

Education

Briefing Series

Education Funding in Nevada



INTRODUCTION

The Las Vegas Chamber of Commerce has asked Applied Analysis to examine a number of topics related to elementary and secondary (“K-12”) public education in Nevada, including the distribution of financial resources for schools, both throughout the state and within the Clark County School District (“CCSD” or “the District”).

This paper offers a brief outline of Nevada’s statewide system of school funding, the Nevada Plan for School Finance (“the Plan”), and a summary of CCSD’s internal allocation mechanisms. It also includes an analysis of the CCSD’s class-size reduction, federal, capital, and other funds which are not part of the Nevada Plan, but which are nonetheless significant elements of the district’s system of school finance. Understanding the mechanics, including whether the current system places authority in the hands of those in the best position to improve student performance, is a condition precedent to any meaningful discussion of reform.

FINDINGS IN SUMMARY

Nevada School District Finances Are Highly Controlled By the State

The Nevada Plan minimizes fiscal home rule, transfers significant tax revenue from Clark County to other counties, and generates money which is often used for purposes other than education.

Nevada’s public school system has evolved from one with over 200 fiscally independent districts to today’s system of 17 county-wide districts for which fiscal matters are highly centralized at the state level.¹ School operating budgets “approved” by county school boards are, in reality, largely created by the state. Local boards cannot impose or reduce any taxes for school operations, even with voter approval.² The state also controls school spending, as state support per student for each district is “backed into” by replicating prior-year spending patterns and deducting so-called “local” revenue to the credit of the state general fund.³ Here, “local” refers only to the point of deposit, not to governance, as the State Legislature authorizes and directs the use of these revenues. Nevada school districts operate as de-facto state agencies, and cannot gain from revenue windfalls when they occur, except by legislative act. Given Nevada’s low rankings in nationally-administered student achievement tests, this concentration of fiscal authority at the state level is worth revisiting as part of a broader effort to improve K-12. That said, some level of

¹ Nevada’s Turbulent 50’s, Mary Ellen Glass, University of Nevada Press, 1981, page 56. Also see NRS Chapter 387. Also see 2009 legislative work papers for Distributive School Account file name DSA_2009-11 Leg App’d 5-20 DSASUMM.

² School boards may propose ballot measures for capital expenditure, but not school operations. See NRS 354.

³ See: 2009 legislative work papers for Distributive School Account file name DSA_2009-11 Leg App’d 5-20 DSASUMM.

Education Briefing Series

state oversight would likely be justified under any funding plan, as K-12 funding schemes in other states have been legally challenged on grounds of equity and adequacy; and some have been overturned in the courts.⁴ The Nevada Plan has heretofore been considered “equitable” in providing comparable educational opportunity for students throughout the state, an element that must be preserved should revisions be made to the current Plan.

The state general fund supports slightly more than one-third of the total K-12 target budget. The state also controls, to the credit of the state general fund, the remaining two thirds received by districts from other state-authorized sources.⁵ The 2009 Legislature calculated a FY 2009-10 K-12 budget of \$3.3 billion for school district operations, then subtracted \$2.4 billion in projected “local” and non-general fund state revenue, leaving only \$0.9 billion needed from the state general fund for per-student support.⁶ Another \$0.3 billion in state general fund money was added for class size, special education, and other education programs not funded on a per-student basis, bringing the total state appropriation in the Distributive School Account (DSA) to \$1.2 billion. The Legislature does not exercise direct line item control over K-12 budgets, so there is some illusion of fiscal home rule, but analysis shows the state’s detailed approach to funding K-12 is highly predictive of local budget outcomes.

Each district receives a different state payment to fulfill Legislative intent, resulting in a net loss to the state’s largest district. CCSD’s FY 2009-10 budget for general operating and state-supported special education totaled \$2.2 billion, about two-thirds the state total, to serve approximately 71 percent of the state’s enrollment.⁷ This mismatch of funding and enrollment is intentional in the Nevada Plan, as the provision of equal education demands higher per pupil allocations in smaller school districts. After state cuts, the CCSD now receives \$4,962 per student, second lowest in the state, due to low relative cost and growth in tax base.⁸ Other districts receive from \$100 to \$16,835. By differentiating K-12 payments, the Legislature effectively transfers significant school revenues among counties. It is estimated that \$96.0 million in school revenue was transferred from Clark to other counties in FY 2009-10. Again, this redistribution of resources is intentional and necessary, at least in part, to ensure equal educational opportunities in the state’s very large and very small school districts. This foundational need notwithstanding, allocations of incremental education funds will not necessarily require a similar pattern of distribution, particularly if their aim is improving the state’s overall education performance (e.g., graduation rates and reading proficiency among elementary students).

⁴ *Roosevelt Elementary School District v. Bishop* (Arizona), *Skeen v. State* (Minnesota), *Serrano v. Priest* (California), *Tennessee Small School Systems v. McWherter* (Tennessee).

⁵ 2009 legislative work papers for Distributive School Account file name DSA_2009-11 Leg App’d 5-20 DSASUMM. Also note: The Distributive School Account in the state treasury is the account from which the state pays its share of basic support per student.

⁶ Note: The total amount is memorialized in legislative work papers underlying the basic support calculation. See: 2009 legislative work papers for Distributive School Account file name DSA_2009-11 Leg App’d 5-20 DSASUMM.

⁷ Clark County School District FY 2009-10 Amended Final Budget.

⁸ Assembly Bill 6, 26th Special Session of the Nevada Legislature, including budget reductions.

Education Briefing Series

The state's education guarantee is illusory, resulting in a redistribution of education funds for non-education purposes. The Legislature cites state support as a "guarantee", but this "guarantee" is more a ceiling than a floor for funding. If "local" revenues rise, the state avoids cost and sweeps K-12 appropriations back into its general fund where they can be used for other purposes. Further, the state has sometimes actually reneged on its guarantee. Had the state retained its K-12 appropriations in years of surplus solely for K-12 in years of shortfall, these reductions in guarantee need not have taken place. The state has retroactively reduced its guarantees to school districts by an estimated \$182.6 million since 1981.

Individual School Finances Are Governed At the District Level

Once funds are received en masse from the state, the CCSD distributes resources to schools primarily by formula, with the portion of CCSD's budget governed by principals and school staff equating to not more than 2.8 percent.⁹ Most staffing is allocated by ratios or enrollment brackets. Some teachers are assigned to restricted purposes. Money for books, supplies, and minimal maintenance materials is also based on enrollment. Employee compensation is governed by centrally-administered schedules. Major maintenance, utilities, police, and transportation are also centrally directed.

The Nevada Plan Complicates Financial Comparisons

Comparison with other states and with charter and private schools requires reconciliation of different financial structures and acknowledging restrictions on use of funds. By law, Nevada's "basic support" is not all inclusive; and, therefore, not comparable to other financial measures. For CCSD, the 2009 Legislature approved a basic support amount of \$5,025, traceable to the CCSD's FY 2009-10 general fund budget. Adding other legislatively-directed revenues, the unrestricted amount available is \$5,739 per student. When all district funds are added, expenditures per student might be estimated as high as \$12,307; but only if all monies were fungible, which they are not. Restricted allocations for special education, Title I, class-size reduction, and other specific uses are either not available to educate all students, or may be prohibited for instructional use. As of the filing of its FY 2009-10 Amended Final Budget, the District is restricted to \$5,739 in operating money for each student not in a special program, and does not have the flexibility of private or charter schools in deploying financial resources. Private and charter schools generally do not accept all student populations associated with higher cost, whereas public schools are required to do so.

An apples-to-apples comparison suggests Nevada spends among the lowest amounts in the nation on day-to-day school operations, with higher comparative figures when capital outlays are included. The National Center for Educational Statistics publishes comparisons of K-12 expenditure data on general,

⁹ Clark County School District Budget and Statistical Report FY 2009-2010.

Education Briefing Series

special revenue, capital, debt service, and enterprise funds in all states. For FY 2006-07 Nevada's total expenditure per student including capital outlay and interest on debt was \$10,028, ranking 37th and well below the national average of \$11,257. When capital and debt interest are deducted, Nevada's current expenditures were \$7,806, 47th and 19.4 percent less than the national average of \$9,683. These rankings have remained fairly consistent from year to year. The distinction between total and current expenditures is important in that the Legislature oversees funding of current expenditures, including flow-through of federal funds, while capital and debt outlay are largely a function of local voter approval.

Policy Implications

On the whole, Nevada's public school financing system embodies a stated desire for equity of educational opportunity and a distinct inclination toward centralization in fiscal policy. Separate studies have found that the current Nevada Plan distributes available funding "equitably", and that Nevada's tax policy exhibits a high level centralized state control.¹⁰ However, despite the elegance of the Nevada Plan in promoting these objectives, questions may be posed regarding whether lock-step school financing according to self-fulfilling historical cost profiles with no local revenue options might be reexamined as part of a broader effort to address the concern most central to the public school debate - Nevada's relatively low national ranking in student achievement tests.

THE NEVADA PLAN FOR SCHOOL FINANCE

Background and Principles of the Nevada Plan

Nevada began the 1950's with over 200 separately administered school jurisdictions with disparate tax bases.¹¹ The first baby boomers were reaching school age, packing schoolhouses, and generating calls for reform.¹² In 1955, following study by the Governor's School Survey Committee, the Legislature consolidated districts to the present 17, and passed Nevada's first sales tax at 2 percent. Although this levy is deposited to the state general fund, this tax is rooted in public education, as both its initial enactment and the defeat of a petition to repeal it were propelled by the efforts of K-12 parent groups. The campaign to defeat the petition traveled under the rubric "S.O.S. Save Our Schools".¹³ Concurrently, a new statewide school funding formula, designed with assistance from the George Peabody College for Teachers (later part of Vanderbilt University), was implemented and survived more than a decade prior to the Nevada Plan.¹⁴

¹⁰ "School Financing Adequacy", Bulletin 07-7, Legislative Counsel Bureau, February 2007. Also see "Fiscal Affairs of State and Local Government in Nevada", Executive Summary pages 8 and 18, The Urban Institute and Price Waterhouse, November 1988.

¹¹ Nevada's Turbulent 50's, Mary Ellen Glass, University of Nevada Press, 1981, page 56.

¹² *Id.* page 49.

¹³ Archival campaign material and Speakers Kit on file at the University of Nevada Reno Library.

¹⁴ Nevada's Turbulent 50's, Mary Ellen Glass, University of Nevada Press, 1981, page 55.

Education Briefing Series

In 1967, the Legislature enacted the Nevada Plan following a study entitled “State Financial Support for Public Schools”.¹⁵ The Plan sought to “level out some of the disparities” using an additional one percent retail sales tax (Local School Support Tax or “LSST”) not only to support public schools, but as the study acknowledged, also to reduce state K-12 appropriations.¹⁶ The state then mandated a 70-cent property tax for school operations and deducted the proceeds thereof from state assistance. An additional local option of up to 80 cents was available to school boards, not subject to state deduction, but was repealed in 1979, in a wave of property tax cuts.¹⁷ Since 1967, the Plan has changed in two major respects. First, the allowed school operating property tax rate has been reduced from \$1.50 per \$100 of assessed value to \$0.75 per \$100 of assessed value, and the LSST rate has increased from the original 1.0 percent to 2.6 percent.¹⁸ Second, all operating revenue authority now rests with the Legislature, leaving no discretion for local school districts in terms of revenue for district general operations.

