGY APPROPRIATIONS

EDUCATION TECHNOLOGY



NOTE: Governor Kenny C. Guinn froze all but \$500,000 of the appropriation for the 2001-03 biennium, due to state budget considerations.

SPECIFIC FUNDING CATEGORIES FOR THE 2005-07 BIENNIUM

Category Description	FY 2006	FY 2007	Total
Technology Infrastructure	\$2,412,500	\$2,412,500	\$4,825,000
Technical Support	\$398,000	\$398,000	\$796,000
High Quality Content Material	\$545,000	\$545,000	\$1,090,000
Professional Development	\$746,250	\$746,250	\$1,492,500
Pilot Projects	\$348,250	\$348,250	\$696,500
Library Databases	\$500,000	*-	\$500,000
KLVX	\$400,000	*-	\$400,000
LCB Evaluation	\$150,000	*-	\$150,000
Total	\$5,500,000	\$4,450,000	\$9,950,000

Per NRS 388.795, the Commission on Educational Technology allocates money appropriated by the Legislature to the school districts for educational technology.

*-Appropriations available for the 2005-07 biennium.

Source: Legislative Counsel Bureau, State Appropriations Report (various years)