

The Nevada Plan							
	Governor Recommended (Millions)			Legislatively Approved (Millions)			
	FY14	FY15	2013-15 Biennium	FY14	FY15	2013-15 Biennium	Percent Change
Total Operating Expenditures	\$ 3,172	\$ 3,247	\$ 6,419	\$ 3,169	\$ 3,234	\$ 6,403	-0.2%
Less: Projected Local Revenues Outside the DSA	\$ (621)	\$ (626)	\$ (1,247)	\$ (606)	\$ (621)	\$ (1,227)	-1.6%
Less: Non-Basic Support Programs	\$ (146)	\$ (150)	\$ (296)	\$ (145)	\$ (149)	\$ (294)	-0.7%
Total Regular Basic Support	\$ 2,405	\$ 2,471	\$ 4,876	\$ 2,418	\$ 2,464	\$ 4,882	0.1%
Plus: Programs Other Than Basic Support	\$ 312	\$ 322	\$ 634	\$ 311	\$ 320	\$ 631	-0.5%
State Guarantee							
Total Required State Support	\$ 2,717	\$ 2,793	\$ 5,510	\$ 2,729	\$ 2,783	\$ 5,512	0.0%
Less: Local "Inside" Revenues	\$ (1,296)	\$ (1,344)	\$ (2,640)	\$ (1,289)	\$ (1,357)	\$ (2,646)	0.2%
Distributive School Account							
Total State Share*	\$ 1,421	\$ 1,449	\$ 2,870	\$ 1,440	\$ 1,426	\$ 2,866	-0.1%
Less: Miscellaneous DSA Revenues	\$ (286)	\$ (296)	\$ (582)	\$ (283)	\$ (294)	\$ (577)	-0.9%
General Fund Support Before Approved Transfer	\$ 1,135	\$ 1,153	\$ 2,288	\$ 1,157	\$ 1,132	\$ 2,289	0.0%
Less: Approved Transfer of Categorical Funding**	\$ (22)	\$ (23)	\$ (45)	\$ (22)	\$ (22)	\$ (44)	-2.2%
General Fund Support	\$ 1,113	\$ 1,130	\$ 2,243	\$ 1,135	\$ 1,110	\$ 2,245	0.1%

* Totals may not balance due to rounding

** Categorical funding for Early Childhood Education, Adult High School Diploma, Special Elementary Counselors and Library Media approved, as recommended by the Governor, to transfer to the Other State Education Programs account (BA 2699)

The Legislature approved operating expenditures for Nevada school district and charter school budgets totaling \$3.169 billion for FY 2014 and \$3.234 billion for FY 2015, compared to \$3.013 billion and \$3.070 billion for operating expenditures approved by the 2011 Legislature for FY 2012 and FY 2013, respectively. This is an increase of approximately 5.3 percent for the 2013-15 biennium when compared to the approved operating expenditures for the 2011-13 biennium.

NEVADA PLAN

The Legislature determines the level of state aid for school districts and charter schools through a formula called the "Nevada Plan," which accounts for differences across districts in the costs of providing education and in local wealth. A guaranteed amount of basic support per pupil is calculated for each school district and is established in law each session. The state, through the DSA, and local districts, through the Local School Support Tax (sales) and property tax, share the responsibility for providing the money needed to fund the guaranteed basic support per pupil.

- **Nevada Plan "Outside" Revenues**

As indicated above, certain locally-generated revenues are considered before the state's funding responsibility is determined. These revenues are referred to as being "outside" of the Nevada Plan (the state's responsibility) and consist of the following:

- **Property Tax:** State law requires a property tax rate of 75 cents per \$100 of assessed valuation for the support of schools. One-third of the proceeds from the 75-cent property tax rate is "inside" the Nevada Plan while the remaining two-thirds of the proceeds of the 75-cent property tax rate is "outside" the DSA funding formula. The two-thirds portion is estimated to generate \$387.4 million in FY 2014, a decrease of 3.3 percent from estimated collections

\$400.8 million for FY 2013. The estimated tax collections are projected to increase to \$402.2 million in FY 2015, which represents an increase of 3.8 percent from projected collections in FY 2014.

- Local Government Services Tax: Formerly called the Motor Vehicle Privilege Tax, this tax is estimated to generate \$71.4 million in both FY 2014 and FY 2015. These estimates represent a decrease of 1.4 percent compared to FY 2013 budgeted collections of \$72.4 million.
- Other Local Sources: Franchise taxes, federal revenue, interest, tuition and other local revenue and opening balances are estimated to contribute \$147.6 million each year of the 2013-15 biennium.

