

# FundEd: Nevada Report

## A Detailed Look at Nevada's Funding Policies



## Nevada

### Funding Basics

#### Formula Type

Nevada has a hybrid funding formula incorporating both student-based and resource-based elements. The state determines the cost of delivering education in a district based on the local cost of the resources, such as staff salaries and transportation expenses, required to do so, and divides that cost by the district's enrollment to determine a per-student cost. This cost is then used as a district-specific base amount. The state accounts for the additional cost of educating specific categories of students by adding supplemental dollar amounts to the base amount for each student in those categories, by applying multipliers to the base amount to generate supplemental funding for certain students, and through program-specific allocations.

The categories of students generating supplemental funding in Nevada are some English-language learners (ELLs), low-income students, students with disabilities, and students identified as gifted. Services for student in certain grade levels, students identified as gifted, students enrolled in career and technical education programs, some ELLs, and students enrolled in certain high-poverty schools are funded through program-specific allocations.

#### Base Amount

Nevada has a base funding amount per student that varies from district to district. For FY2018, the base amount ranged from \$5,677 to \$21,469, and the statewide average base amount was \$5,897 per pupil.

This means that an average student with no special needs or disadvantages would be funded within that range. Differences arise from the structure of Nevada's funding formula, which accounts for variations in the cost of delivering education from district to district.

School-level costs, including salary, transportation, and other education costs are estimated for the state as a whole and divided by a weighted enrollment figure to arrive at a statewide average base amount. This amount is tailored for each school district based on its cost of living, economies of scale, and transportation expenses. The formula also considers local per-pupil expenses for administrative and support services, and the district's wealth, as measured by its ability to raise local revenue over and above the formula amount.

### Local Revenue

## Expected Local Share

Nevada expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based on a combination of its property values and its sales and use tax base.

Each county's board of commissioners is required to impose a property tax of \$7.50 for every \$1,000 of assessed local property wealth for the purposes of funding its schools. One-third of the revenue from this tax, equivalent to that raised by a tax of \$2.50 for every \$1,000 of property wealth, is counted towards the county school district's local share of education funding. The state also expects counties to contribute all receipts from the Local School Support Tax (LSST), a sales and use tax of 2.6%. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

If local revenues from the property tax and LSST are less than expected, the state makes up the difference with increased aid, and if revenues are greater than expected, the difference is deducted from the state aid amount.

## Property Tax Floors and Ceilings

Nevada sets both a floor and a ceiling for local property tax rates, as well as a level above which voter approval is required. School districts in Nevada may not directly impose property taxes; property taxes for education are imposed by counties on behalf of county school districts.

County governments must levy and collect a property tax of exactly \$7.50 for every \$1,000 of assessed property wealth for the purposes of funding the schools within their school districts. Counties must also levy property taxes sufficient to pay the interest and redemption costs of school district bonds.

In addition, with the approval of a majority of voters in a county referendum, county governments may levy one supplemental tax to fund general capital improvements in schools, and a second to fund the construction of new school buildings as required by a rise in enrollment. If the county school district has fewer than 25,000 pupils, these taxes are each limited to \$7.50 for every \$1,000 of assessed local property wealth. If the district has 25,000 pupils or more, these taxes are limited to a combined \$5.00 for every \$1,000 of assessed local property wealth.

## Other Local Taxes for Education

School districts in Nevada may receive revenue from school district property taxes, county sales and use taxes, and county taxes on utility and railway companies.

School districts in Nevada may only impose property taxes, but counties are required to collect the Local School Support Tax (LSST), a sales and use tax of 2.6% for public schools. Districts also receive revenue from county franchise taxes on utility and railway companies. They also receive interest income from any invested education property tax revenues. Revenue for capital projects may come from property taxes, the sale of bonds, or fees on the construction of new housing.

Counties with populations of 300,000 or more are required to tax the rental of hotels rooms and other transient lodging, with the revenue to be used for public schools. However, this revenue is pooled at the state level and distributed to all school districts and charter schools rather than kept for local county schools.

## District Characteristics

## Grade Level

Nevada provides different levels of funding for students in different grade levels. It does so through four program-based allocations. These include funding for class-size reduction in grades 1-3 and three competitive grant programs that are limited to specific grade levels.

The state provides all school districts with funding to hire additional teachers for grades 1-3, with the intention of reducing student-to-teacher ratios to 17 to 1 in grades 1 and 2, and to 20 to 1 in grade 3. In FY2018, the state appropriated \$147.45 million for this purpose, to be used for salaries and benefits for at least 1,944 additional teachers statewide.

The state also awards competitive grants to school districts through three grade-level-specific programs: the Read by Grade 3 program, which supports strategic literacy instruction and intervention in grades K-3 and for which the state appropriated \$20.5 million in FY2018; college and career readiness grants, which support dual enrollment for high school students and STEM programs for middle and high school students and for which the state may spend between \$500,000 and \$750,000 in FY2018; and the Nevada Ready 21 Technology program, which supports the implementation of one-to-one wireless computing for pupils in certain middle schools and for which the state appropriated \$10 million in FY2018.

## English-Language Learner

Nevada provides increased funding for English-language learners (ELLs). It does so in the form of a flat allocation in the amount of \$1,200 for some ELLs and through program-based allocations for other ELLs.

