

STUDY OF FINANCING OF PUBLIC SCHOOLS



Bulletin No. 87-7

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

August 1986

STUDY OF
THE MEANS OF FINANCING PUBLIC ELEMENTARY
AND SECONDARY EDUCATION
IN NEVADA

BULLETIN NO. 87-7

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

AUGUST 1986

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SENATE CONCURRENT RESOLUTION—Directing the legislative commission to study the methods used to finance public elementary and secondary education in this state.

WHEREAS, The system of public instruction in this state is of critical importance to its future; and

WHEREAS, The rapid growth in the population of this state and the dramatic changes in educational needs warrant an urgent review of the methods used to finance the maintenance, operation and expansion of the public schools in this state in order to ensure that each child receives a reasonably equal educational opportunity; and

WHEREAS, It is imperative that the money received for the support of public schools be apportioned and utilized to provide programs of instruction in the most effective manner possible; and

WHEREAS, The quality of education provided to pupils in this state will decline unless adequate financial means are utilized to support the system of public instruction: now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the legislative commission is hereby directed to study the means of financing public elementary and secondary education in this state, including:

1. The sources and distribution of the money in the state distributive school fund;

2. The method by which proceeds received from property taxes are used to pay for public education; and

3. The formulas used by the state to apportion the money received for the support of public schools among the several county school districts; and be it further

RESOLVED, That the legislative commission appoint as advisers to its subcommittee, persons who are not legislators but who possess knowledge of the workings of the system of public instruction in this state and the financial support of that system, to assist in the conduct of the study; and be it further

RESOLVED, That the legislative commission report the results of its study and any recommended legislation to the 64th session of the Nevada legislature.

REPORT OF THE LEGISLATIVE COMMISSION
TO THE MEMBERS OF THE 64TH SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Senate Concurrent Resolution No. 3 of the 63rd legislative session which directed the legislative commission to study the means of financing public elementary and secondary education in Nevada.

In order to conduct the study the legislative commission, under the auspices of the joint interim finance committee, appointed a subcommittee to recommend appropriate action to the 1987 session of the legislature. Legislative members of the subcommittee were:

Assemblyman Erik Beyer, Chairman
Senator Bob L. Ryan, Vice Chairman
Senator Nicholas J. Horn
Assemblyman Byron "Bill" Bilyeu
Assemblyman Marvin M. Sedway

S.C.R. 3 requires that the legislative commission appoint as advisers to its subcommittee, persons who are not legislators but who possess knowledge of the system of public instruction in this state and the financial support of that system. Appointed as advisers were:

Michael Alastuey, Associate Superintendent for Administration
State Department of Education
Ed Greer, Associate Superintendent, Business and Finance
Clark County School District
Dr. Charles Neely, Associate Superintendent, Business and
Operations, Washoe County School District
Charles Knight, Superintendent of Schools
Elko County School District

This study focuses on the sources and uses of funds in the state distributive school fund, the method by which property taxes are used for public education, and the formulas used by the state to apportion state aid among the several school districts. Representatives of the state department of education, state department of taxation, local school district officials, state of Nevada education association, the general public and other interested groups provided the subcommittee with suggestions and proposals regarding education finance in Nevada. Staff services were provided by the fiscal analysis division and the legal division of the legislative counsel bureau. The various proposals and suggestions, as well as financial data developed by the fiscal analysis division and the department of education served as a basis for the subcommittee's review and resulting recommendations. The subcommittee wishes to recognize the many persons

who participated in meetings of the subcommittee for their cooperation in providing valuable information about the financing of public education in Nevada.

This report is transmitted to the members of the 64th session of the Nevada legislature for their consideration and appropriate action.

Respectfully submitted,

Legislative Commission
Legislative Counsel Bureau
State of Nevada

Carson City, Nevada
August 1986

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LEGISLATIVE COMMISSION

Assemblyman Louis W. Bergevin, Chairman

Senator James H. Bilbray	Assemblyman Bob L. Kerns
Senator Helen A. Foley	Assemblyman Robert M. Sader
Senator Lawrence E. Jacobsen	Assemblyman James W. Schofield
Senator Kenneth K. Redelsperger	Assemblyman Danny L. Thompson
Senator Sue Wagner	Assemblyman Barbara A. Zimmer

SUMMARY OF RECOMMENDATIONS

1. Amend NRS 387.1233 to extend the "double" hold harmless provision for declining school district enrollment for two more years to July 1, 1989. Additionally, that the state department of education and affected school districts continue to monitor the "double" hold harmless provisions to insure that undesirable anomalies do not occur and to seek a better and more consistent method of protecting school districts from rapid enrollment decline. (BDR S - 129)
2. Legislation to require that actual class sizes for grades 1 through 3 be reduced to a target size of 22 students per teacher. Additionally, that the state department of education working with the school districts develop and present to the 64th legislature, a plan to implement class size reductions over a five-year period for those grades. The plan must include data on the impact of such reductions on each district in terms of new teaching positions required and new classroom facilities required as well as the costs associated with those impacts. (BDR 34-130)
3. That the legislature continue to address, on a case by case basis, the special needs of rural or isolated schools rather than adopt an artificial or arbitrary formula mechanism to increase their support.
4. The state department of education study the feasibility of telelearning and associated technologies in Nevada and propose a pilot project to the 1987 legislature for consideration.
5. That the 1987 legislature authorize an interim study to review the complex issue of special education in order to develop a long-range plan encompassing the availability of special education services as well as its funding. (BDR 127)
6. Question 5 on the 1986 general election ballot (estate pickup tax) is commended to the public and its passage is recommended.
7. Legislation focusing on the establishment of redevelopment districts and the resulting decrease in school district property tax base as a means to bring this issue to the attention of the 1987 legislature. (BDR 22-228)
8. Amend NRS 387.195 and other related sections to require that school districts receive income from the investment of their debt service funds. (BDR 31-227)
9. That the 1987 legislature continue to include in the distributive school funding bill the provisions for adjusting the wealth factor for each school district in the second year of each biennium.

REPORT TO THE 64TH SESSION OF THE NEVADA LEGISLATURE BY
THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO STUDY
THE MEANS OF FINANCING PUBLIC ELEMENTARY
AND SECONDARY EDUCATION IN NEVADA

I. INTRODUCTION

The 1985 Nevada legislature adopted Senate Concurrent Resolution 3 which directs the legislative commission to study the means by which public elementary and secondary education in Nevada is financed. Considerable national and statewide attention has been focused on public education in the last several years and significant changes in the method of financing Nevada's public schools has occurred since 1979. Additionally, public education is the single largest appropriation approved by the Nevada legislature each biennium. State general fund appropriations for all educational programs were increased by the 1985 legislature from 55.2 percent of the total general fund for the 1983-85 biennium to 57.0 percent for the 1985-87 biennium. Appropriations for kindergarten through 12th grade (K-12) were increased from 35.7 percent to 36.1 percent of the total general fund for the same period. This public attention, changes in the methods of financing education and the significant increase in the cost of education in Nevada, all suggest that a study to review methods of financing education and how that money is distributed to various school districts is appropriate and especially important at this time.

S.C.R. 3 required, therefore, that the legislative commission examine:

1. The sources and distribution of the money in the state distributive school fund;
2. The method by which proceeds received from property taxes are used to pay for public education; and
3. The formulas used by the state to apportion the money received for the support of public schools among the several school districts.

S.C.R. 3 further required that the legislative commission appoint as advisers to its subcommittee persons who were not legislators but who possess the knowledge of the workings of the educational system in this state and its financial support.

II. SUBCOMMITTEE PROCEDURE

The legislative commission on September 13, 1985, appointed as advisers to its subcommittee, the following persons:

Michael Alastuey, Associate Superintendent for Administration,
State Department of Education

Ed Greer, Associate Superintendent, Business and Finance, Clark County School District

Dr. Charles Neely, Associate Superintendent, Business and Operations, Washoe County School District

Charles Knight, Superintendent of Schools, Elko County School District

The above advisers, all recognized experts in school finance in Nevada, represent a range of geographical and population characteristics that provided the committee with insight into the various educational situations existent in Nevada.

The subcommittee, following the mandate of S.C.R. 3, limited the focus of this study to the means of financing education and the distribution of those funds and related matters. The subcommittee was allocated \$6,682 dollars for the cost of meetings, the printing of the report and the travel costs of certain expert witnesses. The subcommittee held an initial meeting in Carson City on October 17, 1985, a second meeting in Elko on February 6, 1986, a third meeting in Las Vegas on April 3, 1986 and two work sessions in Reno on June 13, 1986 and Carson City on June 30, 1986. Recommendations and suggested legislation contained in this report were formulated at the two work sessions. All meeting announcements were posted in the accordance with the open meeting law and an attempt was made to notify all interested parties in order for them to provide testimony and information to the subcommittee.

At its meeting in Elko, the subcommittee received presentations from representatives of the educational community in the State of Utah on financing mechanisms and innovative programs in that state. Special emphasis was placed on funding isolated rural schools at that meeting. At other meetings, information and testimony was received from the Nevada State Education Association, the Nevada Taxpayers Association, representatives of the state department of education, various school district representatives, school teachers, local school board trustees and the general public. In addition, the department of education and the fiscal analysis division of the legislative counsel bureau prepared and presented to the subcommittee historical financial data on state aid for education.

III. THE NEVADA PLAN

Article 11 of the Nevada constitution requires that the legislature provide for a uniform system of public schools and Nevada Revised Statutes 387.121 declares that the proper objective of state financial aid to public education is to insure each Nevada child a reasonably equal educational opportunity. NRS 387.121 further recognizes that wide local variations in wealth and costs per pupil exist across the state and that the state should supplement local financial ability to whatever extent necessary in each school district to provide programs of

instructions that offer full opportunity for every Nevada child. This concept is described in NRS Chapter 387 and is embodied in a formula known as the "Nevada Plan."

The Nevada Plan is the current means used to finance elementary and secondary education in Nevada's public schools. The process is one in which the state provides a guaranteed amount of funding to a local school district. The cost of the guarantee is shared by the local school district and the state. On a statewide basis, the guarantee makes up approximately 80 percent of the total general fund (operating revenue) resources available to school districts. The guarantee is made up of state support paid through the distributive school, a 1.5 cent local school support tax (sales tax) and 25 cent of ad valorem tax (property tax). In addition to the guarantee, each school district has available to it other revenues including 50 cents of ad valorem tax, federal funds, motor vehicle privilege tax and other revenues.

Local school districts receive quarterly apportionments of state aid based on a count of children enrolled in schools within the district on the last day of the first school month of the year. Each local school district is guaranteed a specific amount per pupil which is developed through a formula that considers the demographic and geographic characteristics of the district. Transportation is included in the amount per pupil at the rate of 85 percent of actual historical cost to the district with an increase for inflation based on the C.P.I. (Consumer Price Index). A wealth adjustment is made to state support per pupil based on a local school district's ability to generate revenues that are outside of the guaranteed level.

Special education which was added to the plan in 1973, is funded categorically at a legislatively approved amount per unit. A special education unit is an organized instructional unit which includes the full-time services of certificated personnel providing a program of instruction in accordance with minimum standards prescribed by the State Board of Education.

Resources available to the state distributive school fund include a legislative appropriation from the state's general fund in addition to other revenues consisting of the 1.5 cent local school support tax which is collected on out-of-state sales, annual slot machine taxes, federal mineral land lease income and interest income from investments of the permanent school fund.

Districts are protected from a loss of state aid due to significant decreases in enrollment through a statutory "hold harmless" provision which guarantees a district payment based upon a prior year's enrollment if the current year enrollment is less. Also, a district receives an additional 2 percent in basic support guarantee if, after the second month, enrollment in that district increases by more than 3 percent of the first month count, and an additional 4 percent if enrollment increases by more than 6 percent of the first month count. Local school districts also receive basic support in the form of 25 percent of

the average daily attendance of pupils enrolled in classes and taking courses necessary to receive a high school diploma (adult diploma program).

The following is an example of an apportionment made to a district which illustrates the guarantee process and, in addition, shows other revenue outside of the guarantee available to the school district.

NEVADA PLAN
DISTRICT EXAMPLE

1	# of Pupils (weighted enrollment)*	5,960
2	+ 1/4 the average daily attendance--highest 3 months of the Adult Diploma Program pupils	<u>40</u>
3	Total Enrollment	6,000
4	x Basic Support Per Pupil	<u>\$ 2,305</u>
5	= Guaranteed Basic Support	\$13,830,000
6	+ Special Education Allocation (20 units x \$23,700 per unit)	<u>474,000</u>
7	= Total Guaranteed Support	\$14,304,000
8	- Local Resources:	
	1.5¢ Local School Support Tax (\$4,300,000)	
	25¢ Ad Valorem Tax (<u>2,600,000</u>)	
	Total Local Resources	<u>(6,900,000)</u>
9	= State Responsibility (state aid)	<u>\$ 7,404,000</u>
	<u>Outside Basic Support:</u>	
10	50¢ Ad Valorem Tax	\$ 5,200,000
11	Share of Motor Vehicle Taxes	150,000
12	Public Law 81-874 (Federal Impaction)	50,000
13	Other Miscellaneous Revenues	25,000
14	Opening Fund Balance	<u>200,000</u>
15	Total Revenues Outside Basic Support	<u>\$ 5,625,000</u>
16	Total Resources Available (line 7 + 15)	<u>\$19,929,000</u>

*Weighted enrollment includes six-tenths the count of pupils enrolled in kindergarten, a full count of pupils enrolled in grades K-12 and handicapped minors receiving special education.

The "Nevada Plan" or current school funding formula and apportionment process was enacted into law in 1967 following an interim study commissioned at both the 1963 and 1965 legislative sessions. The 1967 legislature also instituted the local school support tax (LSST) at 1 percent to facilitate implementation of the new funding formula. The "Nevada Plan" has been the basic formula mechanism for state aid to schools since that time but has undergone certain funding changes. These changes which are briefly highlighted below primarily involved LSST and property tax rates. (See Appendix A for historical data on the state distributive school fund from fiscal year 1977-78 to fiscal year 1986-87.)