The Nevada Plan captures and distributes virtually all K-12 general operating revenue, differentiating the amount of funding per student in each district to equalize educational opportunity based on differences in cost and local tax base. The Plan does not include major construction, debt service, or federally-earmarked funds subject to voter approval, bond covenants, or federal and state restrictions.¹⁹ Formula details are not quantified in statute, but cost ratios and revenue equalization are periodically adjusted by the Nevada Department of Education. The language setting forth the Plan appears in NRS 387.121 as follows:

“The Legislature declares that the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity. Recognizing wide local variations in wealth and costs per pupil, this State should supplement local financial ability to whatever extent necessary in each school district to provide programs of instruction in both compulsory and elective subjects that offer full opportunity for every Nevada child to receive the benefit of the purposes for which public schools are maintained. Therefore, the quintessence of the State’s financial obligation for such programs can be expressed in a formula partially on a per pupil basis and partially on a per program basis as: ***State financial aid to school districts equals the difference between school district basic support guarantee and local available funds produced by mandatory taxes*** minus all the local funds attributable to pupils who reside in the county but attend a charter school or a university school for

¹⁵ State Financial Support for Public Schools, Bulletin number 69, Legislative Commission, January 1967, Exhibit A, pages 1 and 2.

¹⁶ *Id.*

¹⁷ SB 204, 1979 session Nevada Legislature. Also see Legislative Appropriations Report, 1979 Legislative Counsel Bureau Fiscal Division.

¹⁸ Senate Bill 429, 2009 Regular Session of the Nevada Legislature.

¹⁹ NRS 387.121. Also see Clark County School District Budget and Statistical Report FY 2009-2010.

profoundly gifted pupils. This formula is designated the Nevada Plan.” (Emphasis added)

While this statute prescribes no particular arithmetic, the intent of the Nevada Plan is summarized in Table 1 below.

Table 1
Nevada Plan
Effect of Historical Cost and Local Revenue on State Support per Student

Historical Cost and Projected “Local” Revenue	Effect on State Support Per Student
Higher Local Revenue Per Student	Decreases State Aid
Lower Local Revenue Per Student	Increases State Aid
Higher Cost per Student (Rural)	Increases State Aid
Lower Cost Per Student (Urban)	Decreases State Aid

The outcome of calculations resulting from application of these principles is state basic support per student varying from \$100 in Eureka County to \$16,835 in Esmeralda County. This range reflects the extremes in cost and tax base among school districts.

Aggregate Calculation of State Basic Support per Student

Determining state basic support per student and the state appropriation begins with the Legislature’s establishment of a statewide aggregate K-12 budget. Appendix 1 summarizes how this calculation for FY 2009-10 school district operations and state-supported special education arrived at \$3.3 billion.²⁰ The state general fund contribution was then determined by deducting, in multiple steps, \$2.4 billion in so-called “local” revenue - LSST, property and other taxes, and miscellaneous receipts - leaving a subtotal of \$0.9 billion required from the state general fund for per-student support, also summarized in Appendix 1.²¹ Another \$0.3 billion in state general fund was added for class-size reduction, special education, and other programs not funded on a per-student basis, yielding a state appropriation to the Distributive School Account (DSA) of \$1.2 billion, slightly more than one-third of the total K-12 target budget.²² Because the state general fund contribution is “backed into” by deducting the so-called “local” revenues, the effect is virtually the same as if these revenues were deposited to the state general fund instead of local district accounts.

Some deductions of “local” revenue from state funding are executed retrospectively in a dollar-for-dollar “true up”, and some prospectively on an estimated basis. “Local” revenues captured retrospectively (LSST and property tax) are 100 percent returned to the state general fund. Although the “local” revenues prospectively

²⁰ 2009 legislative work papers for Distributive School Account file name DSA_2009-11 Leg App’d 5-20 DSASUMM.

²¹ Id.

²² Id.

estimated (Government Services Tax and miscellaneous sources) are not tried up annually, even an extraordinary 10.0 percent variation from estimates would yield only a 0.56 percent difference in total funding, practically immaterial for purposes of influencing statewide education policy.²³ Suffice it to say the state benefits from near-perfect capture of “local” school revenue.

If “local” K-12 revenues underperform projections, greater demand may be placed on the state general fund. Stated otherwise, “local” K-12 revenues act as state revenues, a reality disguised by the fact that the state appropriation is determined in a labyrinth of steps not detailed in statute. The perception that these de-facto state revenues exclusively benefit public education makes public school taxes a frequent target for tax rate increases when budget deficits occur.²⁴

The weighted average basic support for all districts is also calculated in Appendix 1. While sometimes cited as a key benchmark, basic support is but one cog in the machinery of the Nevada Plan, as it is determined after deducting some revenue (\$0.50 property tax and Government Services Tax) and before deducting other “local” revenue (Local School Support Tax and \$0.25 property tax). Hence, it is not an indicator of either total funding available or state general fund allocations, and not of any practical use in financial comparisons among states.

Clark County School District’s Share of Nevada’s Statewide K-12 Budget

Of the \$3.3 billion statewide K-12 budget emerging from the 2009 Legislature, the Clark County School District, combining its state aid per-student and its state-directed “local” revenues, adopted a FY 2009-10 budget for general operating and state-supported special education totaling \$2.2 billion, about two-thirds of the statewide total, to serve approximately 71 percent of the state’s enrollment.²⁵ This proportional mismatch between enrollment and funding is intentional in the Nevada Plan. Following recent budget cuts, the CCSD now receives \$4,962, second lowest in the state.²⁶ This differentiation of state support is directed at equity, as the cost of delivering education varies depending on school size, and since the K-12 tax rates generate different amounts of revenue per student in each district. That said, a combination of state support that floats inversely with “local” of K-12 tax base, coupled with a “closed” revenue system, essentially removes Nevada’s communities from any meaningful participation in determining their levels of school funding or in benefitting from revenue windfalls when they occur.

Appendix 2 also shows the CCSD’s total budget, including all funds, state-subsidized or not, is \$4.9 billion net of inter-fund transfers.

²³ Estimate by Applied Analysis.

²⁴ Under the Nevada Plan, increases to property or sales tax rates for K-12 schools took place in 1967, 1981, 1983, 1991, and 2009. Source: Nevada Tax Facts, 2009-2010 Edition, Nevada Taxpayers Association.

²⁵ The \$2.2 billion budget is net of inter-fund transfers, and includes an ending balance of \$0.1 billion not scheduled for expenditure when this budget was filed.

²⁶ Assembly Bill 6, 26th Special Session of the Nevada Legislature, including budget reductions.

The Nevada Plan - Three School District Examples Including Clark County

The following three examples illustrate the extremes in Nevada Plan allocations and the close linkage between The Nevada Plan and actual district budgets filed soon after the 2009 Legislature adjourned.

At one end of the rural spectrum, Esmeralda County projected 69.4 FTE students in 3 schools, a superintendent and 23 other employees. The Esmeralda School District was also projected to have \$1,785,906, or \$25,734 per student, in expenses.²⁷ Following the 2009 Legislative session, the district projected its tax base to cover \$8,695 per student, leaving a need for \$17,039 per student from state basic support and residual fund balances.²⁸ Table 2 below shows the 2009 Legislature budgeted \$17,039 in state basic support (before reduction in the 2010 Special Session).

At the other end of the rural spectrum lies Eureka County, which projected 234.4 FTE students in 3 schools, a superintendent, 53.5 other employees, and \$5,835,636, or \$24,896 per student, in general and special education costs. However, the district projected its revenue from mining and residual balances will vastly exceed its total cost, leaving no need for state support.²⁹ Note in Table 2 below that the Legislature anticipated these circumstances, and established basic support for Eureka at only \$100 per student, a token placeholder to keep Eureka nominally within The Nevada Plan.

At the urban extreme lies Clark County. The CCSD, with its economies of scale and, until recently, growing property values, receives the second lowest state support per student among all districts. For FY 2009-10, the CCSD projected 303,182 FTE students in 353 schools and general fund expenses and transfers of \$2,190,205,000, or \$7,224 per student.³⁰ The district projected its local revenues and residual balances would yield \$2,199 per student, leaving \$5,025 to be funded with state basic support, the amount enacted by the 2009 Legislature (before reduction in the 2010 Special Session) as shown in Table 2 on the following page.

Table 2 also compares FY 2009-10 state support per student approved at the 2009 Regular Session, and as later reduced for state revenue shortfalls at the 2010 Special Session. Each of the amounts in Table 2 is called a "guarantee". However, in

²⁷ NRS 387 Report, Nevada Department of Education FY 2009 (includes FY 2010 budget projections). The district general and special education funds are shown here, as those funds are tied to the Nevada Plan. Note: Fractional FTE students reflect Nevada's practice of weighting kindergarten enrollees at 0.6 each.

²⁸ Id.

²⁹ Note: Mining taxes in Eureka County frequently generate revenue in excess of immediate need. In addition to the expenses cited above, the district also budgeted transfers to other funds of \$9,250,000. Eureka typically retains significant reserve funds to guard against potential decline in its cyclical mining economy.

³⁰ See: Clark County School District Budget and Statistical Report, FY 2009-10, page 30. Also see NRS 387 Report, Nevada Department of Education FY 2009 (includes FY 2010 budget projections). Also see Appendix 10 for a separation of general education and special education funding.

Education
Briefing
Series

1983, 1993, 2008, and 2010 the Legislature reduced its guarantees to balance the state's budget, confirming that fulfillment of the state "guarantee" is conditional.³¹

Table 2
Fiscal Year 2009-10 State Basic Support Guarantee per Student³²

School District	2009 Regular Session Before Reductions	26 th Special Session After Reductions
Esmeralda	\$17,039	\$16,835
Lincoln	\$9,866	\$9,734
Mineral	\$8,656	\$8,541
Pershing	\$8,368	\$8,263
White Pine	\$7,111	\$7,025
Elko	\$6,815	\$6,730
Lyon	\$6,673	\$6,594
Nye	\$6,582	\$6,504
Storey	\$6,567	\$6,486
Humboldt	\$6,402	\$6,322
Lander	\$6,261	\$6,184
Carson	\$6,228	\$6,155
Churchill	\$6,201	\$6,122
Washoe	\$5,350	\$5,284
Douglas	\$5,333	\$5,268
Clark	\$5,025	\$4,962
<u>Eureka</u>	<u>\$100</u>	<u>\$100</u>
Weighted Average	\$5,251	\$5,186

Line item "approval" of spending by school boards gives an illusion of home rule, but the Legislature maintains very close fiscal control. Appendix 3 shows that the difference between the 2009 Legislature's estimates and district budgets filed soon thereafter was only 1.9 percent, including adjustments and balances, a small difference since Legislative estimates were subject to modification by 17 separate school boards. Consequently, when adjusted for declines in FY 2008-09 fund balances, not included in legislative estimates, the difference is a mere 0.9 percent. If variances occur while the Legislature is not in session, they are absorbed by the state at the following session by adjusting the next K-12 budget according to audited district financial statements.

