



Chapter 3

Nevada Plan for School Finance and Education Revenues and 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 percent 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 percent Local School Support Tax (LSST) (sales tax) and 25 cents of the Ad Valorem Tax (property tax).

NOTE: The 2009 Legislature, through the passage of Senate Bill 429 (Chapter 395, *Statutes of Nevada*), temporarily increased the LSST from 2.25 percents to 2.60 percent for the 2009-2011 Biennium.

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.

To protect districts during times of declining 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 year's enrollment, unless the decline in enrollment is more than 5 percent, in which case the funding is based on the higher of the current or the previous two years' enrollment.

¹The 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, and interest from investments of the State Permanent School Fund.

Chapter 3

An additional provision assists school districts that experience significant growth in enrollment within the School Year (SY). 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. These units provide funding for licensed personnel who carry out 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 (2.60 percent for the 2009-2011 Biennium) 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 government services tax distributed to school districts; franchise tax; interest income; tuition; unrestricted federal revenue, such as revenue received under Public Law 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 federal government, State, 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 (LCB), 2010.

The 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 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 5 is counted as six-tenths of a pupil (1). In instances of declining enrollment, the higher of the current or previous year's enrollment is used; unless the decline in enrollment is more than 5 percent, in which case the higher of the current or the 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 allocated to 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 (2.60 percent for the 2009-2011 Biennium) 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, such as the Adult High School Education Program, 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 (10-14) are summed (15) and are added to total guaranteed basic 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).



Education would be so much more effective if its purpose were to ensure that by the time they leave school every boy and girl should know how much they don't know, and be imbued with a lifelong desire to know it.

Sir William Haley

The Nevada Plan Example—Summary (continued)

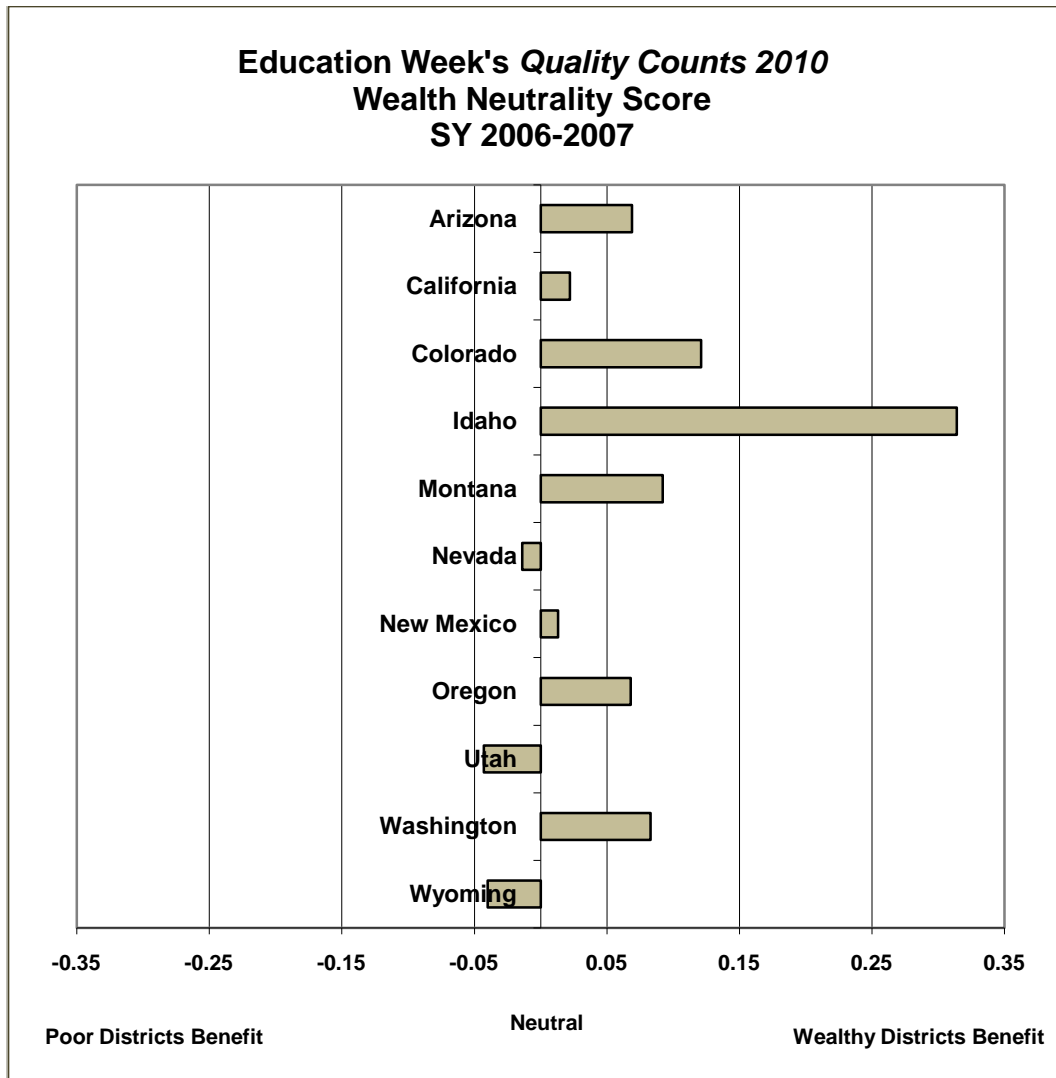
The following example illustrates the guaranteed funding process based on the revenue of a hypothetical district and, in addition, shows other revenue outside of the guarantee, making up the total resources included in an operating budget.

Basic Support Guarantee		
1	Number of Pupils (Weighted Enrollment*)	8,000
2	x Basic Support Per Pupil	<u>\$ 4,700</u>
3	= Guaranteed Basic Support	\$ 37,600,000
4	+ Special Education Allocation (40 units @ \$32,000 per unit)	<u>\$ 1,280,000</u>
5	= Total Guaranteed Support	\$ 38,880,000
	- Local Resources	
6	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	\$ 18,740,000
8	+ Adult High School Diploma Funding	<u>\$ 35,000</u>
9	= Total Revenue from Distributive School Account	\$ 18,775,000
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)	\$ 51,975,000

*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.

Source: Fiscal Analysis Division, LCB, 2010.

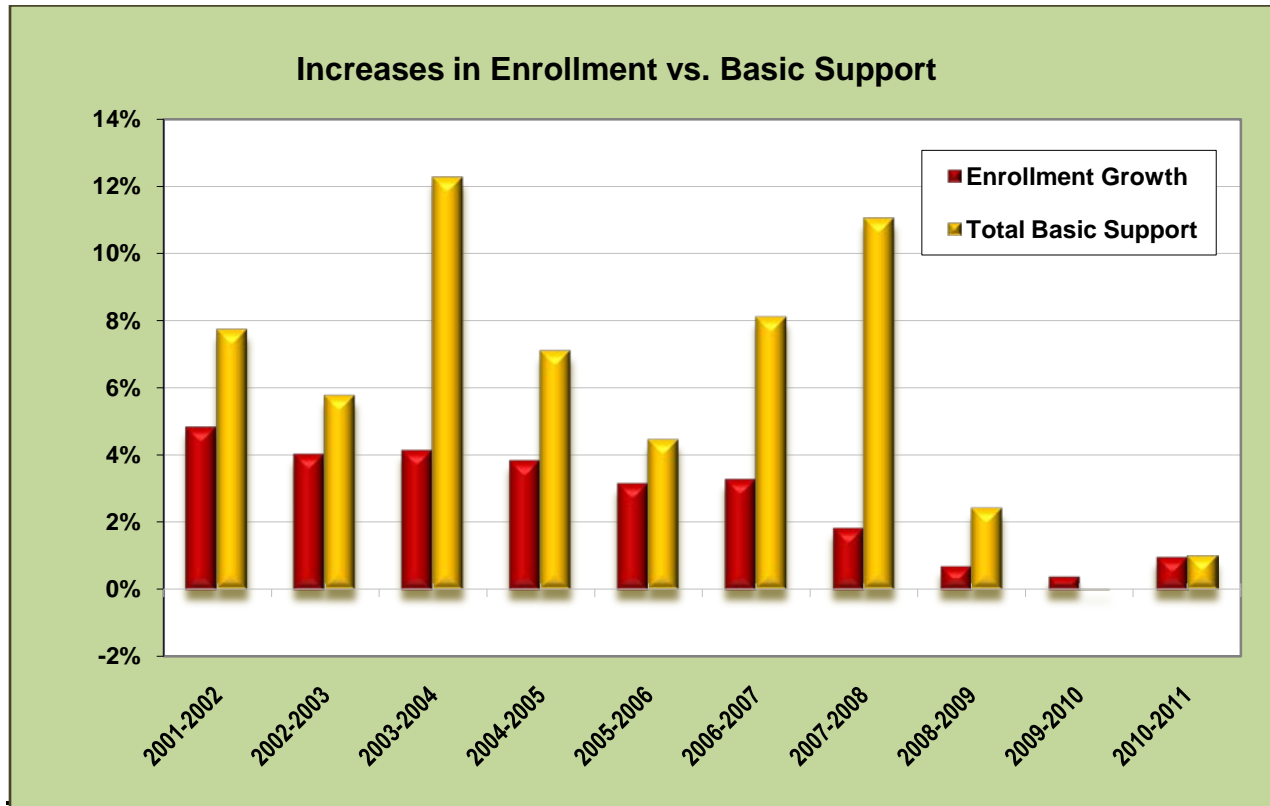
School Finance Systems—Fiscal Neutrality



Source: *Quality Counts 2010*, Education Week, January 14, 2010.

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.

Basic Support



	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011*
Enrollment Growth	4.83%	4.02%	4.14%	3.84%	3.16%	3.29%	1.83%	0.71%	0.41%	0.98%
Total Basic Support	7.73%	5.79%	12.27%	7.1%	4.47%	8.11%	11.05%	2.43%	-0.02%	1.01%

*2010-2011 reflects current projections.

Source: Fiscal Analysis Division, LCB, 2010.

Nevada Budget Reductions for K-12 Education

Revenue Shortfall and Its Impact on Public Education 2007-2009 Biennium

Budget Reductions Round 1

In order to meet the revenue shortfall in the State of Nevada, all publically funded entities, including the school districts, were faced with budget reductions during the 2007-2009 Biennium. The first round of education budget reductions faced by school districts required a 4.5 percent reduction in revenues. This required school districts to revert approximately \$93 million. The first round of budget reductions for public education included eliminating or reducing funding for new and continuing education programs. The reductions included:

- \$13.6 million for the expansion of the full-day kindergarten program during SY 2008-2009. This resulted in lost funding for 228 additional teaching positions at approximately 57 eligible schools in 10 different school districts.
- \$8.9 million that was to be used to establish empowerment schools during SY 2008-2009. These funds would have provided support for the establishment of up to 29 empowerment schools (16 in Clark County, 5 in Washoe County, and 8 in the remaining rural counties).
- \$10 million to support competitive technology education grants to school districts over the 2007-2009 Biennium.
- \$4 million to support competitive grants to school districts to enhance and expand Career and Technical Education (CTE) programs during SY 2008-2009.
- \$10 million to support a pilot program of performance pay and enhanced compensation for teachers during the 2007-2009 Biennium.
- \$7.6 million to support school districts in meeting electricity, heating, and cooling costs that were greater than amounts budgeted for the 2007-2009 Biennium.
- \$8.3 million to support competitive grants to schools for innovative and remediation programs during SY 2008-2009. These grants are allocated by the Commission on Educational Excellence.

