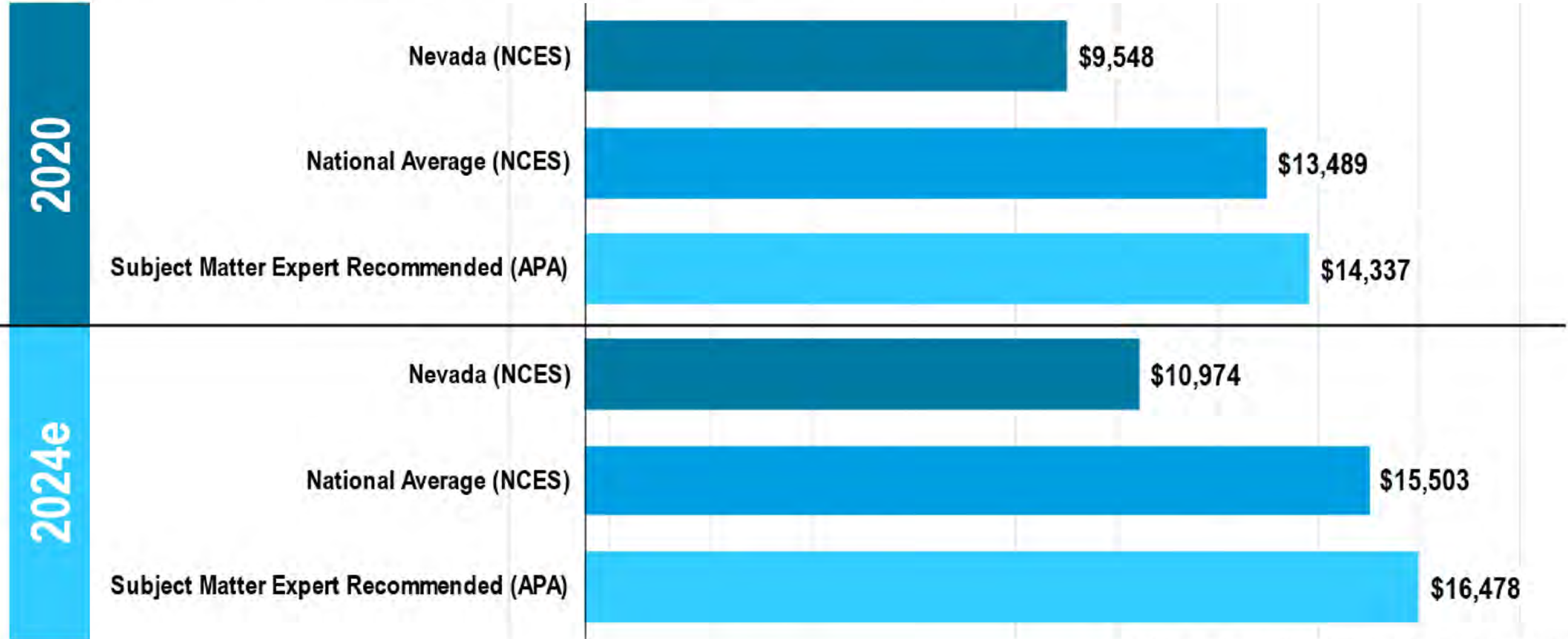


# **Joint Interim Standing Committee on Education**

Update from the Commission on School Funding

# Per Pupil Funding Comparison



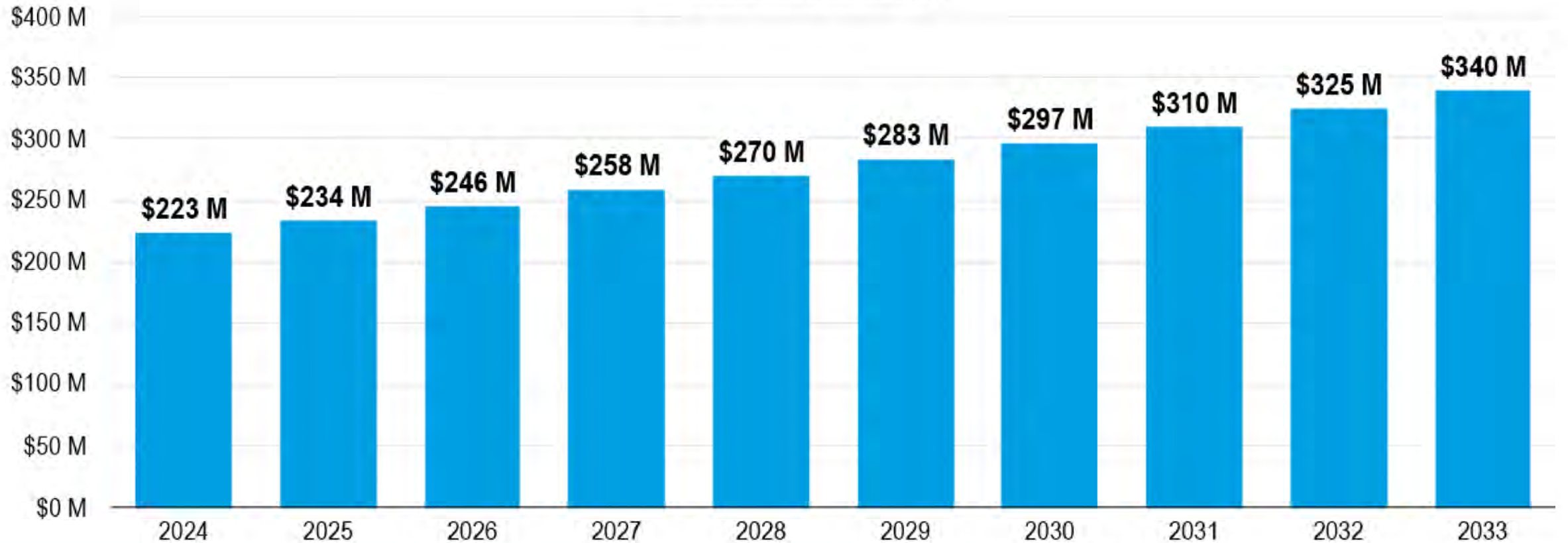
Note: Per pupil funding figures are preliminary estimates and subject to change.