1978-79 Biennium

For the 1978-79 biennium and immediately preceding biennium, the major funding sources for schools included:

1. Basic Support Guarantees (Guaranteed state support)
2. 1% LSST - which is considered local support and is deducted from the state's obligation.
3. Property tax of \$1.50 per \$100 of assessed value. Of the \$1.50--80¢ was optional local revenue and not deducted from state responsibility and 70¢ was deducted from state responsibility within the school funding formula.
4. In addition to out-of-state LSST, slot tax, interest income, and federal mineral land lease payments deposited in the school fund, the state also collected and distributed the state's share of federal revenue sharing funds to the school districts.
5. The annual slot tax was limited to the credit allowed on the federal slot tax - 80% of \$250 (\$200) per machine in fiscal year 1978 and 95% of \$250 (\$237.50) in fiscal year 1979.
6. State aid accounted for approximately 40 percent of local general fund expenditures.

1980-81 Biennium

In the 1980-81 biennium, the following changes occurred in funding state aid for schools.

1. As part of a sweeping tax reform plan, the 1979 legislature bought out \$1.00 of the existing school property tax levy and reduced the allowable tax rate to 50¢ for fiscal year 1980. Additionally, the legislature employed revenue caps on school districts for

the 1980-81 biennium which reduced most local rates to something less than 50¢. The 1979 legislation also included a trigger - dettrigger mechanism to either lower or raise the property tax rate in fiscal year 1981 dependent on the state's ability to fund its obligations to school districts. In fiscal year 1981, the tax rate was dettriggered to 60¢ in order to relieve the state of some of that burden. Property tax relief for the 1980-81 biennium from just the school tax reduction amounted to over \$118 million dollars.

2. As a result of the property tax buy-out, the 70¢ property tax deduction within the school formula was eliminated.
3. Federal revenue sharing for states continued.
4. The federal slot tax of \$250 per machine was eliminated and a state tax of the same amount was instituted for the benefit of education.
5. State aid increased to approximately 60% of local general fund expenditures as a result of the increase in general fund appropriations.

1982-83 Biennium

In the 1982-83 biennium, the following changes occurred in funding state aid for schools:

1. The 1981 legislature reestablished the mandatory 50¢ property tax levy.
2. By 1981, it was apparent that the state could not continue its level of school support without additional revenue and it was unwilling to increase property tax so the LSST rate was raised from 1% to 1.5%.
3. The state's share of federal revenue sharing was eliminated.
4. In fiscal year 1983, because of declining state revenues and LSST related to the national economic decline, the Governor requested and the school districts implemented basic support reductions of approximately \$5 million. Additionally, the 1983 legislature appropriated approximately \$11.7 million to the school fund to meet fiscal year 1983 state obligations to the school districts.
5. State aid decreased to approximately 51% of local general fund expenditures due to the increase in LSST rates.

1984-85 Biennium

In the 1984-85 biennium, the following changes occurred in funding state aid for schools:

1. In 1983, and as a result of the national economy, the legislature increased the school property tax from 50¢ to 75¢. The additional 25¢ was deducted from state guaranteed support to arrive at state responsibility within the funding formula.
2. State aid decreased to approximately 43% of local general fund expenditures due to the increase in property tax rates.

1986-87 Biennium

In the 1986-87 biennium, the following changes occurred in funding state aid for schools:

1. As a result of the generally improved economy, the legislature was able to substantially increase state funding for schools. State aid was provided for enrollment increases, inflationary increases, an 11% salary increase in fiscal year 1986 and an additional 3% in FY 1987, increased special education units, and \$6,000,000 per year for program improvements. The legislature also provided one-time funds of \$10,000,000 for program improvements and a 5% incentive payment to school employees. Additionally, a trigger mechanism was approved that could provide \$7.4 million for school districts dependent on the general fund balance as of June 30, 1986. On April 21, 1986, the State Board of Examiners determined that the general fund balance exceeded the level required by the trigger mechanism and released the additional \$7.4 million to the school districts.
2. Property tax rates were continued at 75¢.
3. State aid remained steady at about 43% of projected local general fund expenditures.

Underlying the Nevada Plan are various tables and criteria established by the department of education which are used to determine each districts basic support guarantee per pupil. These district guarantee levels are determined by applying teacher allotment tables by attendance area, other certified staff tables, operating expense ratios, transportation factors and a wealth equalization factor. The subcommittee reviewed these tables indepth along with the theory of the Nevada Plan itself. (See Appendix B for basic support guarantees by district and Appendix C for special education and by district).

IV. FINDINGS AND RECOMMENDATIONS

1. Sources and distribution of money in the state distributive school fund.

S.C.R. 3 required the subcommittee to study the sources and distribution of the money in the state distributive school fund. Appendix A includes a schedule titled "Distributive School Fund Summary" which shows the sources of funds within the school fund. Appendix D includes a schedule titled "Total Support by District" which details the distribution of the school fund.

The subcommittee examined the sources and distribution of the money in the state distributive school fund and found that no changes in the basic concept of the Nevada Plan are needed or desirable at this time. The subcommittee further recognized that the conceptual basis of the plan does operate to provide each Nevada child with a reasonably equal educational opportunity and serves to equalize educational dollars between the various school districts.

2. Methods by which the property tax is used for public education.

S.C.R. 3 required the subcommittee to study the methods by which proceeds from property taxes are used for public education. NRS 387.195 requires that each county levy 75¢ per \$100 of assessed value for the support of public schools. Out of this tax, 25¢ is designated as local revenue in NRS 387.1235 and is deducted in the Nevada plan formula from the state's responsibility. The remaining 50¢ rate provides additional operating funds for the school districts but is not considered in the state aid formula.

Additionally, school districts are allowed to levy the property tax necessary to service their general obligation debt. These rates vary from district to district and are dependent upon voter approved bond obligations. Appendix E depicts the historical changes in property tax rates for operating purposes and Appendix F is an historical schedule by school district that shows rates and tax collections for both operating and debt service.

The subcommittee examined the methods by which proceeds from the property tax are used for public education and determined that no changes or recommendations were warranted at this time.

3. Formulas used to apportion state aid among the various school districts.

S.C.R. 3 required the subcommittee to study the formulas used by the state to apportion state funds among the several school districts. The subcommittee did review formulas in use to apportion state funds including teacher allotments, operating expense ratios, other certified employee ratios, transportation costs and relative wealth factors.

Although several specific issues arose relative to the apportionment process, the subcommittee found that no general revisions are desirable or necessary at this time. Specific issues relating to the distributive school fund which arose are addressed separately within this report.

4. Hold Harmless Provisions

NRS 387, the school funding law, has had for many years a "hold harmless" provision which protects school districts from sudden reductions in state aid when enrollments decline. The purpose of these provisions was to allow a school district time to adjust to lower state support when enrollment declined. Until 1985, these provisions allowed a school district to be paid for their current enrollment or the previous year's enrollment whichever was higher.

At the 1985 legislative session, a temporary "double hold harmless" provision was approved primarily to aid the White Pine county school district which was experiencing an enrollment decline greater than any district had experienced before. Under the "double hold harmless" provisions, a school district could be paid state aid on the current year's enrollment or either of the two previous years provided enrollment had declined at least 5 percent from the previous year. This provision was scheduled to expire July 1, 1987.

In the case of White Pine county, the "double hold harmless" provided a phased reduction of state aid to allow the school district to adjust its operation in a coordinated fashion to the level of its current enrollment. The following table depicts the operation of the "double hold harmless" for White Pine county.

<u>Enrollment</u>	<u>1982-83*</u>	<u>1983-84*</u>	<u>1984-85*</u>	<u>1985-86**</u>
Actual	1594.2	1501.6	1407.2	1308.0
Paid	1634.6	1594.2	1501.6	1501.6

*School district qualified for single year hold harmless.

**School district qualified for double hold harmless.

The subcommittee found that the double hold harmless had served its designed purpose and had provided the opportunity for a school district with rapidly declining enrollments to make adjustments necessary to provide an educational program with less state aid.

THE SUBCOMMITTEE RECOMMENDS THAT NRS 387.1233 BE AMENDED TO EXTEND "DOUBLE HOLD HARMLESS" TO JULY 1, 1989. THE SUBCOMMITTEE FURTHER RECOMMENDS THAT THE STATE DEPARTMENT OF EDUCATION AND SCHOOL DISTRICTS MONITOR THE AFFECTS OF THE "DOUBLE HOLD HARMLESS" PROVISIONS TO INSURE THAT UNDESIRABLE ANOMALIES DO NOT OCCUR AND TO SEEK A MORE CONSISTENT METHOD OF PROTECTING DISTRICTS FROM RAPID ENROLLMENT DECLINES.

5. Mandatory Class Sizes

Testimony before the subcommittee indicated that large class sizes, especially in the early grades, is a detriment to effective teaching and a burden upon the individual teacher. Grade school classroom sizes throughout Nevada frequently range above thirty students per class and in some cases have exceeded thirty-five students per class.

In 1985, the legislature approved S.B. 514 which appropriated \$6 million for each year of the current biennium for program improvements. Specifically authorized under S.B. 514, was the use of these funds to reduce class size in grades one, two and three on an optional basis.

The Nevada Plan uses teacher allotment tables as a means to determine the distribution of state aid between the school districts. These allotment tables are based on relative actual class sizes and do not purport to represent ideal or desired class sizes. Although the teacher allotment tables exist only as a means to calculate distributions, the subcommittee recognizes that there is a disparity between them and desirable class sizes in the lower elementary grades.

The subcommittee recognized that actual class size has a significant impact on the quality of educational services and on the ability of good teachers to provide the best instruction possible. Although definitive data does not yet exist relative to operating and capital costs of class size reductions in Nevada, the department of education is currently accumulating the required information.

THE SUBCOMMITTEE RECOMMENDS THAT THE 1987 LEGISLATURE LIMIT ACTUAL CLASS SIZE IN GRADES 1 THROUGH 3 TO 22 STUDENTS PER TEACHER. THE SUBCOMMITTEE REQUESTS THAT THE DEPARTMENT OF EDUCATION, WORKING WITH THE STATE BOARD OF EDUCATION AND THE SCHOOL DISTRICTS, DEVELOP A PLAN OF IMPLEMENTATION TO BE PRESENTED TO THE 1987 LEGISLATURE FOR CONSIDERATION. THE PLAN SHOULD EMBRACE

CLASS SIZES LIMITED TO 22 STUDENTS IN GRADES 1 THROUGH 3, OVERLOAD CONSIDERATIONS AND A PHASE IN OVER A FIVE-YEAR PERIOD. THE PLAN SHOULD ALSO INCLUDE DATA ON CLASSROOM FACILITIES REQUIRED, OPERATIONAL COSTS AND CAPITAL IMPROVEMENT COSTS.

6. Rural and Isolated Schools

The 1985 legislature approved A.B. 474, which appropriated \$70,000 to the department of education to be allocated to the White Pine county school district to support program improvements in the educational program at Lund. The purpose of the appropriation was to provide, as a pilot project, special funding for the Lund school to provide additional educational opportunities through telelearning and associated technologies.

The subcommittee spent considerable time examining the question of adequate funding for small or isolated rural schools. The subcommittee reviewed funding mechanisms in other states, particularly procedures in place in the State of Utah. Additionally, the subcommittee reviewed in detail, the pilot project at the Lund school where telelearning classes from Ely and Utah and computer assisted instruction were implemented.

The subcommittee recognized that the Lund school project has proven to be worthwhile since the educational program was enhanced and class subject opportunities increased. The subcommittee also found that the current Nevada Plan formula, which is weighted towards small attendance areas, provides an adequate allocation basis for guaranteed state support.

THE SUBCOMMITTEE RECOMMENDS THAT THE LEGISLATURE CONTINUE TO ADDRESS, ON A CASE BY CASE BASIS, THE SPECIAL NEEDS OF RURAL OR ISOLATED SCHOOLS RATHER THAN ADOPT AN ARTIFICIAL OR ARBITRARY FORMULA MECHANISM FOR THEIR SUPPORT.

7. Telelearning

During the course of the study, it became apparent to the subcommittee from the Lund school experiment and the experiences of other states, that modern technology, in the form of telelearning classes and labs, has been demonstrated as a promising tool in bringing better educational programs to any school within the state, rural or urban. This technology can be used to bring classes, not otherwise available to small schools, to communicate between schools within or outside the district and to bring advanced or special classes to any school in the state. In addition, computer assisted instruction, which has proven to be productive in other states could be made available within Nevada.

THE SUBCOMMITTEE RECOMMENDS THAT THE DEPARTMENT OF EDUCATION STUDY THE FEASIBILITY OF TELELEARNING AND ASSOCIATED TECHNOLOGIES IN NEVADA AND PROPOSE A PILOT PROJECT TO THE 1987 LEGISLATURE FOR CONSIDERATION.

8. Special Education

State aid for special education is currently accomplished by categorically funding a specified number of units for each district. A special education unit is a organized instructional unit which includes full-time services of certificated personnel providing a program of instruction in accordance with minimum standards prescribed by the State Board of Education. In fiscal year 1986-87, the state will fund 1,015 units statewide at \$23,700 each (see appendix C).

Special education services, excluding advanced training classes, are currently reaching approximately 9 percent of the K-12 school population. According to testimony before the committee, additional services are needed since national norms suggest that perhaps 11 percent of the school age population require services. Concerns also were expressed to the subcommittee that the state should fund 100 percent of the special education need and that state support per unit should be increased to approximate the cost of a special education teacher. In fiscal year 1985-86 school districts supported, through local funds, 45 units in addition to those supported by the state.

At its meetings, the subcommittee received numerous suggestions on the level and method of state aid for special education ranging from no change to eliminating categorical funding and instituting a weighted student approach. No consensus between the school advisers, department of education representatives, school district representatives or the subcommittee could be reached during the course of the study. Additionally, the subcommittee learned that the department of education currently had its own task force preparing special education recommendations for the 1987 legislative session.

The subcommittee recognizes that the subject of funding special education is very broad and complex and of substantial concern to the school districts as well as parents of children needing services. The subcommittee also recognizes that in order to develop an adequate special education plan substantial additional data must be developed beyond that information available today.