Nevada Budget Reductions for K-12 Education (*continued*)

Budget Reductions Round 2

The second round of budget reductions occurred during the 24th Special Session of the Legislature on June 27, 2008. For school districts, the budget reductions totaled \$80.4 million. The second round of reductions occurred in two areas:

- The first area was a reduction of \$48 million in funding available to school districts in FY 2008-2009 for the purchase of textbooks, instructional supplies, and instructional hardware.
- The second area was a reduction of \$32.4 million in State appropriations.

Budget Reductions Round 3

The third round of budget reductions occurred during the 25th Special Session of the Legislature on December 8, 2008. For school districts, the budget reductions totaled \$3.8 million. The third round of reductions occurred in four areas:

- Norm-Referenced Test (NRT): The statutory requirement to administer an NRT during SY 2008-2009 was suspended; this provided a reversion to the State General Fund of \$476,235. The Department of Education has proposed elimination of the test for the 2009-2011 Biennium, as well.
- School Support Teams (SSTs): Unused funding of \$300,000 from the Non-Title SST funds were reverted before the mandatory timeline of July 2009.
- Mineral Leasing Act Funds: The Legislature temporarily changed the distribution of Mineral Lease Act Funds for FY 2008-2009 from counties and school districts to the DSA. As a result of Senate Bill 1 of the 25th Special Session, a one-time payment of \$8 million from the federal Mineral Leasing Account was made to the DSA.

Budget Reductions Round 4

The fourth round of budget reductions occurred after the 25th Special Session. Based upon the revised Public School Operating Property Tax collection estimates for FY 2008-2009, the supplemental appropriation needed for the DSA increased. To help offset the increased shortfall, the State Budget Office requested an 11 percent budget reduction for the Regional Professional Development Programs' 2008-2009 budgets. The reduction totaled \$1.5 million.

Nevada Budget Reductions for K-12 Education (*continued*)

Budget Reductions—Grand Total

The grand total of reductions to K-12 education during the 2007-2009 Biennium was \$178.3 million. The Department of Education notes that of this total amount, \$55.2 million was reverted from the FY 2007-2008 K-12 budgets, which equates to 5.22 percent of the total K-12 budget. For FY 2008-2009, a total of \$123.2 million will be reverted, which equates to a 9.19 percent reduction in the total K-12 budget.

2009-2011 Biennium

Budget Reductions Round 1

In preparation for the 2009 Legislative Session, the Governor requested agencies to submit 14 percent reductions to their budgets. Statewide, for Nevada's 17 school districts, that amounted to almost \$189 million in each fiscal year.

Based upon the work of the Legislature and Governor, funding for established elementary and secondary education programs was continued including the State's class-size reduction program, full-day kindergarten in certain schools, retirement credits and incentives for teachers, career and technical education programs, and early childhood education programs. In addition, sufficient State General Funds were appropriated to meet projected enrollment increases and provide for the basic support at a level slightly higher than the FY 2008-2009 per pupil amount.

Although funding was continued for the regional training programs for teachers and administrators, the Legislature, through the passage of Assembly Bill 560 (Chapter 320, *Statutes of Nevada 2009*) downsized the regional training programs from four to three, eliminating the Western Nevada Regional Training Program.

Further, due to the economic downturn, no funding was appropriated to the Account for Programs for Innovation and the Prevention of Remediation for allocation by the Commission on Educational Excellence to schools for remedial and innovative programs to increase the academic achievement of pupils.

Finally, funding for teacher salaries was reduced 4 percent to help meet the projected revenue shortfalls; however, the actual salaries of teachers continue to be subject to local collective bargaining agreements. Therefore, it is not known if the reduction will result in actual pay decreases for teachers in any of the school districts.

NOTE: For all other State employees, 12-day furloughs were approved by the Legislature in each fiscal year of the 2009-2011 Biennium; this results in a reduction in pay of approximately 4.6 percent. In addition, longevity pay and merit pay increases for State employees have been temporarily suspended.

Nevada Budget Reductions for K-12 Education (*continued*)

Budget Reductions Round 2

In response to the continuing economic crisis, the Governor called the Legislature into the 26th Special Session on February 23, 2010. Through this Session, the Legislature reduced the basic support guarantee of all school districts for the 2009-2011 Biennium. The guaranteed amount was lowered from an average of \$5,251 to \$5,186 in FY 2009-2010 and from \$5,395 to \$5,192 in FY 2010-2011. This change will require school districts to make corresponding reductions in their budgets.

In an effort to allow school districts flexibility in addressing budget shortfalls, the Legislature approved Assembly Bill 4 (Chapter 7, *Statutes of Nevada 2010, 26th Special Session*), which temporarily revises provisions governing class-size reduction. For SY 2010-2011, this measure authorizes a school district to increase class sizes in grades 1, 2, and 3 by no more than two pupils per teacher in each grade, to achieve pupil-teacher ratios of 18 to 1 in grades 1 and 2 and 21 to 1 in grade 3. If a school district elects to increase class sizes in this manner, all money that would have otherwise been expended by the school district to achieve the lower class sizes in grades 1 through 3 must be used to minimize the impact of budget reductions on class sizes in grades 4 through 12. For reporting purposes, school districts that elect to increase class sizes in grades 1 through 3 will be required to report the pupil-teacher ratios achieved for each grade level from grade 1 through grade 12. The provisions of this bill expire by limitation on June 30, 2011.

2011-2013 Biennium

Budget Reductions 2011-2013 Biennium

At this time, it is not clear what the economic outlook is for the 2011-2013 Biennium. Nevada's Economic Forum will meet in December 2010 to formally make its projections for the coming biennium.

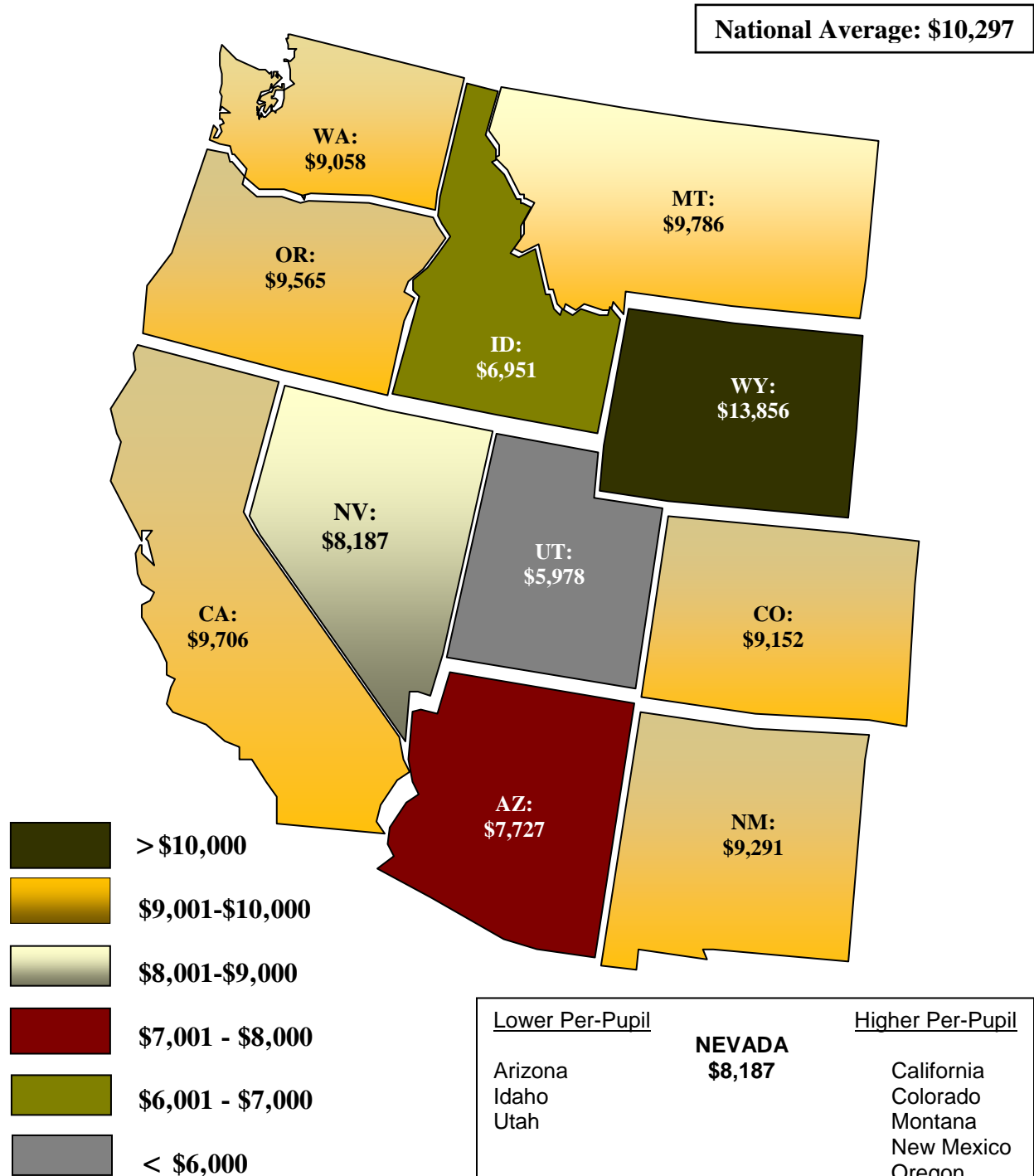


Judge a man by his questions rather than his answers.

Voltaire

Per-Pupil Expenditures

Per-Pupil Current Expenditures for Elementary and Secondary Schools
SY 2007-2008



Source: United States Department of Education, National Center for Education Statistics, *Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2007-08, First Look*, May 2010.

Per-Pupil Expenditures (*continued*)

Per-Pupil Expenditures for Elementary and Secondary Schools by Function Western States Comparison SY 2007-2008

Current Per Pupil Expenditures					
State	Total	Instruction	Student Support	Operations	Administration
National Average	\$10,297	\$6,262	\$556	\$1,003	\$778
Arizona	\$7,727	\$4,369	\$829	\$851	\$485
California	\$9,706	\$5,824	\$483	\$983	\$733
Colorado	\$9,152	\$5,299	\$428	\$878	\$819
Idaho	\$6,951	\$4,238	\$396	\$656	\$549
Montana	\$9,786	\$5,900	\$543	\$1,056	\$814
Nevada	\$8,187	\$4,866	\$383	\$870	\$744
New Mexico	\$9,291	\$5,345	\$957	\$944	\$759
Oregon	\$9,565	\$5,584	\$662	\$811	\$747
Utah	\$5,978	\$3,886	\$220	\$543	\$419
Washington	\$9,058	\$5,392	\$594	\$824	\$701
Wyoming	\$13,856	\$8,195	\$806	\$1,357	\$1,027

Source: U.S. Department of Education, National Center for Education Statistics, *Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2007-08, First Look*, May 2010.