<u>Fiscal Year</u>	<u>Incremental Shortfall</u>	<u>Aggregate Shortfall</u>	<u>Adjusted Shortfall</u>
2024	\$222,827,154	\$222,827,154	\$142,827,154
2025	\$234,013,078	\$456,840,232	\$376,840,232
2026	\$245,620,151	\$702,460,383	\$622,460,383
2027	\$257,662,468	\$960,122,851	\$880,122,851
2028	\$270,154,567	\$1,230,277,418	\$1,150,277,418
2029	\$283,111,439	\$1,513,388,858	\$1,433,388,858
2030	\$296,548,547	\$1,809,937,404	\$1,729,937,404
2031	\$310,481,834	\$2,120,419,238	\$2,040,419,238
2032	\$324,927,743	\$2,445,346,981	\$2,365,346,981
2033	\$339,903,230	\$2,785,250,211	\$2,705,250,211

# National Average Funding Level

10-Year Phase In

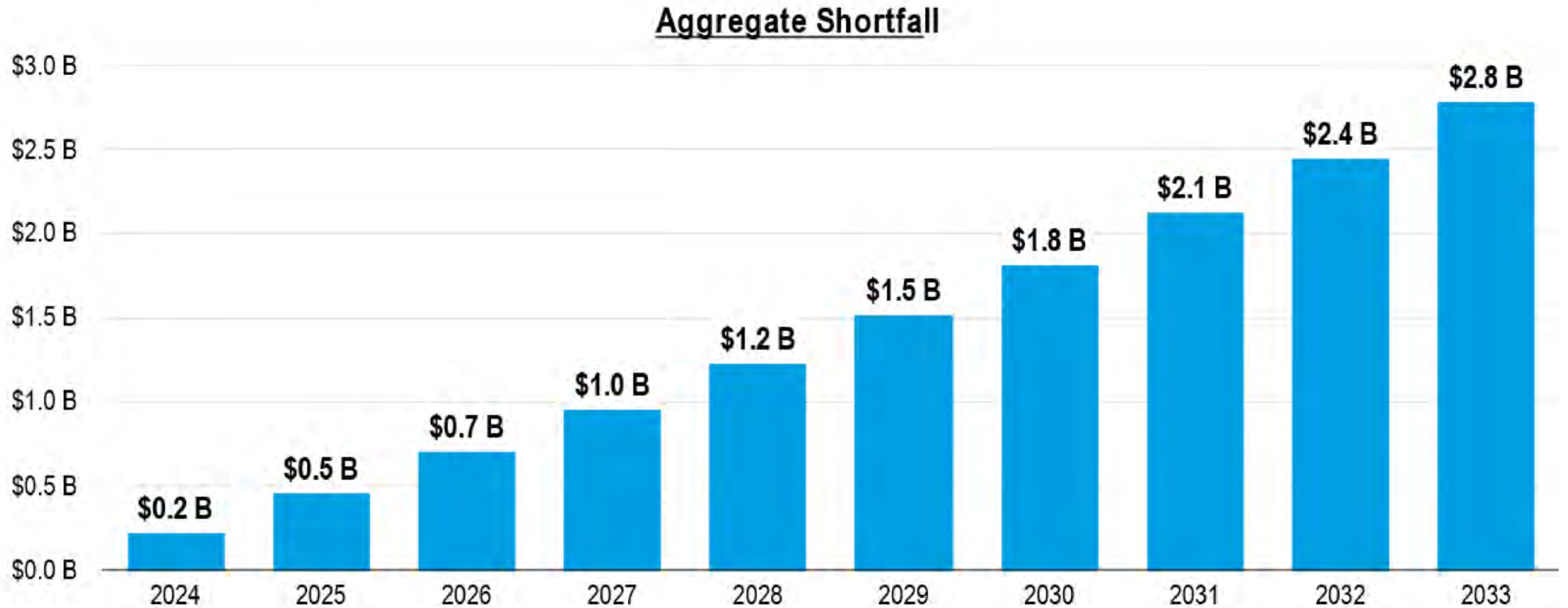
## Incremental Shortfall



Note: Aggregate funding and per pupil funding figures are preliminary estimates and subject to change.

