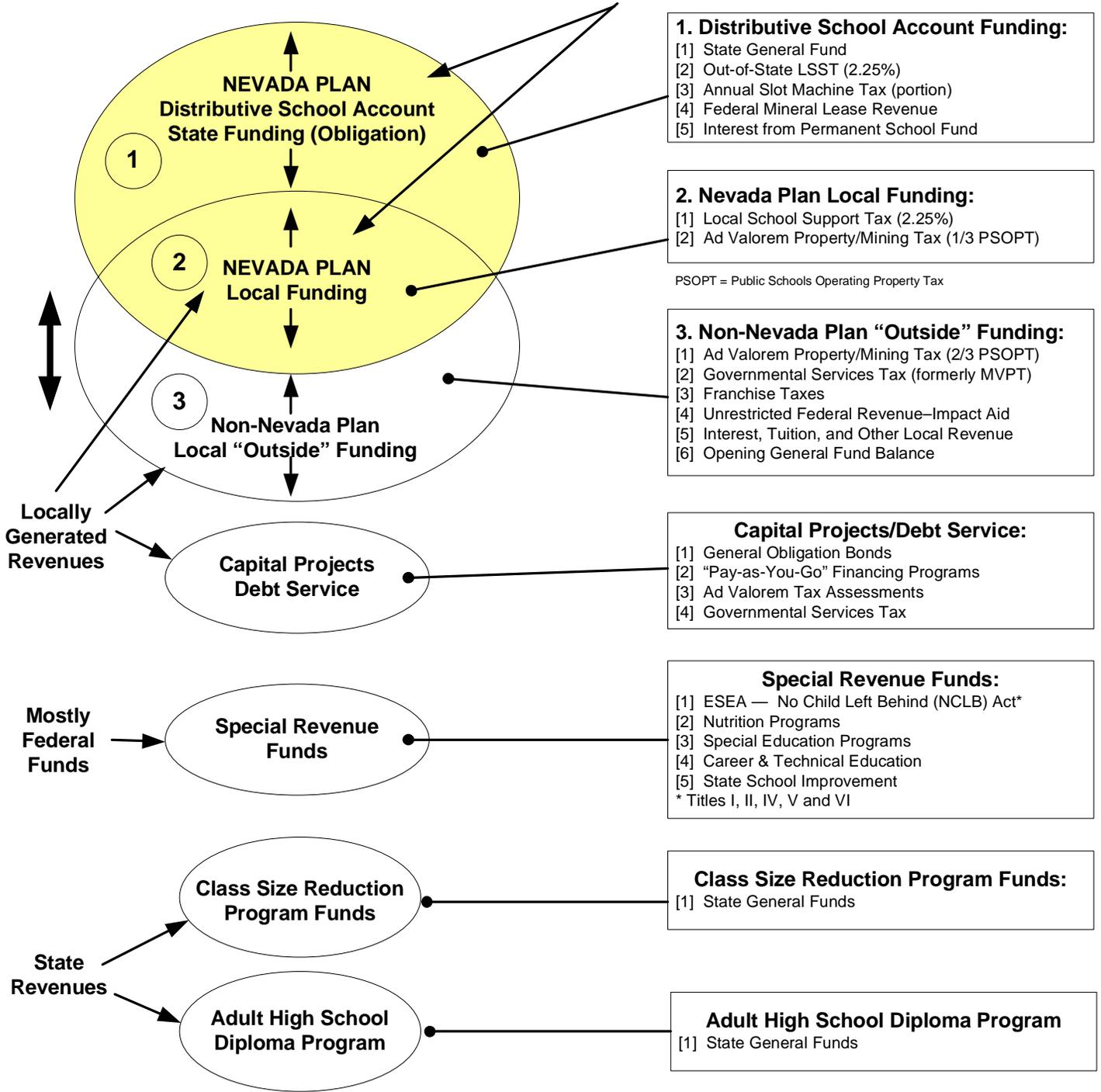


THE FUNDING OF K-12 PUBLIC SCHOOLS IN NEVADA

The “Nevada Plan” and Distributive School Account (DSA)

NEVADA PLAN State Guaranteed Basic Support



Funding Breakout by State, Local, Federal Tax Revenues (approximate):