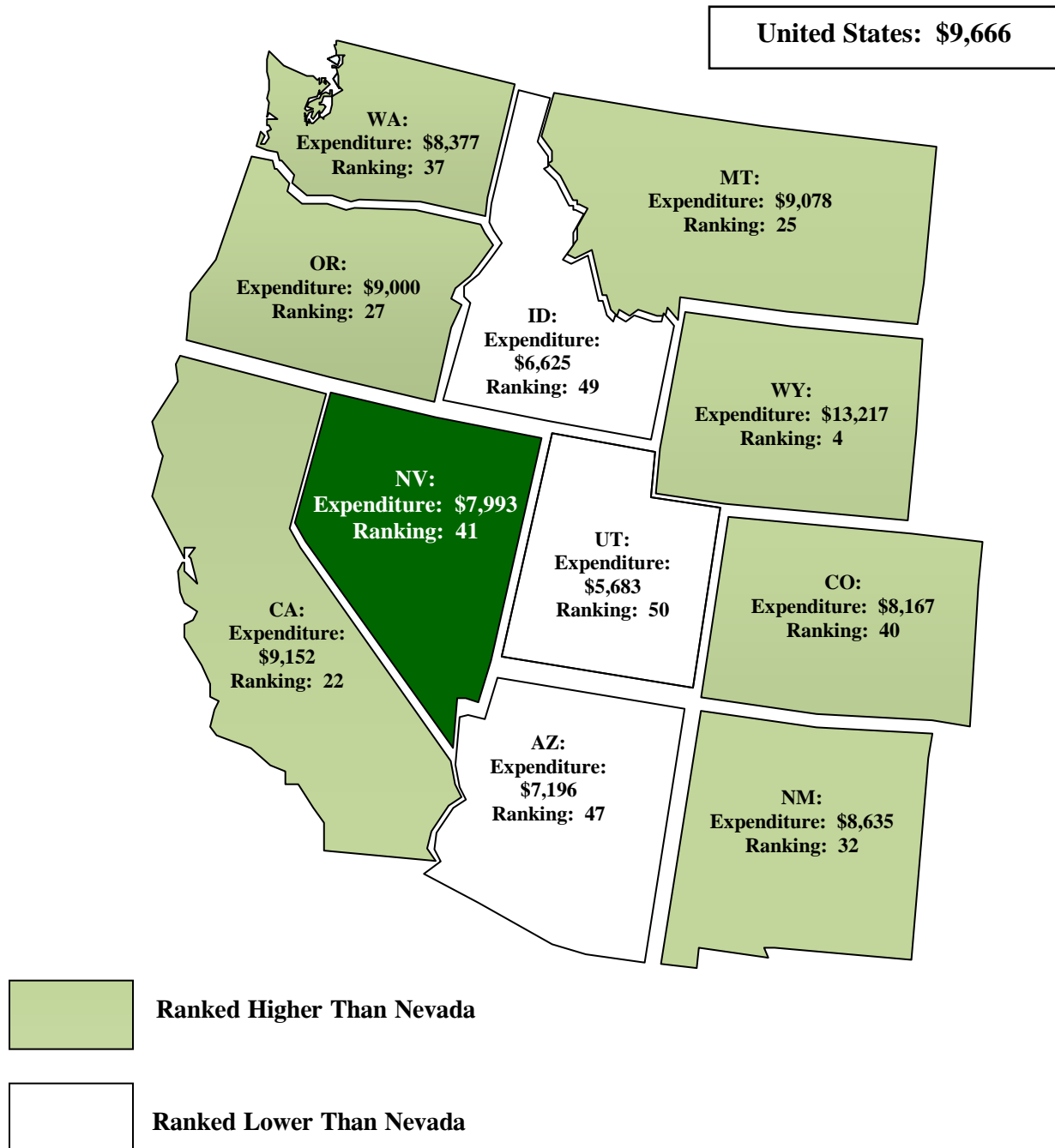


The purpose of education is to replace an empty mind with an open one.

Malcolm S. Forbes

Per-Pupil Expenditures (continued)

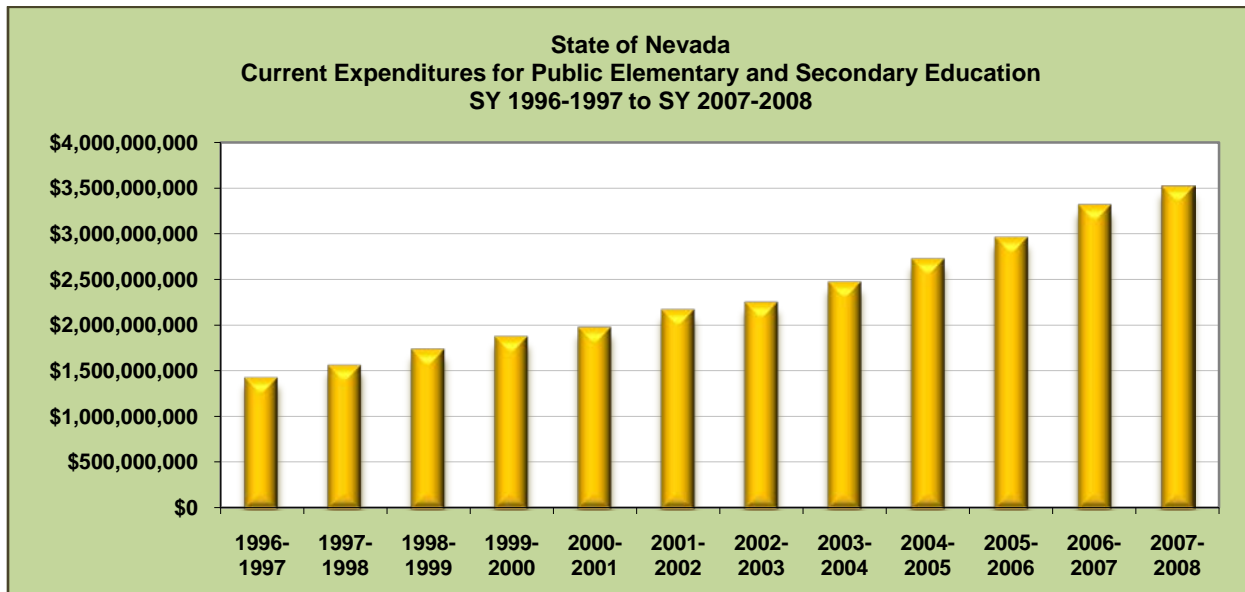
**Per-Pupil Current Expenditure Rankings*
SY 2006-2007**



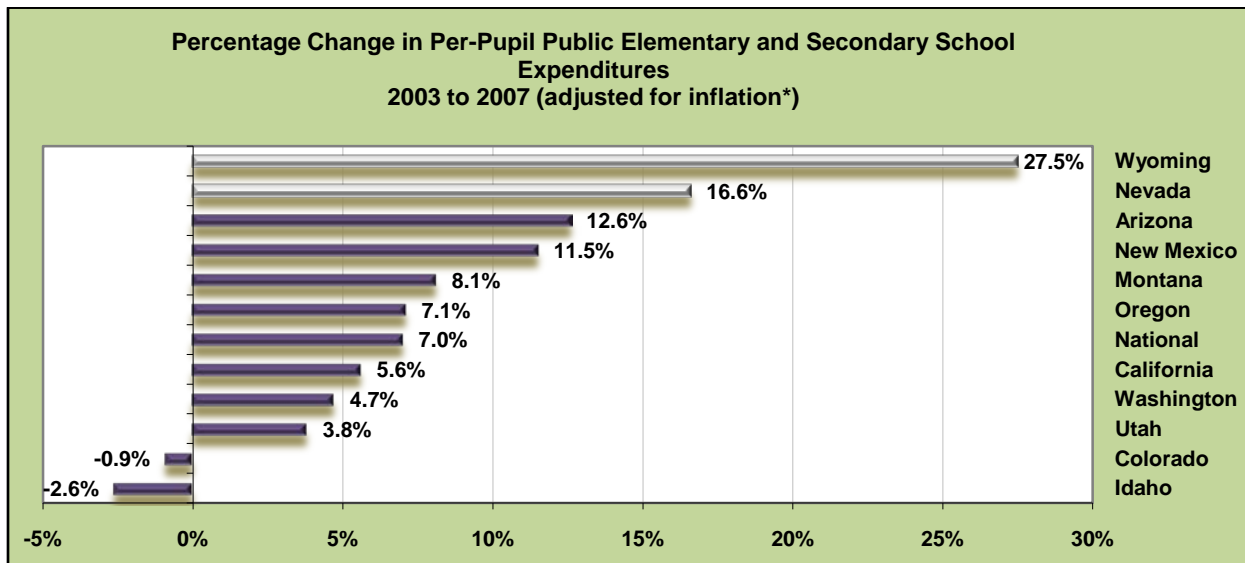
*Expenditures include salaries, benefits, services, and supplies. Excluded expenditures include those for adult education, community services, and other non-elementary-secondary programs.

Source: *Education State Rankings 2009-2010*, CQ Press, 2010.

Public School Expenditures



Source: U.S. Department of Education, National Center for Education Statistics, *Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2007-08, First Look*, May 2010.