THE SUBCOMMITTEE, THEREFORE, RECOMMENDS THAT THE 1987 LEGISLATURE AUTHORIZE AN INTERIM STUDY TO TAKE UP THE SPECIFIC ISSUE OF SPECIAL EDUCATION IN ORDER TO DEVELOP A LONG-RANGE PLAN ENCOMPASSING THE AVAILABILITY OF SPECIAL EDUCATION SERVICES AS WELL AS ITS FUNDING.

9. Question 5 (Estate pick-up tax)

Question 5 on the November 1986, general election ballot would change the Nevada constitution to allow the legislature to impose an estate tax to the limit of the allowable federal credit. This is known as the estate pick-up tax. The pick-up tax would allow the State of Nevada to receive a portion of the current estate tax without increasing the tax burden upon the estate. The state would receive a tax and the amount of the state tax would become a credit against the federal tax. The wording of Question 5 has been tightly crafted to insure that no additional tax can be levied against an estate and that the total tax would remain the same but the state would receive some of the revenue generated.

Question 5 also targets tax revenues earned as a result of the federal estate tax credit for public schools (K-12) and higher education.

THE SUBCOMMITTEE COMMENDS QUESTION 5 ON THE 1986 GENERAL ELECTION BALLOT TO THE PUBLIC AND URGES ITS PASSAGE.

10. Redevelopment Districts

When a redevelopment district is formed, the assessed value of all property within the boundaries of the district is frozen at the time of formation and reserved for taxation for the school district, city, county and other overlapping special districts. All future increases in assessed value within the district whether due to the redevelopment effort or not, are reserved for the redevelopment authority. In fiscal year 1986-87, the department of taxation's Redbook indicates that a total of \$225,036,184 in assessed value has been excluded from the tax base of the Washoe County School District as a result of the then existing Sparks town center, Reno increment district and the Reno Redevelopment Agency. This tax base represents the increases in assessed valuation within the redevelopment districts since their inception. At the current operating property tax rate for schools of 75¢ per \$100 of assessed value the assessed value of the redevelopment districts in Washoe county represents \$1.6 million dollars in tax revenue that is not available to the school district.

In 1986, two new redevelopment districts were formed, one in Carson City and one in the city of Las Vegas. Formation of these new districts and others that may be created in the future have caused concern for those responsible for education funding because of the loss of future property tax base. In addition, the legislature, every two years when constructing the state aid for education budget, considers total school expenditure needs and total funds available (state and local) to meet those needs. This practice means

that the state general fund ultimately bears the cost of lost revenues due to frozen assessed values within redevelopment districts.

As a result of these concerns and the increase in redevelopment agencies, several suggestions were made to the subcommittee to limit the impact of new districts on school funding. These included but were not limited to establishing time limits on new districts, limiting each political entity to one district, limiting the size of districts to 10 percent of the creating entities' assessed value, capping increases in assessed value that flow to the redevelopment authority and excluding redevelopment agencies from receiving supplemental city county relief taxes. Representatives of the redevelopment agencies in Reno and Las Vegas opposed many of the suggested limitations in testimony before the subcommittee.

The subcommittee recognized that this situation of reduced tax base was a valid concern that needed to be addressed by the 1987 legislature. The subcommittee felt some vehicle was required to create the debate needed in this area at the 1987 legislative session. The subcommittee, therefore, requested that school and redevelopment representatives work together and try to develop some agreement concerning tightening of state laws for redevelopment agencies in an effort to reduce the concerns of school officials. The points that were agreed upon by these representatives have been drafted in legislation that can be introduced in the 1987 session to facilitate that debate.

THE SUBCOMMITTEE RECOMMENDS THAT PROPOSED LEGISLATION WHICH INCLUDES THOSE ISSUES THAT SCHOOL AND REDEVELOPMENT AGENCY OFFICIALS WERE ABLE TO AGREE ON BE PRESENTED TO 1987 LEGISLATIVE SESSION AS A MEANS TO BRING THIS ISSUE TO THE ATTENTION OF THE LEGISLATURE.

11. Investment of Debt Service Funds

NRS 387.195 requires the county commissioners to levy a property tax rate of 75¢ per \$100 of assessed valuation for school operating purposes and whatever tax rate is required for the payment of interest and principal on school bonds each year. NRS 387.195 requires that any interest earned on the investment of the 75¢ operating tax be returned to the school district but does not require earned interest on the investment of debt service taxes be credited to the school district. In addition, NRS 355.170 provides that the county can invest any idle funds under its control to generate additional revenue and allows the county the choice of crediting the earnings to the funds from which the investments were made or to the county general fund. A review of fiscal year 1984-85 school district financial statements revealed that seven out of fifteen school districts with debt service requirements were not earning interest on the investment of their debt service funds.

The subcommittee determined that idle debt service funds of school districts should be invested and that earned revenue should be credited to the schools debt service fund with the goal of reducing required property tax levies in future years.

THE SUBCOMMITTEE RECOMMENDS AMENDING NRS 387.195 AND OTHER APPROPRIATE NRS SECTIONS TO REQUIRE THAT SCHOOL DISTRICTS RECEIVE INCOME FROM THE INVESTMENT OF THEIR DEBT SERVICE FUNDS.

12. Adjustable Wealth Factor

The school funding bill (A.B. 726) for the current biennium contains a provision, for the first time, that allows the department of education to adjust the real property wealth factor for school districts in the second year of the biennium. In previous biennia, the wealth factor for each school district was determined during the legislative session in order to establish the state guaranteed support levels for each district for each year of the coming biennium. The wealth factor is an adjustment to the guaranteed basic support that equalizes wealth and is determined by relative assessed value per student among the school districts. As such, each district's wealth factor is contingent upon the assessed value of the district and the number of students.

Previously, the wealth factor for the second year of each biennium was determined some 12 to 15 months in advance of that fiscal year and was based on assumed enrollments and a statewide percentage increase in assessed value. For the 1983-85 biennium, for instance, the 1983 legislature approved an assumed statewide increase in assessed value for the second year of the biennium of 10 percent. The statewide increase in assessed value for fiscal year 1984-85 did exceed the 10 percent assumption, however, individual district valuations ranged from a plus 19 percent in Clark county to a negative 6 percent in Pershing county.

As a result of the wild variations in the local wealth that had occurred and could occur in the future, the 1985 legislature approved a method by which the wealth factor in the second year of the biennium (fiscal year 1986-87) could be adjusted to reflect actual valuation results. These provisions were activated for the fiscal year 1986-87 state support guarantees in order to maintain equalization based on wealth.

The subcommittee examined the implementation of the wealth factor adjustment and found that it did indeed act to maintain local wealth equalization and to protect districts relative wealth position.

THE SUBCOMMITTEE RECOMMENDS THAT THE 1987 LEGISLATURE CONTINUE TO INCLUDE IN THE DISTRIBUTIVE SCHOOL FUNDING BILL THE PROVISIONS FOR ADJUSTING THE WEALTH FACTOR FOR EACH SCHOOL DISTRICT IN THE SECOND YEAR OF EACH BIENNIUM.

V. APPENDICES

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APPENDIX A

Distributive School Fund Summary
FY 1977-78 through FY 1986-87

STATE OF NEVADA
SCHOOL FUND
FISCAL 1977-78

	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Enrollment	140,500.0	140,077.0	(423.0)	-0.3%
Average Basic Support	\$1,035	\$1,035	\$0	0.0%
Total Basic Support	\$145,417,500	\$144,182,240	(\$1,235,260)	-0.8%
Special Education 600 units @ \$17,600	\$10,560,000	\$10,560,000	\$0	0.0%
Adult Diploma		\$797,455	\$797,455	
Bonus Payments	\$0	\$649,325	\$649,325	
Total Required	\$155,977,500	\$156,189,020	\$211,520	0.1%
Less local funds:				
LSST 1%	(\$38,788,000)	(\$43,370,547)	(\$4,582,547)	11.8%
Property Tax 70 cts	(\$27,160,000)	(\$28,137,989)	(\$977,989)	3.6%
State Responsibility	\$90,029,500	\$84,680,484	(\$5,349,016)	-5.9%
Less Other Resources:				
Slot Tax	\$7,250,000	\$9,603,370	\$2,353,370	32.5%
Interest	\$730,000	\$760,871	\$30,871	4.2%
Mineral Leases	\$750,000	\$3,886,359	\$3,136,359	418.2%
O/S Sales Tax	\$2,401,000	\$2,881,035	\$480,035	20.0%
Revenue Sharing	\$5,449,000	\$5,737,742	\$288,742	5.3%
Balance Forward	\$0	\$0	\$0	
Total Other Resources	\$16,580,000	\$22,869,377	\$6,289,377	37.9%
APPROPRIATION	\$73,449,500	\$73,449,500	\$0	0.0%
Total Resources	\$90,029,500	\$96,318,877	\$6,289,377	7.0%
Balance	\$0	\$11,638,393		
Footnotes:				

STATE OF NEVADA
SCHOOL FUND
FISCAL 1978-79

	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Enrollment	142,450.0	142,612.4	162.4	0.1%
Average Basic Support (A)	\$1,131	\$1,159	\$28	2.5%
Total Basic Support	\$161,110,950	\$165,053,649	\$3,942,699	2.4%
Special Education 630 units @ \$17,600	\$11,088,000	\$11,088,000	\$0	0.0%
Adult Diploma	\$0	\$893,265	\$893,265	
Bonus Payments	\$0	\$697,954	\$697,954	
Total Required	\$172,198,950	\$177,732,868	\$5,533,918	3.2%
Less local funds:				
LSST 1%	(\$43,860,000)	(\$53,468,492)	(\$9,608,492)	21.9%
Property Tax 70 cts	(\$29,876,000)	(\$33,844,491)	(\$3,968,491)	13.3%
State Responsibility	\$98,462,950	\$90,419,885	(\$8,043,065)	-8.2%
Less Other Resources:				
Slot Tax	\$7,750,000	\$11,186,142	\$3,436,142	44.3%
Interest	\$740,000	\$988,247	\$248,247	33.5%
Mineral Leases	\$750,000	\$5,602,037	\$4,852,037	646.9%
O/S Sales Tax	\$2,529,000	\$3,639,607	\$1,110,607	43.9%
Revenue Sharing	\$5,529,000	\$5,847,463	\$318,463	5.8%
Balance Forward	\$0	\$11,638,393	\$11,638,393	
Total Other Resources	\$17,298,000	\$38,901,889	\$21,603,889	124.9%
APPROPRIATION	\$81,164,950	\$81,164,950	\$0	0.0%
Total Resources	\$98,462,950	\$120,066,839	\$21,603,889	21.9%
Balance	\$0	\$29,646,954		

Footnotes:

A. Basic Support includes \$28 per student trigger increase-Ch 379,1977

STATE OF NEVADA
SCHOOL FUND
FISCAL 1979-80

	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Enrollment	145,462.0	144,087.2	(1,374.8)	-0.9%
Average Basic Support	\$1,252	\$1,252	\$0	0.0%
Total Basic Support	\$182,118,424	\$180,397,174	(\$1,721,250)	-0.9%
Special Education 690 units @ \$18,000	\$12,420,000	\$12,420,000	\$0	0.0%
Adult Diploma		\$936,005	\$936,005	
Bonus Payments	\$0	\$670,529	\$670,529	
30 cent Property Tax	\$17,264,000	\$17,183,180		
Teacher Conference	\$0	\$1,057		
Total Required	\$211,802,424	\$211,607,945	(\$114,716)	-0.1%
Less local funds:				
LSST 1%	(\$53,954,361)	(\$56,816,023)	(\$2,861,662)	5.3%
Property Tax 70 cts	\$0	\$0	\$0	
State Responsibility	\$157,848,063	\$154,791,922	(\$2,976,378)	-1.9%
Less Other Resources:				
Slot Tax	\$12,032,000	\$11,333,577	(\$698,423)	-5.8%
Interest	\$750,000	\$1,672,597	\$922,597	123.0%
Mineral Leases	\$3,800,000	\$6,939,325	\$3,139,325	82.6%
O/S Sales Tax	\$3,975,000	\$4,526,215	\$551,215	13.9%
Revenue Sharing	\$5,900,000	\$5,964,408	\$64,408	1.1%
Balance Forward	\$0	\$0	\$0	
Total Other Resources	\$26,457,000	\$30,436,122	\$3,979,122	15.0%
APPROPRIATION	\$131,391,063	\$131,391,063	\$0	0.0%
Total Resources	\$157,848,063	\$161,827,185	\$3,979,122	2.5%
Balance	\$0	\$7,035,263		
Footnotes:				

STATE OF NEVADA
SCHOOL FUND
FISCAL 1980-81

	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Enrollment	148,371.0	145,801.0	(2,570.0)	-1.7%
Average Basic Support	\$1,333	\$1,333	\$0	0.0%
Total Basic Support	\$197,481,801	\$194,285,449	(\$3,196,352)	-1.6%
Special Education 730 units @ \$18,000	\$13,140,000	\$13,140,000	\$0	0.0%
Adult Diploma	\$0	\$1,137,635	\$1,137,635	
Bonus Payments	\$0	\$593,055	\$593,055	
20 cent Property Tax (A)	\$20,319,000	\$13,923,353		
Consultant Expenses	\$0	\$795		
Emergency Allocations (B)	\$0	\$3,084,992		
Total Required	\$230,940,801	\$226,165,279	(\$1,465,662)	-0.6%
Less local funds:				
LSST 1%	(\$62,058,196)	(\$58,922,838)	\$3,135,358	-5.1%
Property Tax 70 cts	\$0	\$0	\$0	
State Responsibility	\$168,882,605	\$167,242,441	\$1,669,696	1.0%
Less Other Resources:				
Slot Tax	\$13,395,000	\$12,139,883	(\$1,255,117)	-9.4%
Interest	\$750,000	\$2,102,803	\$1,352,803	180.4%
Mineral Leases	\$3,800,000	\$8,249,840	\$4,449,840	117.1%
O/S Sales Tax	\$4,579,149	\$5,501,841	\$922,692	20.1%
Revenue Sharing	\$5,900,000	\$3,160,412	(\$2,739,588)	-46.4%
Balance Forward	\$0	\$7,035,264	\$7,035,264	
Total Other Resources	\$28,424,149	\$38,190,043	\$9,765,894	34.4%
APPROPRIATION	\$140,458,456	\$140,458,456	\$0	0.0%
Total Resources	\$168,882,605	\$178,648,499	\$9,765,894	5.8%
Balance	\$0	\$11,406,058		

