

# **Nevada K-12 Funding**

## **Methodology and History**

**Nevada Senate SB 11 (2011):**

*Committee To Study a New Method For Funding Public Schools*

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# NEVADA PLAN

**“The proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity.”**

**Accounts for “wide local variations in wealth and costs [among school districts].”**

NRS 387.121  
(1967)

# NEVADA PLAN

## Overview

- **Statewide formula-based funding for K-12**
- Not markedly changed in approx. 40 years
- Does not consider weighting by grade 1-12
  - Only Pre-K/K (weighted at 60% of grade 1-12)
- **No targeted formula-based funding for individual student differences**
- However, student-specific state categorical funding is provided outside the Nevada Plan
  - Example: Adult Ed, Full-Day Kindergarten

# NEVADA PLAN

## Basic Support per Pupil

### Statewide Basic Support of School Funding

Statewide K-12 Operating Expenses\*

Less Outside Revenue\*\*

### Statewide Basic Support Funding Per Pupil

Statewide Basic Support of School Funding  
Divided by # Students

*\*Operating expenses: Base-year actual expenditures plus cost adjustment*

*\*\*Outside revenue: Local revenue not guaranteed by (i.e., 'outside') the Nevada Plan.*

# Equity Allocation Model

## History

- **Allocates Basic Support among school districts**
- Does not specifically mandate periodic review
- Created by committee (second iteration 2004):
  - District superintendents
  - State and district fiscal staff
- Phased in over five years to minimize impact of the calculation changes between the two models

# Equity Allocation Model

## Factors

- **Enrollment:** Current and forecast (Count Day)
- **Baseline:** 2004 cost ratios
- **Forecasts:** Outside revenue projections
- **Transportation costs:** 4-year average
- **Groupings:** By district size, density and costs
  - **Large:** Clark, Washoe
  - **Centralized:** Carson, Churchill, Douglas, Lyon
  - **Rural:** Elko, Humboldt, Nye, Lander, White Pine
  - **Small:** Lincoln, Mineral, Pershing, Storey
  - **Very Small (High Cost):** Esmeralda, Eureka
- **Teacher allotment:** By population and density

# Equity Allocation Model

## District Per Pupil Calculation

**Statewide average Basic Support, adjusted for wealth, transportation and operating costs (per pupil, by district):**

Basic Support (according to Nevada Plan)

- Less Equalized transportation cost
- Times Cost ratio
- Plus Wealth factor
- Plus Transportation

# Equity Allocation Model

## Modules Overview

### Composed of 12 Modules

- **Revenue**
  - Modules 3 and 8
- **Costs**
  - **Transportation**
    - Module 4 and 9
  - **Non-Transportation**
    - Modules 4, 5 and 6
- **Support and calculation modules**
  - Teacher Allotment and Modules 1-2, 7 and 10-12



# NEVADA PLAN

## Equity Allocation Per-Pupil Funding Summary

School Districts	Average Statewide Basic Support (\$ per Pupil)	Subtract: Average Statewide Transportation Costs (\$ per Pupil)	Equals: Average Statewide Basic Support, Net of Transportation (\$ per Pupil)	Multiply: Cost Ratio by District	Add: Transportation Costs by District (\$ per Pupil)	Add: Wealth Factor by District (\$ per Pupil)	Equals: Basic Support by District (\$ per Pupil)
Carson City				?	?	?	?
Clark				?	?	?	?
Elko	Statewide Average	Statewide Average	Statewide Average	?	?	?	?
Eureka				?	?	?	?
Mineral				?	?	?	?
Washoe				?	?	?	?
<b>State Average</b>	<b>\$5,263</b>	?	?	?	?	?	<b>\$5,263</b>

# Equity Allocation Model

## Revenue

- **Total outside revenue (per pupil)**
  - Statewide average
  - By district
- **Calculate district variance from statewide average**

School Districts	Outside Revenue (\$ per Pupil)	Outside Revenue Variance (\$ per Pupil)
Carson City	\$1,007	\$104
Clark	\$1,044	\$67
Elko	\$1,033	\$78
Eureka	\$16,840	(\$15,729)
Mineral	\$1,629	(\$518)
Washoe	\$1,162	(\$51)
<b>State Average</b>	<b>\$1,111</b>	

# Equity Allocation Model

## Transportation Costs

- **Transportation costs are calculated:**
  - By district
  - Per pupil
- **Then averaged over 4 years and adjusted for growth**

