THE FUNDING OF K-12 PUBLIC SCHOOLS IN NEVADA
The “Nevada Plan” and Distributive School Account (DSA)

NEVADA PLAN
State Guaranteed Basic Support

1. Distributive School Account Funding:
   [1] State General Fund
   [2] Out-of-State LSST (2.25%)
   [4] Federal Mineral Lease Revenue
   [5] Interest from Permanent School Fund

2. Nevada Plan Local Funding:
   [1] Local School Support Tax (2.25%)
   [2] Ad Valorem Property/Mining Tax (1/3 PSOPT)

3. Non-Nevada Plan “Outside” Funding:
   [1] Ad Valorem Property/Mining Tax (2/3 PSOPT)
   [3] Franchise Taxes
   [5] Interest, Tuition, and Other Local Revenue

PSOPT = Public Schools Operating Property Tax

Capital Projects/Debt Service:
[1] General Obligation Bonds

Special Revenue Funds:
[1] ESEA — No Child Left Behind (NCLB) Act*
[2] Nutrition Programs
[3] Special Education Programs
[5] State School Improvement
* Titles I, II, IV, V and VI

Class Size Reduction Program Funds:
[1] State General Funds

Adult High School Diploma Program
[1] State General Funds

Funding Breakout by State, Local, Federal Tax Revenues (approximate):
[1] State - 40%
[2] Local - 55%
[3] Federal - 5%

Funding Breakout by Category:
[1] Sales Taxes - 50%
[2] Property (Ad Valorem) Taxes - 19%
[4] Federal Programs - 5%
[5] Estate Tax - 0.7%
[6] Mining Tax - 0.3%
[7] Other Revenue Sources - 10%
Distributive School Account (DSA) Adjustment Model
Part 1 - Enrollment-Related Adjustments

- Local School Support Tax Revenue
- DSA Basic Support/Student “Nevada Plan”
- 1/3 ($0.25)* Property Tax Revenue
- State Obligated Payments
- School District Audited Count Day Enrollment Adjustments
- 2/3 ($0.50) PSOPT
- Audited Enrollment Adjustments NRS 387.123(1)
- Charter School Audited Count Day Enrollment Adjustments
- “Outside” Revenue Adjustments NRS 387.124(3)
- Audited Enrollment Adjustments
- School District Revised 2/3 ($0.50) PSOPT
- 3% Enrollment Growth: 2% DSA Increase NRS 387.1243(4a)
- Enrollment Growth Rate Adjustments NRS 387.1243(4)
- 6% Enrollment Growth: 4% DSA Increase NRS 387.1243(4b)
- Special Education Adjustments NRS 387.1221(2)
- Special Education Cost/Unit
- Special Education Reallocated Unit Adjustments
- DSA Support Lever per Student
- Non-Traditional Student Payments NRS 387.1233(1)(a)(8)
- Percentage Attendance Factor
- Non-Traditional Students
- Prior-Year Under Payment Adjustments
- Distributive School Account (DSA) Enrollment-Related Adjustments

* With 2005 Legislature and property tax rate, effective rate is 1/3 of $0.75 per $100 of tax cap adjusted assessed value

S/D = School District
Distributive School Account (DSA) Adjustment Model

Part 2 - Local Revenues, Net Proceeds of Minerals. and Textbook Expenditure Adjustments

FINAL Local School Support Taxes (LSST) NRS 387.1235(1b)

2.25% LSST Revenue Adjustment

BEGIN: Enrollment-Related DSA Payment Adjustments

Local Tax Revenue Adjustments NRS 387.1235(1)

MINUS: Prior Year Estimated NPM 1/3 PSOPT

Net Proceeds of Minerals (NPM) Adjustments NRS 387.1235(2)

PLUS: Prior Year Collected NPM 1/3 PSOPT

MINUS: Prior Year Required Textbook Expenditures

Textbook et al. Requirement NRS 387.206(4)

PLUS: Prior Year Actual Textbook Expenditures

FINAL DSA Payments Due to School Districts and Charter Schools

PLUS/(MINUS): Miscellaneous Adjustments

LESS: DSA Payments Actually Made to School Districts and Charter Schools

Distributive School Account (DSA) FINAL ADJUSTMENTS
POSITIVE: Due To (Underpayment)
NEGATIVE: Due From (Overpayment)

FINAL Adjustment for 1/3 PSOPT NRS 387.1235(1a) (Excl. NPM)

PSOPT = Public Schools Operating Property Tax
**Basic Support Guarantee True-Up of PSOPT**

Weighted Apportionment Enrollment Multiplied by Basic Support per Pupil

Total Guaranteed Basic Support

1. State Obligation
2. $0.25 Ad Valorem Property Tax (with NPM)
3. Local School Support Tax

Make-Up of Shortfalls in 2 and 3

Adjusted "Red Book" Assessed Valuations Times 0.0025

Actual Cash Collections July-June

NRS 387.1235((1)(b) "...one-third of the tax collected...for the school district for the concurrent school year..."

County Assessors and Treasurers

TAXATION
Estimated PSOPT (Excluding NPM)

RECONCILEMENT (PSOPT True-Up)

School District Actual PSOPT Receipts

VARIANCE To State Obligation

AB 489 Tax Caps 3% Owner Occupied 8% Commercial/Rental None for New Property

Department of Taxation


PSOPT = Public Schools Operating Property Tax; replaces the School District $0.75 Ad Valorem Property Tax on Assessed Valuation

SB 525, Sec. 1: “...certified total...amount of ad valorem taxes to be received by each school district...”

SB 525, Sec. 20: “...local funds available...one-third of the tax collected...certified by...Taxation...for the concurrent school year...”

LCB Wording