Footnotes:

- A. 30 cent property tax replacement dettriggered to 20 cents in FY 81
B. Emergency allocations for Clark, Lyon, Carson, Churchill and White Pine

STATE OF NEVADA
SCHOOL FUND
FISCAL 1981-82

	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Enrollment	148,103.0	147,326.2	(776.8)	-0.5%
Average Basic Support	\$1,631	\$1,631	\$0	0.0%
Total Basic Support	\$241,288,939	\$240,346,489	(\$942,450)	-0.4%
Special Education 805 units @ \$19,500	\$15,697,500	\$15,697,500	\$0	0.0%
Adult Diploma	\$1,000,000	\$1,455,351	\$455,351	45.5%
Bonus Payments	\$0	\$462,260	\$462,260	
Audit Adjustment	\$0	(\$1,818)	(\$1,818)	
P.L.81-874 Replacement	\$3,326,912	\$0	(\$3,326,912)	
Total Required	\$261,313,351	\$257,959,782	(\$3,353,569)	-1.3%
Less local funds:				
LSST 1.5%	(A)(\$103,898,165)	(\$93,862,321)	\$10,035,844	-9.7%
Property Tax	\$0	\$0	\$0	
State Responsibility	\$157,415,186	\$164,097,461	\$6,682,275	4.2%
Less Other Resources:				
Slot Tax	\$14,692,000	\$12,960,423	(\$1,731,577)	-11.8%
Interest	\$1,250,000	\$2,582,717	\$1,332,717	106.6%
Mineral Leases	\$9,500,000	\$11,466,047	\$1,966,047	20.7%
O/S Sales Tax	\$7,560,860	\$7,702,379	\$141,519	1.9%
Revenue Sharing	\$0	\$42,025	\$42,025	
Balance Forward	\$0	\$0	\$0	
Total Other Resources	\$33,002,860	\$34,753,591	\$1,750,731	5.3%
APPROPRIATION	(B) \$124,412,326	\$130,058,355	\$5,646,029	4.5%
Total Resources	\$157,415,186	\$164,811,946	\$7,396,760	4.7%
Balance	\$0	\$714,485		

Footnotes:

A. Includes 13 rather than 12 months of LSST

B. Transfer of \$5,646,029 from FY83 appropriation to FY 82

STATE OF NEVADA
SCHOOL FUND
FISCAL 1982-83

	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Enrollment	150,545.0	146,762.4	(3,782.6)	-2.5%
Average Basic Support (A)	\$1,821	\$1,787	(\$34)	-1.9%
Total Basic Support	\$273,497,063	\$262,093,163	(\$11,403,900)	-4.2%
Special Education 855 units @ \$19,500	\$16,672,500	\$16,672,500	\$0	0.0%
Adult Diploma	\$1,000,000	\$1,650,865	\$650,865	65.1%
Bonus Payments	\$0	\$1,829,329	\$1,829,329	
P.L.81-874 Replacement	\$4,326,912	\$0		
Total Required	\$295,496,475	\$282,245,857	(\$8,923,706)	-3.0%
Less local funds:				
LSST 1.5%	(\$112,000,000)	(\$96,277,635)	\$15,722,365	-14.0%
Property Tax	\$0	\$0	\$0	
State Responsibility	\$183,496,475	\$185,968,222	\$6,798,659	3.7%
Less Other Resources:				
Slot Tax	\$16,661,000	\$14,223,520	(\$2,437,480)	-14.6%
Interest	\$1,250,000	\$2,072,054	\$822,054	65.8%
Mineral Leases	\$10,500,000	\$12,184,106	\$1,684,106	16.0%
O/S Sales Tax	\$8,611,642	\$6,741,848	(\$1,869,794)	-21.7%
Revenue Sharing	\$0	\$0	\$0	
Balance Forward	\$0	\$714,474	\$714,474	
Total Other Resources	\$37,022,642	\$35,936,002	(\$1,086,640)	-2.9%
APPROPRIATION (B)	\$146,473,833	\$152,572,584	\$6,098,751	4.2%
Total Resources	\$183,496,475	\$188,508,586	\$5,012,111	2.7%
Balance	\$0	\$2,540,364		

Footnotes:

- A. Budgeted \$1821 per student-distributed \$1787-voluntary reduction of \$5,099,208.
- B. Transferred \$5,646,029 from FY83 to FY82--1983 Session appropriated \$11,744,780 for supplemental.

STATE OF NEVADA
SCHOOL FUND
FISCAL 1983-84

	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Enrollment	147,592.0	145,974.2	(1,617.8)	-1.1%
Average Basic Support	\$1,885	\$1,885	\$0	0.0%
Total Basic Support	\$278,270,137	\$275,218,119	(\$3,052,018)	-1.1%
Special Education 885 units @ \$20,500	\$18,142,500	\$18,142,500	\$0	0.0%
Adult Diploma	\$1,750,000	\$1,773,021	\$23,021	1.3%
Bonus Payments	\$0	\$2,223,942	\$2,223,942	
Total Required	\$298,162,637	\$297,357,582	(\$805,055)	-0.3%
Less local funds:				
LSST 1.5%	(\$91,132,000)	(\$100,911,052)	(\$9,779,052)	10.7%
Property Tax 25 cts	(\$27,745,000)	(\$28,030,809)	(\$285,809)	1.0%
State Responsibility	\$179,285,637	\$168,415,721	(\$10,869,916)	-6.1%
Less Other Resources:				
Slot Tax	\$13,320,000	\$14,308,236	\$988,236	7.4%
Interest	\$2,575,000	\$2,072,418	(\$502,582)	-19.5%
Mineral Leases	\$11,500,000	\$11,077,788	(\$422,212)	-3.7%
O/S Sales Tax	\$7,500,000	\$6,370,204	(\$1,129,796)	-15.1%
Revenue Sharing	\$0	\$0	\$0	
Balance Forward	\$0	\$0	\$0	
Total Other Resources	\$34,895,000	\$33,828,646	(\$1,066,354)	-3.1%
APPROPRIATION	\$144,390,637	\$144,390,637	\$0	0.0%
Total Resources	\$179,285,637	\$178,219,283	(\$1,066,354)	-0.6%
Balance	\$0	\$9,803,562		
Footnotes:				

STATE OF NEVADA
SCHOOL FUND
FISCAL 1984-85

	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Enrollment	148,330.0	146,910.6	(1,419.4)	-1.0%
Average Basic Support (A)	\$1,905	\$1,926	\$21	1.1%
Total Basic Support	\$282,556,642	\$282,919,028	\$362,386	0.1%
Special Education 945 units @ \$21,500	\$20,317,500	\$20,317,500	\$0	0.0%
Adult Diploma	\$1,875,000	\$2,324,420	\$449,420	24.0%
Bonus Payments	\$0	\$936,252	\$936,252	
Retention Pay (B)	\$0	\$13,359,687		
Total Required	\$304,749,142	\$319,856,887	\$1,748,058	0.6%
Less local funds:				
LSST 1.5%	(\$94,777,000)	(\$111,420,985)	(\$16,643,985)	17.6%
Property Tax 25 cts	(\$30,517,000)	(\$31,515,931)	(\$998,931)	3.3%
State Responsibility	\$179,455,142	\$176,919,971	(\$15,894,858)	-8.9%
Less Other Resources:				
Slot Tax	\$13,720,000	\$17,804,068	\$4,084,068	29.8%
Interest	\$2,650,000	\$1,994,080	(\$655,920)	-24.8%
Mineral Leases	\$11,500,000	\$10,018,151	(\$1,481,849)	-12.9%
O/S Sales Tax	\$7,800,000	\$8,305,120	\$505,120	6.5%
Revenue Sharing	\$0	\$0	\$0	
Balance Forward	\$0	\$9,803,562	\$9,803,562	
Retention Forward	\$0	(\$481,088)	(\$481,088)	
Refunds	\$0	\$6,257	\$6,257	
Total Other Resources	\$35,670,000	\$47,450,150	\$11,780,150	33.0%
APPROPRIATION	\$143,785,142	\$146,785,142	\$3,000,000	2.1%
Total Resources	\$179,455,142	\$194,235,292	\$14,780,150	8.2%
Balance	\$0	\$17,315,321		

Footnotes:

- A. General Fund balance @ 6/30/84 triggered additional \$3,000,000(\$21 support)
B. 1985 Legislature allocated \$13,840,775 for 5% retention pay

STATE OF NEVADA
SCHOOL FUND
FISCAL 1985-86

	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Enrollment	149,133.0	0.0	0.0	
Average Basic Support	\$2,201	\$0	\$0	
Total Basic Support	\$328,241,733	\$0	\$0	
Special Education 985 units @ \$22,575	\$22,236,375	\$0	\$0	
Adult Diploma	\$1,900,000		\$0	0.0%
Bonus Payments	\$0	\$0	\$0	
Total Required	\$352,378,108	\$0	\$0	0.0%
Less local funds:				
LSST 1.5%	(\$119,327,150)	\$0	\$0	0.0%
Property Tax 25 cts	(\$34,338,615)	\$0	\$0	0.0%
State Responsibility	\$198,712,343	\$0	\$0	0.0%
Less Other Resources:				
Slot Tax	\$15,660,000	\$0	\$0	0.0%
Interest	\$2,150,000	\$0	\$0	0.0%
Mineral Leases	\$10,000,000	\$0	\$0	0.0%
O/S Sales Tax	\$8,010,972	\$0	\$0	0.0%
Revenue Sharing	\$0	\$0	\$0	
Balance Forward	\$0	\$0	\$0	
Total Other Resources	\$35,820,972	\$0	\$0	0.0%
APPROPRIATION	\$162,891,371	\$0	\$0	0.0%
Total Resources	\$198,712,343	\$0	\$0	0.0%
Balance	\$0	\$0		
Footnotes:				

STATE OF NEVADA
SCHOOL FUND
FISCAL 1986-87

	BUDGET	ACTUAL	DIFFERENCE	% DIFF
Enrollment	151,370.0	0.0	0.0	
Average Basic Support	\$2,305	\$0	\$0	
Total Basic Support	\$348,907,850	\$0	\$0	
Special Education				
1015 units @ \$23,700	\$24,055,500	\$0	\$0	
Adult Diploma	\$1,900,000	\$0	\$0	
Bonus Payments	\$0	\$0	\$0	
Total Required	\$374,863,350	\$0	\$0	
Less local funds:				
LSST 1.5%	(\$128,276,686)	\$0	\$0	
Property Tax 25 cts	(\$37,772,467)	\$0	\$0	
State Responsibility	\$208,814,197	\$0	\$0	
Less Other Resources:				
Slot Tax	\$16,287,000	\$0	\$0	
Interest	\$2,300,000	\$0	\$0	
Mineral Leases	\$10,000,000	\$0	\$0	
O/S Sales Tax	\$8,410,972	\$0	\$0	
Revenue Sharing	\$0	\$0	\$0	
Balance Forward	\$0	\$0	\$0	
Total Other Resources	\$36,997,972	\$0	\$0	
APPROPRIATION	\$171,816,225	\$0	\$0	
Total Resources	\$208,814,197	\$0	\$0	
Balance	\$0	\$0		

Footnotes:

A. General Fund balance @ 6/30/86 triggered additional \$7,404,872(\$49 support).

APPENDIX B

Basic Support Guarantees
FY 1977-78 through FY 1986-87

STATE OF NEVADA
SCHOOL FUND
BASIC SUPPORT GUARANTEES

DISTRICT	FY77-78	FY78-79	FY79-80	FY80-81	FY81-82	FY82-83	FY83-84	FY84-85	FY85-86	FY86-87
Carson City	\$1,026	\$1,147	\$1,227	\$1,305	\$1,657	\$1,843	\$2,012	\$2,053	\$2,461	\$2,384
Churchill	1,025	1,148	1,237	1,315	1,618	1,777	1,957	2,000	2,450	2,428
Clark	1,022	1,144	1,232	1,309	1,601	1,753	1,850	1,890	2,114	2,206
Douglas	1,020	1,143	1,190	1,268	1,557	1,708	1,838	1,884	2,167	2,533
Elko	1,105	1,237	1,333	1,419	1,786	1,924	2,025	2,071	2,480	2,511
Esmeralda	1,954	2,191	2,299	2,456	3,110	3,641	3,231	3,315	3,659	4,183
Eureka	1,763	1,976	2,576	2,755	3,488	2,816	4,429	4,539	4,582	5,284
Humboldt	1,152	1,289	1,363	1,451	1,722	1,770	1,969	2,015	2,551	2,697
Lander	1,087	1,217	1,314	1,399	1,608	1,780	2,024	2,070	2,687	2,634
Lincoln	1,461	1,631	1,708	1,810	2,390	2,644	3,114	3,179	3,890	3,749
Lyon	1,087	1,217	1,361	1,444	1,934	2,123	2,217	2,266	2,612	2,634
Mineral	1,044	1,169	1,344	1,426	1,750	2,092	2,262	2,312	2,771	2,718
Nye	1,378	1,543	1,539	1,640	1,681	1,847	1,962	2,011	2,454	2,656
Pershing	1,039	1,163	1,241	1,322	1,883	2,102	2,054	2,102	2,525	2,780
Storey	1,654	1,852	1,777	1,890	2,978	3,396	3,446	3,524	3,629	3,825
Washoe	1,007	1,128	1,230	1,309	1,579	1,729	1,777	1,816	2,097	2,278
White Pine	1,141	1,276	1,542	1,637	2,166	2,334	2,432	2,482	3,086	2,968
Statewide Average	\$1,035	\$1,159	\$1,252	\$1,333	\$1,631	\$1,787	\$1,885	\$1,926	\$2,201	\$2,305
% Increase	12.7%	12.0%	8.0%	6.5%	22.4%	9.6%	5.5%	2.2%	14.3%	4.7%

Footnotes: (A) (B) (C) (D) (E)