³¹ Legislative Appropriations Reports.

³² Source: Assembly Bill 6, 26th Special Session of the Nevada Legislature. Also see Assembly Bill 563, 2009 Regular Session. State basic support per student includes state general fund appropriations, other state money earmarked for K-12, the 2.6 percent Local School Support Tax (LSST), and 25 cents of the 75 cent property tax. In addition, the remaining 50 cents of the property tax and other state-authorized revenues, comprising approximately one-third of school district general operating resources, are used as offsets to state funding and influence the calculation of the amounts in Table 2.

The Nevada Plan Exports Tax Revenue from Clark County to Other Counties

The Nevada Plan transfers revenue from Clark County in three ways: (1) setting state support according to cost history, then deducting revenue “outside” the formula, (2) deducting district revenue “inside” the formula; and, (3) mandating transfer of CCSD capital funds to operations. Importantly, these transfers are created by differentiating state payments, not by local revenue actually crossing county lines.

First, Appendix 4 Part 1 compares the revenue CCSD would have received through state basic support if all students in every district were allocated the statewide average to what it would actually receive under the formula. This comparison reveals exportation of \$70.0 million for FY 2009-10.

Second, Appendix 4 Part 2 shows the effect of that part of the formula which pays less to districts with higher taxable sales and property tax revenues “inside” the formula. In this component, Clark exports an additional \$15.9 million to other districts in FY 2009-10.

Third, the CCSD also exports school revenue by means not historically part of the formula. For FY 2009-10 the 2009 Legislature claimed \$10 million in CCSD’s capital fund to reduce state obligation, an unprecedented maneuver.³³ To defend this transaction, some might assert CCSD recovers two-thirds of this loss by redistribution under the Nevada Plan; but, this move was simply \$10 million in cost avoidance to the state, not traceable to any use, let alone to schools.

In total, the Nevada Plan and the Legislature’s use CCSD capital funds amounted to a scheduled transfer of approximately \$96.0 million from Clark County to other school districts for FY 2009-10 as shown in Table 3 on the following page.

³³ Assembly Bill 563, Section 26, 2009 Regular Session of the Nevada Legislature. Also not: The 26th Special Session of the Legislature deemed an additional \$25 million of CCSD’s capital fund as available to supplant state appropriations

Education Briefing Series

Table 3
Estimated Export of Tax Revenue from Clark County to Other Counties
Through Nevada Plan K-12 School Funding System
 Based on FY 2009-10 State Budget Approved by 2009 Legislature

School Funding Component	FY 2009-10 Transfer of School Revenue Clark to Other Counties
Nevada Plan - Cost Differential and "Outside" Revenue, \$.50 property Tax, Government Services Tax, Franchise and Other Local	(\$70,045,491)
Nevada Plan - Local School Support Tax (LSST) and \$.25 Property Tax	(\$15,926,445)
Legislative Requirement for CCSD to use Capital Funds for Operations	(\$10,000,000)
Total Transfer FY 2009-10	(\$95,971,936)

Table 3 is based on the K-12 budget enacted by the 2009 Legislature for FY 2009-10, as that budget and underlying work papers quantify the fiscal policies adopted during the last regular meeting of the Legislature. When FY 2009-10 is closed, a final analysis may be performed to determine the exact amount eventually transferred, taking into account actual enrollment, school revenue, and budget reductions. Although variations between estimates and actual experience in enrollments and revenues will cause differences, the formula is such that the findings of any later study would likely change only the degree of revenue transfer and not the overarching conclusion that such transfers exist.

Flow of Tax Revenue through K-12 to the State General Fund

In addition to transferring tax revenue among counties, Nevada’s K-12 system serves as one means by which the state budget for all purposes is balanced. Review of the 1967 study which launched the Nevada Plan and the Local School Support Tax reveals the Legislature was then seeking to both equalize educational opportunity, *and to reduce its financial obligation to public schools*. An excerpt from Exhibit A of that study states as follows:

“The amount of the state appropriation necessary to meet the requirements of the state distributive school fund would be reduced in the amount of \$4,930,535. ***This could serve to some extent to alleviate the problem of where to obtain additional revenue to support state functions and institutions other than education.*** It is also conceivable that this amount could serve as a reservoir to meet possible increased financial needs of school districts in future years.” (Emphasis added)

Education Briefing Series

This language clearly indicates, by implementing the Nevada Plan, the Legislature was (1) seeking flexibility to fund all state services, not only K-12, while (2) acknowledging the alternative of reserving LSST receipts for K-12 needs in future years. If, for argument, these two approaches are considered mutually exclusive, the question may be posed as to which policy the state has followed since enactment of the Nevada Plan. Legislative history and the financial transactions in the Distributive School Account strongly suggest that Nevada's approach has been more the former than the latter.

The state has never pledged that public schools must be the sole beneficiary of taxes enacted in the name of public schools. The absence of such pledge was highlighted upon introduction of Assembly Bill 458 in 2009, proposing creation of a "K-12 Public Education Stabilization Account", to be funded with balances remaining in the Distributive School Account upon closure of each biennium. AB 458 was vetoed by the Governor, ostensibly for reasons other than this provision, again leaving K-12 without a "rainy day" account or assurance that K-12 residuals would not be continue to be spent elsewhere.

Appendix 5 shows the state has been more inclined to accept financial benefit from the Nevada Plan than to guarantee that the proceeds of K-12 revenue inure exclusively to K-12. Appendix 5 compares, beginning with the 1979-1981 biennium, the amounts returned or "reverted" to the state general fund from the Distributive School Account to the amounts added by the state to supplement appropriations found insufficient to meet the per-student "guarantee" in years of revenue shortfall.³⁴ This comparison shows that the sweeps of K-12 funding into the state general fund have exceeded the amounts supplemented by the state by \$182.1 million since the 1979-1981 biennium, even including the monumental appropriation of \$323.8 million during the current recession. In insurance terms, school districts have paid premiums of \$688.5 million when K-12 revenues grew, while receiving benefit of \$506.4 million in supplemental assistance when K-12 revenues fell short of expectations. This relationship might be considered more balanced if the state had met its "guarantee" in all years, but such is not the case.

Appendix 5 also shows that in four biennia, all during recessions, the state cut its per-student "guarantee", to benefit the state general fund. The cumulative effect is a \$182.6 million reduction to K-12 funding at first "guaranteed" in statute, then rescinded in a subsequent legislative session. Coincidentally, the cumulative net reversion to the state closely approximates the amount the state found necessary to cut from its appropriations. Therefore, had the state retained K-12 revenue in years of abundance exclusively for K-12 in years of shortfall, the "guarantees" to public schools could have been met rather than being reduced.

In summary, the Legislature's application of the Nevada Plan for School Finance forms a ceiling for total K-12 funding, and absorbs residual balances of K-12 revenue for general purposes. Virtually all authority over K-12 taxes, other than voter-

³⁴ "Revert" is the term used by the state when surplus revenues and lapsed spending authority are returned to the state general fund upon closure of a fiscal period.

approved capital funds and related debt service rests with the Legislature.³⁵ Although the Legislature funds schools in the aggregate, not by line item, its estimates are sufficiently precise that little flexibility remains for local school boards. The Legislature's comprehensive ownership of K-12 operating revenue transfers significant tax revenue among school districts in the name of equity, and to the exclusion of local determination of funding levels. Finally the state's practice of returning excess K-12 appropriations to its general fund in years when revenues are ample, coupled with its periodic lapses in meeting its funding pledge to school districts renders the state's "guarantee" a misnomer at best.

CLARK COUNTY SCHOOL DISTRICT INTERNAL ALLOCATION OF RESOURCES

School Staffing Ratios

Employee compensation, comprising 84.8 percent of CCSD's general, special education, and class-size reduction budgets, is governed by centrally administered salary and benefit schedules, not determined at the school level, thereby centralizing the fiscal relationship between CCSD and its schools with respect to the largest item of expenditure.

Most school staffing is distributed according to ratios to school-wide enrollment or on brackets of enrollment.³⁶ Some teachers are assigned to targeted purposes including early-grade class-size reduction, or to specific student groups such as special education, or English language learners. While overall state and district teacher ratios are frequently discussed, far less attention is given the distribution of teaching staff among classrooms within the district, which varies considerably. Appendix 6 shows CCSD's general fund teacher allocation parameters. The district-wide ratio including all teachers is calculated to be 20.1 to 1 based on estimated enrollment.³⁷ However, this is not the ratio at which most classrooms operate. Deducting the number of teachers whose assignment is restricted to special education, early grade class-size reduction, language learners, rural schools, or other special circumstances the average ratio climbs to 26.2 to 1 in "regular" classrooms. Finally, recognizing that CCSD's teacher contract, like those in many districts, allocates the equivalent of one non-instructional period a day to teacher preparation outside the classroom, the average ratio increases to 35.5 to 1.³⁸ With this net ratio, shown in Appendix 6, it is predictable that the actual student-teacher ratio in some classes whose ratio is not supplemented will exceed 40 to 1 due to aberrations in enrollment or the effects of rounding in staff allocations.

Other school staffing is allocated according to the parameters summarized in Appendix 7, generally based on brackets of enrollment.

³⁵ The Legislature also authorizes receipt of federal funds which are sub-granted to districts.

³⁶ Clark County School District Budget and Statistical Report Fiscal Year 2009-10.

³⁷ Calculation by Applied Analysis.

³⁸ Negotiated Agreement between the Clark County School District and the Clark County Education Association 2009-2010, Article 31.

Other School Allocations – What Portion of Budgets Do Schools Control?

As indicated, CCSD's FY 2009-10 general and special education funds total \$2.2 billion, net of adjustments and ending balances. Appendix 8 summarizes these funds and the separate \$109.6 million class-size reduction allocation in line item format, reflecting an estimated 2.8 percent as that proportion of the non-payroll budget most closely related to the classroom; and, hence, subject to school-level governance.³⁹

Taking another approach, Appendix 9 shows allocations to schools for certain supplies and services. Although not an exact match for the line item detail in Appendix 8, Appendix 9 demonstrates how school allocations based on stable enrollments without adjustment for special education, athletic programs, small school minimums, enrollment shifts, or other exceptions account for \$48.3 million, or nearly three-fourths of the \$64.7 million in line items highlighted in Appendix 8. This difference may suggest that special formula provisions, including those for year-to-year enrollment increases, materially impact allocations, and that some portion of the district-wide total budget for instructional supplies and equipment may not be directed exclusively at the school level. Regardless of who supervises instructional supply and equipment money, the fact that both approaches yield estimates between 2 and 3 percent of the total budget as allocated for these purposes is notable.