# National Average Funding Level

10-Year Phase In



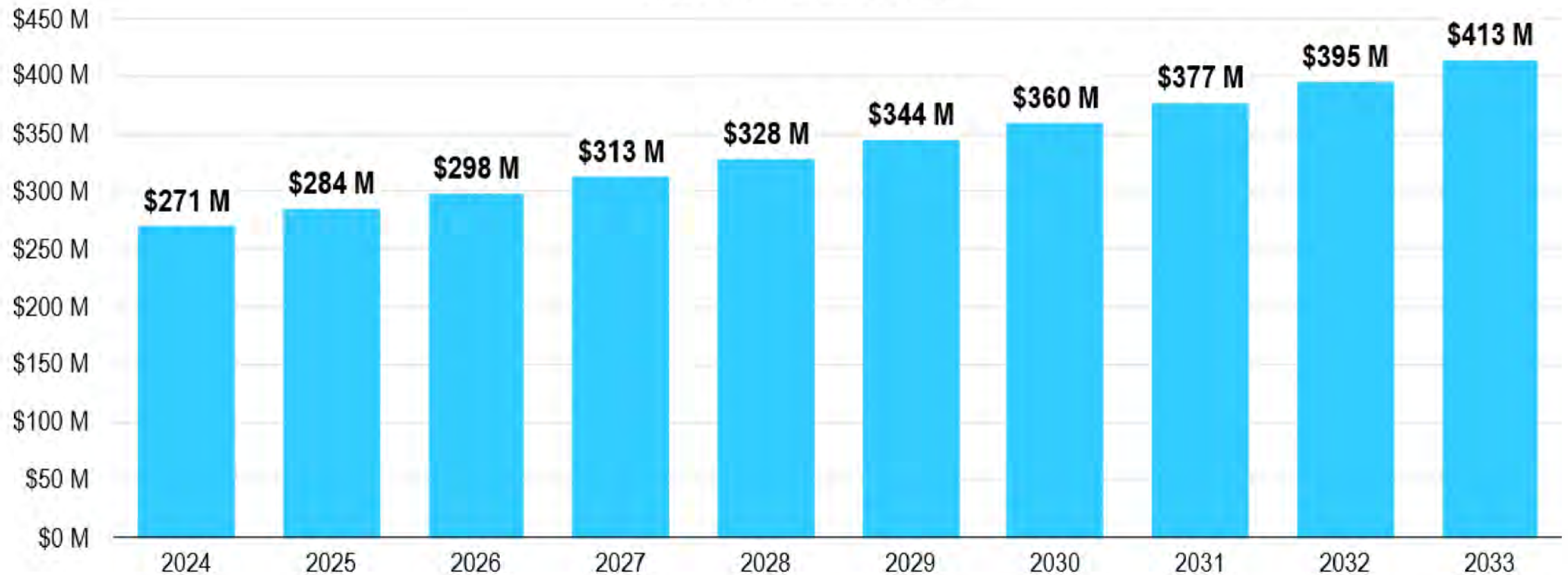
Note: Aggregate funding and per pupil funding figures are preliminary estimates and subject to change.

<u>Fiscal Year</u>	<u>Incremental Shortfall</u>	<u>Aggregate Shortfall</u>	<u>Adjusted Shortfall</u>
2024	\$270,773,723	\$270,773,723	\$190,773,723
2025	\$284,366,564	\$555,140,287	\$475,140,287
2026	\$298,471,175	\$853,611,462	\$773,611,462
2027	\$313,104,684	\$1,166,716,147	\$1,086,716,147
2028	\$328,284,756	\$1,495,000,902	\$1,415,000,902
2029	\$344,029,608	\$1,839,030,510	\$1,759,030,510
2030	\$360,358,028	\$2,199,388,538	\$2,119,388,538
2031	\$377,289,394	\$2,576,677,932	\$2,496,677,932
2032	\$394,843,685	\$2,971,521,617	\$2,891,521,617
2033	\$413,041,505	\$3,384,563,122	\$3,304,563,122

# APA Funding Level

10-Year Phase In

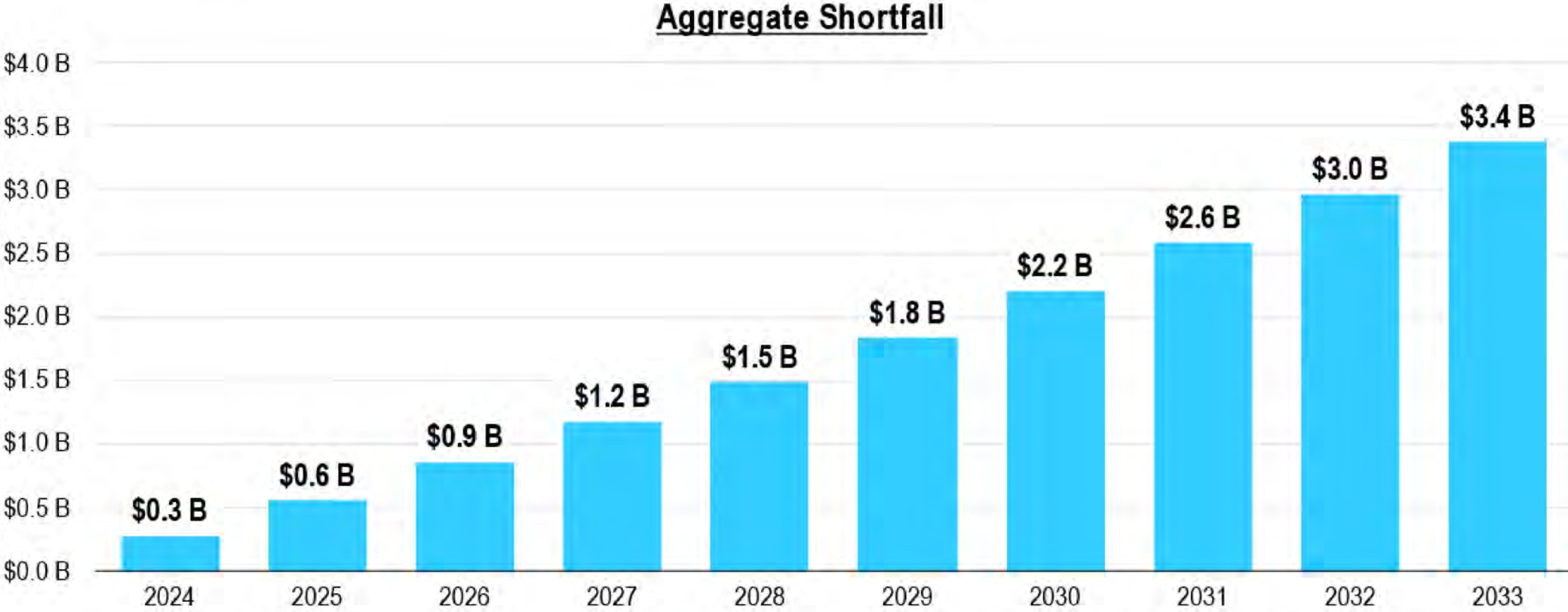
## Incremental Shortfall



Note: Aggregate funding and per pupil funding figures are preliminary estimates and subject to change.