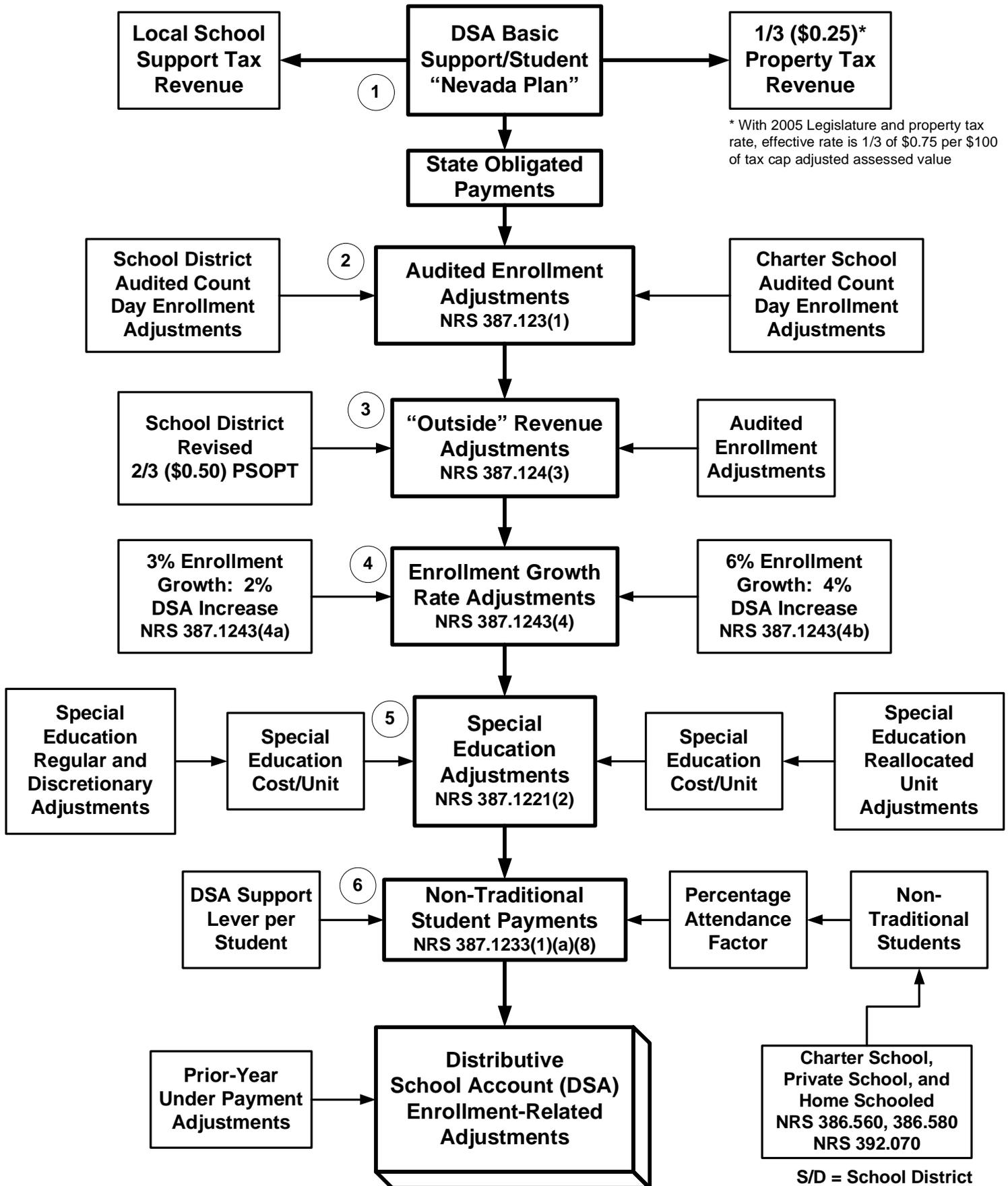
- [1] State - 40%
- [2] Local - 55%
- [3] Federal - 5%

Funding Breakout by Category:

- [1] Sales Taxes - 50%
- [2] Property (Ad Valorem) Taxes - 19%
- [3] Gaming Taxes - 15%
- [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