In summary, while formulas can promote equity and avoid piecemeal decision-making, they may also perpetuate past organizational priorities. While districts may, over time, attempt to re-prioritize expenditures; the fact that employee contracts must be bargained periodically exposes school resources to that process which already claims 84.8 percent of the budget. This does not mean Nevada School Districts are hidebound in all fiscal decisions, but state fiscal control combined with state-required collective bargaining are factors, which predictably trickle down to the school level.

ALL FUNDS COMBINED – NATIONAL COMPARISONS AND CCSD BUDGET

National Comparisons

The majority of this analysis has focused on CCSD's general and special education funds, since all students receive instruction paid from one both of these funds. Until recently, the Legislature has not monitored other district funds as they have been

³⁹ Source: NRS 387.303 Report FY 2009, Nevada Department of Education. FY 2009 report of actual expenditures also reflects FY 2010 budget. The combined general and special education budget in Appendix 8 was compiled by CCSD as of June 25, 2009, and varies slightly from the amended version filed July 10, 2009; but differences are immaterial for purposes of estimating the percentage of budget comprising school supplies and instructional materials. The NRS 387 Report format more clearly shows line items typically associated with classroom supplies and equipment.

restricted in use, and not generally considered fungible for balancing the state budget.⁴⁰ Nevertheless they are important in understanding CCSD's financial structure.

The Legislature derives Nevada's basic support from revenues and expenditures only in selected school funds, not all funds. Therefore Nevada's basic support amount is not useful for comparisons among states. The National Center for Educational Statistics gathers K-12 expenditure data on general, special revenue, capital, debt service, and enterprise funds in all states, offering a basis for national comparisons. For FY 2006-07, the year most recent compiled, Nevada's expenditure per student including capital outlay and interest on debt was \$10,028, ranking 37th and well below the national average of \$11,257. When capital and debt interest are deducted, Nevada's current expenditures were \$7,806, 47th in the nation.⁴¹ These rankings have remained similar from year to year.⁴²

CCSD Budget – All Funds

For each of CCSD's funds in FY 2009-10, Appendix 10 shows revenue scheduled for expenditure by source, with notes on applicable restrictions. Appendix 10 includes only money budgeted for disbursement from district accounts in FY 2009-10, and does not include balances held for a future year, internal transfers, accounting adjustments, or other items not representing FY 2009-10 expenditures. The expenditures in Appendix 10 are the same as in Appendix 2, which also includes non-expenditure items.

In CCSD's general fund, the \$1.7 billion scheduled for expenditure is broken down by source, including revenues both within basic support and "outside" revenue deducted by the state before basic support is determined. This total represents \$5,739 for each student in the district, to be spent from the general fund without restriction as to program or function.⁴³ Note that the basic support amount of \$5,025 that was allocated for CCSD by the 2009 Legislature is within the general fund and constitutes a significant portion thereof.⁴⁴

CCSD's special education fund is supported by state appropriations restricted only to those programs, but not paid on a per-student basis, transfers from the District's general fund representing regular per-student basic support received for those

⁴⁰ Note: Restrictions include federal and state laws, voter approvals, and bond covenants. In the 2009 Regular Session and the 26th Special Session, the Legislature changed state law with respect to CCSD's non-voter approved capital improvement funds, deeming \$45 million in such funds as "local funds available", thereby reducing state appropriations by the same amount. See AB 563, 2009 Regular Session; and AB 6, 26th Special Session.

⁴¹ Digest of Educational Statistics, National Center for Education Statistics, Total and Current Expenditures per pupil in Fall Enrollment in Public Elementary and Secondary Education, by Function and State or Jurisdiction, 2006-07. http://nces.ed.gov/programs/digest/d09/tables/dt09_183.asp

⁴² Digest of Educational Statistics 2009, National Center for Educational Statistics, tables 183, 184, and 185. <http://nces.ed.gov/programs/digest/d09/tables>.

⁴³ Note: CCSD's total general fund and special education budget is \$2.2 billion including ending balance and excluding transfers between these two funds. Also see Appendix 2.

⁴⁴ Note: State basic support for CCSD was later reduced to \$4,962 at the 2010 Special Session of the Legislature.

Education Briefing Series

students, and other general fund money needed to meet the higher costs associated with this student population. This combination yields a much higher expenditure per student for special education classes, \$10,686, than for other students whose costs are paid exclusively through the general fund at \$5,739 each. In addition to the \$10,686 in state-authorized monies, federal special education grants in the CCSD's federal projects fund are estimated to provide \$1,488 per student, for a grand total of \$12,174 per special education student. If there were no restrictions on special education money, and all students were provided the same financial support, the combination of general and special education fund expenditures would be \$6,873 per student district-wide; but, again, such commingling of funds is not permitted.

Also note, where a funding source is associated with a particular student population, the column in Appendix 10 entitled "Revenue per Student as Restricted" estimates the amount above the district-wide average for all students available only for that population. For example, federal special education dollars add another \$1,488 for each student with an eligible disability, and federal Title 1 grants add another \$520 per student for those eligible by virtue of economic disadvantage, early grade class-size reduction adds \$1,493 per student in grades 1-3, and full day kindergarten adds \$2,553 per student for a limited number of kindergarten students. These estimates will vary slightly depending on when they are calculated and whether enrollment is weighted at 0.6 FTE per kindergarten student as required for DSA apportionment.

The remainder of Appendix 10 reflects amounts scheduled for expenditure in other funds, hypothetically illustrating dollars per-student as if no restrictions were imposed on these funds by any authority including the federal or state government, other donors, bondholders, or voters; and as if all these revenue streams would continue undiminished in the absence of their prescribed purposes – two circumstances which will likely never occur. Although the grand total is \$12,307 per student, this amount must be viewed in the context that only \$5,739 is available to educate those students who are not the intended beneficiaries of some special program.

While some may be tempted to compare CCSD's total funding per student to tuition levels for private schools, any comparisons should take into account whether such institutions accept significant numbers students with disabilities, economic disadvantages, language differences, or other characteristics associated with learning challenges; and if such non-public institutions are subject to the same constraints as are public schools in allocating their funding.

CONCLUSION

Nevada's system of funding schools is highly centralized, effectively commingling the finances of school districts with those of the state. Reliance on prior year financial statements perpetuates past cost patterns in forward years. The Nevada Plan includes no factors for economic disadvantage or English proficiency, and no incentives for student achievement or developing alternative school governance structures. Arguably, such decisions are the purview of local boards. However,

Education Briefing Series

because the Legislature exercises stewardship over school finances, directs K-12 revenue according to historical patterns, retains sole authority to modify tax rates for school operations, reverts surplus K-12 appropriations to the state general fund, and submits all school district general revenue subject to collective bargaining, local options are limited. While the state's practices should not be seen as the fundamental cause of Nevada's challenges in student achievement; the fact the Nevada Plan is the embodiment of the status quo should not be overlooked if school financing is considered among other issues in attempts to enhance Nevada's school system.

METHODOLOGY

The majority of this analysis is based on the K-12 budget enacted by the 2009 Nevada Legislature, which closely coincided with the filing of FY 2009-10 school districts budgets, at the last point in time when the state and its local school jurisdictions simultaneously compiled the details of their fiscal relationship. The same level of documentation does not yet exist for the basic support amounts as reduced in the 2010 Special Session. Unless otherwise stated, this relationship is described in context of the school district's general fund and special education fund, as these funds reflect the operation of the Nevada Plan at the local level.

APPLICABILITY OF FINDINGS AND LIMITATIONS OF DATA

This analysis provides estimates of outcomes as of the conclusion of the 2009 Legislature. Findings of other studies made at other times may vary. As with any analysis, there are limitations that must be considered when drawing conclusions from the data utilized, including without limitation the fact that information contained in this report is subject to change due to timing of reporting and future events.

Estimates for prior biennia are based on enrollments and basic support figures documented at the time in legislative and other publications, which may vary slightly from figures published elsewhere, but not to a degree which would change our observations. Proportions of school sales and property taxes attributable to counties for estimating revenue transfer among districts under the Nevada Plan were derived from FY 2007-08 data, the last complete fiscal year for which audits were available when the 2009 Legislature adjourned. Information used in generating these estimates was obtained from sources believed to be reliable. Although we have no reason to doubt the accuracy of this information, it was not audited by Applied Analysis. Therefore, we make no representations as to its completeness.

Education
**Briefing
Series**

APPENDICES

Appendix 1

How Nevada Funds K-12 Education

Based on FY 2009-10 State Basic Support Established by 2009 Legislature¹

Step	Calculation	Remarks
1	Estimate School District Payroll Cost \$ 2,609,340,302	
2	Estimate School District O&M Cost \$ 400,604,183	
3	Estimate School District Equipment Cost \$ 17,432,277	
4	Estimate Accounting Adjustments \$ 48,201,584	
5	Estimate School District Ending Balances \$ 249,763,067	
6	Establish Statewide K-12 Target Budget As The Sum of Above \$ 3,325,341,413	The Legislature bases the aggregate K-12 budget for all districts based on audited financial statements from the prior year, adjusted by specific parameters adopted by a joint subcommittee of Senate Finance and Assembly Ways and Means.
		This is the statewide total K-12 general operations and special education budget in which basic support per student and state special education funding are determined. State class-size reduction funding is added to the Distributive School Account (DSA) later in the process. Federal money may not be included in this calculation under federal law. Also not included is capital money raised locally which cannot be applied to operations.
7	Deduct \$.50 (2/3) Property Tax \$ (506,393,209)	
8	Deduct Government Services Tax \$ (81,402,633)	
9	Deduct Other General Revenue \$ (107,377,524)	
10	Deduct Opening Balance \$ (251,791,688)	
11	Deduct Special Education Unit Funding ² \$ (121,252,632)	
12	Deduct Other Separate Programs ³ \$ (21,930,096)	
13	Equals Amount Funded Per-Student Basis \$ 2,235,193,631	From the aggregate K-12 target budget, the Legislature deducts the expected yield of certain revenues, which are earmarked by the state for K-12. This reduction to state financial responsibility takes place before state basic support per student is determined. Although the revenues in this section are called "outside the formula", in fact, the state captures these revenues by estimation and reduces state funding by the same amount.
14	Divide by Estimated Weighted Enrollment of 425,648	
15	Equals State-Wide Weight Average Per Student \$ 5,251	This is the statewide weighted amount in AB 563, 2009 Session,
16	Deduct Local School Support Sales Tax \$ (905,809,371)	
17	Deduct \$.25 (1/3) Property Tax \$ (253,196,604)	
18	Deduct CCSD Transfer of Capital Funds \$ (10,000,000)	
19	Deduct Clark County Redevelopment Funds \$ (6,000,000)	
20	Equals Amount Provided by State for Per-Student Payments \$ 1,060,187,656	These revenues are also deducted from state support, but after basic support per student is determined in Step 15 above. The property tax deduction is bifurcated, with 2/3 being deducted before per student support is determined, and 1/3 afterward. This bifurcation originated in 1983, when the rate was increased from \$.50 to \$.75, with the increase placed "inside the formula".
21	Deduct Non-General Fund Money Available in Distributive School Account ⁴ \$ (158,732,161)	
22	Equals amount of General Fund Money Necessary Before Other Programs not Funded Per Student \$ 901,455,495	The Distributive School Account (DSA) is the major budget from which the state disburses financial support to school districts. To determine how much state general fund money is needed in the DSA, the Legislature first estimates the level of non-general fund revenue available. The largest source is LSST paid by retailers with no Nevada location. Other sources are footnoted.
23	Add Class-Size Reduction \$ 142,682,929	
24	Add Special Education \$ 121,415,203	
25	Add Adult Diploma \$ 21,170,456	
26	Add Professional Development \$ 7,897,804	
27	Add Early Childhood \$ 3,338,875	
28	Add At Risk Kindergarten \$ 1,580,391	
29	Add Other Programs Not Per-Student \$ 1,628,438	
30	Equals Total FY 2009-10 State General Fund Appropriation to Distributive School Account⁵ \$ 1,201,169,591	In addition to being the budget from which per student payments are made to districts, the DSA also included state funding for specific targeted programs which are not funded on a per student basis. State general fund appropriation in Section 4 of AB 563 2009 Session.