# APA Funding Level

10-Year Phase In



Note: Aggregate funding and per pupil funding figures are preliminary estimates and subject to change.

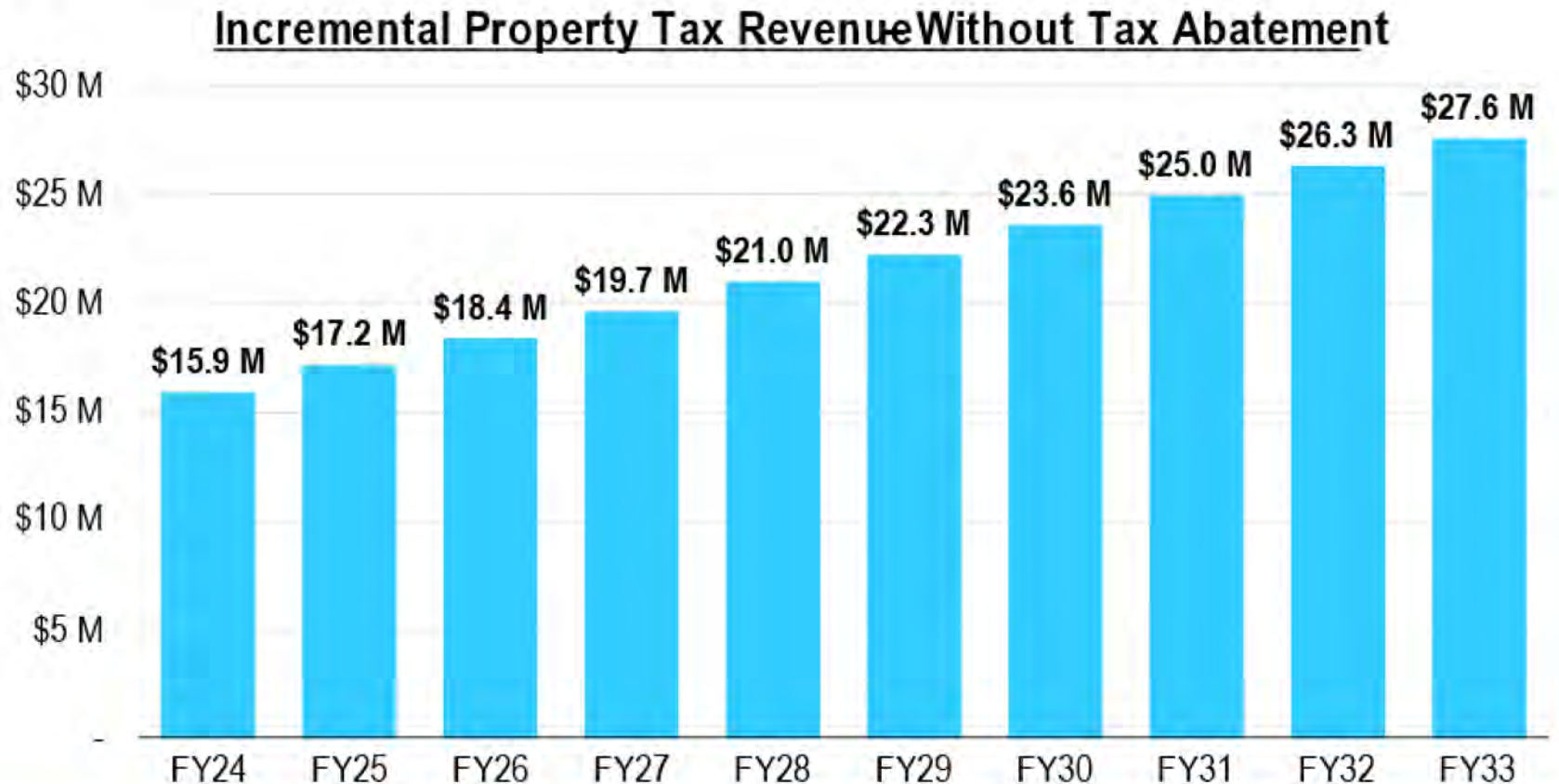
**NASS Identified Funding Needs for K-12 Education in Nevada**

	2022 Dollars	2033 Dollars
Priority 1	\$ 1,708,709,478	\$ 2,097,057,433
Priority 2	\$ 976,424,892	\$ 1,198,342,435
Priority 3	\$ 1,002,507,165	\$ 1,230,352,572
Priority 4	TBD	TBD
	\$ 3,687,641,535	\$ 4,525,752,440

# Increase Property Tax Rate

## Raise Property Tax Rate by 1 Cent

- The property tax potential from raising the tax rate by 1 cent is about \$15 million per year statewide
- The revenue potential of raising the property tax rate is limited by existing tax caps