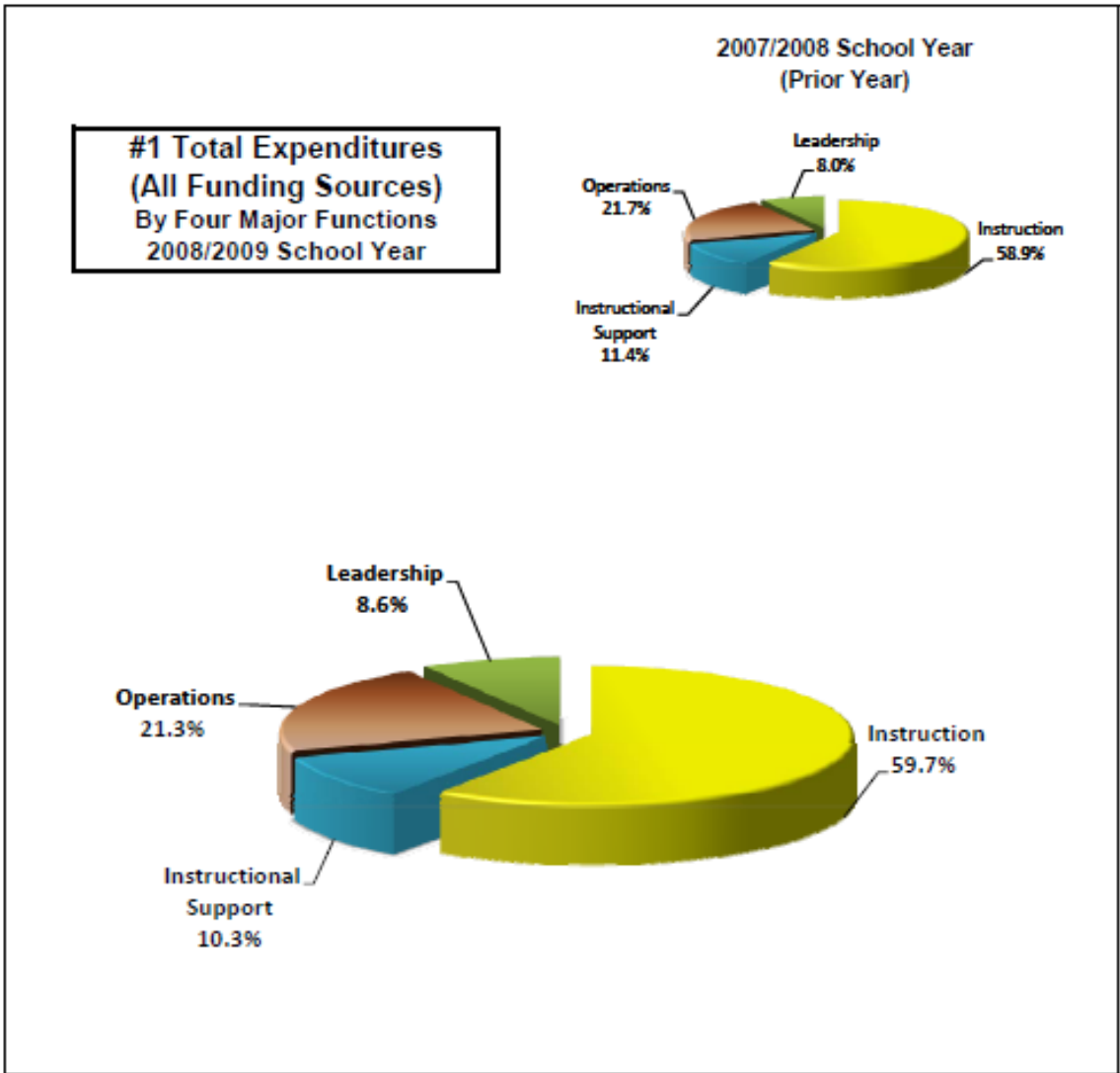
State Rankings			
Wyoming	Rank 1	California	Rank 31
Nevada	Rank 6	Washington	Rank 37
Arizona	Rank 17	Utah	Rank 39
New Mexico	Rank 19	Colorado	Rank 48
Montana	Rank 26	Idaho	Rank 50
Oregon	Rank 30		

*Adjusted for inflation to 2007 dollars using 1982-1984 as the index base period.

Source: *Education State Rankings 2009-2010*, CQ Press, 2010.

Public School Expenditures In\$ite Financial Analysis System

Nevada School Districts & Charter Schools



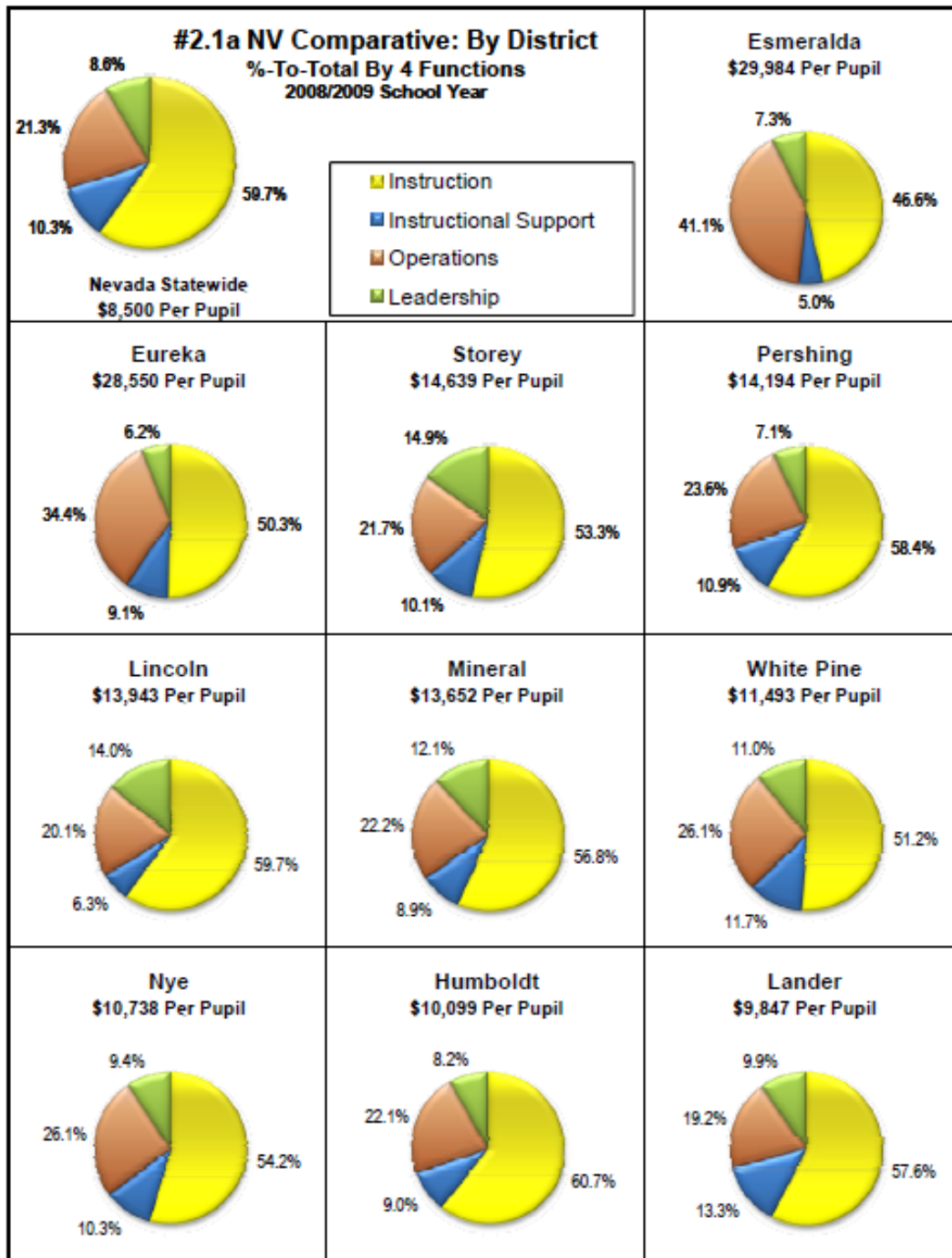
Weighted Enrollment: 421,457	Amount	Per Pupil	%-To-Total
Instruction	\$2,139,555,607	\$5,077	59.7%
Instructional Support	\$369,727,281	\$877	10.3%
Operations	\$764,667,033	\$1,814	21.3%
Leadership	\$308,349,797	\$732	8.6%
Total Expenditures	\$3,582,299,718	\$8,500	100.0%

2009-NV-01-01 (4)

In\$ite, U. S. Patent No. 5,991,741

Source: <http://edmin.com>

Public School Expenditures In\$ite Financial Analysis System (continued)

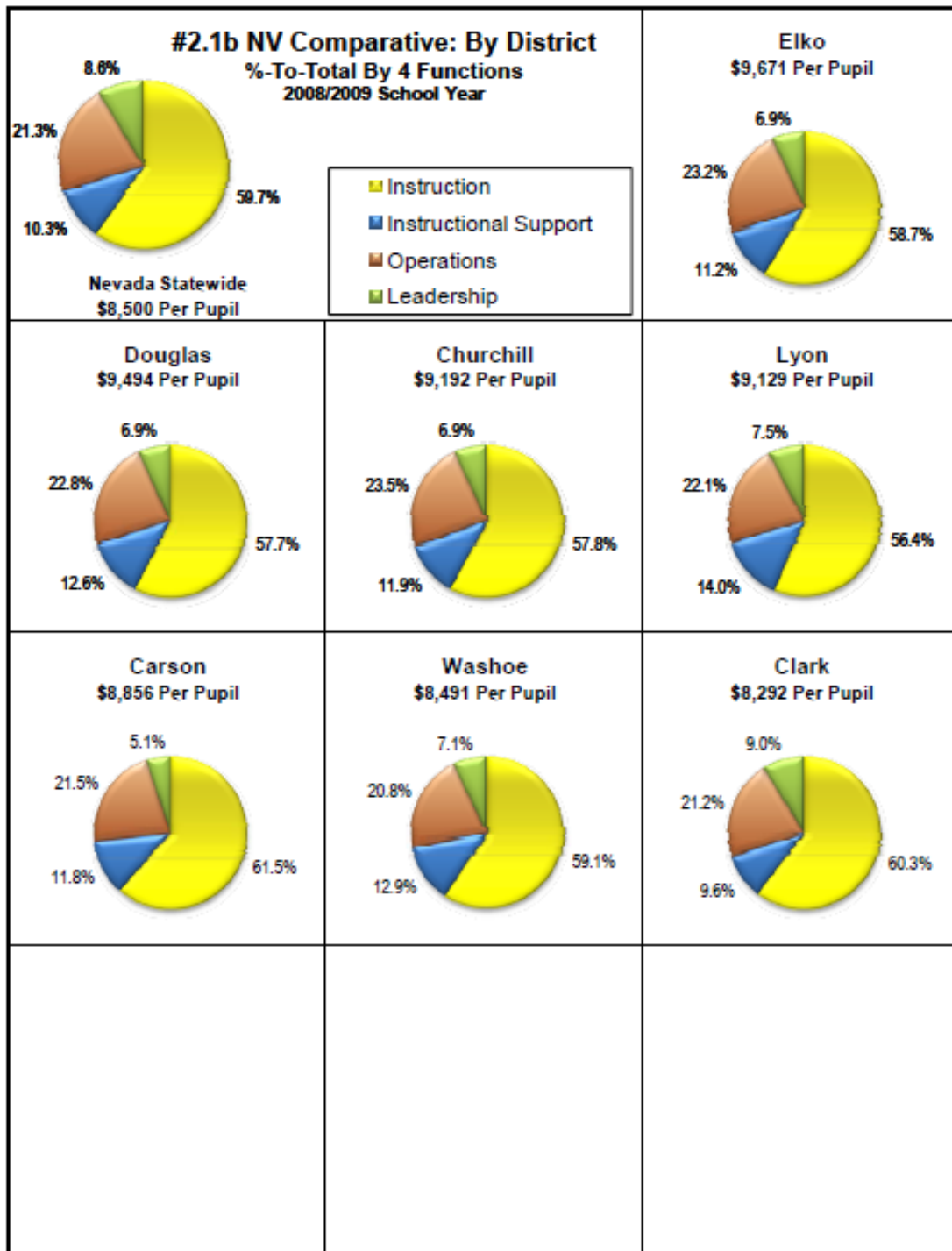


4-COMP-2.1a

In\$ite, U. S. Patent No. 5,991,741

Source: <http://edmin.com>

Public School Expenditures In\$ite Financial Analysis System (continued)