¹ Source: 2009 legislative work papers for Distributive School Account. File name DSA_2009-11 Leg App'd 5-20 DSDASUMM. All figures are before budget reductions to reflect systemic features of determination of state support in a regular legislative session.

² Special education unit funding is not included in basic support.

³ Adult diploma, Lyon County transportation, and school lunch match are not included in basic support.

⁴ LSST from out-of-state sales, mineral leases, earmarked slot taxes, and other non-general fund money.

⁵ Before budget reductions.

Appendix 2
Clark County School District Budget by Function
 FY 2009-10 Budget Filed July 10, 2009 Including All Funds

Function	General Fund	Special Education Fund	Subtotal General Fund and Special Education Funds	Percentage	Federal Projects Fund	Other Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Food Service Fund	Internal Service Fund	Total Expenditures All Funds	Percentage
				Allocated General and Special Education Funds								Allocated All Funds
Instruction	\$ 1,039,218,201	\$ 298,965,264	\$ 1,338,183,465	64.2%	\$ 110,945,000	\$ 156,320,000	\$ 18,050,000				\$ 1,623,498,465	43.5%
Student Support	\$ 78,166,952		\$ 78,166,952	3.8%	\$ 2,800,000	\$ 147,000					\$ 81,113,952	2.2%
Instructional Staff Support	\$ 39,364,985		\$ 39,364,985	1.9%	\$ 15,200,000	\$ 13,075,000					\$ 67,639,985	1.8%
General Administration	\$ 18,649,918		\$ 18,649,918	0.9%	\$ 15,500,000	\$ 320,000					\$ 34,469,918	0.9%
School Administration	\$ 188,403,907		\$ 188,403,907	9.0%		\$ 193,000					\$ 188,596,907	5.1%
Central Services	\$ 56,046,556		\$ 56,046,556	2.7%	\$ 1,490,000	\$ 515,000	\$ 1,000,000			\$ 24,870,000	\$ 83,921,556	2.2%
Operation and Maintenance	\$ 267,385,636		\$ 267,385,636	12.8%	\$ 200,000	\$ 245,000	\$ 4,300,000				\$ 272,130,636	7.3%
Student Transportation	\$ 52,358,845	\$ 44,764,736	\$ 97,123,581	4.7%	\$ 3,750,000	\$ 625,000	\$ 15,000,000				\$ 116,498,581	3.1%
Other Support				N/A	\$ 2,260,000	\$ 255,000			\$ 82,980,000		\$ 85,495,000	2.3%
Contingency				N/A								0.0%
Site Improvements/Facilities/Construction	\$ 500,000		\$ 500,000	0.0%			\$ 519,990,000				\$ 520,490,000	13.9%
Debt Service				N/A			\$ 7,710,000	\$ 649,715,000			\$ 657,425,000	17.6%
Total Expenditures	\$ 1,740,095,000	\$ 343,730,000	\$ 2,083,825,000	100.0%	\$ 152,145,000	\$ 171,695,000	\$ 566,050,000	\$ 649,715,000	\$ 82,980,000	\$ 24,870,000	\$ 3,731,280,000	100.0%
Total Transfers to Other Funds (Internal)												
Transfers to Other Funds (Internal)												
Transfer to General Fund					\$ 6,497,000	\$ 10,000,000					\$ 16,497,000	
Transfer to Special Education	\$ 272,210,000		\$ 272,210,000								\$ 272,210,000	
Transfer to Special Revenue	\$ 4,380,000		\$ 4,380,000								\$ 4,380,000	
Transfer to Debt Service							\$ 95,415,000				\$ 95,415,000	
Total Transfers to Other Funds	\$ 276,590,000	\$ -	\$ 276,590,000		\$ -	\$ 6,497,000	\$ 105,415,000	\$ -	\$ -	\$ -	\$ 388,502,000	
Ending Balance	\$ 102,000,000	\$ -	\$ 102,000,000		\$ 781,531	\$ 867,996	\$ 545,669,235	\$ 445,841,715	\$ 12,581,157	\$ 24,443,723	\$ 1,234,185,357	
Expenses, Transfers Out, and Balances	\$ 2,118,685,000	\$ 343,730,000	\$ 2,462,415,000		\$ 152,926,531	\$ 179,059,996	\$ 1,217,134,235	\$ 1,095,556,715	\$ 95,561,157	\$ 49,313,723	\$ 5,251,967,357	
Reconciliation of Interfund Transfers												
Transfer from General Fund		\$ 272,210,000	\$ 272,210,000					\$ 95,415,000			\$ 372,005,000	
Transfer from Special Revenue	\$ 6,497,000		\$ 6,497,000			\$ 4,380,000					\$ 6,497,000	
Transfer from Capital Projects ¹	\$ 10,000,000		\$ 10,000,000								\$ 10,000,000	
Total Transfers from Other Funds	\$ 16,497,000	\$ 272,210,000	\$ 288,707,000		\$ -	\$ -	\$ 4,380,000	\$ -	\$ 95,415,000	\$ -	\$ 388,502,000	

Source: Clark County School District FY 2009-10 Amended Final Budget.

¹ Note: Budget Form 22-Sch also shows \$500,000 transfer to Food Service from capital projects, but corresponding transfer out is not separately recorded in capital projects.

Appendix 3

School District Budgets for General Fund and Special Education Fund Revenue, Expenditures, and Uses

FY 2009-10 as Estimated Based on Action by 2009 Legislature vs. Actually Filed by Nevada School Districts¹

Revenue	FY 2009-10 K-12 Budgets Estimated Based on 2009 Legislative Action General and Special Education Funds		FY 2009-10 K-12 Budgets Filed by School Districts General and Special Education Funds	
Calculation of State Basic Support Payments				
Basic Support per Student ²	\$	5,251	\$	5,258
Weighed Enrollment		425,648		426,506.0
Enrollment Adjustments		-		693.2
Total Regular Basic Support ³	\$	2,235,193,631	\$	2,246,043,218
Special Education	\$	121,252,632	\$	120,553,206
Adult Diploma	\$	21,170,456		
Transportation Reimbursement	\$	170,908	\$	170,000
School Lunch Match	\$	588,732		
Non-Traditional Students	\$	-	\$	63,023
Other Adjustments	\$	-	\$	(9,380,484)
Equals Total State Guarantee		\$ 2,378,376,359		\$ 2,357,448,963
Minus Deductions				
Local School Support Tax	\$	905,809,371	\$	864,874,358
1/3 (\$.25) Property Tax	\$	253,196,604	\$	258,654,869
Clark County School District Capital Funds	\$	10,000,000		
Clark County Redevelopment	\$	6,000,000		
Charter School Net Adjustment		-	\$	7,845,070
Eureka Tax Adjustment		-	\$	(3,394,444)
Equals State Basic Support Payments		\$ 1,203,370,384		\$ 1,229,469,110
Other Revenue and Resources				
1/3 (\$.25) Property Tax	\$	253,196,604	\$	258,654,869
2/3 (\$.50) Property Tax	\$	506,393,209	\$	517,309,738
Local School Support Tax	\$	905,809,371	\$	864,874,358
Government Services Tax	\$	81,402,633	\$	81,836,475
Franchise Tax	\$	4,113,359	\$	2,751,800
Other Local Revenue	\$	94,520,861	\$	41,593,199
Federal Impact, Forest, Fish & Wildlife	\$	7,863,361	\$	6,986,541
Encumbrances, Inventories, other Adjustments ⁴	\$	16,000,000	\$	112,797,692
Non-Basic State Support	\$	879,943	\$	1,155,294
Opening Balances	\$	251,791,688	\$	144,970,449
Total Other Revenues and Resources		\$ 2,121,971,029		\$ 2,032,930,415
Equals Total Estimated State-Authorized Funding for General Operations and Special Education		\$ 3,325,341,413		\$ 3,262,399,525

¹ Source: 2009 legislative work papers for Distributive School Account file name DSA_2009-11 Leg App.'s 5-20 DSDASUMM. Also See 2009 NRS 387 Reports by Nevada Department of Education. Estimate by Applied Analysis based on inclusion of all special education funds and exclusion of all other earmarked funds.

² Difference between legislatively established basic support per student and average as filed by districts is due to shift of distribution of students among districts with higher basic support, thereby increasing the weighted average slightly.

³ Totals may not add due to rounding.

⁴ Includes reconciling item for net transfers in legislative budget. Estimate by Applied Analysis.