These locally-generated “outside” revenues are not guaranteed by the state, thus the local school districts and charter schools benefit when actual revenues are in excess of projections, or suffer the loss when revenues do not meet projections. For the 2013-15 biennium, revenues “outside” of the Nevada Plan are budgeted to generate approximately 19.2 percent of the revenue necessary to support the budgets of school districts and charter schools (21.5 percent in the 2011-13 biennium) with the balance being funded through the Nevada Plan (the state’s responsibility).

- Nevada Plan “Inside” Revenues

Nevada Plan funding for school districts and charter schools consists of state financial support received through the DSA and locally-collected revenues that are “inside” the Nevada Plan, namely the Local School Support Tax (LSST) and the remaining one-third of the proceeds from the 75-cent property tax rate.

- LSST: As part of the revenue enhancements approved by the 2009 Legislature, the LSST rate was increased by 0.35 percent (from 2.25 percent to 2.60 percent) for the period beginning July 1, 2009, until June 30, 2011. Although the increased LSST rate was scheduled to sunset at the end of the 2009-11 biennium, the 2011 Legislature approved the extension of the 2.60 percent LSST rate through June 30, 2013. The 2013 Legislature approved the Governor’s recommendation to extend the 2.60 percent LSST rate through June 30, 2015. For the 2013-15 biennium, the 2.60 percent LSST is estimated at \$1.095 billion for FY 2014 (5.5 percent increase over the amount estimated to be received in FY 2013) and \$1.156 billion for FY 2015 (5.6 percent increase over projected FY 2014).
- Property Tax: Local funding from the one-third portion of the proceeds from the 75-cent property tax rate is budgeted at \$193.7 million for FY 2014 (a 4.5 percent decrease compared to FY 2013 legislatively approved) and \$201.1 million for FY 2015 (3.8 percent increase over budgeted FY 2014).

Combined, local sources “inside” the Nevada Plan provide approximately 48.4 percent of the total required state support amount, with the state contributing the remaining 51.6 percent.

It is important to note that these two local revenue amounts are guaranteed by the state; thus, if budgeted amounts are not actually collected, the state funds the difference, and conversely, if actual revenues exceed projections, the amount of State General Fund support is reduced.

STATE SUPPORT

The 2013 Legislature approved the total required state support of school district and charter school expenditures within the DSA (before the transfer of funding for various programs historically funded in the DSA budget to the Other State Education Programs account) at \$5.512 billion over the 2013-15 biennium, an increase of 8.7 percent from the total of \$5.069 billion approved by the 2011 Legislature for the current biennium.

In the legislatively approved budget, the state's share of funding in the DSA is largely provided by General Fund appropriations of \$1.157 billion in FY 2014 and \$1.132 billion in FY 2015, totaling \$2.289 billion for the 2013-15 biennium. This is \$90 million more than the \$2.199 billion appropriated for the 2011-13 biennium, representing a 4.1 percent increase. However, this amount is reduced by the approved transfer of General Funds totaling \$44 million over the 2013-15 biennium for various categorized programs historically funded in the DSA, to the Other State Educations Programs account.

As recommended by the Governor, the 2013 Legislature approved the continuation of the transfer of the proceeds from the Initiative Petition 1 (IP1) Room Tax revenue from the State Supplemental School Support Fund to the DSA as a state funding source through the 2013-15 biennium. The projected revenues to be transferred total \$131.9 million in FY 2014 and \$136.7 million in FY 2015. Other sources of revenue that provide funding for the DSA include an annual tax on slot machines, interest earned on investments from the Permanent School Fund, revenue from leases of federal land for mineral exploration and from royalties, and Local School Support Tax from sales that cannot be attributed to a specific county.

Funding for K-12 education approved by the Legislature (excluding the Department of Education budgets) represents approximately 38.2 percent of the State's General Fund for the 2013-15 biennium, compared to 37.5 percent of the General Fund approved for K-12 education by the 2011 Legislature.

The summary table on the following page displays the legislatively approved budget for the DSA for the 2013-15 biennium, as well as actual revenues and expenditures for FY 2012, and projections for FY 2013.