The Zoom program supplies program-based grant funding for ELL instruction and services. Grants are awarded to districts, except in the case of Washoe and Clark County School Districts, where grant funds are distributed to specific “Zoom schools” designated by those districts. Separately, appropriations permitting, Nevada provides a flat allocation (\$1,200 in FY2018) for each ELL student scoring at or below the twenty-fifth percentile on one of a list of approved assessments. (If appropriations are insufficient, this funding is distributed first to lower-rated schools in accordance with the state accountability system.) This flat allocation is not provided for ELL students enrolled at Zoom schools.

In total, the state appropriated \$49.95 million for the Zoom program in FY2018, of which \$38.74 million was set aside for Clark County School District and \$7.3 million was set aside for Washoe County School District. These two school districts must select Zoom schools, which must be low-performing schools serving high concentrations of ELLs, to receive this funding. Remaining grant funds are distributed to districts by application; districts must identify which specific programs and services for ELLs will be supported with the grant funds. Separately, a district serving a higher proportion of ELLs is more likely to be selected to receive a competitive grant through the Read by Grade 3 program (see “Grade Level” for a description of this program). With limited exceptions, no school may receive funding from more than one program: Zoom, Read by Grade 3, or Victory (see “Poverty” for a description of these programs).

## Poverty

Nevada provides increased funding for students from low-income households and increased funding for some schools with high concentrations of low-income students. It does so in the form of a flat allocation in the amount of \$1,200 for low-income students and a program-specific allocation for some schools serving high-concentrations of low-income students.

The Victory program supplies program-specific grant funding to support instruction and services for low-income students. Grants are awarded to schools that are designated as Victory schools by the Department of Education because they both are low-performing and serve a high proportion of students from homes below the federal poverty level. In total, the state appropriated \$25 million for the Victory program in FY2018, yielding \$1123.29 per student enrolled in a Victory school (including low-income and non-low-income students). Separately, appropriations permitting, Nevada provides a flat allocation (\$1,200 in FY2018) for each student who is eligible for free or reduced-price lunch under the National School Lunch Program and who scores at or below the twenty-fifth percentile on one of a list of approved assessments. (If appropriations are insufficient, this funding is distributed first to lower-rated schools in accordance with the state accountability system.) This flat allocation is not provided for low-income students enrolled at Victory schools.

The state also offers limited grants to districts to provide hiring incentives of up to \$5,000 per year to certain new teachers, including those who come to work in Title I (high-poverty) schools. Separately, a district serving a higher proportion of students in poverty is more likely to be selected to receive a competitive grant through the Read by Grade 3 program (see “Grade Level” for a description of this program). With limited exceptions, no school may receive funding from more than one program: Victory, Read by Grade 3, or Zoom (see “English-Language Learner” for a description of this program).

## Special Education

Nevada funds special education using a multiple student weights system, providing different levels of funding for different groups of students. Students are assigned to two different categories based on the concentrations of students with disabilities in their districts.

It does so by applying different multipliers to the per-student base amount for students in these groups. Specifically, the state provides increased funding in one amount for students with disabilities up to 13% of enrollment, and at half that amount for students with disabilities above that threshold. The state sets the multipliers annually that determine these amounts. Funds are appropriated each year to provide increased funding for the first category of students with disabilities, those up to 13% of each district’s enrollment. (In FY2018, this appropriation was \$186.67 million.) The state then computes the multiplier for this group using the size of the appropriation, each district’s specific base funding amount, and its count of students with disabilities. This multiplier is used to allocate the appropriated funding for most students with disabilities. Separately, the state provides funding equal to half of the per-pupil amount generated by this multiplier for students in the second category, those exceeding 13% of their district’s enrollments. When there is not enough supplemental funding to cover this amount for all students in the second category, the state reduced the funding proportionally across all school districts.

The remainder of special education fund is distributed through specific program-based allocations, including funding for high-cost students; reimbursements for hospitals and residential treatment facilities operating licensed private schools for their patients or residents; and limited grants to districts to provide hiring incentives of up to \$5,000 per year to certain new teachers, including those who are special-education certified.

## Gifted

Nevada provides increased funding for gifted and talented students. It does so through a flat allocation for each such student.

Each year, the state appropriates an amount for the Gifted and Talented Education (GATE) program. (This appropriation was \$6.37 million in FY2018.) This money is divided among districts to provide an equal supplemental funding amount for each student identified as gifted and talented through a state-approved assessment or procedure. Students funded through this program must receive at least 150 minutes per week of specialized educational activities.

Separately, the state mandates that districts spend a certain minimum amount each year, determined annually based on historical spending levels, enrollment changes, and inflation, on instructional materials and supplies for profoundly gifted students. No additional funding is provided specifically to support this mandate. The state may waive the requirement in times of economic hardship.

## Career and Technical Education

Nevada provides increased funding for career and technical education (CTE) programs. It does so through two grant programs, one competitive and one non-competitive.

Each year, the state appropriates an amount to support CTE. (In FY2018, this amount was \$12.34 million.) Thirty percent of this appropriation (\$3.76 million in FY2018) is set aside for competitive grants, while the remainder (\$8.64 million in FY2018) is designated for non-competitive grants distributed to districts based on the numbers of CTE students they serve.

Competitive grants are awarded by the State Board for Career and Technical Education, taking into account recommendations from industry representatives. Funding from these grants must be used to provide CTE programs that prepare students for high-demand, high-wage occupations where those programs would not otherwise exist or be able to serve many students. Non-competitive grant funds may be used for developing new programs, expanding or improving existing programs, or providing program support.

## Sparsity and/or Small Size

Nevada does not provide increased funding for sparse districts or for small schools or districts.

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