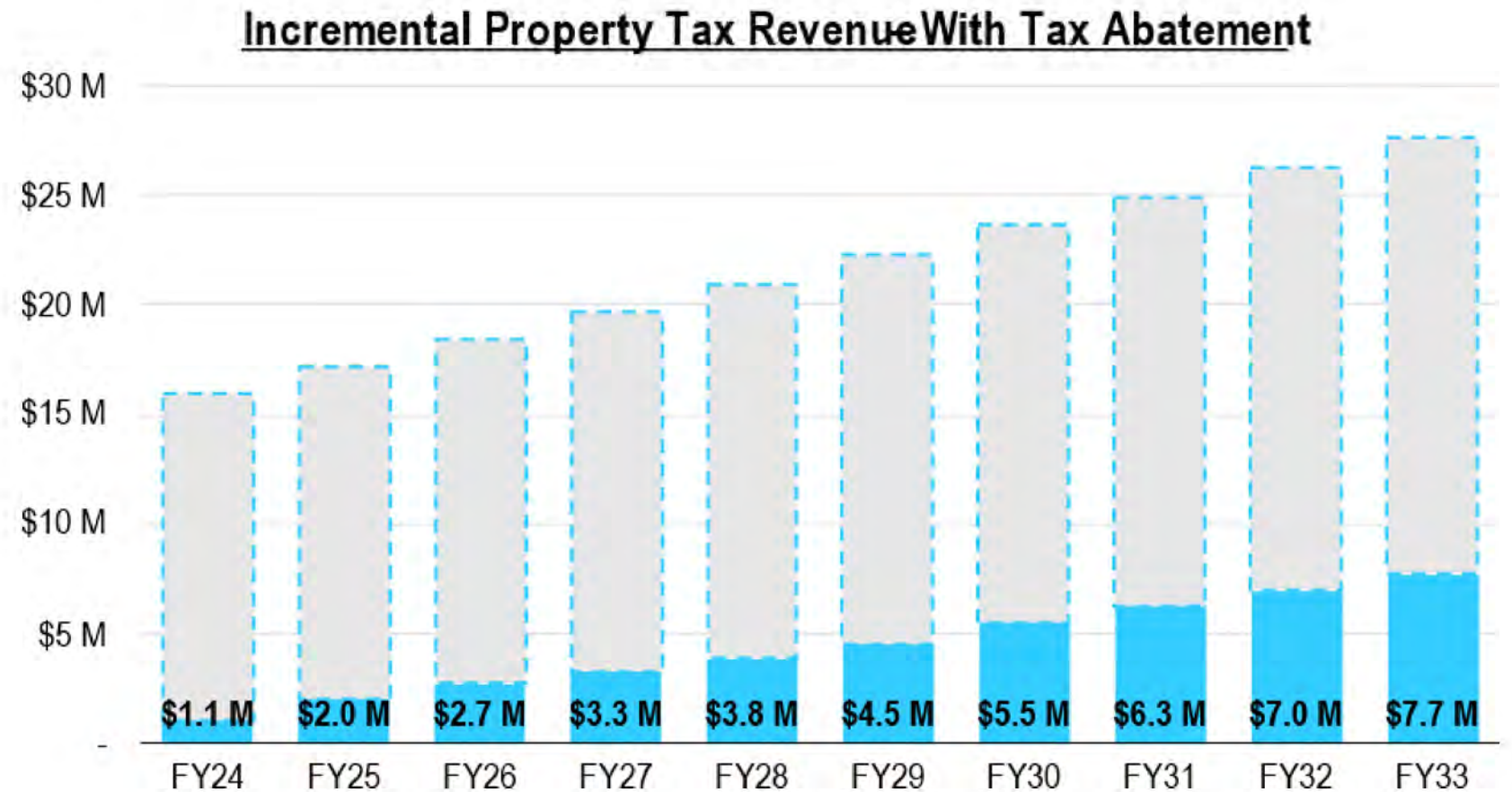


Note: Property tax revenue projections are preliminary estimates and subject to change.

# Increase Property Tax Rate

## Raise Property Tax Rate by 1 Cent

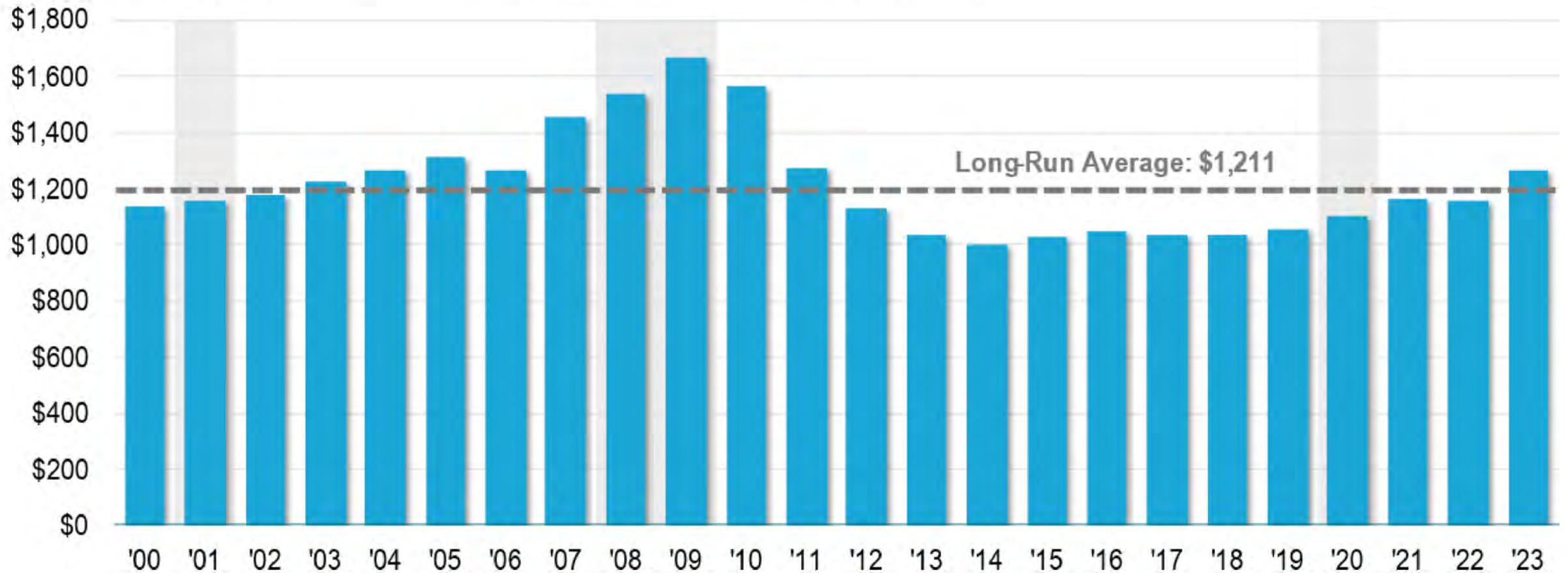
- The property tax potential from raising the tax rate by 1 cent is about \$15 million per year statewide
- The revenue potential of raising the property tax rate is limited by existing tax caps
- Under existing tax caps, the majority of new revenue from a tax rate increase would be abated



Note: Property tax revenue projections are preliminary estimates and subject to change.