Appendix 3 (continued)

School District Budgets for General Fund and Special Education Fund Revenue, Expenditures, and Uses¹

FY 2009-10 as Estimated by the 2009 Legislature and as Actually Filed by Nevada School Districts

Expenditures and Other Uses	FY 2009-10 K-12 Budgets Estimated Based on 2009		FY 2009-10 K-12 Budgets Filed by School Districts	
	Legislative Action	General and Special Education Funds	General	and Special Education Funds
Salaries and Benefits				
Regular Salary	\$	1,813,834,741	\$	1,865,222,757
Substitute Salary	\$	39,306,246	\$	36,650,029
Extra Duty Pay	\$	25,416,599	\$	20,077,128
Total Salaries	\$	1,878,557,586	\$	1,921,949,914
Benefits				
Retirement	\$	387,981,279	\$	387,312,947
Worker's Compensation	\$	14,085,077	\$	13,619,408
Unemployment Compensation	\$	1,499,168	\$	2,333,513
Medicare	\$	24,848,431	\$	26,318,516
Health Insurance	\$	255,724,363	\$	278,928,557
Retiree Health Insurance	\$	36,645,582	\$	17,345,670
Other	\$	9,998,816	\$	9,552,952
Total Benefits	\$	730,782,716	\$	735,411,563
Total Salaries and Benefits		\$ 2,609,340,302		\$ 2,657,361,477
Operations				
Heat	\$	15,147,689	\$	12,974,166
Electricity	\$	72,409,307	\$	72,614,149
Student transportation	\$	25,014,207	\$	18,566,303
Textbooks	\$	28,420,804	\$	43,531,403
Library	\$	2,389,288	\$	2,749,513
Maintenance and Repair	\$	37,797,695	\$	28,971,274
Professional Services	\$	60,276,021	\$	49,409,762
Charter School Fees	\$	-	\$	3,286,582
Water/Sewer/Garbage	\$	26,434,884	\$	28,378,834
Liability Insurance	\$	14,869,666	\$	6,180,503
Property/Other Insurance	\$	2,110,090	\$	1,587,766
Postage/Communications	\$	9,132,685	\$	15,337,424
Printing/Binding	\$	4,744,863	\$	3,740,277
Instructional Supplies	\$	50,790,482	\$	33,172,001
Advertising/Marketing	\$	-	\$	446,656
Instructional Software	\$	4,542,022	\$	8,527,116
other Supplies	\$	17,719,581	\$	12,748,399
Other Fuel	\$	3,147,423	\$	3,183,864
Travel	\$	5,086,485	\$	4,005,830
Other	\$	12,417,407	\$	19,018,794
Facility Lease/Rental	\$	7,564,852	\$	8,484,044
School Lunch Match	\$	588,732	\$	-
Total Operations		\$ 400,604,183		\$ 376,914,660
Equipment				
Student Transportation	\$	5,255,992	\$	1,301,764
Student Transportation Lease	\$	1,995,000		
Instructional Equipment	\$	3,053,548	\$	5,104,380
Instructional Equipment Lease	\$	-	\$	5,300
Computer Hardware	\$	1,020,155	\$	8,530,691
Computer Hardware Lease	\$	-	\$	50,000
All Other	\$	5,809,066	\$	5,798,963
All Other Lease	\$	298,516	\$	78,840
Total Equipment		\$ 17,432,277		\$ 20,869,938
Adjustments				
Legal Mandates				
Net Transfers General to Special Education	\$	23,415,652	\$	1,995
Other Net Transfers	\$	21,170,456	\$	26,433,394
Transfers to Sponsored Charters	\$	-	\$	79,395
Transfer Adjusting for Eureka Tax Receipts	\$	-	\$	3,394,444
Reserve For Inventory	\$	-	\$	5,307,762
Reserve for Prepaid	\$	-	\$	(196,168)
Reserve for Encumbrances/Obligations	\$	-	\$	79,304,753
NRS Accounting Conversion	\$	3,615,476	\$	-
Total Adjustments		\$ 48,201,584		\$ 114,325,575
Balances				
Contingency	\$	-	\$	4,334,918
Ending Balances	\$	249,763,067	\$	88,592,947
Total Balances		\$ 249,763,067		\$ 92,927,865
Expenditures, Balances, Other Uses		\$ 3,325,341,413		\$ 3,262,399,515
Percentage Variation - Gross				-1.9%
Percentage Variation - Net of Adjustments and Balances				0.9%
		\$ 3,027,376,762		\$ 3,055,146,075

Appendix 4
Distributive School Account (DSA) Revenue Redistribution

Part 1. Estimated Impact Due to Basic Support Per Student FY 2010

Cost and Revenue Factors Determining Basic Support Per Student

School District	FY 2010 Est. Enrollment	AB 563 FY 2010 Est. Basic Support	FY 2010 Total Basic Support	FY 2010 Basic Support If Level	Difference Transfer In or Out (-)
Carson City	8,069.2 \$	6,228 \$	50,254,978 \$	42,371,369 \$	7,883,608
Churchill	4,218.6 \$	6,201 \$	26,159,539 \$	22,151,869 \$	4,007,670
Clark	309,936 \$	5,025 \$	1,557,427,395 \$	1,627,472,886 \$	(70,045,491)
Douglas	6,320.6 \$	5,333 \$	33,707,760 \$	33,189,471 \$	518,289
Elko	9,418.6 \$	6,815 \$	64,187,759 \$	49,457,069 \$	14,730,690
Esmeralda	66.6 \$	17,039 \$	1,134,797 \$	349,717 \$	785,081
Eureka	242.4 \$	100 \$	24,240 \$	1,272,842 \$	(1,248,602)
Humboldt	3,223.2 \$	6,402 \$	20,634,926 \$	16,925,023 \$	3,709,903
Lander	1,109.6 \$	6,261 \$	6,947,206 \$	5,826,510 \$	1,120,696
Lincoln	979.4 \$	9,866 \$	9,662,760 \$	5,142,829 \$	4,519,931
Lyon	8,766.0 \$	6,673 \$	58,495,518 \$	46,030,266 \$	12,465,252
Mineral	548.8 \$	8,656 \$	4,750,413 \$	2,881,749 \$	1,868,664
Nye	6,241.4 \$	6,582 \$	41,080,895 \$	32,773,591 \$	8,307,303
Pershing	687.8 \$	8,368 \$	5,755,510 \$	3,611,638 \$	2,143,873
Storey	430.0 \$	6,567 \$	2,823,810 \$	2,257,930 \$	565,880
Washoe	63,994.8 \$	5,350 \$	342,372,180 \$	336,036,695 \$	6,335,485
White Pine	1,395.6 \$	7,111 \$	9,924,112 \$	7,328,296 \$	2,595,816
Total	425,648.4 \$	5,251 \$	2,235,343,797 \$	2,235,079,748 \$	264,049

Part 2. Estimated Impact Due to Local School Support Tax and 25 Cent Property Tax Levy FY 2010

Sales and Property Tax Factors "Inside" Nevada Plan Formula

	FY 2009 Taxable Sales	FY 2010 Est. K-12 1/3 (25 Cent) Levy	FY 2010 Est. K-12 Sales Tax	FY 2010 Est. K-12 Rev. "Inside" Formula	FY 2010 Est. Statewide K-12 "Inside" Rev. P/P	FY 2010 Est. Statewide K-12 Difference P/P	FY 2010 Est. Statewide K-12 Payment Gain/Loss
Carson City	\$ 919,266,455	\$ 3,450,977	\$ 17,276,652	\$ 20,727,629	\$ 2,569	\$ 154	\$ 1,244,147
Churchill	\$ 294,410,639	\$ 1,686,275	\$ 5,533,140	\$ 7,219,415	\$ 1,711	\$ 1,012	\$ 4,267,490
Clark	\$ 35,930,373,796	\$ 184,582,622	\$ 675,273,799	\$ 859,856,421	\$ 2,774	\$ (51)	\$ (15,926,445)
Douglas	\$ 691,609,263	\$ 6,558,003	\$ 12,998,073	\$ 19,556,076	\$ 3,094	\$ (371)	\$ (2,345,596)
Elko	\$ 1,148,378,661	\$ 3,237,883	\$ 21,582,576	\$ 24,820,459	\$ 2,635	\$ 88	\$ 825,623
Esmeralda	\$ 12,644,732	\$ 140,890	\$ 237,645	\$ 378,534	\$ 5,684	\$ (2,961)	\$ (197,188)
Eureka	\$ 328,505,567	\$ 4,814,697	\$ 6,173,919	\$ 10,988,616	\$ 45,333	\$ (42,610)	\$ (10,328,580)
Humboldt	\$ 508,712,673	\$ 2,111,005	\$ 9,560,723	\$ 11,671,728	\$ 3,621	\$ (898)	\$ (2,895,217)
Lander	\$ 228,213,607	\$ 1,099,444	\$ 4,289,036	\$ 5,388,480	\$ 4,856	\$ (2,133)	\$ (2,367,129)
Lincoln	\$ 26,967,548	\$ 438,715	\$ 506,827	\$ 945,542	\$ 965	\$ 1,757	\$ 1,721,285
Lyon	\$ 385,591,313	\$ 3,524,319	\$ 7,246,785	\$ 10,771,105	\$ 1,229	\$ 1,494	\$ 13,098,000
Mineral	\$ 38,842,978	\$ 229,597	\$ 730,013	\$ 959,610	\$ 1,749	\$ 974	\$ 534,728
Nye	\$ 473,290,729	\$ 4,138,118	\$ 8,895,004	\$ 13,033,122	\$ 2,088	\$ 635	\$ 3,961,702
Pershing	\$ 67,278,641	\$ 537,600	\$ 1,264,432	\$ 1,802,032	\$ 2,620	\$ 103	\$ 70,791
Storey	\$ 121,243,768	\$ 1,245,012	\$ 2,278,650	\$ 3,523,662	\$ 8,195	\$ (5,472)	\$ (2,352,807)
Washoe	\$ 6,823,700,706	\$ 34,247,235	\$ 128,244,318	\$ 162,491,554	\$ 2,539	\$ 184	\$ 11,761,082
White Pine	\$ 197,817,869	\$ 1,154,211	\$ 3,717,780	\$ 4,871,991	\$ 3,491	\$ (768)	\$ (1,071,886)
Total	\$ 48,196,848,945	\$ 253,196,604	\$ 905,809,371	\$ 1,159,005,975	\$ 2,723	\$ -	\$ -

Sources: Distribution of 1/3 (\$0.25) school property tax levy based on Nevada Department of Education wealth factor determination as of May 2009 prorated to Legislative worksheet estimates. Enrollment estimates for FY 2010 by district from Nevada Department of Education. Basic support per student from AB 567, 2009 Nevada Legislature. Taxable sales 2009 from Nevada Department of Taxation.

Notes: Totals may not add exactly due to rounding. Estimated K-12 statewide difference per pupil represents difference between individual district amount and statewide weighted average. Eureka school district

Appendix 5

History of Net Reversions to State General Fund and Estimated Historical Effect of Legislative Reductions to Basic Support Per Student

Biennium	Reverted from Distributive School Account to State General Fund ¹	Supplemental Appropriations	Cumulative Gain/(Loss) for State From Reversions	Rescissions of Per-Student "Guarantee" ²	Cumulative Gain/(Loss) for State From Rescissions	Cumulative Effect Reversions and Rescissions of "Guarantee"
1979-1981	\$ 11,406,057	\$	\$ 11,406,057	\$	\$ -	\$ 11,406,057
1981-1983	\$ 2,540,364	\$ 11,744,780	\$ 2,201,641	\$ 5,139,330	\$ 5,139,330	\$ 7,340,971
1983-1985	\$ 17,310,521	\$	\$ 19,512,162	\$	\$ 5,139,330	\$ 24,651,492
1985-1987	\$ 2,693,922	\$ 15,873,766	\$ 6,332,318	\$	\$ 5,139,330	\$ 11,471,648
1987-1989	\$ 27,531,544	\$	\$ 33,863,862	\$	\$ 5,139,330	\$ 39,003,192
1989-1991	\$	\$ 11,156,824	\$ 22,707,038	\$	\$ 5,139,330	\$ 27,846,368
1991-1993	\$ 25,920,776	\$ 51,035,894	\$ (2,408,080)	\$ 18,100,000	\$ 23,239,330	\$ 20,831,250
1993-1995	\$ 139,427,148	\$	\$ 137,019,068	\$	\$ 23,239,330	\$ 160,258,398
1995-1997	\$ 76,191,035	\$	\$ 213,210,103	\$	\$ 23,239,330	\$ 236,449,433
1997-1999	\$ 7,612,294	\$ 17,900,000	\$ 202,922,397	\$	\$ 23,239,330	\$ 226,161,727
1999-2001	\$ 23,921,358	\$ 74,902,899	\$ 151,940,856	\$	\$ 23,239,330	\$ 175,180,186
2001-2003	\$ 14,358,325	\$	\$ 166,299,181	\$	\$ 23,239,330	\$ 189,538,511
2003-2005	\$ 175,822,595	\$	\$ 342,121,776	\$	\$ 23,239,330	\$ 365,361,106
2005-2007	\$ 163,753,342	\$	\$ 505,875,118	\$	\$ 23,239,330	\$ 529,114,448
2007-2009	\$ -	\$ 323,802,183	\$ 182,072,935	\$ 46,679,116	\$ 69,918,446	\$ 251,991,381
2009-2011	\$ -	\$ -	\$ 182,072,935	\$ 112,693,361	\$ 182,611,807	\$ 364,684,742
Estimated Cumulative Effect - Reversions and Rescissions	\$ 688,489,281	\$ 506,416,346	\$ 182,072,935	\$ 182,611,807	\$ 182,611,807	\$ 364,684,742

¹ Source: Nevada Department of Education through 2003-2005 biennium. State Controller's Budget Status Report for the 2007-09 biennium.

