

# **Nevada K-12 Funding Study**



**RURAL DISTRICT  
CONCERNS  
JANUARY 24, 2012**

# Nevada Plan



- The “Nevada Plan” represents the State of Nevada’s provision of a “**reasonably equal educational opportunity**” by means of a guaranteed level of financial support on a per pupil basis for each school district and charter school in the State.
- The per pupil basic support guarantee is based on a Governor-recommended and legislatively-approved total amount of K-12 education funding divided by a statewide projected total weighted apportionment enrollment.

# Distributive School Account



- **Distributive School Account (DSA) – the DSA represents a state general fund account from which “aid to school” payments are made.**
- **The DSA allocation process is designed to enhance the equitable apportionment of school funding based upon the diversity of Nevada’s 17 school districts.**

# DSA Equity Allocation Model



- The DSA plan is made of 12 modules which account for each district's unique characteristics:
- student enrollment
- licensed teacher and other staffing expenses
- other operating and equipment costs
- the school district's degree of urbanization (economies of scale)
- transportation cost differentials
- special education unit needs
- local wealth factor incorporating each school district's relative ability to raise specific local education taxes.

# State Guarantee



- The Nevada Plan guaranteed financial support to public schools is comprised of a combination of state revenues and two locally-generated tax revenue sources.
  - **A county specific and apportioned 2.25% Local School Support Tax**
  - **A 1/3 portion of the public schools operating property tax (PSOPT) including net proceeds of minerals**

# FY12 DSA Per Pupil Allocations



Carson City	\$ 5,992	Lincoln	\$9,815
Churchill	\$ 6,053	Lyon	\$6,613
Clark	\$ 5,136	Mineral	\$8,439
Douglas	\$ 5,237	Nye	\$6,572
Elko	\$ 6,314	Pershing	\$8,987
Esmerelda	\$18,403	Storey	\$6,914
Eureka	\$ -	Washoe	\$5,193
Humboldt	\$ 5,718	White Pine	\$6,560
Lander	\$ -		

# Nevada Plan



- Nevada is one of five states that have not had litigation challenging the constitutionality of K-12 funding.
- Nevada is one of 15 states that currently do not provide state funding for school construction.

# Nevada Plan



- The Nevada Plan has been an effective tool in providing an equitable distribution of K-12 funding which accentuates the uniqueness of each school district, and provides insulation from varying cost and revenue factors which periodically may impact individual school districts.



# Higher Costs



- All of the school district's in Nevada are coping with the **increased costs of educating children** with poverty and mobility issues or who are not English proficient.
- Rural districts do not have the ability to consolidate schools and programs based upon **geographic limitations**. Any changes to the distribution formula needs to recognize the **higher cost of educating students in these small rural communities**.

# Winners and Losers



- Based upon the relatively fixed funding levels over the past two biennia, any changes to the distribution formula without increasing resources will create a cannibalistic atmosphere with winners and losers.
- Changes can not be made in one county without affecting the remaining 16 counties.

# Rural Concerns



- The existing “staffing and attendance area” models provide additional staffing to maintain economies of scale not attainable in rural communities and districts.
- Rural counties are concerned if the formula was to change to provide weighting by individual student characteristics the formula will no longer achieve an equitable and diverse allocation without supplemental funding.
- Any change to the Nevada Plan without supplemental funding is simply a redistribution of existing inadequate levels of funding.