

The Nevada Plan and the Distributive School Account (DSA) *

[NRS numbers refer to the Nevada Revised Statutes (NRS) chapters and sections.]

1. The Nevada Plan represents the State of Nevada's guarantee and legislative declaration "that the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity" [NRS 387.121].
2. The primary purpose of the Distributive School Account (DSA) is to "supplement local financial ability to whatever extent necessary" and provide the means by which Nevada meets its guaranteed financial support to school districts under the Nevada Plan [NRS 387.121 and NRS 387.122]. The DSA supports the needs of over 426,400 students in 593 schools staffed by 22,885 licensed teachers and over 34,000 school district and charter school total personnel [FY2006 figures].
3. The State Board of Education, through the Nevada Department of Education (NDE), is responsible for administering the Nevada Plan and allocating the legislatively-approved funds from the DSA to school districts and charter schools [NRS 385.010, NRS 385.075, and NRS 385.310].
4. The Nevada Plan guaranteed financial support to public schools is comprised of a combination of state revenues and two locally-generated tax revenue sources. The state revenue sources include, primarily:
 - a. General fund revenues (consisting, for the most part, of sales taxes, gaming taxes, insurance tax, and a business activity tax);
 - b. An Out-of-State 2.25% Local School Support Tax (LSST) not attributable to any single county or school district; and
 - c. A portion of the Annual Slot Machine Tax.The two locally-generated revenues of the Nevada Plan include:
 - a. County-specific and apportioned 2.25% Local School Support (sales) Tax; and
 - b. A 1/3 public schools operating property (and mining net proceeds) tax (PSOPT) [NRS 387.1235].
5. Each school district's guaranteed basic support per student under the Nevada Plan is determined uniquely by an equity allocation formula (or model) that considers several school district specific factors, including student enrollment, licensed teacher and other staffing expenses, other operating and equipment costs, the district's degree of urbanization, transportation cost differentials, and a local wealth factor incorporating each school district's relative ability to raise local ("outside") tax

revenues. These factors, taken together, determine the relative proportions of State revenue support and that funding derived from locally-generated revenues. [NRS 387.121, NRS 387.1233, and NRS 387.1235].

6. In addition to the Nevada Plan's two basic components of funding [(a) State obligated revenues and (b) the two locally-generated fund sources] there is also a third funding component for Nevada's public schools which is not part of the Nevada Plan. These "outside" fund sources consist primarily of a 2/3 public schools operating property tax (PSOPT), a governmental services tax, franchise fees, unrestricted federal revenues, and interest and other local revenues dedicated to local education.
7. Payments to charter schools are made by NDE and are based on the student's county of residence and the respective school district's Nevada Plan basic support per student and its "outside" revenues per student.

[* Information provided by the Nevada Department of Education.]