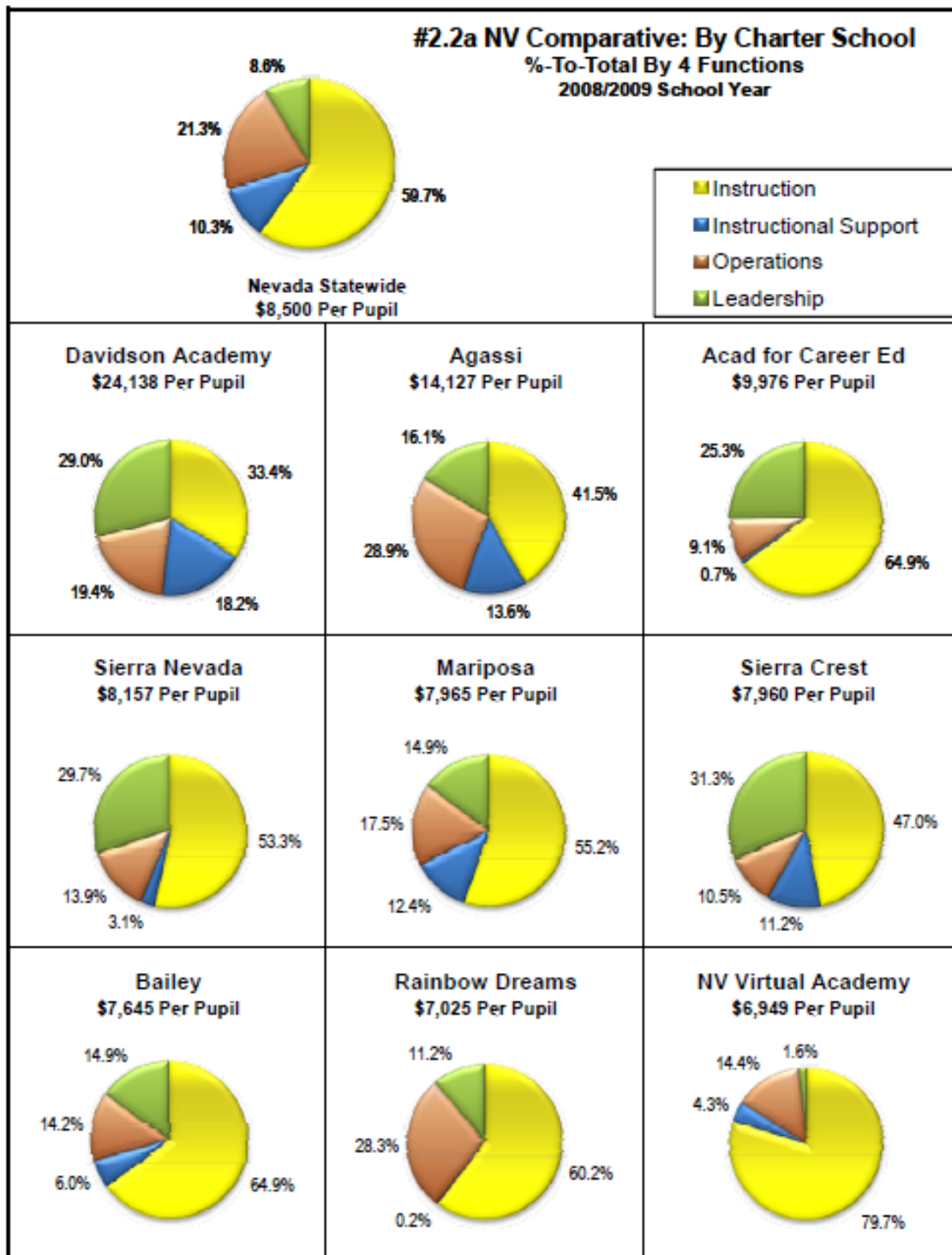


4-COMP-2.1b

In\$ite, U. S. Patent No. 5,991,741

Source: <http://edmin.com>

Public School Expenditures In\$ite Financial Analysis System (continued)

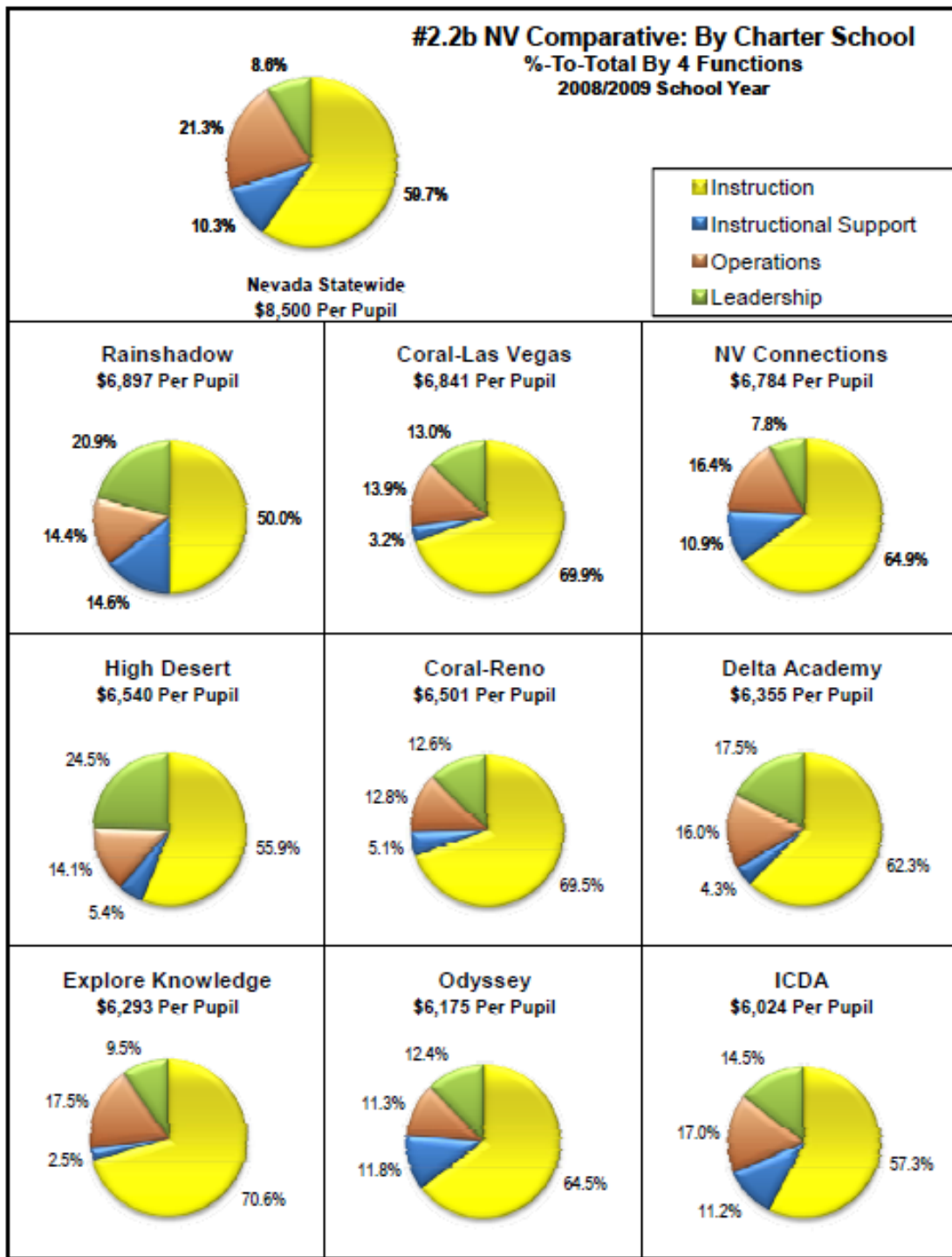


4-COMP-2.2a

In\$ite, U. S. Patent No. 5,991,741

Source: <http://edmin.com>

Public School Expenditures In\$ite Financial Analysis System (continued)

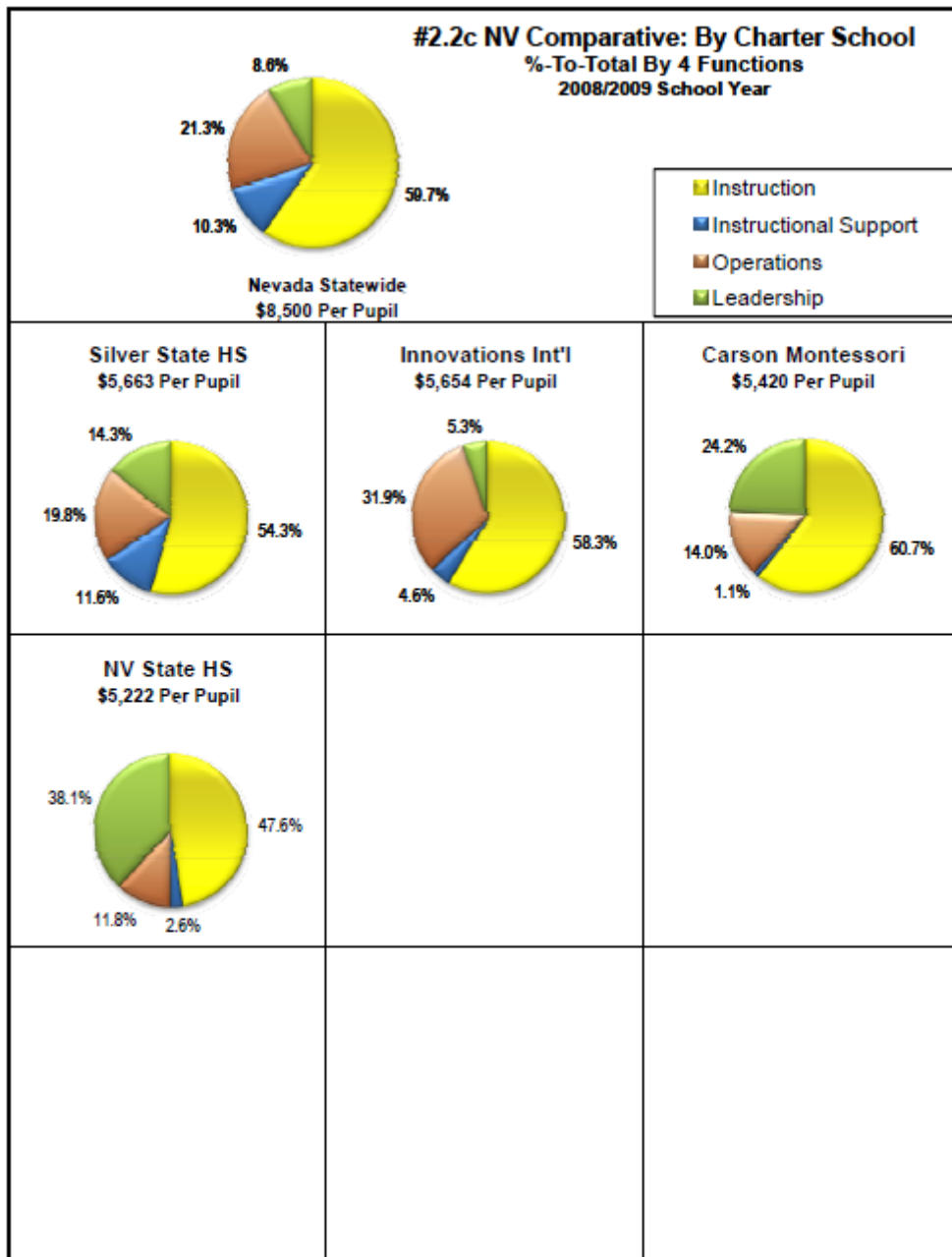


4-COMP-2.2b

In\$ite, U. S. Patent No. 5,991,741

Source: <http://edmin.com>


Public School Expenditures In\$ite Financial Analysis System (continued)