² Source: Estimated as follows from Legislative Appropriations Reports. For 1981-1983, reduction in basic support multiplied by enrollment; for 1991-1993, as stated in report narrative. For 2007-2009, the sum of reductions based on SB 5 of the 24th Special Session (2008) and on AB 6 of the 26th Special Session (2010) multiplied by enrollment estimated by Nevada Department of Education.

Appendix 6
Clark County School District Teacher Ratios and Other Parameters
As Budgeted and as Adjusted for Teacher Preparation Period

As Budgeted

Grade or Program	Basic Ratios	FTE Teachers
Kindergarten	52:1	
Grade 1-2	16:1	
Grade 3	19:1	
Grade 4-5	30:1	
Grade 6-12	32:1	
Subtotal FTE Teachers		11,562.1
Program		
Special Education		2,575.0
Class Size Reduction		283.3
Rural Schools/Rounding		108.0
Middle School Music		100.0
Language Learners		160.0
Computer Strategists		220.0
Special Assignment		55.5
Total Teachers		15,063.8

As Adjusted for Teacher Preparation Period

	Teachers¹	Enrollment²	Ratio
Total Teachers	15,063.84	303,182.0	20.1
Less:			
Special Education	2,575.00		
Class Size Reduction	283.25		
Rural Schools/Rounding	108.00		
Middle School Music	100.00		
Language Learners	160.00		
Computer Strategists	220.00		
Special Assignment	55.50		
Net Ratio	11,562.09	303,182.0	26.2
Prep Period Equivalent³	3,012.77		
Net Teachers and Ratio	8,549.32	303,182.0	35.5

Source: Clark County School District Budget and Statistical Report Fiscal Year 2009-10.

¹ Teachers are those budgeted with district general funds. Other teaching positions are paid with federal money or earmarked state appropriations, and also affect ratios.

² Enrollment is weighted for half-day kindergarten attendance. Nevada weighted enrollment is not typically used in national comparisons. CCSD unweighted enrollment for FY 2010 was budgeted at 313,688.

³ Prep-period equivalent illustrates the effect of allocating the time equivalent of one out of six instructional periods to teacher preparation outside the classroom. Class schedule options and "sale" of preparatory time by teachers will cause variations in this effect. However, the materiality of this teacher contract provision is substantial.

Appendix 7

Other School Staffing Ratios and Parameters ¹
Clark County School District FY 2009-10

Position Classification	Allocation	Enrollment or Other Parameter
Licensed Educational Staff		
Principals	1 FTE	Per School with 8 or more teachers
Assistant Principals		
Elementary School	1 FTE	Per School Over 500
Elementary School	1 FTE	Per Prime 6 school
Middle School	1 FTE	Per school over 600
Middle School	2 FTE	Per school over 1,500
Sr. High School	1 FTE	Per rural school
Sr. High School	2 FTE	Per school over 1,300
Sr. High School	3 FTE	Per school over 1,800
Sr. High School	4 FTE	Per school over 2,900
Deans		
Middle School	1 FTE	All schools
Middle School	2 FTE	Per school over 1,300
Sr. High School	1 FTE	All schools
Sr. High School	2 FTE	Schools over 1.300
Sr. High School	3 FTE	Schools over 2,800
Counselors		
Elementary School	1 FTE	Schools over 500 ²
Middle School	1 FTE	Per 500 or major fraction thereof
Sr. High School	1 FTE	Per 500 or major fraction thereof
Library Services ³		
Elementary School	1 FTE	Per school over 400
Middle School	1 FTE	Per school
Sr. High School	1 FTE	Per school
Homebound Instruction		
Teachers	1 FTE	Per 18, 450 students district wide
Psychologists	1 FTE	Per 1,875 students district wide
Nurses	1 FTE	Per 1,875 students district wide
Speech Pathologists	Ratio	Ratio of actual caseload to handicapped enrollment
Magnet Schools	Various	Varies with individual school program
Non-Licensed School Staff		
Office Clerical	Enrollment	Allocations of clerical staff in form of hours per day and months per school year based on enrollment
Aides, Custodians, Grounds, Food Service, Security, Building Engineer, and	Enrollment	Allocations of other staff in form of hours per day and months per school year based on enrollment
Others ¹		

¹ Staffing patterns shown are for positions under the supervision of the school principal and the instructional support component of district administration. Other positions engaged in major building maintenance or school policing are deployed by district facilities division and school police department.

² Not fully funded.

³ Certified librarian full-time equivalent shown. Additional library aide hours allotted based on enrollment.

Appendix 8
Clark County School District General, Special Education, and Class-Size Reduction Funds
FY 2009-10 Condensed Budget Format¹

	General and Special Education Funds		Class Size Reduction Fund		Combined Funds		
	FTE Positions	Dollars	FTE Positions	Dollars	FTE Positions	Dollars	Percent of Total
Salaries							
Instructional							
Licensed Teachers	12,382.8	\$ 608,244,674	1639.8	\$ 80,240,000	14,022.6	\$ 688,484,674	29.9%
Licensed Special Ed.	2,941.5	\$ 155,079,563			2,941.5	\$ 155,079,563	6.7%
Licensed Substitutes		\$ 26,419,409			0.0	\$ 26,419,409	1.1%
Non-Licensed Instructional	1,522.8	\$ 45,489,701			1,522.8	\$ 45,489,701	2.0%
Non-Licensed Substitutes		\$ -					
Instructional Support							
Licensed	1,603.1	\$ 106,400,481			1,603.1	\$ 106,400,481	4.6%
Non-Licensed	581.5	\$ 25,230,217			581.5	\$ 25,230,217	1.1%
Administrative							
Licensed	997.3	\$ 88,939,229			997.3	\$ 88,939,229	3.9%
Non-Licensed	2,033.0	\$ 89,044,576			2,033.0	\$ 89,044,576	3.9%
Other							
Licensed/Non-Licensed	4,156.5	\$ 175,380,164			4,156.5	\$ 175,380,164	7.6%
Miscellaneous Salaries		\$ 53,658				\$ 53,658	0.0%
Extra-Duty Salaries		\$ 14,334,279				\$ 14,334,279	0.6%
Total FTE and Salaries	26,218.5	1,334,615,951.0	1,639.8		27,858.3	1,334,615,951	58.0%
Benefits		\$ 505,390,061		\$ 29,405,000		\$ 534,795,061	23.3%
Total Salaries and Benefits	26,218.5	1,840,006,012	1,639.8	109,645,000	27,858.3	1,949,651,012	84.8%
Operating Expenses							
Textbooks		\$ 31,183,571		\$ -		\$ 31,183,571	1.4%
Library Materials		\$ 2,035,409		\$ -		\$ 2,035,409	0.1%
Instructional Supplies		\$ 19,961,551		\$ -		\$ 19,961,551	0.9%
Instructional Software		\$ 1,321,819		\$ -		\$ 1,321,819	0.1%
Utilities		\$ 82,264,800		\$ -		\$ 82,264,800	3.6%
Student Transportation		\$ 7,897,503		\$ -		\$ 7,897,503	0.3%
Printing/Communications		\$ 13,016,030		\$ -		\$ 13,016,030	0.6%
Professional Services		\$ 35,145,339		\$ -		\$ 35,145,339	1.5%
Maintenance and Repair		\$ 16,014,840		\$ -		\$ 16,014,840	0.7%
Other Operating		\$ 20,481,352		\$ -		\$ 20,481,352	0.9%
Total Operating Expenses		\$ 229,322,214		\$ -		\$ 229,322,214	10.0%
Equipment							
Instructional Equipment		\$ 3,787,820		\$ -		\$ 3,787,820	0.2%
Computers		\$ 6,402,954		\$ -		\$ 6,402,954	0.3%
Other		\$ 4,306,000		\$ -		\$ 4,306,000	0.2%
Total Equipment		\$ 14,496,774		\$ -		\$ 14,496,774	0.6%
Adjustments							
Encumbrances, Obligations, Other		\$ 85,940,000		\$ -		\$ 85,940,000	3.7%
Ending Balance		\$ 20,440,000		\$ -		\$ 20,440,000	0.9%
Total Budget	26,218.5	2,190,205,000		109,645,000	27,858.3	2,299,850,000	100.0%
Percent of Budget Under School Supervision							2.8%

¹ Source: NRS 387.303 Report FY 2009, Nevada Department of Education. Note: FY 2009 report of actual expenditures also reflect FY 2010 budget. Note: combined general and special education budget shown here was compiled by the CCSD as of June 25, 2009, and varies slightly from the amended version filed July 10, 2009, but differences are immaterial for purposes of demonstrating percentage of budget comprising school supplies and instructional materials. This version is used here as the format more clearly shows line items typically associated with classroom supplies and equipment.