A. Triggered \$28 per student increase.

B. Up to \$21 per student increase did not trigger.

C. Average support budgeted at \$1821-districts voluntarily reduced to \$1787

D. Triggered \$21 per student increase.

E. Basic support may be adjusted for relative low wealth.

Additional support up to \$49 may be triggered based on fund balance. (\$7,404,872) (A.B.540)

APPENDIX C

Special Education Units - FY 1985-86
FY 1977-78 through FY 1986-87

STATE OF NEVADA
SPECIAL EDUCATION UNITS
FISCAL YEAR 1985-86

SCHOOL DISTRICT	REGULAR UNITS	DISCRETIONARY UNITS	TOTAL UNITS
CARSON	34.0	3.0	37.0
CHURCHILL	18.0	1.0	19.0
CLARK	565.0	12.0	577.0
DOUGLAS	25.0	0.5	25.5
ELKO	27.0	1.0	28.0
ESMERALDA	2.0	1.0	3.0
EUREKA	2.0	0.0	2.0
HUMBOLDT	13.0	0.0	13.0
LANDER	7.0	0.0	7.0
LINCOLN	6.0	2.5	8.5
LYON	21.0	1.0	22.0
MINERAL	8.0	0.0	8.0
NYE	16.0	1.0	17.0
PERSHING	5.0	0.0	5.0
STOREY	2.0	0.0	2.0
WASHOE	199.0	2.0	201.0
WHITE PINE	10.0	0.0	10.0
TOTALS	960.0	25.0	985.0

SPEDSUM
July 31, 1986

STATE OF NEVADA
SCHOOL FUND
SPECIAL EDUCATION

DISTRICT	FY 1977-78		FY 1978-79		FY 1979-80		FY 1980-81		FY 1981-82	
	\$	Amount	\$	Amount	\$	Amount	\$	Amount	\$	Amount
Carson City	23	\$404,800	24	\$422,400	27	\$486,000	29	\$522,000	30	\$585,000
Churchill	11	193,600	12	211,200	13	234,000	14	252,000	14	273,000
Clark	348	6,124,800	366	6,441,600	398	7,164,000	421	7,578,000	465	9,067,500
Douglas	11	193,600	12	211,200	15	270,000	16	288,000	18	351,000
Elko	17	299,200	18	316,800	18	324,000	19	342,000	22	429,000
Esmeralda	1	17,600	1	17,600	2	36,000	2	36,000	2	39,000
Eureka	2	35,200	2	35,200	2	36,000	2	36,000	2	39,000
Humboldt	8	140,800	9	158,400	9	162,000	10	180,000	12	234,000
Lander	4	70400	4	70400	4	72000	5	90000	6	117000
Lincoln	5	88,000	5	88,000	6	108,000	6	108,000	7	136,500
Lyon	11	193,600	11	193,600	11	198,000	12	216,000	14	273,000
Mineral	6	105,600	6	105,600	6	108,000	7	126,000	7	136,500
Nye	8	140,800	8	140,800	9	162,000	10	180,000	12	234,000
Pershing	3	52,800	3	52,800	3	54,000	3	54,000	4	78,000
Storey	1	17,600	1	17,600	2	36,000	2	36,000	2	39,000
Washoe	132	2,323,200	138	2,428,800	147	2,646,000	155	2,790,000	164	3,198,000
White Pine	9	158,400	10	176,000	10	180,000	10	180,000	9	175,500
Reserved	0	0	0	0	8	144,000	7	126,000	15	292,500
State Total	600	\$10,560,000	630	\$11,088,000	690	\$12,420,000	730	\$13,140,000	805	\$15,697,500
% Increase	9.0%	20.0%	5.0%	5.0%	9.5%	12.0%	5.8%	5.8%	10.3%	19.5%
Unit Rate		\$17,600		\$17,600		\$18,000		\$18,000		\$19,500
% Increase		10.0%		0.0%		2.3%		0.0%		8.3%

STATE OF NEVADA
SCHOOL FUND
SPECIAL EDUCATION

DISTRICT	FY 1982-83 \$ Amount	FY 1983-84 \$ Amount	FY 1984-85 \$ Amount	FY 1985-86 \$ Amount	FY 1986-87 \$ Amount
Carson City	31 \$604,500	31 \$635,500	33 \$709,500	34 \$767,550	35 \$829,500
Churchill	15 292,500	16 328,000	17 365,500	18 406,350	19 450,300
Clark	489 9,535,500	509 10,434,500	542 11,653,000	565 12,754,875	582 13,793,400
Douglas	19 370,500	20 410,000	22 473,000	25 564,375	26 616,200
Elko	23 448,500	24 492,000	26 559,000	27 609,525	28 663,600
Esmeralda	2 39,000	2 41,000	2 43,000	2 45,150	2 47,400
Eureka	2 39,000	2 41,000	2 43,000	2 45,150	2 47,400
Humboldt	12 234,000	12 246,000	13 279,500	13 293,475	13 308,100
Lander	7 136,500	7 143,500	7 150,500	7 158,025	7 165,900
Lincoln	7 136,500	5 102,500	6 129,000	6 135,450	7 165,900
Lyon	15 292,500	17 348,500	19 408,500	21 474,075	22 521,400
Mineral	7 136,500	7 143,500	8 172,000	8 180,600	9 213,300
Nye	13 253,500	14 287,000	15 322,500	16 361,200	17 402,900
Pershing	4 78,000	4 82,000	4 86,000	5 112,875	5 118,500
Storey	2 39,000	2 41,000	2 43,000	2 45,150	2 47,400
Washoe	172 3,354,000	179 3,669,500	192 4,128,000	199 4,492,425	204 4,834,800
White Pine	10 195,000	9 184,500	10 215,000	10 225,750	10 237,000
Reserved	25 487,500	25 513,500	25 537,500	25 564,375	25 592,500
State Total	855 \$16,672,500	885 \$18,142,500	945 \$20,317,500	985 \$22,236,375	1,015 \$24,055,500
% Increase	6.2%	3.5%	6.8%	4.2%	3.1%
Unit Rate	\$19,500	\$20,500	\$21,500	\$22,575	\$23,700
% Increase	0.0%	5.1%	4.9%	5.0%	5.0%

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APPENDIX D

Distributive School Fund
Total Support by District
FY 1977-78 through FY 1985-86

STATE OF NEVADA
DISTRIBUTIVE SCHOOL FUND
TOTAL SUPPORT BY DISTRICT

DISTRICT	Actual FY1977-78	Actual FY1978-79	Actual FY1979-80	Actual FY1980-81	Actual FY1981-82
Carson City	\$3,975,716	\$4,043,359	\$6,521,460	\$6,686,430	\$7,252,126
Churchill	2,201,871	2,630,132	3,503,086	3,631,491	3,957,773
Clark	51,433,007	55,389,528	88,698,046	97,272,517	94,284,701
Douglas	735,685	1,288,587	3,369,574	3,639,681	3,435,058
Elko	2,512,667	2,827,528	4,769,881	5,037,297	5,395,979
Esmeralda	123,171	153,734	338,869	355,311	472,004
Eureka	98,759	92,727	661,632	635,831	469,275
Humboldt	1,199,436	1,359,824	2,286,597	2,679,023	2,994,737
Lander	617,334	660,873	1,229,337	1,409,944	1,516,687
Lincoln	1,084,545	1,257,600	1,663,049	1,768,760	2,359,735
Lyon	1,933,132	2,204,841	3,632,923	3,904,130	4,875,787
Mineral	1,270,947	1,331,726	1,868,623	1,938,687	2,151,289
Nye	1,374,368	1,691,626	2,796,164	3,223,537	3,213,831
Pershing	392,479	447,251	906,193	923,450	1,161,392
Storey	163,799	249,149	395,740	369,177	638,796
Washoe	13,936,937	12,872,976	29,542,594	30,992,045	26,775,913
White Pine	1,626,336	1,919,060	2,607,097	2,774,335	3,142,389
State Total	\$84,680,189	\$90,420,521	\$154,790,865	\$167,241,646	\$164,097,472
% Change		6.3%	41.6%	7.4%	-1.9%

DISTRICT	Actual FY1982-83	Actual FY1983-84	Actual FY1984-85	Budget FY1985-86
Carson City	\$7,917,274	\$7,535,404	\$8,018,938	\$9,151,591
Churchill	4,356,225	4,448,328	4,592,719	5,583,977
Clark	106,407,811	99,239,340	104,214,485	109,006,524
Douglas	3,842,655	2,881,271	3,745,549	4,406,753
Elko	5,976,182	5,302,470	5,474,802	7,057,913
Esmeralda	631,744	428,200	549,103	464,606
Eureka	568,619	626,770	698,272	595,390
Humboldt	3,186,102	3,306,401	3,458,265	3,872,133
Lander	1,757,529	1,819,850	1,822,014	2,302,407
Lincoln	2,669,020	2,800,175	2,879,354	3,119,489
Lyon	5,702,239	5,741,736	6,525,113	7,322,666
Mineral	2,370,830	2,286,141	2,479,309	2,843,427
Nye	3,737,118	3,086,934	3,300,274	4,591,176
Pershing	1,271,778	1,104,902	1,094,153	1,320,483
Storey	768,228	692,855	739,165	753,178
Washoe	31,331,131	23,788,400	23,956,955	28,557,050
White Pine	3,473,737	3,326,543	3,366,901	3,838,857
State Total	\$185,968,222	\$168,415,720	\$176,915,371	\$194,787,620
% Change	11.8%	-10.4%	4.8%	9.2%

APPENDIX E

School Districts-Property Taxes (operating)
FY 1977-78 through FY 1986-87

STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAXES (OPERATING)

	Actual FY 1978-79	Actual FY 1979-80	Actual FY 1980-81	Actual FY 1981-82	Actual FY 1982-83	Actual FY 1983-84	Estimated FY 1984-85	Budget FY 1985-86	Budget FY 1986-87
Local Rate (A)	0.8000	0.5000	0.6000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Amount	\$40,243,909	\$23,787,846	\$32,827,989	\$46,650,103	\$50,927,898	\$56,061,618	\$62,817,112	\$68,677,230	\$75,544,934
Formula Rate(B)	0.7000	0.0000	0.0000	0.0000	0.0000	0.2500	0.2500	0.2500	0.2500
Amount	\$33,844,491	\$0	\$0	\$0	\$0	\$28,030,809	\$31,408,556	\$34,338,615	\$37,772,467
Total Rate	1.5000	0.5000	0.6000	0.5000	0.5000	0.7500	0.7500	0.7500	0.7500
Total Amount	\$74,088,400	\$23,787,846	\$32,827,989	\$46,650,103	\$50,927,898	\$84,092,427	\$94,225,668	\$103,015,845	\$113,317,401

(C)

(D)

(E)

Footnotes:

- A. Local property tax support-not considered in state-aid formula.
Until FY82 this tax was optional and many districts taxed at lower rates.
- B. Local property tax support-deducted from state-aid.
- C. 1979 Legislature bought out \$1.00 of tax-70 cts optional tax and 30 cts of 80 cts mandatory tax.
- D. Local rate increased 10 cts-due to dettrigger.
- E. 1983 Legislature established 25 cts tax-to be deducted in state-aid formula.

APPENDIX F

Property Tax by School District
FY 1977-78 through FY 1986-87

STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: STATEWIDE

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78			\$61,003,779	\$21,629,403	\$82,633,182
FY1978-79			\$74,088,400	\$25,634,697	\$99,723,097
FY1979-80			\$23,787,846	\$29,250,416	\$53,038,262
FY1980-81			\$32,877,989	\$35,957,881	\$68,835,870
FY1981-82			\$46,650,101	\$44,767,299	\$91,417,400
FY1982-83			\$50,927,898	\$34,265,878	\$85,193,776
FY1983-84			\$83,150,283	\$37,163,154	\$120,313,437
FY1984-85			\$94,374,122	\$39,650,941	\$134,025,063
FY1985-86			\$103,393,665	\$41,315,442	\$144,709,107
FY1986-87			\$108,168,475	\$49,718,206	\$157,886,681

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: CARSON CITY

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.4700	\$1,830,878	\$573,681	\$2,404,559
FY1978-79	1.5000	0.3700	\$2,665,747	\$665,059	\$3,330,806
FY1979-80	0.3782	0.3900	\$778,938	\$799,576	\$1,578,514
FY1980-81	0.4144	0.4300	\$1,054,715	\$1,096,627	\$2,151,342
FY1981-82	0.5000	0.1876	\$1,606,914	\$605,810	\$2,212,724
FY1982-83	0.5000	0.2197	\$1,668,673	\$730,150	\$2,398,823
FY1983-84	0.7500	0.2510	\$2,773,402	\$928,165	\$3,701,567
FY1984-85	0.7500	0.2814	\$2,984,446	\$1,119,764	\$4,104,210
FY1985-86	0.7500	0.3346	\$3,109,884	\$1,387,423	\$4,497,307
FY1986-87	0.7500	0.3250	\$3,275,105	\$1,419,213	\$4,694,318

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: CHURCHILL

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.4900	\$811,302	\$264,168	\$1,075,470
FY1978-79	1.5000	0.4100	\$937,866	\$258,826	\$1,196,692
FY1979-80	0.4576	0.3900	\$315,476	\$262,146	\$577,622
FY1980-81	0.5537	0.4800	\$396,580	\$342,591	\$739,171
FY1981-82	0.5000	0.3630	\$467,491	\$340,026	\$807,517
FY1982-83	0.5000	0.3200	\$521,847	\$337,723	\$859,570
FY1983-84	0.7500	0.2400	\$917,656	\$293,650	\$1,211,306
FY1984-85	0.7500	0.2500	\$1,011,777	\$337,259	\$1,349,036
FY1985-86	0.7500	0.2188	\$1,055,871	\$308,033	\$1,363,904
FY1986-87	0.7500	0.6200	\$1,186,334	\$980,703	\$2,167,037