4-COMP-2.2c

In\$ite, U. S. Patent No. 5,991,741

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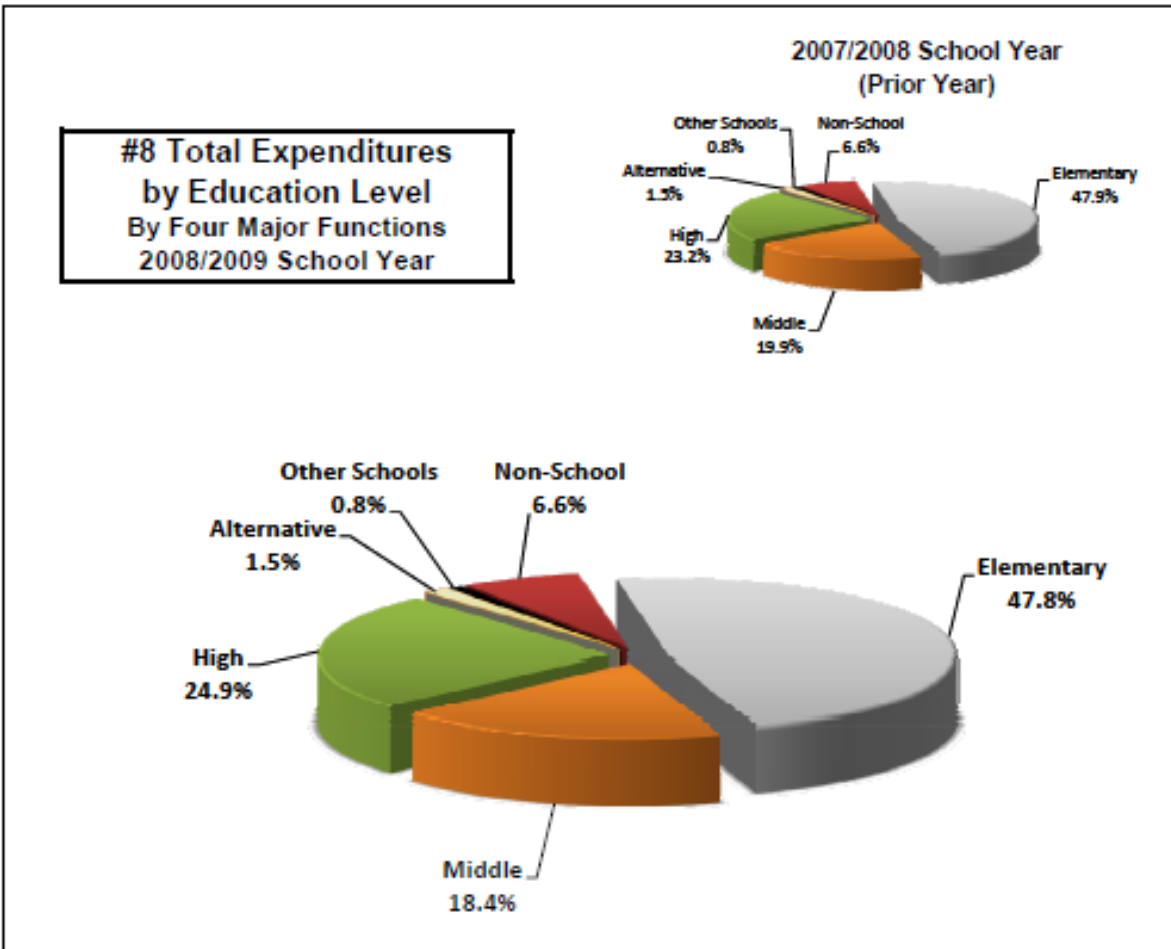


I have never let my schooling interfere with my education.

Mark Twain

Public School Expenditures In\$ite Financial Analysis System (continued)

Nevada School Districts & Charter Schools



Education Level	Weighted Enrollment	Amount	\$ Per Pupil	%-To-Total
Elementary	199,233	\$1,712,816,982	\$8,597	47.8%
Middle	99,049	\$657,945,332	\$6,643	18.4%
High	119,832	\$893,320,735	\$7,455	24.9%
Alternative	3,266	\$52,389,151	\$16,041	1.5%
Other Schools ¹	77	\$28,420,394	N/A	0.8%
Non-School	N/A	\$237,407,123	N/A	6.6%
Total	421,457	\$3,582,299,718	\$8,500	100.0%

2008-NV-10-08 (4)

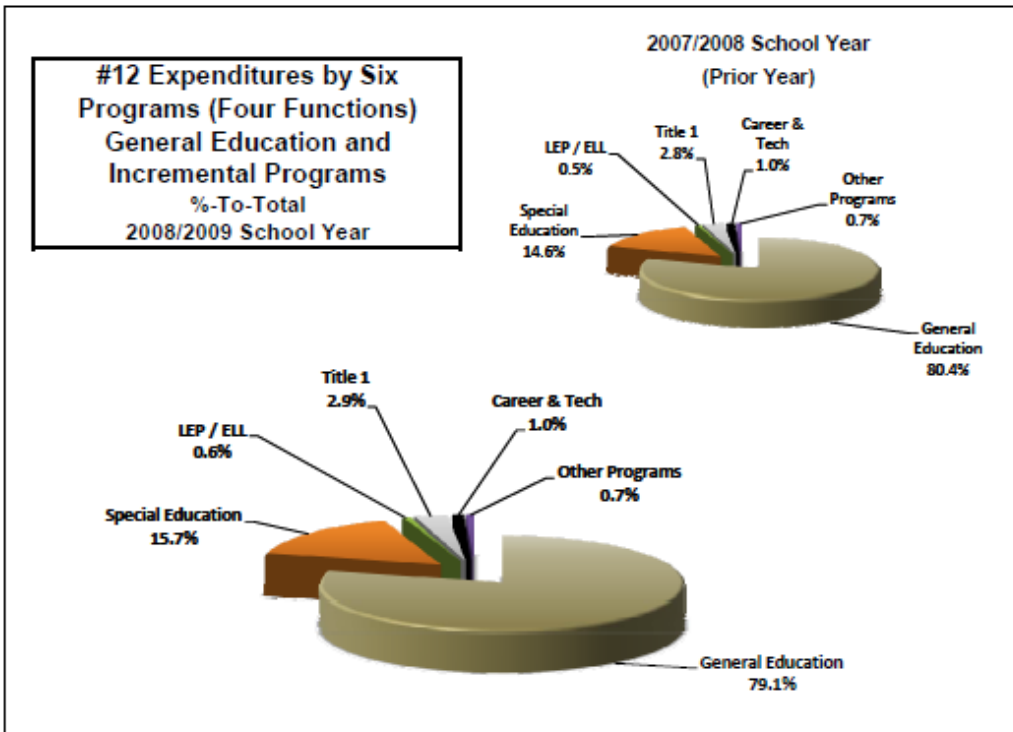
In\$ite, U. S. Patent No. 5,991,741

¹ Other Schools enrollment is a combination of enrollment for a few schools classified as Other and of locations for Summer School or Adult Education with enrollment of 0 per location. \$ per pupil is not calculated for this category.

Source: <http://edmin.com>

Public School Expenditures In\$ite Financial Analysis System (continued)

Nevada School Districts & Charter Schools




Program	Program Enrollment ¹	Amount	Incremental \$ Per Pupil ³	Total \$ Per Pupil ³	%-To-Total
General Education	421,453.00	\$2,832,604,093	\$6,721	\$6,721	79.1%
Special Education	48,126.00	\$562,639,613	\$11,691	\$18,412	15.7%
LEP / ELL	68,328.00	\$22,437,426	\$328	\$7,049	0.6%
Title 1	80,466.60	\$105,147,495	\$1,307	\$8,028	2.9%
Career & Tech	61,036.00	\$34,096,540	\$559	\$7,280	1.0%
Other Programs ²	N/A	\$25,374,550	N/A	N/A	0.7%
Total	421,457	\$3,582,299,718	N/A	\$8,500	100.0%

2009-NV-15-12 (4)

In\$ite, U. S. Patent No. 5,991,741

- 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 only 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).