# Inflation-Adjusted Per Capita Property Tax Revenue

## Nevada | Fiscal Years | Net of Abatements



Source: Nevada Redbook; U.S. Census Bureau. Note: Stated in 2022 dollars.

# Property Taxes in Nevada

## Depreciation

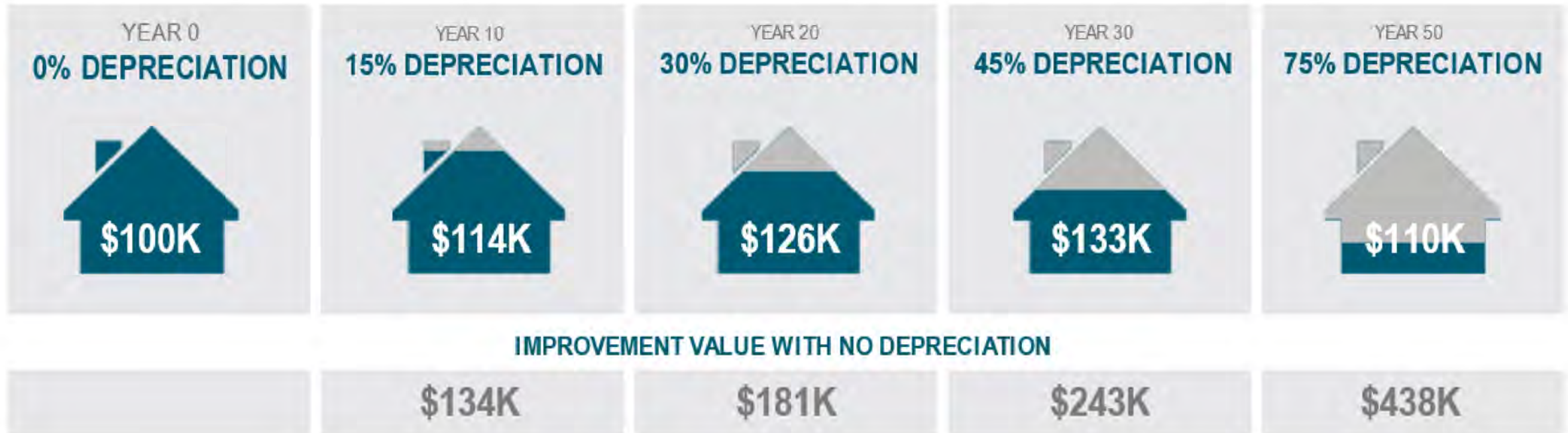
In Nevada, the assessed value of improvements includes a statutory depreciation factor of 1.5 percent for every year after construction for up to 50 years.



# Property Taxes in Nevada

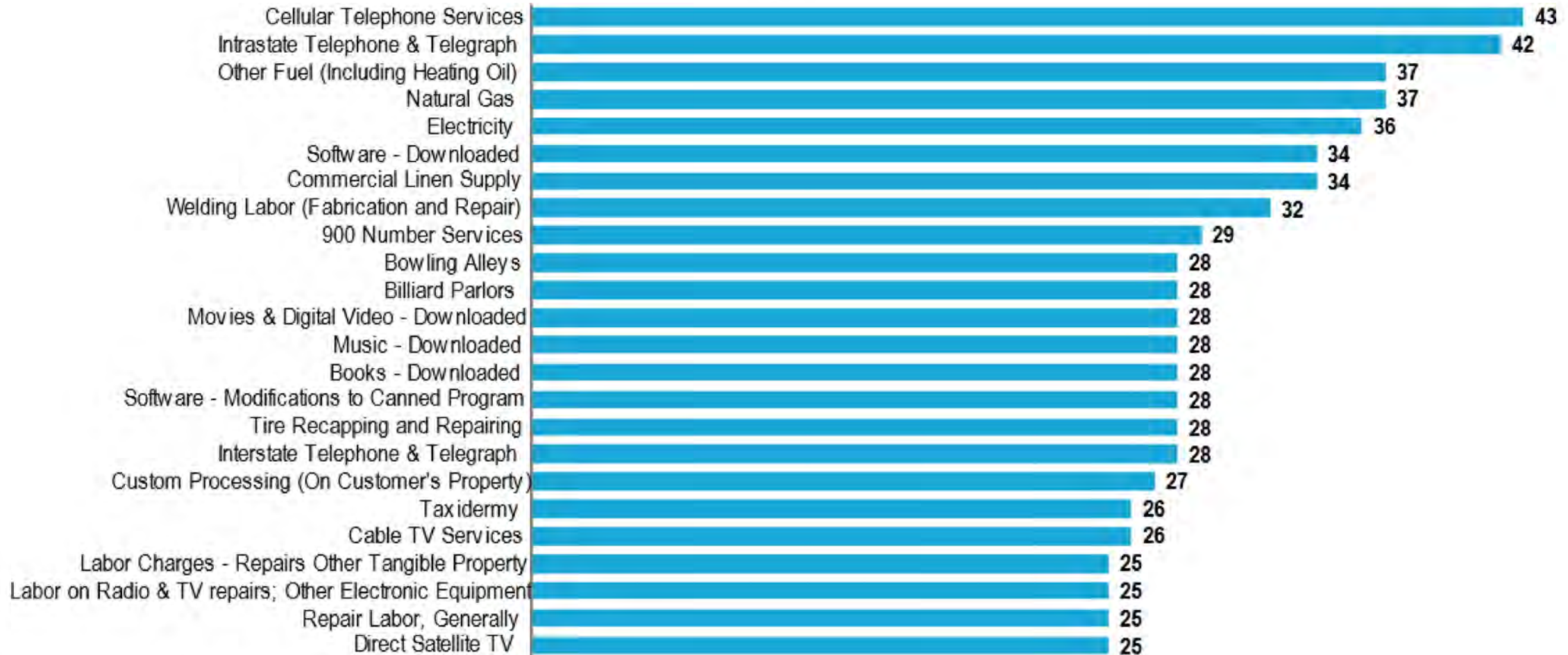
## Depreciation Impact

For a property with improvements valued at \$100,000 in replacement costs, the depreciation factor reduces the assessed improvement value significantly over the life of the property.