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: CLARK

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.7023	\$30,099,825	\$14,061,758	\$44,161,583
FY1978-79	1.5000	0.7023	\$37,487,945	\$17,580,054	\$55,067,999
FY1979-80	0.4040	0.7023	\$12,057,353	\$20,595,751	\$32,653,104
FY1980-81	0.4697	0.7018	\$16,520,785	\$24,702,014	\$41,222,799
FY1981-82	0.5000	0.6796	\$22,449,750	\$30,445,788	\$52,895,538
FY1982-83	0.5000	0.3838	\$24,736,643	\$18,887,278	\$43,623,921
FY1983-84	0.7500	0.3551	\$42,290,204	\$20,023,002	\$62,313,206
FY1984-85	0.7500	0.3095	\$50,463,229	\$20,824,492	\$71,287,721
FY1985-86	0.7500	0.3235	\$56,386,255	\$24,321,272	\$80,707,527
FY1986-87	0.7500	0.4435	\$58,411,400	\$34,540,608	\$92,952,008

SDADVAL
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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: DOUGLAS

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.5700	\$2,380,953	\$905,777	\$3,286,730
FY1978-79	1.5000	0.6200	\$2,675,981	\$1,106,090	\$3,782,071
FY1979-80	0.4296	0.6200	\$971,048	\$1,398,457	\$2,369,505
FY1980-81	0.4995	0.6200	\$1,401,475	\$1,737,296	\$3,138,771
FY1981-82	0.5000	0.3860	\$2,531,458	\$1,957,822	\$4,489,280
FY1982-83	0.5000	0.3200	\$2,603,268	\$1,660,808	\$4,264,076
FY1983-84	0.7500	0.3200	\$3,876,637	\$1,654,032	\$5,530,669
FY1984-85	0.7500	0.3200	\$4,223,014	\$1,801,820	\$6,024,834
FY1985-86	0.7500	0.3138	\$4,559,512	\$1,907,700	\$6,467,212
FY1986-87	0.7500	0.2830	\$4,903,339	\$1,850,194	\$6,753,533

SDADVAL
6-5-86

STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: ELKO

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.2400	\$2,350,122	\$381,930	\$2,732,052
FY1978-79	1.5000	0.3000	\$2,336,807	\$474,442	\$2,811,249
FY1979-80	0.4672	0.2600	\$846,083	\$449,688	\$1,295,771
FY1980-81	0.5690	0.2900	\$1,074,969	\$563,349	\$1,638,318
FY1981-82	0.5000	0.2055	\$1,244,463	\$505,205	\$1,749,668
FY1982-83	0.5000	0.1400	\$1,515,732	\$430,874	\$1,946,606
FY1983-84	0.7500	0.1400	\$1,954,600	\$364,859	\$2,319,459
FY1984-85	0.7500	0.5990	\$2,360,712	\$1,885,442	\$4,246,154
FY1985-86	0.7500	0.5208	\$2,703,195	\$1,877,099	\$4,580,294
FY1986-87	0.7500	0.6500	\$2,913,598	\$2,525,119	\$5,438,717

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: ESMERALDA

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.0000	\$273,343	\$0	\$273,343
FY1978-79	1.5000	0.0000	\$244,167	\$0	\$244,167
FY1979-80	0.4110	0.0000	\$77,463	\$0	\$77,463
FY1980-81	0.4567	0.0000	\$92,906	\$0	\$92,906
FY1981-82	0.5000	0.0000	\$113,161	\$0	\$113,161
FY1982-83	0.5000	0.0000	\$121,075	\$0	\$121,075
FY1983-84	0.7500	0.0000	\$216,171	\$0	\$216,171
FY1984-85	0.7500	0.0000	\$232,735	\$0	\$232,735
FY1985-86	0.7500	0.0000	\$274,132	\$0	\$274,132
FY1986-87	0.7500	0.0000	\$260,985	\$0	\$260,985

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: EUREKA

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.0800	\$581,342	\$34,570	\$615,912
FY1978-79	1.5000	0.0800	\$599,228	\$35,331	\$634,559
FY1979-80	0.4000	0.0800	\$191,207	\$37,578	\$228,785
FY1980-81	0.5145	0.1420	\$375,812	\$103,909	\$479,721
FY1981-82	0.5000	0.0000	\$358,666	\$1,072	\$359,738
FY1982-83	0.5000	0.0000	\$326,430	\$0	\$326,430
FY1983-84	0.7500	0.2500	\$515,519	\$171,840	\$687,359
FY1984-85	0.7500	0.0270	\$525,756	\$18,927	\$544,683
FY1985-86	0.7500	0.0000	\$546,776	\$0	\$546,776
FY1986-87	0.7500	0.0000	\$840,639	\$0	\$840,639

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: HUMBOLDT

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.2940	\$946,964	\$185,713	\$1,132,677
FY1978-79	1.5000	0.3200	\$1,075,743	\$229,382	\$1,305,125
FY1979-80	0.4495	0.2700	\$375,467	\$225,291	\$600,758
FY1980-81	0.4891	0.2112	\$542,827	\$236,918	\$779,745
FY1981-82	0.5000	0.1590	\$788,054	\$250,413	\$1,038,467
FY1982-83	0.5000	0.5687	\$913,527	\$1,045,512	\$1,959,039
FY1983-84	0.7500	0.6350	\$1,225,525	\$1,037,611	\$2,263,136
FY1984-85	0.7500	0.6170	\$1,536,597	\$1,264,107	\$2,800,704
FY1985-86	0.7500	0.4497	\$1,773,101	\$1,063,151	\$2,836,252
FY1986-87	0.7500	0.4239	\$1,926,751	\$1,089,000	\$3,015,751

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: LANDER

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.2000	\$562,646	\$74,158	\$636,804
FY1978-79	1.5000	0.2000	\$601,840	\$80,974	\$682,814
FY1979-80	0.4115	0.2385	\$217,217	\$115,087	\$332,304
FY1980-81	0.5294	0.2075	\$286,793	\$114,818	\$401,611
FY1981-82	0.5000	0.4097	\$400,167	\$330,850	\$731,017
FY1982-83	0.5000	0.6000	\$368,755	\$440,435	\$809,190
FY1983-84	0.7500	0.6000	\$499,351	\$399,481	\$898,832
FY1984-85	0.7500	0.1870	\$505,948	\$126,150	\$632,098
FY1985-86	0.7500	0.2326	\$520,867	\$161,538	\$682,405
FY1986-87	0.7500	0.3892	\$533,365	\$276,780	\$810,145

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: LINCOLN

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.1700	\$329,461	\$37,797	\$367,258
FY1978-79	1.5000	0.4500	\$425,750	\$125,744	\$551,494
FY1979-80	0.4300	0.3400	\$134,743	\$129,574	\$264,317
FY1980-81	0.5308	0.3100	\$200,809	\$116,629	\$317,438
FY1981-82	0.5000	0.1917	\$205,427	\$85,278	\$290,705
FY1982-83	0.5000	0.1668	\$224,976	\$82,772	\$307,748
FY1983-84	0.7500	0.1603	\$341,224	\$72,931	\$414,155
FY1984-85	0.7500	0.1477	\$372,235	\$73,305	\$445,540
FY1985-86	0.7500	0.1508	\$363,178	\$73,023	\$436,201
FY1986-87	0.7500	0.1476	\$370,927	\$72,998	\$443,925

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: LYON

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.4490	\$1,110,845	\$351,503	\$1,462,348
FY1978-79	1.5000	0.3560	\$1,272,261	\$302,335	\$1,574,596
FY1979-80	0.4190	0.4390	\$426,836	\$439,859	\$866,695
FY1980-81	0.5200	0.5120	\$634,728	\$597,321	\$1,232,049
FY1981-82	0.5000	0.5351	\$738,385	\$788,697	\$1,527,082
FY1982-83	0.5000	0.3782	\$822,383	\$629,872	\$1,452,255
FY1983-84	0.7500	1.0111	\$1,338,572	\$1,804,573	\$3,143,145
FY1984-85	0.7500	0.5682	\$1,457,840	\$1,104,460	\$2,562,300
FY1985-86	0.7500	0.4893	\$1,590,772	\$1,037,820	\$2,628,592
FY1986-87	0.7500	0.4153	\$1,635,526	\$905,645	\$2,541,171

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: MINERAL

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.3430	\$352,954	\$80,706	\$433,660
FY1978-79	1.5000	0.2810	\$424,199	\$79,798	\$503,997
FY1979-80	0.4200	0.3080	\$127,766	\$91,648	\$219,414
FY1980-81	0.5572	0.2627	\$202,274	\$95,405	\$297,679
FY1981-82	0.5000	0.2083	\$325,194	\$137,635	\$462,829
FY1982-83	0.5000	0.0500	\$301,728	\$30,187	\$331,915
FY1983-84	0.7500	0.0450	\$525,405	\$31,524	\$556,929
FY1984-85	0.7500	0.1162	\$561,300	\$86,814	\$648,114
FY1985-86	0.7500	0.1072	\$543,491	\$77,683	\$621,174
FY1986-87	0.7500	0.1033	\$546,982	\$75,338	\$622,320

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: NYE

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.3800	\$1,303,550	\$314,384	\$1,617,934
FY1978-79	1.5000	0.2900	\$1,629,562	\$314,360	\$1,943,922
FY1979-80	0.4500	0.2100	\$590,293	\$258,409	\$848,702
FY1980-81	0.5124	0.2300	\$782,294	\$357,953	\$1,140,247
FY1981-82	0.5000	0.6468	\$1,021,829	\$1,300,515	\$2,322,344
FY1982-83	0.5000	0.4766	\$1,248,806	\$1,234,146	\$2,482,952
FY1983-84	0.7500	0.3929	\$2,139,989	\$1,121,069	\$3,261,058
FY1984-85	0.7500	0.3989	\$2,107,404	\$1,120,858	\$3,228,262
FY1985-86	0.7500	0.3541	\$2,330,173	\$1,100,152	\$3,430,325
FY1986-87	0.7500	0.3207	\$2,461,173	\$1,052,397	\$3,513,570

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: PERSHING

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.0800	\$555,931	\$29,762	\$585,693
FY1978-79	1.5000	0.0700	\$582,240	\$27,231	\$609,471
FY1979-80	0.4855	0.0000	\$198,354	\$95	\$198,449
FY1980-81	0.6000	0.6300	\$241,809	\$252,565	\$494,374
FY1981-82	0.5000	0.5563	\$243,279	\$266,234	\$509,513
FY1982-83	0.5000	0.4200	\$322,890	\$275,101	\$597,991
FY1983-84	0.7500	0.3200	\$577,504	\$246,402	\$823,906
FY1984-85	0.7500	0.3950	\$542,908	\$285,932	\$828,840
FY1985-86	0.7500	0.3028	\$609,123	\$245,923	\$855,046
FY1986-87	0.7500	0.2919	\$593,812	\$231,112	\$824,924

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: STOREY

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.2500	0.4300	\$109,122	\$37,074	\$146,196
FY1978-79	1.2500	0.4200	\$133,658	\$46,159	\$179,817
FY1979-80	0.4556	0.4355	\$68,560	\$65,811	\$134,371
FY1980-81	0.3831	0.3169	\$95,747	\$95,086	\$190,833
FY1981-82	0.5000	0.2085	\$152,149	\$62,461	\$214,610
FY1982-83	0.5000	0.1805	\$159,735	\$59,770	\$219,505
FY1983-84	0.7500	0.1900	\$291,011	\$73,723	\$364,734
FY1984-85	0.7500	0.1800	\$299,301	\$71,832	\$371,133
FY1985-86	0.7500	0.0300	\$322,164	\$12,887	\$335,051
FY1986-87	0.7500	0.0800	\$333,709	\$35,596	\$369,305

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: WASHOE

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.3798	\$16,678,565	\$4,277,067	\$20,955,632
FY1978-79	1.5000	0.3142	\$20,037,304	\$4,309,212	\$24,346,516
FY1979-80	0.3761	0.2709	\$6,150,012	\$4,381,446	\$10,531,458
FY1980-81	0.4273	0.2777	\$8,679,960	\$5,545,400	\$14,225,360
FY1981-82	0.5000	0.2901	\$13,597,769	\$7,689,493	\$21,287,262
FY1982-83	0.5000	0.2900	\$14,701,435	\$8,421,150	\$23,122,585
FY1983-84	0.7500	0.2900	\$23,121,446	\$8,940,292	\$32,061,738
FY1984-85	0.7500	0.2900	\$24,645,980	\$9,529,779	\$34,175,759
FY1985-86	0.7500	0.2179	\$26,114,712	\$7,587,195	\$33,701,907
FY1986-87	0.7500	0.1236	\$27,425,488	\$4,519,721	\$31,945,209

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STATE OF NEVADA
SCHOOL DISTRICTS
PROPERTY TAX (ALL)

DISTRICT: WHITE PINE

FY	RATES		AMOUNTS		TOTAL AMOUNT
	OPER	DEBT	OPERATING	DEBT	
FY1977-78	1.5000	0.0400	\$725,976	\$19,355	\$745,331
FY1978-79	1.5000	0.0000	\$958,102	\$0	\$958,102
FY1979-80	0.4541	0.0000	\$261,030	\$0	\$261,030
FY1980-81	0.5782	0.0000	\$293,506	\$0	\$293,506
FY1981-82	0.5000	0.0000	\$405,945	\$0	\$405,945
FY1982-83	0.5000	0.0000	\$369,995	\$0	\$369,995
FY1983-84	0.7500	0.0000	\$546,067	\$0	\$546,067
FY1984-85	0.7500	0.0000	\$542,940	\$0	\$542,940
FY1985-86	0.7500	0.1963	\$590,459	\$154,543	\$745,002
FY1986-87	0.7500	0.1963	\$549,342	\$143,782	\$693,124

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APPENDIX G

Suggested Legislation

SUMMARY---Allows use in next biennium of alternate method of calculation of basic support for school districts with declining enrollments. (BDR S-129)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to public schools; allowing use in the next biennium of the alternate method of calculation of the basic support for school districts in which enrollment has declined for 2 consecutive years; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 3 of chapter 587, Statutes of Nevada 1985, at page 1870, is hereby amended to read as follows:

Sec. 3. Section 2 of this act becomes effective on July 1, [1987.] 1989.

Sec. 2. This act becomes effective upon passage and approval.