School Districts	<u>Add:</u> Transportation Costs by District (\$ per Pupil)
Carson City	\$246
Clark	\$321
Elko	\$336
Eureka	\$1,894
Mineral	\$448
Washoe	\$298
<b>State Average</b>	<b>\$340</b>

# Equity Allocation Model

## Non-Transportation Costs

1. Total statewide expenses
  - Teacher salary + Operations
2. Statewide expenses (per pupil )
3. Cost ratio (per pupil by district)

School Districts	Total Expense (\$ per Pupil)	Multiply: Cost Ratio by District
Carson City	\$5,966	1.1443
Clark	\$5,021	0.963
Elko	\$6,239	1.1966
Eureka	\$13,025	2.4981
Mineral	\$8,999	1.7259
Washoe	\$5,230	1.0031
<b>State Average</b>	<b>\$5,214</b>	<b>1.000</b>

# NEVADA PLAN

## Equity Allocation Per-Pupil Funding Summary

School Districts	Average Statewide Basic Support (\$ per Pupil)	Subtract: Average Statewide Transportation Costs (\$ per Pupil)	Equals: Average Statewide Basic Support, Net of Transportation (\$ per Pupil)	Multiply: Cost Ratio by District	Add: Transportation Costs by District (\$ per Pupil)	Add: Wealth Factor by District (\$ per Pupil)	Equals: Basic Support by District (\$ per Pupil)
Carson City	\$5,263	(\$340)	\$4,923	1.1443	\$246	\$104	\$5,992
Clark	\$5,263	(\$340)	\$4,923	0.963	\$321	\$67	\$5,136
Elko	\$5,263	(\$340)	\$4,923	1.1966	\$336	\$78	\$6,314
Eureka	\$5,263	(\$340)	\$4,923	2.4981	\$1,894	(\$15,729)	\$0
Mineral	\$5,263	(\$340)	\$4,923	1.7259	\$448	(\$518)	\$8,439
Washoe	\$5,263	(\$340)	\$4,923	1.0031	\$298	(\$51)	\$5,193
<b>State Average</b>	<b>\$5,263</b>	<b>(\$340)</b>	<b>\$4,923</b>	<b>1.000</b>	<b>\$340</b>	<b>\$1,111</b>	<b>\$5,263</b>

# Concluding Comments

- **Equity Allocation Model driven by each district's unique cost and revenue characteristics**
  - Model is far more sensitive to changes in district revenue than changes in district costs
- **Does not provide weighting by individual student characteristics**
  - Example: Low income, English language learners, At-Risk, etc.
  - Exception: Pre-K/K students funded 60% vs. grades 1-12

# NEVADA PLAN

## District Funding Example

Basic Support Guarantee School Year XXXX		Sample School District
1	Number of Pupils (Weighted Apportionment Enrollment*)	7,360
2	Multiplied by Basic support Per Pupil	\$ 5,992
3	Equals <b>Guaranteed Basic Support</b>	\$ 44,101,120
4	Plus Special Education Allocation (81 units @ \$39,768 per unit)	\$ 3,221,208
5	Equals <b>Total Guaranteed Support</b>	\$ 47,322,328
<b>LESS LOCAL RESOURCES</b>		
6	2.6 % Local School Support (sales) Tax (LSST)	\$ (15,601,583)
	1/3 of the Proceeds from 75¢ tax rate (PSOPT)	\$ (3,630,435)
7	Equals <b>State Responsibility</b>	\$ 28,090,310
8	Plus Other State Programs funded through DSA (i.e. Adult High School Diploma Funding and Class Size Reduction)	\$ 5,055,704
9	Equals <b>Total Revenue from Distributive School Account</b>	\$ 33,146,014

Resources in Addition to Basic Support	
10	2/3 of the proceeds from 75¢ property tax rate (PSOPT) \$ 7,260,486
11	Motor Vehicle Privilege Tax \$ 1,685,741
12	Federal Revenues (Unrestricted) \$ 103,211
13	Miscellaneous Revenues \$ 90,766
14	Opening fund Balance \$ 4,937,574
15	<b>Total Resources in Addition to Basic Support</b> <u>\$14,077,778</u>
16	<b>Total Resources Available</b> (total of lines 5, 8 and 15) <b>\$66,455,810</b>

\*Pre-K/K students weighted  
at 0.60 grade 1-12 students