Appendix 9
FY 2009-10 Services and Supplies Funding Allocated to Existing Schools
Clark County School District

Classroom and Related Allocations per Student	Elementary Schools	Middle Schools	High Schools	District Total
Textbooks	\$ 82.81	\$ 88.19	\$ 92.62	
Plus New Students	\$ 66.32	\$ 90.37	\$ 121.25	
Instructional Supplies ¹	\$ 27.76	\$ 31.06	\$ 34.53	
Plus New Students	\$ 17.81	\$ 26.33	\$ 39.45	
Computer Supplies	\$ 1.00	\$ 2.25	\$ 4.38	
Printing	\$ 2.50	\$ 1.35	\$ 1.50	
Audio/Visual Supplies	\$ 0.38	\$ 1.75	\$ 2.25	
Technical Services	\$ -	\$ 0.45	\$ 1.10	
Equipment ²	\$ 5.71	\$ 10.67	\$ 14.18	
Field Trips	\$ 2.00	\$ -	\$ -	
Medical Supplies	\$ 0.39	\$ 0.39	\$ 3.90	
Library Materials ³	\$ 8.87	\$ 7.36	\$ 7.36	
Postage	\$ 1.58	\$ 4.69	\$ 6.17	
Custodial Supplies ⁴	\$ 7.74	\$ 6.98	\$ 7.53	
Total per Student	\$ 140.74	\$ 155.14	\$ 175.52	
Added for New Students	\$ 84.13	\$ 116.70	\$ 160.70	
Projected Full Enrollment ⁵	151,125	71,512	91,051	313,688
Weighted Average Allocation per Existing Student				\$ 154.12
Estimated Allocation School Allocations Based on Existing Students				\$ 48,344,520.45

High School Athletic Supplies - Allocations per School	Boys' Athletics	Girls' Athletics
Class AAAA	\$ 24,002	\$ 13,497
Class AAA	\$ 24,002	\$ 13,497
Class AA	\$ 22,424	\$ 9,947
Class A	\$ 16,001	\$ 4,834

Source: Clark County School District Budget and Statistical Report Fiscal Year 2009-10.

¹ Elementary schools with less than 500 enrolled may receive up to \$45.59 per student for instructional supplies. Middle schools and high schools with less than 700 enrolled may receive up to \$57.39 and \$73.59 per student, respectively, for instructional supplies. Existing special education classes receive \$631 per class of instructional supplies, and new special education classes receive \$1,048 per class. Additional supply funds are allocated up to \$1,679 for classes teaching visually impaired students.

² Schools receive \$19.50 per special education student enrolled. Small schools receive no less than \$1,455 in instructional equipment regardless of enrollment.

³ Small schools receive a minimum of \$1,878 for library materials regardless of enrollment.

⁴ In addition, middle schools receive a maximum of \$350, and high schools a maximum of \$650 for maintenance and repair of mobile sweepers and carts.

⁵ Elementary enrollment includes early childhood and special instructional programs.

Appendix 10
Summary of Revenues Scheduled for Expenditure - All Funds
Clark County School District FY 2009-10 Amended Final Budget
With Notes on Revenue Sources and Restrictions

Fund	Revenue Scheduled for Expenditure	Revenue per Student as Restricted	Revenue per Student as if District-wide	Notes
General Fund				
Distributive School Account incl. Special Education	\$ 743,005,000			Net of deductions for LSST and 25 cent tax.
Local School Support Sales Tax	\$ 647,275,000			Entire estimated proceeds of LSST.
25 Cent Property Tax	\$ 191,213,333			One-third of the yield of the 75 cent operating property tax.
Minus State Payments Only For Special Education ¹	\$ (77,348,760)			State special education "unit" funding allocated to Clark County. Includes gifted students.
Capital transfer, charter, non-traditional	\$ 19,344,977			
Subtotal State Basic Support Per Student ²	\$ 1,523,489,550		\$ 5,025	Amount determined by state under AB 563, 2009 Session. The amount most commonly discussed in Legislature.
Plus Other State Tax Levies and General Revenue	\$ 216,605,450		\$ 714	2/3 of the 75-cent property tax and other legislatively authorized general fund revenue not on per-student basis.
Total Budgeted Expenditures General Fund	\$ 1,740,095,000		\$ 5,739	\$5,739 is the per student amount including state and local money not restricted to specific purposes or specific student populations.
Special Education Fund				
Distributive School Account Special Education "Units"	\$ 71,520,000	\$ 2,223		State special education "unit" funding in separate special education fund. Available only for special education students.
Regular State Basic Support Special Education Students	\$ 161,639,175	\$ 5,025		State basic support for special education students transferred from general fund.
Plus Other Amount Transferred From General Fund	\$ 110,570,825	\$ 3,437		Non-state revenue earmarked for special education. Also transferred from general fund.
Total Budgeted Expenditures Special Education Fund	\$ 343,730,000	\$ 10,686	\$ 1,134	
Federal Projects Fund				
Federal Special Education	\$ 47,875,000	\$ 1,488		Federal allocation divided by estimated number of special education students. Not available for general district use.
Title I-A and Title I School Improvement	\$ 65,500,000	\$ 520		Federal allocation divided by estimated number of students in Title I schools. Not available for general school district use.
Other No Child Left Behind Federal Grants	\$ 15,600,000	N/A		Federal grant divided by total enrollment subject to testing and Annual Yearly Progress (AYP). Not available for general district use.
Other Federal Grants for Specific Purposes	\$ 23,170,000	N/A		Not identified with enrollment.
Total Budgeted Expenditures Federal Projects Fund	\$ 152,145,000	N/A	\$ 502	
Other Special Revenue Funds				
Class Size Reduction - Early Grades	\$ 109,245,000	\$ 1,493		State class-size reduction allocation divided by enrollment in grades K-3. Not available for general district use.
Adult Education	\$ 13,455,000	\$ 612		Not in regular enrollment. Adult Education reimbursed based on attendance. Not available for general district use.
Full Day Kindergarten	\$ 22,673,000	\$ 2,553		Restricted appropriation divided by number of students in program January 2009. Not available for general district use.
Teacher Bonus/Performance/Prof. Development	\$ 5,498,200	N/A		Not based on enrollment or eligible students. Not available for general district use.
Other District Special Revenue	\$ 20,823,800	N/A		PBS, professional development, technology, other programs. Not available for general district use.
Total Budgeted Expenditures Other Special Revenue	\$ 171,695,000	N/A	\$ 566	
Food Service Fund				
Federal Grants	\$ 54,200,000	N/A		Based on participation, not enrollment. Not available for general district use.
State Match	\$ 450,000	N/A		Appropriated by Legislature specifically to match federal Child Nutrition grants. Not available for general district use.
Food Service and Local Revenues	\$ 21,750,000	N/A		Proceeds from sale of meals. May not be applied to costs other than food service.
Interest and Miscellaneous	\$ 6,580,000	N/A		Pro-rated portion of interest on investments attributable to food services fund cash flow.
Total Budgeted Expenditures Food Service Fund	\$ 82,980,000	N/A	\$ 274	
Capital Projects Fund				
Real Estate Transfer Tax (RPTT) and Room Tax	\$ 102,000,000	N/A		Portion of Real Property Transfer Tax and room tax under NRS 375, 268, and 244 for capital projects. Not available for district general use.
Government Services Tax (GST)	\$ 26,650,000	N/A		Portion of Governmental Services Tax allocated in NRS 482.181 for school district debt service.
Interest	\$ 19,525,000	N/A		Pro-rated portion of interest on investments attributable to capital projects fund cash flow.
Other Local Revenue	\$ 450,000	N/A		Miscellaneous sources.
Prior Year Bond Proceeds and Other Revenue	\$ 417,425,000	N/A		Debt proceeds and other sources pledged under bond covenants and state law to capital projects.
Total Budgeted Expenditures Capital Projects	\$ 566,050,000	N/A	\$ 1,867	
Debt Service Fund				
Transfers from capital projects fund	\$ 95,415,000	N/A		Real property transfer taxes and room taxes transferred from capital projects fund as pledged revenues for bond payments.
Property taxes	\$ 423,250,000	N/A		Approved by voters under Clark County Question 2, 1998 General Election only for capital projects debt service.
Debt service fund balance from prior year	\$ 114,150,000	N/A		Drawdown of balance on hand from FY 2007-08.
Interest and other debt service fund revenue	\$ 16,900,000	N/A		Pro-rated portion of interest on investments attributable to debt service fund cash flow.
Total Budgeted Expenditures Debt Service Fund	\$ 649,715,000	N/A	\$ 2,143	
Internal Service Fund				
Graphic Production	\$ 4,000,000	N/A		Payments from other funds for internal production of printed material. Represents double counting of costs.
Insurance Premiums	\$ 10,145,000	N/A		Payments from other funds for self insurance and purchased coverage. Represents double counting of costs.
Other Revenue	\$ 405,000	N/A		Miscellaneous internal service revenue.
Interest	\$ 1,510,000	N/A		Pro-rated portion of interest on investments attributable to internal service fund cash flow.
Internal service fund balance from prior year	\$ 8,810,000	N/A		Drawdown of balance on hand from FY 2007-08. Represents double counting of prior year costs.
Total Internal Service	\$ 24,870,000	N/A	\$ 82	
Grand Total All Funds Scheduled for Expenditure ³	\$ 3,731,280,000	N/A	\$ 12,307	

¹ Includes \$4,931,232 for Gifted and Talented student programs. Remainder dedicated to students with disabilities.

² State basic support per student established by 2009 Legislature.

Clark County School District Teacher Salary Schedule ¹
Fiscal Year 2009-10

Regular Annual Salary for Standard 184-Day Contract ²

STEP	Class A		Class B		Class C		Class D		Class E		Class F		Class G	
	B.A.		B.A. + 16		B.A. + 32		M.A.		M.A. + 16		M.A. + 32		ASC	
1	\$	35,803	\$	36,954	\$	38,850	\$	40,738	\$	42,628	\$	45,018	\$	48,201
2	\$	36,548	\$	38,430	\$	40,321	\$	42,205	\$	44,100	\$	46,738	\$	49,920
3	\$	38,014	\$	39,905	\$	41,786	\$	43,676	\$	45,564	\$	48,459	\$	51,641
4	\$	39,485	\$	41,370	\$	43,255	\$	45,142	\$	47,026	\$	50,173	\$	53,355
5	\$	40,947	\$	42,836	\$	44,722	\$	46,611	\$	48,495	\$	51,895	\$	55,077
6			\$	44,307	\$	46,202	\$	48,076	\$	49,964	\$	53,614	\$	56,796
7					\$	47,658	\$	49,546	\$	51,433	\$	55,333	\$	58,516
8					\$	49,125	\$	51,012	\$	52,898	\$	57,053	\$	60,236
9					\$	50,594	\$	52,485	\$	54,366	\$	58,770	\$	61,953
10											\$	60,599	\$	63,781
11											\$	62,207	\$	65,389
12											\$	64,280	\$	67,463
13											\$	65,566	\$	68,748
14											\$	66,877	\$	70,060

Longevity Pay - Annual Stipend

Years of Service	Adjusted Hire Date	Longevity Stipend
10-15	6/94-9/99	\$ 500
16-20	6/89-5/94	\$ 550
21-25	6/84-5/89	\$ 800
26 or more	6/46-5/84	\$ 1,100

¹ "Class" describes educational attainment in terms of highest degree and credits earned beyond each degree. "ASC" denotes Advanced Studies Certification, indicating doctoral degree. "Step" indicates years of service with satisfactory evaluation.

² Teachers also serving as athletic coaches or advisors to student activity groups may qualify for extra duty pay from \$982 to \$3,263 annually. Assignments beyond 184 days are compensated at daily rate. Remote area pay is \$2,000 annually. Licensed occupational teachers and those holding special licensure in psychology, speech therapy, special education, and nursing receive \$220 in addition to base pay.