DISTRIBUTIVE SCHOOL ACCOUNT - SUMMARY FOR 2013-15 BIENNIUM

	2012 Legislatively Approved	2012 Actual	2013 Legislatively Approved	2013 Estimated	2014 Legislatively Approved	2015 Legislatively Approved
WEIGHTED ENROLLMENT	425,648.40	423,899.00	423,500.00	429,718.00	432,346	434,023
ADDITIONAL ENROLLMENT FOR HOLD HARMLESS	0	3,171.20	0	891.40	0	0
TOTAL ENROLLMENT *	425,648.40	427,070.20	423,500.00	430,609.40	432,346	434,023
BASIC SUPPORT	\$ 5,218	\$ 5,265	\$ 5,374	\$ 5,374	\$ 5,590	\$ 5,676
TOTAL REGULAR BASIC SUPPORT **	\$ 2,220,949,633	\$ 2,248,571,898	\$ 2,275,927,082	\$ 2,315,342,546	\$ 2,417,007,180	\$ 2,463,498,518
CATEGORICAL FUNDING:						
SPECIAL EDUCATION ***	121,252,632	121,252,632	121,252,632	121,252,632	126,862,792	130,329,505
CLASS-SIZE REDUCTION	139,213,449	139,213,449	142,639,610	142,639,610	159,936,204	164,661,271
CLASS-SIZE REDUCTION AT-RISK KINDERGARTEN	1,554,598	1,554,598	1,582,409	1,582,409	1,768,669	1,806,665
SPECIAL UNITS/GIFTED & TALENTED	158,414	157,257	162,163	162,163	169,616	174,243
ADULT HIGH SCHOOL DIPLOMA⁽¹⁾	17,011,957	17,011,957	17,758,916	17,758,916	0	0
SCHOOL LUNCH PROGRAM STATE MATCH	588,732	588,732	588,732	588,732	588,732	588,732
EARLY CHILDHOOD EDUCATION⁽¹⁾	3,338,875	3,253,145	3,338,875	3,338,875	0	0
LIBRARY MEDIA SPECIALIST⁽¹⁾	18,798	18,798	18,798	18,798	0	0
SPECIAL ELEMENTARY COUNSELING⁽¹⁾	850,000	850,000	850,000	850,000	0	0
SPECIAL TRANSPORTATION	128,541	128,541	128,541	128,541	128,541	128,541
TOTAL REQUIRED STATE SUPPORT	\$ 2,505,065,629	\$ 2,532,601,007	\$ 2,564,247,758	\$ 2,603,663,222	\$ 2,706,461,734	\$ 2,761,187,475
LESS						
LOCAL SCHOOL SUPPORT TAX - 2.60%	(941,734,793)	(1,006,701,237)	(969,986,648)	(1,038,155,487)	(1,095,455,672)	(1,155,705,575)
1/3 PUBLIC SCHOOLS OPERATING PROPERTY TAX	(202,433,266)	(210,424,266)	(202,931,773)	(200,175,655)	(193,681,840)	(201,117,251)
ADJUSTMENT FOR EUREKA AND LANDER REV	0	0	0	15,223,054	0	0
CAPITAL CONSTRUCTION FUNDS	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	0	0
TOTAL STATE SHARE	\$ 1,340,897,570	\$ 1,295,475,504	\$ 1,371,329,337	\$ 1,360,555,134	\$ 1,417,324,222	\$ 1,404,364,649
STATE SHARE ELEMENTS						
GENERAL FUND	\$ 1,088,280,727	\$ 1,088,280,727	\$ 1,111,331,100	\$ 1,111,331,100	\$ 1,134,528,570	\$ 1,110,133,915
DSA SHARE OF SLOT TAX	33,542,238	32,295,869	34,144,068	31,127,616	31,658,547	32,305,032
PERMANENT SCHOOL FUND	6,600,000	2,643,528	6,800,000	1,000,000	1,000,000	1,000,000
FEDERAL MINERAL LEASE REVENUE	8,000,000	7,874,977	8,000,000	8,000,000	7,874,977	7,874,977
OUT OF STATE LSST - 2.60%	93,138,606	89,463,708	95,932,745	104,558,313	110,329,328	116,397,425
IP1 (2009) ROOM TAX REVENUE TRANSFER	111,336,000	126,518,025	115,121,424	127,718,800	131,932,800	136,653,300
REVERSION TO STATE GENERAL FUND	0	0	0	(58,570,855)	0	0
BALANCE FORWARD TO NEXT FISCAL YEAR	0	(35,390,160)	0	35,390,160	0	0
TOTAL SHARE STATE ELEMENTS	\$ 1,340,897,571	\$ 1,311,686,874	\$ 1,371,329,337	\$ 1,360,555,134	\$ 1,417,324,222	\$ 1,404,364,649
*** Special Education Units						
2011-2012	No. of Units	\$ per Unit	2013-2014	No. of Units	\$ per Unit	
2012-2013	3,049	39,768.00	2014-2015	3,049	41,608	
	3,049	39,768.00		3,049	42,745	

* FY 12 Actual Weighted Apportioned Enrollment; FY 13, 14 & 15 reflect Estimated and Projected

★★ Totals May Not Balance Due to Rounding

*** Special Education Unit funded separately from Basic Support

(1) Funding approved for transfer to the Other State Education Programs Budget