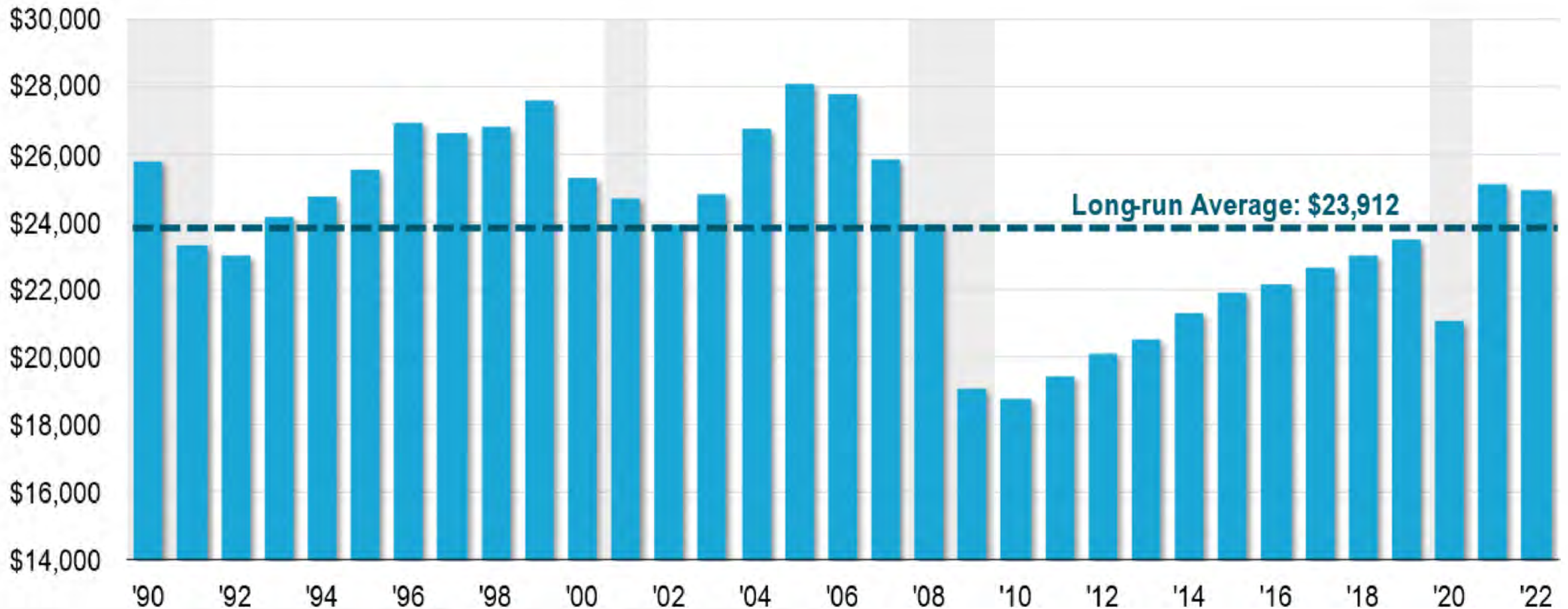


Note: Assumes 3 percent annual replacement and cost appreciation.

# Most Common Services Subject to Sales and Use Tax in Other States but Exempt in Nevada



# Nevada Inflation-Adjusted Per Capita Taxable Sales Annual



Source: Nevada Department of Taxation, Applied Analysis. Note: 2022 value is for the 12 months ending March 2022. Values stated in March 2022 dollars.