SUMMARY---Limits number of pupils in classroom for certain grades in elementary school. (BDR 34-130)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to public schools; limiting progressively the number of pupils assigned to a teacher in certain grades in elementary school; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 387.123 is hereby amended to read as follows:

387.123 1. The count of pupils for [apportionment] the purposes of apportionment includes all those who are enrolled in programs of instruction of the school district for:

- (a) Pupils in the kindergarten department.
- (b) Pupils in grades 1 to 12, inclusive.
- (c) Handicapped minors receiving special education pursuant to the provisions of NRS 388.440 to 388.520, inclusive.
- (d) Children detained in detention homes and juvenile forestry camps receiving instruction pursuant to the provisions of NRS 388.550, 388.560 and 388.570.
- (e) Part-time pupils enrolled in classes and taking courses necessary to receive a high school diploma.

2. The state board of education shall establish uniform regulations for counting enrollment and calculating the average daily attendance of pupils. In establishing [such] the regulations for the public schools, the state board:

(a) Shall divide the school year into 10 school months, each containing 20 or fewer school days.

(b) May divide the pupils in grades 1 to 12, inclusive, into categories composed respectively of those enrolled in elementary schools and those enrolled in secondary schools.

(c) Shall calculate average daily attendance by selecting the average daily attendance---highest 3 months for each category of pupils, as established by subsection 1 or pursuant to paragraph (b) of this subsection, in each school.

(d) Shall prohibit counting of any pupil specified in paragraph (a), (b), (c) or (d) of subsection 1 more than once.

3. [The] Except as otherwise provided in section 2 of this act, the state board of education shall establish by regulation the maximum pupil-teacher ratio in each grade, and for each subject matter wherever different subjects are taught in separate classes, for each school district of the state which is consistent with:

(a) The maintenance of an acceptable standard of instruction;

(b) The conditions prevailing in such school district with respect to the number and distribution of pupils in each grade; and

(c) Methods of instruction used, which may include educational television, team teaching or new teaching systems or techniques.

If the superintendent of public instruction finds that any school district is maintaining one or more classes whose pupil-teacher ratio exceeds the applicable maximum, and unless he finds that the board of trustees of the school district has made every reasonable effort in good faith to comply with the applicable standard, he shall, with the approval of the state board, reduce the count of pupils for apportionment purposes by the percentage which the number of pupils attending such classes is of the total number of pupils in the district, and the state board may direct him to withhold the quarterly apportionment entirely.

Sec. 2. Chapter 388 of NRS is hereby amended by adding thereto a new section to read as follows:

The department of education shall assist county school districts in the planning and preparation for compliance with a prospective reduction in the maximum ratio of pupils to teachers in grades 1, 2, and 3.

Sec. 3. Section 2 of this act is hereby amended to read as follows:

[The department of education shall assist county school districts in the planning and preparation for compliance with a prospective reduction in the maximum ratio of pupils to teachers in grades 1, 2 and 3.]

1. Except as otherwise provided in subsections 2 and 3, after the last day of the first school month of the school year, the number of pupils in a class for grade 1 may not exceed 22 pupils per teacher.

2. The county school district may assign a pupil whose enrollment in grade 1 occurs after the end of the first school month of the school year to an existing class which already contains 22 pupils or more.

3. The state board of education may grant a variance from the limit set forth in subsection 1 if good cause exists and there is no other reasonable alternative. In no event may the board allow more than 28 pupils per teacher. The state board of education shall, before February 1 of each odd-numbered year, report to the legislature each variance so granted and the specific justification therefor.

Sec. 4. Section 2 of this act is hereby amended to read as follows:

1. Except as otherwise provided in subsections 2 and 3, after the last day of the first school month of the school year, the number of pupils in a class for grade 1 or grade 2 may not exceed 22 pupils per teacher.

2. The county school district may assign a pupil whose enrollment in grade 1 or

grade 2 occurs after the end of the first school month of the school year to an existing class which already contains 22 pupils or more.

3. The state board of education may grant a variance from the limit set forth in subsection 1 if good cause exists and there is no other reasonable alternative. In no event may the board allow more than 28 pupils per teacher. The state board of education shall, before February 1 of each odd-numbered year, report to the legislature each variance so granted and the specific justification therefor.

Sec. 5. Section 2 of this act is hereby amended to read as follows:

1. Except as otherwise provided in subsections 2 and 3, after the last day of the first school month of the school year, the number of pupils in a class for grade 1 , [or] grade 2 or grade 3 may not exceed 22 pupils per teacher.

2. The county school district may assign a pupil whose enrollment in grade 1 , [or] grade 2 or grade 3 occurs after the end of the first school month of the school year to an existing class which already contains 22 pupils or more.

3. The state board of education may grant a variance from the limit set forth in subsection 1 if good cause exists and there is no other reasonable alternative. In no event may the board allow more than 28 pupils per teacher. The state board of education shall, before February 1 of each odd-numbered year, report to the legislature each variance so granted and the specific justification therefor.

Sec. 6. 1. This section and sections 1 and 2 of this act become effective on July 1, 1987.

2. Section 3 of this act becomes effective on July 1, 1989.

3. Section 4 of this act becomes effective on July 1, 1990.

4. Section 5 of this act becomes effective on July 1, 1991.

SUMMARY---Directs legislative commission to study provision and funding of special education for handicapped minors. (BDR 127)

CONCURRENT RESOLUTION---Directing the legislative commission to study the provision and funding of special educational programs for handicapped minors.

WHEREAS, The system of public instruction in this state is of critical importance to our future; and

WHEREAS, A major concern in that system is the ability to provide an educational program for handicapped minors which ensures them of a reasonably equal educational opportunity; and

WHEREAS, The educational needs of handicapped minors are often special in nature and require different plans, equipment and supplies than those required for other pupils; and

WHEREAS, Adequate financial support for these special programs is imperative;
now, therefore, be it

RESOLVED BY THE OF THE STATE OF NEVADA, THE
CONCURRING, That the legislative commission is hereby directed to study the
manner in which the special education of handicapped minors is provided and
funded; and be it further

RESOLVED, That the legislative commission develop a plan to meet the long-range educational needs of handicapped minors and suggest methods to support that plan; and be it further

RESOLVED, That the legislative commission report the results of the study and any recommended legislation to the 65th session of the Nevada legislature.

SUMMARY---Revises provisions governing redevelopment of communities and tax increment areas. (BDR 22-228)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to redevelopment of communities; revising the distribution of certain revenue to certain redevelopment agencies and tax increment areas; limiting the size of certain redevelopment agencies and tax increment areas; limiting the duration of redevelopment agencies and tax increment areas; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 279 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. An agency created on or after July 1, 1987, expires 30 years after the date on which the resolution adopted pursuant to NRS 279.428 becomes effective.

Sec. 3. Any securities issued by or on behalf of an agency pursuant to NRS 279.620 to 279.626, inclusive, and 279.634 to 279.672, inclusive, must mature and be fully paid, including any interest thereon, before the expiration of the agency.

Sec. 4. NRS 279.382 is hereby amended to read as follows:

279.382 The provisions contained in NRS 279.382 to 279.680, inclusive, [shall be known and] and sections 2 and 3 of this act, may be cited as the Community Redevelopment Law.

Sec. 5. NRS 279.438 is hereby amended to read as follows:

279.438 [The legislative body of the community may order the dissolution of an agency if the agency has no outstanding bonded indebtedness, and if the unanimous written consent of the members of the agency is first obtained.] An agency created

before July 1, 1987, expires at the end of the fiscal year in which the principal and interest of the last maturing of the securities issued before that date are fully paid. If the agency has no outstanding securities on that date, it expires at the time provided in section 2 of this act.

Sec. 6. NRS 279.519 is hereby amended to read as follows:

279.519 1. A redevelopment area need not be restricted to buildings, improvements or lands which are detrimental or inimical to the public health, safety or welfare, but may consist of an area in which such conditions predominate and injuriously affect the entire area. A redevelopment area may include, in addition to blighted areas, lands, buildings or improvements which are not detrimental to the public health, safety or welfare, but whose inclusion is found necessary for the effective redevelopment of the area of which they are a part.

2. The area included within a redevelopment area may be contiguous or noncontiguous.

3. The assessed value of taxable property in a redevelopment area established on or after July 1, 1987, must not exceed 15 percent of the assessed value of the taxable property of the community within which the redevelopment area is located. The assessment roll of the community in existence on the 15th day of March immediately preceding the effective date of the ordinance approving the redevelopment plan must be used in determining the assessed value of the taxable property in the redevelopment area and the community. The redevelopment area may not be expanded by the addition of new areas or merger with a tax increment area if the resulting area would violate this limitation.

Sec. 7. NRS 279.676 is hereby amended to read as follows:

279.676 1. Any redevelopment plan may contain a provision that taxes, if any, levied upon taxable property in the redevelopment project each year by or for the benefit of the state, any city, county, district or other public corporation, after the

effective date of the ordinance approving the redevelopment plan, must be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment project as shown upon the assessment roll used in connection with the taxation of the property by the taxing agency, last equalized before the effective date of the ordinance, must be allocated to and when collected must be paid into the funds of the respective taxing agencies as taxes by or for such taxing agencies on all other property are paid. To allocate taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment project on the effective date of the ordinance but to which the territory has been annexed or otherwise included after the effective date, the assessment roll of the county last equalized on the effective date of the ordinance must be used in determining the assessed valuation of the taxable property in the project on the effective date.

(b) That portion of the levied taxes each year in excess of that amount must be allocated to and when collected must be paid into a special fund of the redevelopment agency to pay the principal of and interest on loans, money advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, incurred by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project. Unless the total assessed valuation of the taxable property in a redevelopment project exceeds the total assessed value of the taxable property in the project as shown by the last equalized assessment roll referred to in paragraph (a), all of the taxes levied and collected upon the taxable property in the redevelopment project must be paid into the funds of the respective taxing agencies. When such loans, advances and indebtedness, if any, and interest thereon, have been paid, all money

thereafter received from taxes upon the taxable property in the redevelopment project must be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

2. If a portion of the taxes is distributed to an agency [.] created before July 1, 1987, that agency is entitled to receive a portion of the supplemental city-county relief tax allocated to the municipality equal to the total amount of supplemental city-county relief tax distributed to the municipality, including the agency, less that amount which would have been distributed excluding the agency.

3. For the purposes of this section, the assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan is the assessment roll in existence on March 15 immediately preceding the effective date of the ordinance.

Sec. 8. Chapter 361B of NRS is hereby amended by adding thereto the provisions set forth as sections 9 and 10 of this act.

Sec. 9. 1. A tax increment area which is created on or after July 1, 1987, expires 30 years after the date on which the ordinance which creates the area becomes effective.

2. A tax increment area created before July 1, 1987, expires at the end of the fiscal year in which the principal and interest of the last maturing of the securities issued before that date are fully paid. If the municipality has no outstanding securities on that date, the tax increment area expires at the time provided in subsection 1.

Sec. 10. Any securities issued by a municipality for a tax increment area pursuant to this chapter must mature and be fully paid, including any interest thereon, before the expiration of the tax increment area.

Sec. 11. NRS 361B.140 is hereby amended to read as follows:

361B.140 "Tax increment area" means the area:

1. Whose boundaries are coterminous with those of a specially benefited zone established under chapter 274 of NRS [:] , except as otherwise provided in subsection 3 of NRS 361B.170;

2. Specially benefited by an undertaking under this chapter;

3. Designated by ordinance as provided in subsection 3 of NRS 361B.240; and

4. In which is located the taxable property the assessed valuation of which is the basis for the allocation of tax proceeds to the tax increment account under NRS 361B.260.

Sec. 12. NRS 361B.170 is hereby amended to read as follows:

361B.170 1. Except as provided in [subsection 2,] subsections 2 and 3, the governing body, on the behalf and in the name of the municipality, may at any time designate a tax increment area comprising any specially benefited zone within the municipality designated and approved under chapter 274 of NRS, for the purpose of creating a special account for the payment of bonds or other securities issued to defray the cost of the acquisition, improvement or equipment, or any combination thereof, of a project or projects authorized in the County Bond Law or the City Bond Law, including without limitation, the condemnation of property for any such undertaking, as supplemented by the Local Government Securities Law, except as otherwise provided in this chapter.

2. The right of way property of a railroad company which is under the jurisdiction of the Interstate Commerce Commission must not be included in a tax increment area unless the inclusion of the property is mutually agreed upon by the governing body and the railroad company.

3. The assessed value of the taxable property of a tax increment area created on or after July 1, 1987, must not exceed 15 percent of the assessed value of the taxable property of the municipality within which the tax increment area is located. The

assessment roll of the municipality in existence on the 15th day of March immediately preceding the effective date of the ordinance creating the tax increment area must be used in determining the assessed value of the taxable property in the tax increment area and the municipality. The tax increment area must not be expanded by the addition of new areas if the resulting area would violate this limitation.

Sec. 13. NRS 361B.290 is hereby amended to read as follows:

361B.290 The municipality may:

1. Accept contributions or loans from the Federal Government, the state or any public body, or any combination thereof, for the purpose of financing the planning, acquisition, improvement, equipment, maintenance and operation of any enterprise pertaining to an undertaking in which the municipality is authorized to engage, and may enter into contracts and cooperate with, and accept cooperation from, the Federal Government, the state or any public body, or any combination thereof, in the planning, acquisition, improvement, equipment, maintenance and operation, and in financing the planning, acquisition, improvement, equipment, maintenance and operation of any such enterprise in accordance with any legislation which Congress, the state legislature or the governing body of any public body, or any combination thereof, may have adopted before or may adopt on or after July 1, 1983, under which aid, assistance and cooperation may be furnished by the Federal Government, the state or public body, or any combination thereof, in the planning, acquisition, improvement, equipment, maintenance and operation or in financing the planning, acquisition, improvement, equipment, maintenance and operation of any such enterprise, including without limitation, costs of engineering, architectural, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures and other action preliminary to the acquisition, improvement or equipment of any project, and may do any or all things necessary in order to avail itself

of such aid, assistance and cooperation under any federal or state legislation enacted before, on or after July 1, 1983.

2. Enter into, without any election, joint operating or service contracts and agreements, acquisition, improvement, equipment or disposal contracts or other arrangements for any term not [exceeding 50 years,] extending beyond the expiration of the tax increment area, with the Federal Government, the state and any public body, or any combination thereof, concerning the undertaking, and any project or property pertaining thereto, whether acquired by the city, by the Federal Government, by the state or by any public body, and may accept grants and contributions from the Federal Government, the state, any public body or any person, or any combination thereof in connection therewith.