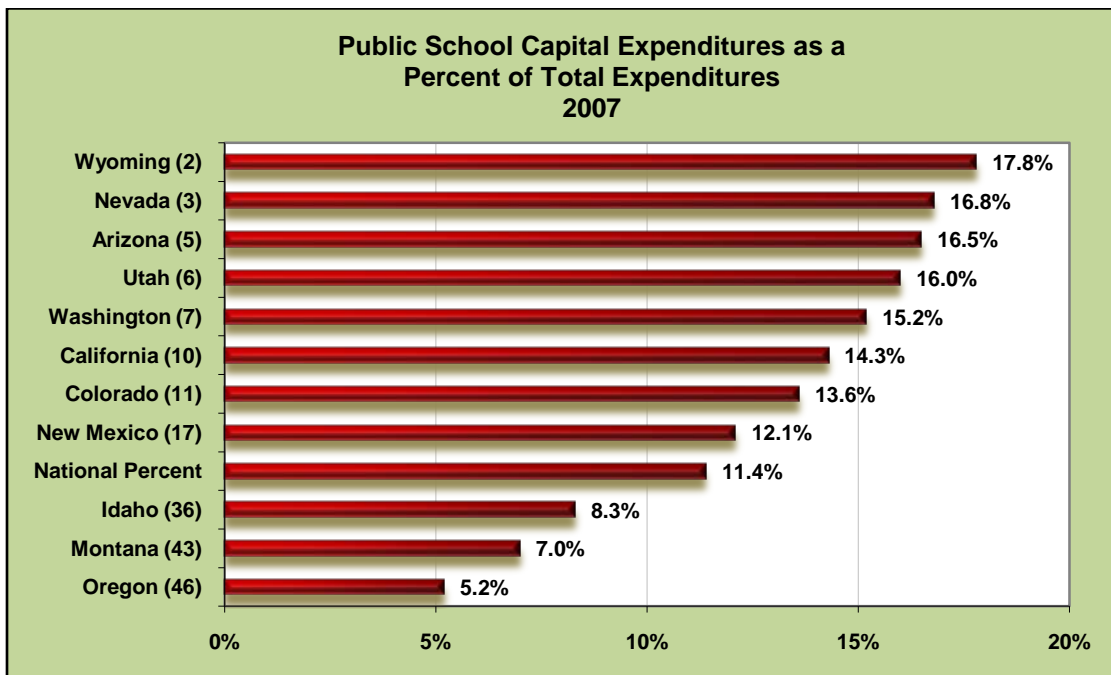
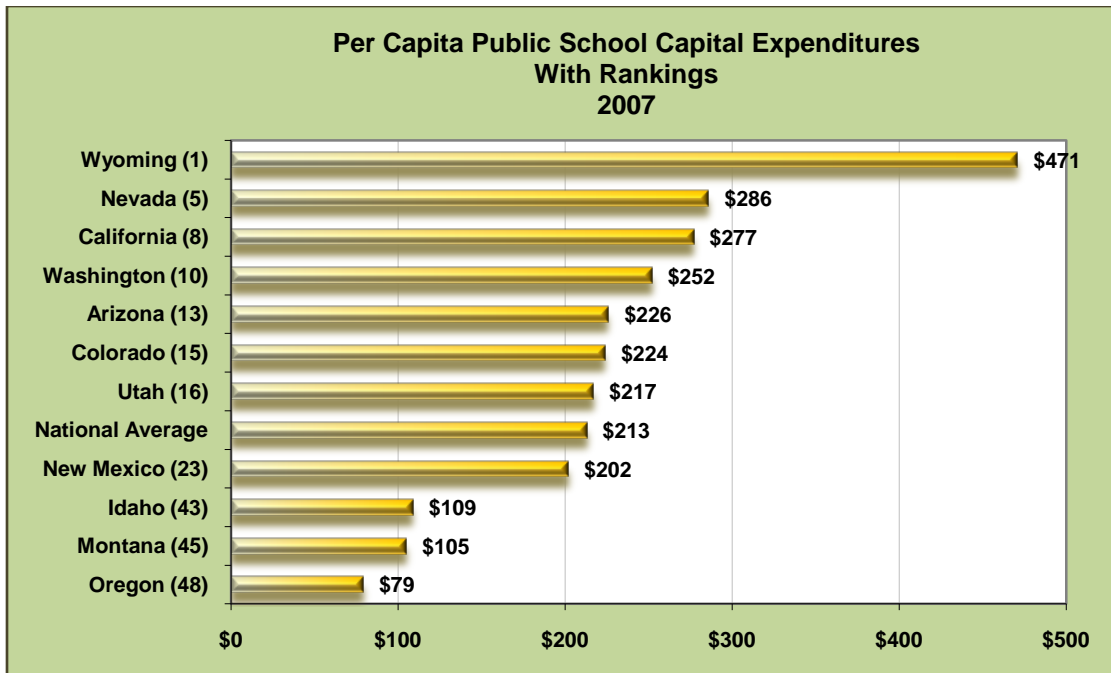
Source: <http://edmin.com>



Respect the child. Be not too much his parent. Trespass not on his solitude.

Ralph Waldo Emerson

Expenditures—Capital



Source: *Education State Rankings 2009-2010*, CQ Press, 2010.

Expenditures—With and Without Capital Outlays and Debt Service

Expenditures With and Without Capital Outlays and Debt Service FY 2006-2007				
	Rank	Total Expenditures*	Rank	Current Expenditures**
National Average		\$11,257		\$9,683
Arizona	46	\$8,904	48	\$7,338
California	25	\$10,761	29	\$8,952
Colorado	32	\$10,092	40	\$8,286
Idaho	49	\$8,020	50	\$6,648
Montana	34	\$10,026	25	\$9,191
Nevada	33	\$10,028	45	\$7,806
New Mexico	38	\$9,863	31	\$8,849
Oregon	37	\$9,872	28	\$8,958
Utah	51	\$7,097	51	\$5,706
Washington	27	\$10,484	37	\$8,524
Wyoming	4	\$16,183	7	\$13,266

*Total Expenditures = Current Expenditures, Capital Outlays, and Debt Service.

**Current Expenditures = Expenditures for Day-to-Day Operations of Schools.

Source: National Center for Education Statistics, *Digest of Education Statistics: 2009*, April 2010.

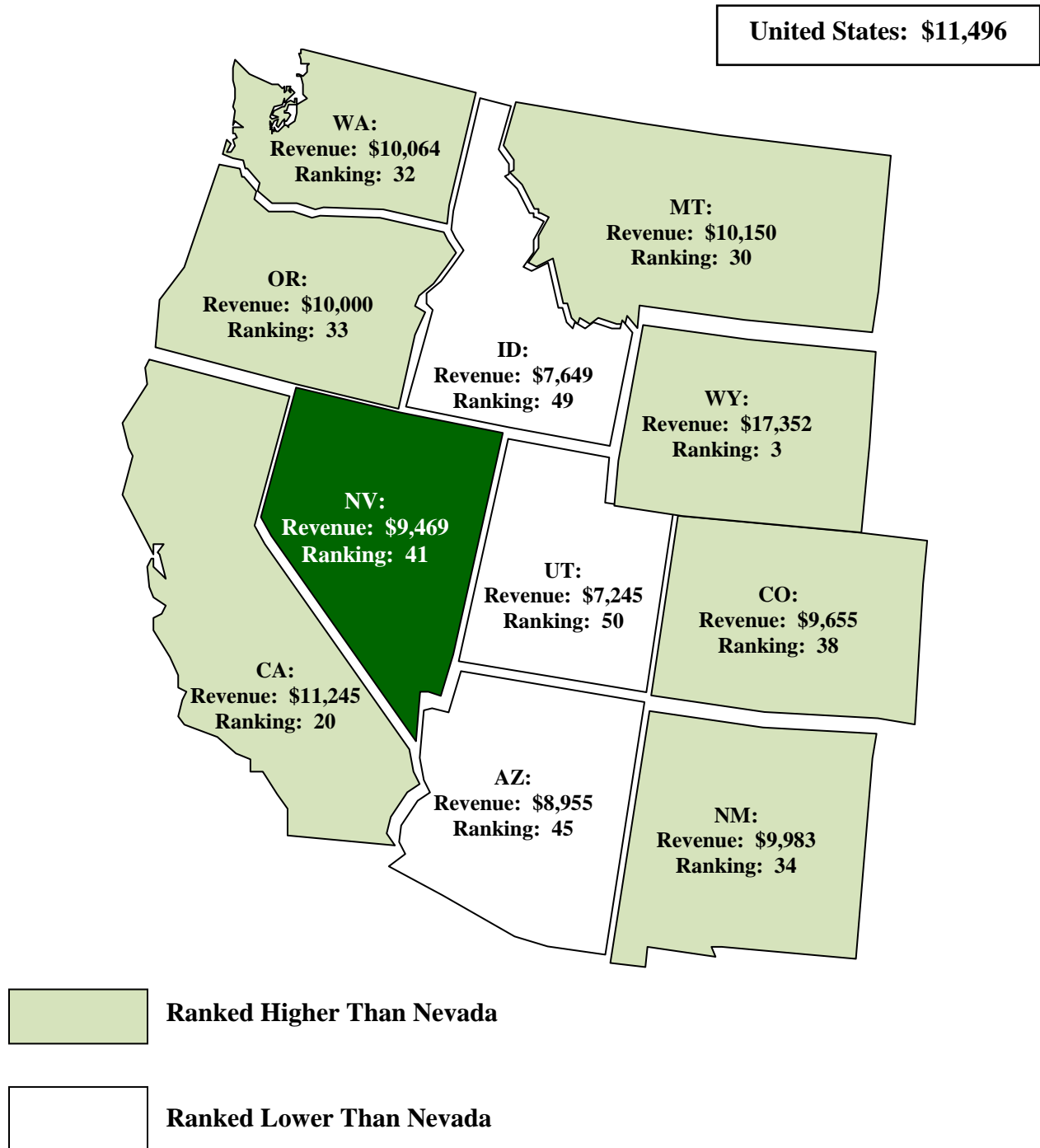


It is possible to store the mind with a million facts and still be entirely uneducated.

Alec Bourne

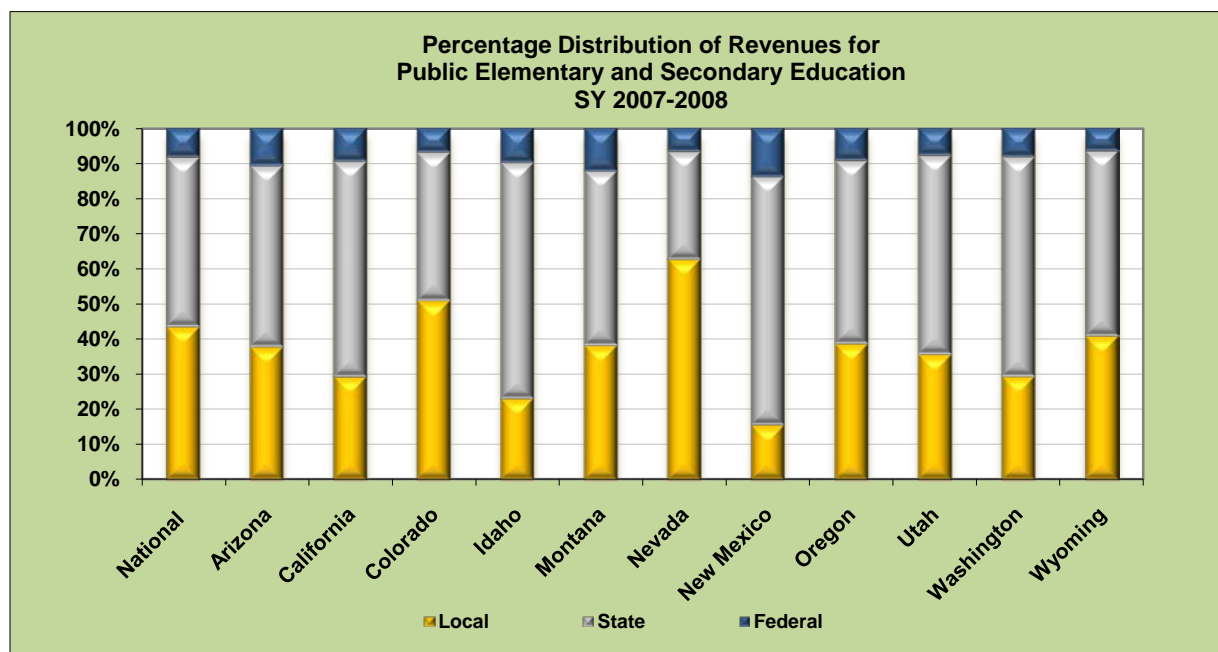
Per-Pupil Revenue

Per-Pupil Revenue Rankings SY 2006-2007



Source: Education State Rankings 2009-2010, CQ Press, 2010.

Revenue Sources—Nevada and Western States



Source: U.S. Department of Education, National Center for Education Statistics, *Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2007-08, First Look*, May 2010.