# Revenue Generation Matrix

Annual | At Various Taxable Services Bases and Tax Rates

		TAXABLE SERVICES BASE										
		\$1.0 Billion	\$2.0 Billion	\$3.0 Billion	\$4.0 Billion	\$5.0 Billion	\$10.0 Billion	\$15.0 Billion	\$25.0 Billion	\$50.0 Billion	\$75.0 Billion	\$100.0 Billion
SERVICE TAX RATE	0.10%	\$1.0 M	\$2.0 M	\$3.0 M	\$4.0 M	\$5.0 M	\$10.0 M	\$15.0 M	\$25.0 M	\$50.0 M	\$75.0 M	\$100.0 M
	0.20%	\$2.0 M	\$4.0 M	\$6.0 M	\$8.0 M	\$10.0 M	\$20.0 M	\$30.0 M	\$50.0 M	\$100.0 M	\$150.0 M	\$200.0 M
	0.30%	\$3.0 M	\$6.0 M	\$9.0 M	\$12.0 M	\$15.0 M	\$30.0 M	\$45.0 M	\$75.0 M	\$150.0 M	\$225.0 M	\$300.0 M
	0.40%	\$4.0 M	\$8.0 M	\$12.0 M	\$16.0 M	\$20.0 M	\$40.0 M	\$60.0 M	\$100.0 M	\$200.0 M	\$300.0 M	\$400.0 M
	0.50%	\$5.0 M	\$10.0 M	\$15.0 M	\$20.0 M	\$25.0 M	\$50.0 M	\$75.0 M	\$125.0 M	\$250.0 M	\$375.0 M	\$500.0 M
	0.75%	\$7.5 M	\$15.0 M	\$22.5 M	\$30.0 M	\$37.5 M	\$75.0 M	\$112.5 M	\$187.5 M	\$375.0 M	\$562.5 M	\$750.0 M
	1.00%	\$10.0 M	\$20.0 M	\$30.0 M	\$40.0 M	\$50.0 M	\$100.0 M	\$150.0 M	\$250.0 M	\$500.0 M	\$750.0 M	\$1,000.0 M
	1.25%	\$12.5 M	\$25.0 M	\$37.5 M	\$50.0 M	\$62.5 M	\$125.0 M	\$187.5 M	\$312.5 M	\$625.0 M	\$937.5 M	\$1,250.0 M
	1.50%	\$15.0 M	\$30.0 M	\$45.0 M	\$60.0 M	\$75.0 M	\$150.0 M	\$225.0 M	\$375.0 M	\$750.0 M	\$1,125.0 M	\$1,500.0 M
	1.75%	\$17.5 M	\$35.0 M	\$52.5 M	\$70.0 M	\$87.5 M	\$175.0 M	\$262.5 M	\$437.5 M	\$875.0 M	\$1,312.5 M	\$1,750.0 M
	2.00%	\$20.0 M	\$40.0 M	\$60.0 M	\$80.0 M	\$100.0 M	\$200.0 M	\$300.0 M	\$500.0 M	\$1,000.0 M	\$1,500.0 M	\$2,000.0 M
	2.50%	\$25.0 M	\$50.0 M	\$75.0 M	\$100.0 M	\$125.0 M	\$250.0 M	\$375.0 M	\$625.0 M	\$1,250.0 M	\$1,875.0 M	\$2,500.0 M
	3.00%	\$30.0 M	\$60.0 M	\$90.0 M	\$120.0 M	\$150.0 M	\$300.0 M	\$450.0 M	\$750.0 M	\$1,500.0 M	\$2,250.0 M	\$3,000.0 M
	3.50%	\$35.0 M	\$70.0 M	\$105.0 M	\$140.0 M	\$175.0 M	\$350.0 M	\$525.0 M	\$875.0 M	\$1,750.0 M	\$2,625.0 M	\$3,500.0 M
	4.00%	\$40.0 M	\$80.0 M	\$120.0 M	\$160.0 M	\$200.0 M	\$400.0 M	\$600.0 M	\$1,000.0 M	\$2,000.0 M	\$3,000.0 M	\$4,000.0 M
	4.50%	\$45.0 M	\$90.0 M	\$135.0 M	\$180.0 M	\$225.0 M	\$450.0 M	\$675.0 M	\$1,125.0 M	\$2,250.0 M	\$3,375.0 M	\$4,500.0 M
	5.00%	\$50.0 M	\$100.0 M	\$150.0 M	\$200.0 M	\$250.0 M	\$500.0 M	\$750.0 M	\$1,250.0 M	\$2,500.0 M	\$3,750.0 M	\$5,000.0 M
5.50%	\$55.0 M	\$110.0 M	\$165.0 M	\$220.0 M	\$275.0 M	\$550.0 M	\$825.0 M	\$1,375.0 M	\$2,750.0 M	\$4,125.0 M	\$5,500.0 M	
6.00%	\$60.0 M	\$120.0 M	\$180.0 M	\$240.0 M	\$300.0 M	\$600.0 M	\$900.0 M	\$1,500.0 M	\$3,000.0 M	\$4,500.0 M	\$6,000.0 M	
6.50%	\$65.0 M	\$130.0 M	\$195.0 M	\$260.0 M	\$325.0 M	\$650.0 M	\$975.0 M	\$1,625.0 M	\$3,250.0 M	\$4,875.0 M	\$6,500.0 M	
6.85%	\$68.5 M	\$137.0 M	\$205.5 M	\$274.0 M	\$342.5 M	\$685.0 M	\$1,027.5 M	\$1,712.5 M	\$3,425.0 M	\$5,137.5 M	\$6,850.0 M	

# Service-Related Categories | Total Sales

Nevada | 2019

## MAJOR TAXABLE SERVICE CATEGORIES

<b>1</b>	<b>TRANSPORTATION</b>	<b>\$12.1 B</b>	<b>10</b>	<b>AUTO REPAIR</b>	<b>\$1.7 B</b>
<b>2</b>	<b>BROADCASTS</b>	<b>\$0.4 B</b>	<b>11</b>	<b>CAR WASH</b>	<b>\$1.2 B</b>
<b>3</b>	<b>TELECOMMUNICATIONS</b>	<b>\$3.4 B</b>	<b>12</b>	<b>OTHER REPAIRS</b>	<b>\$1.0 B</b>
<b>4</b>	<b>INFORMATION</b>	<b>\$2.0 B</b>	<b>13</b>	<b>PERSONAL CARE</b>	<b>\$5.8 B</b>
<b>5</b>	<b>FINANCE</b>	<b>\$57.9 B</b>	<b>14</b>	<b>GIVING &amp; RELIGIOUS</b>	<b>\$1.1 B</b>
<b>6</b>	<b>PROF. &amp; BUSINESS</b>	<b>\$34.8 B</b>	<b>15</b>	<b>BUSINESS ASSOC.</b>	<b>\$0.2 B</b>
<b>7</b>	<b>EDUCATION</b>	<b>\$1.9 B</b>	<b>16</b>	<b>LABOR &amp; CIVIC CLUBS</b>	<b>\$0.8 B</b>
<b>8</b>	<b>HEALTHCARE</b>	<b>\$19.1 B</b>	<b>17</b>	<b>GOVERNMENT</b>	<b>\$2.8 B</b>
<b>9</b>	<b>RECREATION</b>	<b>\$4.2 B</b>			