3. Enter into and perform, without any election, when determined by the governing body of the municipality to be in the public interest, contracts and agreements, for any term not [exceeding 50 years,] extending beyond the expiration of the tax increment area, with the Federal Government, the state, any public body or any person, or any combination thereof, for the provision and operation by the municipality of any facilities whether or not pertaining to the undertaking of the municipality or any project relating thereto and the payment periodically thereby to the municipality of amounts at least sufficient, if any, in the determination of the governing body, to compensate the municipality for the cost of providing, operating and maintaining the facilities serving the Federal Government, the state, the public body or the person, or otherwise.

4. Enter into and perform, without any election, contracts and agreements with the Federal Government, the state, any public body or any person, or combination thereof, for or concerning the planning, construction, lease or other acquisition, improvement, equipment, operation, maintenance, disposal and the financing of any property pertaining to the facilities of the municipality or to any undertaking or any

project of the municipality, or otherwise, including without limitation, any contract or agreement for any term not [exceeding 50 years.] extending beyond the expiration of the tax increment area.

5. Cooperate with and act in conjunction with the Federal Government, or any of its engineers, officers, boards, commissions or departments, or with the state, or any of its engineers, officers, boards, commissions or departments, or with any public body or any person in the acquisition, improvement or equipment of any facilities or any project authorized for the municipality or for any other works, acts or purposes provided for herein, and may adopt and carry out any definite plan or system of work for any such purpose.

6. Cooperate with the Federal Government, the state or any public body, or any combination thereof, by an agreement therewith by which the municipality may:

(a) Acquire and provide, without cost to the cooperating entity, the land, easements and rights of way necessary for the acquisition, improvement or equipment, or any combination thereof, of any properties pertaining to the undertaking or any other facilities;

(b) Hold and save harmless the cooperating entity free from any claim for damages arising from the acquisition, improvement, equipment, maintenance and operation, or any combination thereof, of any facilities;

(c) Maintain and operate any facilities in accordance with regulations prescribed by the cooperating entity; and

(d) Adopt and enforce regulations, if any, concerning the facilities and satisfactory to the cooperating entity.

7. Provide, by any contract for any term not [exceeding 50 years.] extending beyond the expiration of the tax increment area, or otherwise, without an election:

(a) For the joint use of personnel, equipment and facilities of the municipality, the Federal Government, the state and any public body, or any combination thereof,

including without limitation, public buildings constructed by or under the supervision of the governing body of the municipality or the other party or parties to the contract concerned, upon such terms and agreements and within such areas within the municipality as may be determined, for the promotion and protection of health, comfort, safety, life, welfare and property of the inhabitants of the municipality, the Federal Government, the state, any such public body and any persons of interest, as the case may be; and

(b) For the joint employment of clerks, stenographers and other employees pertaining to the facilities, any project or the undertaking, now existing or hereafter established in the municipality, upon such terms and conditions as may be determined for the equitable apportionment of the expenses therefrom resulting.

8. In connection with any facilities of the municipality or any part of the facilities, acquired or proposed in connection with an undertaking, or with any project, consult with any regulatory or other agency of the Federal Government, the state or any public body and submit plans, specifications or other instruments or documents, or any combination thereof, to each such governmental agency for its review, recommendations and other comments.

Sec. 14. NRS 377.057 is hereby amended to read as follows:

377.057 1. The state controller, acting upon the relevant information furnished by the department, shall monthly from the fees, taxes, interest and penalties which derive from the supplemental city-county relief tax collected in all counties and from out-of-state businesses during the preceding month, after making any distributions required by NRS 377.053:

(a) Distribute the amount specified in this paragraph among the following local governments in the following percentages:

Political Subdivision	Percent- age
Churchill County.....	3.23
City of North Las Vegas.....	46.52
City of Carlin.....	2.72
Esmeralda County.....	.20
Eureka County.....	.71
City of Winnemucca.....	5.56
City of Caliente.....	.46
City of Yerington.....	4.77
Mineral County.....	9.96
City of Gabbs.....	4.31
Pershing County.....	2.52
City of Lovelock.....	5.77
White Pine County.....	5.37
City of Ely.....	7.90

For the fiscal year beginning July 1, 1981, the monthly amount is \$71,110. For each succeeding fiscal year, this amount must be reduced by \$7,111 from the preceding year.

(b) Distribute to each local government the amount calculated for it by the department of taxation pursuant to subsection 2.

2. The maximum amounts distributable under paragraph (b) of subsection 1 must be estimated for each fiscal year. The percentage of maximum allowable revenue, as determined pursuant to NRS 354.59805, to be derived from the supplemental city-county relief tax must be as nearly equal among the several counties as possible. The

amount apportioned to each county must then be apportioned among the several local governments therein, including the county and excluding the school district, any district to provide a telephone number for emergencies, any district created under chapter 318 of NRS to furnish emergency medical services, any redevelopment agency, any tax increment area created on or after July 1, 1987, and any other local government excluded by specific statute, in the proportion which each local government's basic ad valorem revenue bears to the total basic ad valorem revenue of all these local governments except that no local government may receive more than the amount to which it is entitled pursuant to NRS 354.59811 and 354.59816. When any local government has received the maximum supplemental city-county relief tax calculated to be distributed to it, any remaining money otherwise distributable to it must be deposited in the reserve fund for the supplemental city-county relief tax.

3. As used in this section, the "basic ad valorem revenue":

(a) Of each local government is its assessed valuation for the year of distribution, multiplied by the rate levied on its behalf for the fiscal year ending June 30, 1981, for purposes other than paying the interest on and principal of its general obligations. For the purposes of this paragraph:

(1) A county whose actual tax rate, for purposes other than debt service, for the fiscal year ending on June 30, 1981, was less than 50 cents per \$100 of assessed valuation is entitled to the use of a rate not greater than 80 cents per \$100 of assessed valuation.

(2) A fire district in such a county whose tax rate was more than 50 cents per \$100 of assessed valuation is entitled to the use of a rate not greater than \$1.10 per \$100 of assessed valuation.

(b) Of the county for the distribution under subsection 1 is the sum of its individual basic ad valorem revenue and those of the other local governments within it.

excluding the school district and any district created under chapter 318 of NRS to furnish emergency medical services.

4. For the purposes of this section, a fire district organized pursuant to chapter 473 of NRS is a local government.

Sec. 15. NRS 482.181 is hereby amended to read as follows:

482.181 1. The department shall certify monthly to the state board of examiners the amount of the privilege tax collected for each county by the department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. The distribution of the privilege tax within a county must be made to local governments, as defined in NRS 354.474, except redevelopment agencies created on or after July 1, 1987, in the same ratio as all property taxes were levied in the county in the previous fiscal year, but the State of Nevada is not entitled to share in that distribution and at least 5 percent of the privilege tax disbursed to a county must be deposited for credit to the county's general fund. For the purpose of this subsection, the taxes levied by each local government are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a district's debt service in any fiscal year is greater than its rate for the fiscal year beginning on July 1, 1978, the higher rate must be used to determine the amount attributable to debt service.

3. Local governments, other than incorporated cities, are entitled to receive no distribution if the distribution to the local government is less than \$100. Any undistributed money accrues to the county general fund of the county in which the local government is located.

4. The department shall make distributions directly to counties, county school districts and incorporated cities or towns. Distributions for other local governments within a county must be paid to the counties for distribution to the other local governments.

Sec. 16. If a municipality entered into an agreement before July 1, 1987, pursuant to NRS 361B.290 which extends beyond the date of expiration of the tax increment area pursuant to section 9 of this act, the area does not expire until the end of the term of the agreement.

SUMMARY---Requires interest earned on money invested by county to be credited to fund from which principal was taken. (BDR 31-227)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to counties; requiring that any interest earned on money invested by a county be credited to the fund from which the principal was taken; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 354 of NRS is hereby amended by adding thereto a new section to read as follows:

Any interest earned on money taken from a fund and invested by a county must be deposited to the credit of the fund from which the principal was taken.

Sec. 2. NRS 355.170 is hereby amended to read as follows:

355.170 1. Except as provided in subsection 2, a board of county commissioners or the governing body of an incorporated city may purchase for investment the following securities and no others:

(a) Bonds and debentures of the United States, the maturity dates of which do not extend more than 10 years from the date of purchase.

(b) Farm loan bonds, consolidated farm loan bonds, debentures, consolidated debentures and other obligations issued by federal land banks and federal intermediate credit banks under the authority of the Federal Farm Loan Act, 12 U.S.C. §§ 636 to 1012, inclusive, and §§ 1021 to 1129, inclusive, and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive, and bonds, debentures, consolidated debentures and other obligations issued by banks for cooperatives under the authority of the

Farm Credit Act of 1933, 12 U.S.C. §§ 1131 to 1138e, inclusive, and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive.

(c) Bills and notes of the United States Treasury, the maturity date of which is not more than 10 years from date of purchase.

(d) Obligations of the United States Postal Service or the Federal National Mortgage Association, the maturity date of which is not more than 10 years from the date of purchase.

(e) Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations.

(f) Securities which have been expressly authorized as investments for local governments or agencies, as defined in NRS 354.474, by any provision of Nevada Revised Statutes or by any special law.

(g) Subject to the limitations contained in NRS 355.177, negotiable notes or short-time negotiable bonds issued by local governments of the State of Nevada pursuant to NRS 354.440.

(h) Bankers' acceptances of the kind and maturities made eligible by law for rediscount with Federal Reserve Banks, and generally accepted by banks or trust companies which are members of the Federal Reserve System. Eligible bankers' acceptances may not exceed 180 days' maturity. Purchases of bankers' acceptances may not exceed 10 percent of the money available to a local government for investment.

2. The securities described in paragraphs (a), (b) and (c) of subsection 1 may be purchased when, in the opinion of the board of county commissioners or the governing body of the city, there is sufficient money in any fund of the county or city to purchase those securities and the purchase will not result in the impairment of the fund for the purposes for which it was created.

3. When the board of county commissioners or governing body of the city has determined that there is available money in any fund [or funds] for the purchase of bonds

as set out in subsection 1, those purchases may be made and the bonds paid for out of any one or more of the funds, but the bonds must be credited to the funds in the amounts purchased, and the money received from the redemption of the bonds [, as and when redeemed,] must go back into the [fund or] funds from which the purchase money was taken originally.

4. Any interest earned on money invested by the governing body of an incorporated city pursuant to subsection 2 [, may, at the discretion of the board of county commissioners or governing body of the city,] may be credited [either] to the fund from which the principal was taken or to the general fund of the [county or] incorporated city. Any interest earned on money invested by a board of county commissioners pursuant to subsection 2 must be credited to the fund from which the principal was taken.

5. The board of county commissioners or governing body of an incorporated city may invest any money apportioned into funds and not invested pursuant to subsection 2 and any money not apportioned into funds in bills and notes of the United States Treasury, the maturity date of which is not more than 1 year from the date of investment. These investments must be considered as cash for accounting purposes . [, and all] If these investments are made by the governing body of an incorporated city, all the interest earned on them must be credited to the general fund of the [county or] incorporated city. If these investments are made by a board of county commissioners from money:

(a) Apportioned into funds, the interest must be credited to the fund from which the principal was taken.

(b) Not apportioned into funds, the interest must be credited to the general fund of the county.

6. This section does not authorize the investment of money administered pursuant to a contract, debenture agreement or grant in a manner not authorized by the terms of the contract, agreement or grant.

Sec. 3. NRS 355.175 is hereby amended to read as follows:

355.175 1. The governing body of any local government or agency, whether or not it is included in the provisions of chapter 354 of NRS, may:

(a) Direct its treasurer or other appropriate officer to invest its money or any part thereof in any investment which is lawful for a county or incorporated city pursuant to NRS 355.170; or

(b) Allow a county treasurer to make such investments through a pool as provided in NRS 355.168.

2. In case of conflict, any order made pursuant to paragraph (a) of subsection 1 takes precedence over any other order concerning the same money or funds pursuant to subsection [4] 5 of NRS 355.170.

3. [Any] Except as provided in NRS 355.170, any interest earned from investments made pursuant to this section [must] may be credited, at the discretion of the local governing unit, to any fund under its control, but the designation of the fund must be made at the time of investment of the principal.

Sec. 4. NRS 244.207 is hereby amended to read as follows:

244.207 1. [Notwithstanding any other provision of law, the boards] The board of county commissioners in [their respective counties] each county may establish by ordinance central systems for receiving and disbursing [systems for the handling of] county money and money held in trust by the county or by any of its elected or appointed officers. [Such] These systems may include [, but are not limited to.] the following:

(a) The commingling of all the money from any source if the system of accounting [system employed] used supplies full information concerning the sources of the money.

(b) The elimination of departmental bank accounts, or accounts in insured savings

and loan associations by commingling the money in an account or accounts maintained by the county treasurer.

(c) The elimination of trust bank accounts created for any reason whatsoever, as long as adequate records are maintained to identify fully all trust money. The money previously held in [such trust bank] those accounts may be commingled with other money held in bank accounts maintained by the county treasurer.

(d) The centralization of all disbursing of [all] money, including trust money, if the system of accounting [system employed] used supplies full information concerning the disposition of the money.

(e) The centralization of part or all of the aspects of billing and collection [aspects of] for business licenses, personal property and any other activity of any of the offices of the county that involves billing for services, taxes or fees imposed by statute or ordinance, or the collection of money in payment of such billings.

2. Investment income from the commingled money [will] must be credited to [the general fund] and allocated among the funds of the county [if] from which the principal was taken unless other provisions of law or contract [do not] require other allocation of [such] the investment income.

3. Nothing in this section:

(a) Eliminates the requirements for reporting [requirements of] by the various elected and appointed officials relating to the receipt and disposition of money.

(b) Limits the right of a local government as defined in NRS 354.474 , [() but not including a county , ()] whose money is held in trust by the county to direct the receipt, disbursement and investment of its money independently of the system provided for in this section, where such independent direction is otherwise authorized by law.