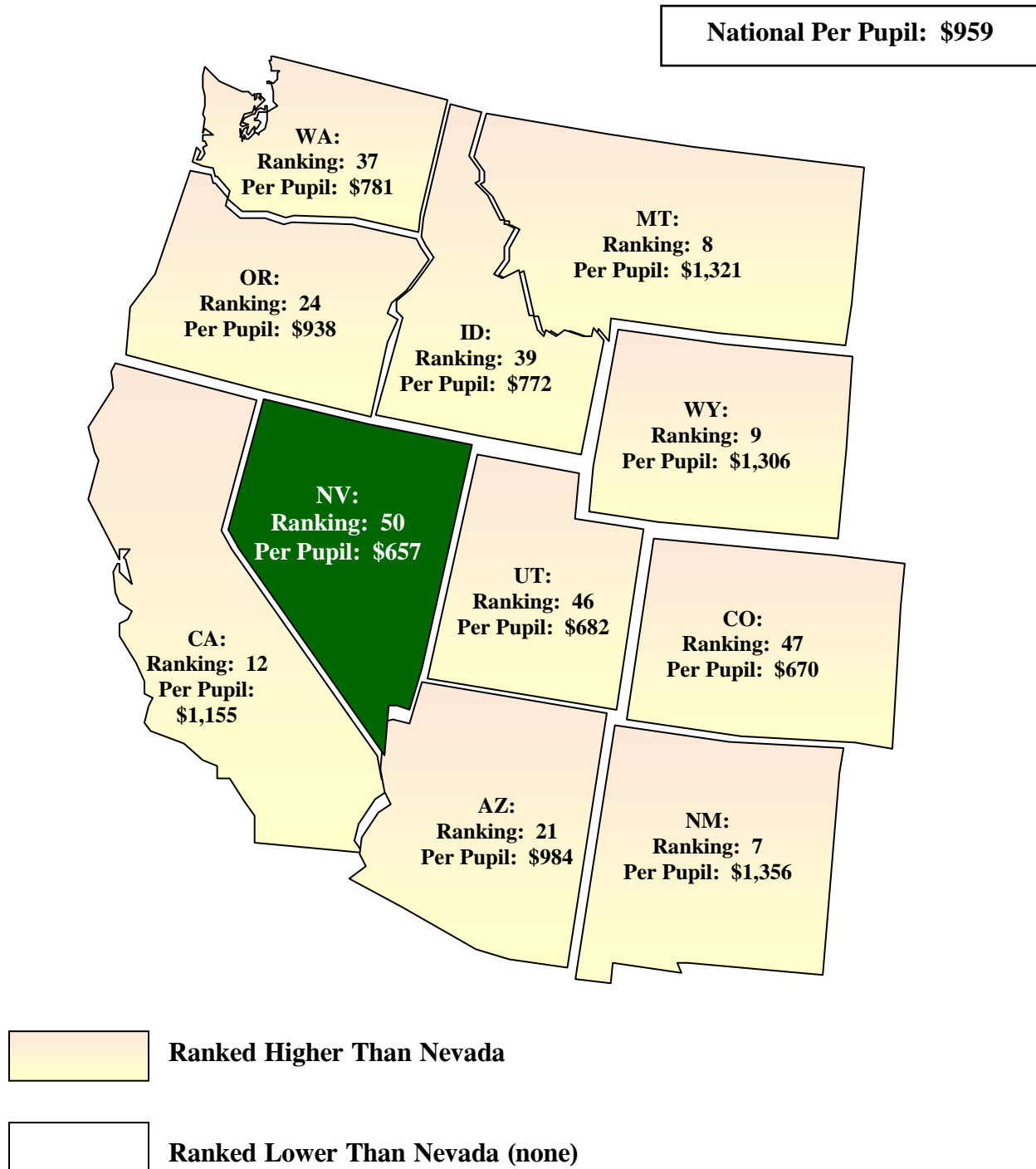
LOCATION	LOCAL	STATE	FEDERAL
National Average	43.5%	48.3%	8.2%
Arizona	37.7%	51.7%	10.6%
California	29.3%	61.3%	9.4%
Colorado	50.9%	42.2%	6.9%
Idaho	23.1%	67.1%	9.8%
Montana	38.2%	49.7%	12.1%
Nevada	62.6%	30.8%	6.6%
New Mexico	15.6%	70.8%	13.6%
Oregon	38.6%	52.3%	9.1%
Utah	35.6%	56.7%	7.7%
Washington	29.4%	62.5%	8.1%
Wyoming	40.8%	52.8%	6.4%

Note: The revenues raised in support of public elementary and secondary education in the United States are used to support the operations of schools, as well as capital construction, equipment costs, and debt financing. These revenues come from a combination of local, state, and federal sources, with most coming from local and state tax revenues. The figure above demonstrates the approximate percentage of funding contributed by each of these sources in the State of Nevada, nationwide, and in the western states.

When reviewing the information, note that due to the differing financing mechanisms utilized in each state, there are tremendous differences between the nationwide averages and the percentages found in some states, thus making it difficult to make meaningful comparisons. For example, among states with more than one school district, local contributions to the funding mix vary from 15.6 percent in New Mexico to 62.6 percent in Nevada. However, a large portion of the local funding in Nevada is derived from the State-mandated sales tax—Local School Support Tax—and property and mining taxes.

Revenue Sources—Federal

Per-Pupil Revenue from Federal Sources Western States with Rankings SY 2006-2007



Source: *Education State Rankings 2009-2010*, CQ Press, 2010.

Race to the Top—Federal Competitive Revenue

Background

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). This legislation was designed to stimulate the economy, support job creation, and invest in critical sectors, including education.

The ARRA provides \$4.35 billion for the Race to the Top (RTTT) Fund, a competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers; and implementing ambitious plans in four core education reform areas:

- Adopting standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy;
- Building data systems that measure student growth and success, and inform teachers and principals about how they can improve instruction;
- Recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most; and
- Turning around our lowest-achieving schools.

Timetable and Awards

Phase I applications for funding were due on January 19, 2010. Forty states applied for funding, as did the District of Columbia; the State of Nevada did not apply for funding in Phase I. The Phase I winners were announced on March 29, 2010. The states of Delaware and Tennessee were named as the only winners of the first round of the RTTT; Delaware will receive \$100 million and Tennessee will receive \$500 million.

Phase II applications were due on June 1, 2010. Thirty-five states (including Nevada) applied for funding, as did the District of Columbia. The Phase II winners were announced August 24, 2010—District of Columbia, Florida, Georgia, Hawaii, Maryland, Massachusetts, New York, North Carolina, Ohio, and Rhode Island.

Race to the Top—Federal Competitive Revenue (*continued*)

Criteria for Funding

State applications for funding were scored on selection criteria worth a total of 500 points. In order of weight, the criteria are:

- **Great Teachers and Leaders (138 total points)**
 - 58 Points—Improving teacher and principal effectiveness based on performance;
 - 25 Points—Ensuring equitable distribution of effective teachers and principals;
 - 21 Points—Providing high-quality pathways for aspiring teachers and principals;
 - 20 Points—Providing effective support to teachers and principals; and
 - 14 Points—Improving the effectiveness of teacher and principal preparation programs.
- **State Success Factors (125 total points)**
 - 65 Points—Articulating the State’s education reform agenda and local education agencies’ (LEAs) participation in it;
 - 30 Points—Building strong statewide capacity to implement, scale up, and sustain proposed plans; and
 - 30 Points—Demonstrating significant progress in raising achievement and closing gaps.
- **Standards and Assessments (70 total points)**
 - 40 Points—Developing and adopting common standards (from the Common Core State Standards Initiative);
 - 20 Points—Supporting the transition to enhanced standards and high-quality assessments; and
 - 10 Points—Developing and implementing common, high-quality assessments.
- **General Selection Criteria (55 total points)**
 - 40 Points—Ensuring successful conditions for high-performing [charters](#) and other innovative schools;
 - 10 Points—Making education funding a priority; and
 - 5 Points—Demonstrating other significant reform conditions.
- **Turning Around the Lowest-Achieving Schools (50 total points)**
 - 40 Points—Turning around the lowest-achieving schools; and
 - 10 Points—Intervening in the lowest-achieving schools and LEAs.
- **Data Systems to Support Instruction (47 total points)**
 - 24 Points—Fully implementing a statewide longitudinal data system;
 - 18 Points—Using data to improve instruction; and
 - 5 Points—Accessing and using state data.

In addition to the 485 possible points from the criteria above, the prioritization of Science, Technology, Engineering, and Math (STEM) education is worth another 15 points for a possible total of 500.

Race to the Top—Federal Competitive Revenue (*continued*)

Results

The following table provides the final results for those states that applied and were awarded the RTTT funds (highlighted in green) and the western states that applied for the funds but were not awarded the funds.

**Race to the Top: Grant Winners and Western States:
Scores and Rankings***

States	Final Score	Rank
Arizona	435.4	12
California	423.6	16
Colorado	420.2	17
Delaware (Phase I)	454.6	1
District of Columbia	450.0	6
Florida	452.4	4
Georgia	446.4	8
Hawaii	462.4	3
Idaho (Phase I)	331.0	28
Maryland	450.0	6
Massachusetts	471.0	1
Montana	238.4	35
Nevada	381.2	24
New Mexico	366.2	28
New York	464.8	2
North Carolina	441.6	9
Ohio	440.8	10
Oregon (Phase I)	292.6	35
Rhode Island	451.2	5
Tennessee (Phase I)	444.2	2
Utah	379.0	25
Washington	290.6	32
Wyoming (Phase I)	318.6	32

*For those states that applied in both Phase I and Phase II, the score and ranking is reported from the Phase II review.

Source: U.S. Department of Education, Race to the Top Program: <http://www2.ed.gov/programs/racetothetop/index.html>.

Local Government Indebtedness

General Obligation Bonds of School Districts and Other Local Government Entities in Nevada June 30, 2008

County	County Bond Amount	Schools Amount	Cities/Other Amount	Total	Percentage of G.O. Bonds for Schools
Carson City		\$43,394,000		\$43,394,000	100%
Churchill		\$17,235,000		\$17,235,000	100%
Clark	\$65,125,000	\$3,717,700,000	\$138,410,000	\$3,921,235,000	95%
Douglas		\$5,245,000		\$5,245,000	100%
Elko		\$0	\$225,000	\$225,000	0%
Esmeralda		\$0		\$0	0%
Eureka		\$1,918,000		\$1,918,000	100%
Humboldt		\$3,795,000		\$3,795,000	100%
Lander	\$2,640,000	\$0		\$2,640,000	0%
Lincoln		\$5,738,000		\$5,738,000	100%
Lyon		\$63,685,000		\$63,685,000	100%
Mineral		\$3,475,000		\$3,475,000	100%
Nye		\$67,660,000		\$67,660,000	100%
Pershing		\$4,425,000		\$4,425,000	100%
Storey		\$10,610,000		\$10,610,000	100%
Washoe	\$56,790,000	\$515,520,000	\$7,795,000	\$580,105,000	89%
White Pine		\$4,590,000		\$4,590,000	100%
Statewide	\$124,555,000	\$4,464,990,000	\$146,430,000	\$4,735,975,000	94%

Source: Department of Taxation, *Annual Local Government Indebtedness as of June 30, 2009*.