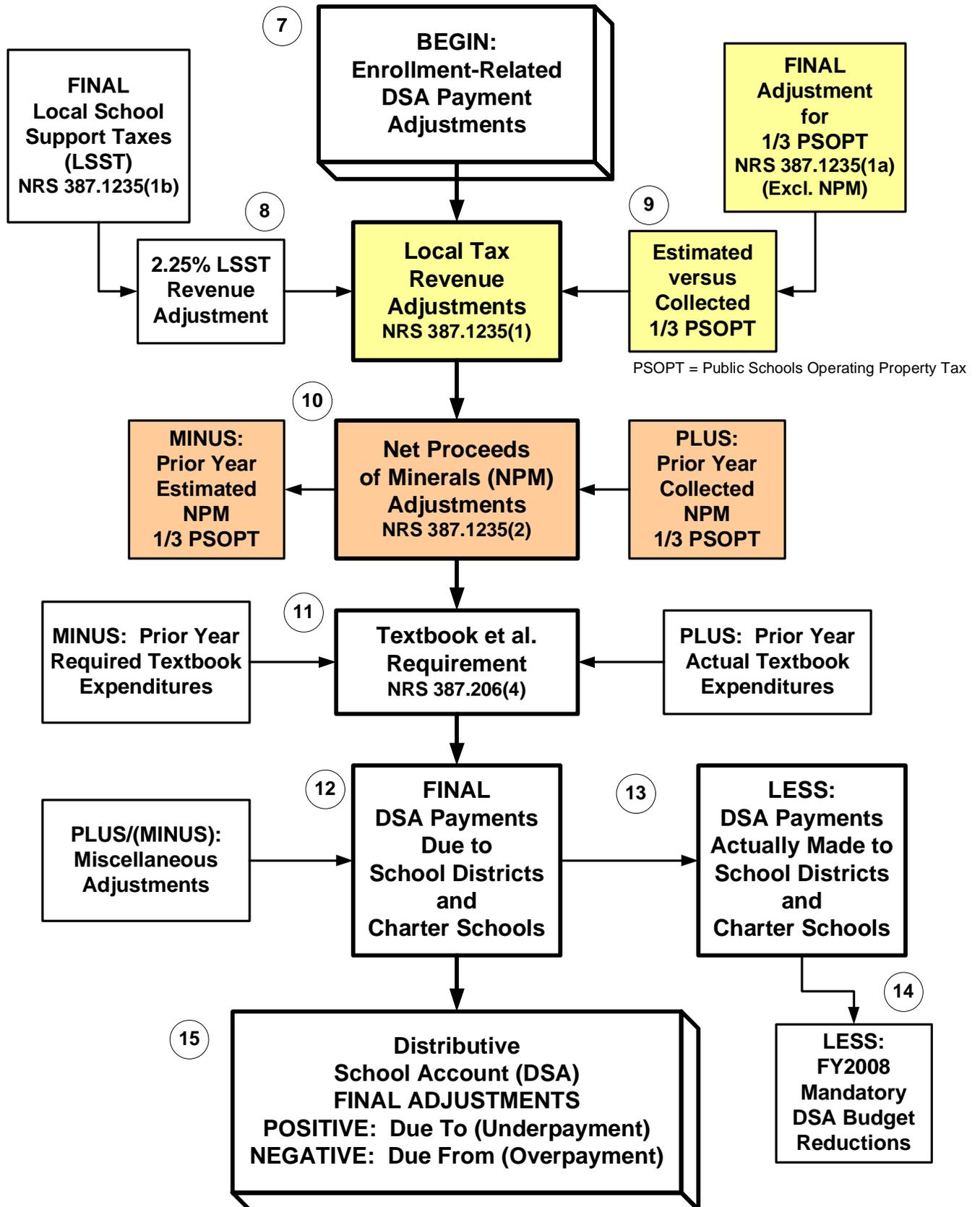
Part 1 - Enrollment-Related Adjustments



S/D = School District

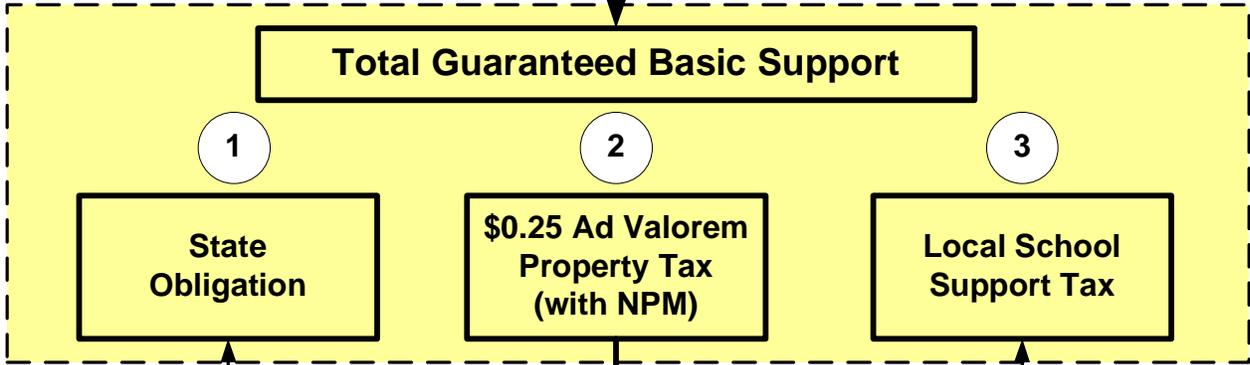
Distributive School Account (DSA) Adjustment Model

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



Basic Support Guarantee True-Up of PSOPT

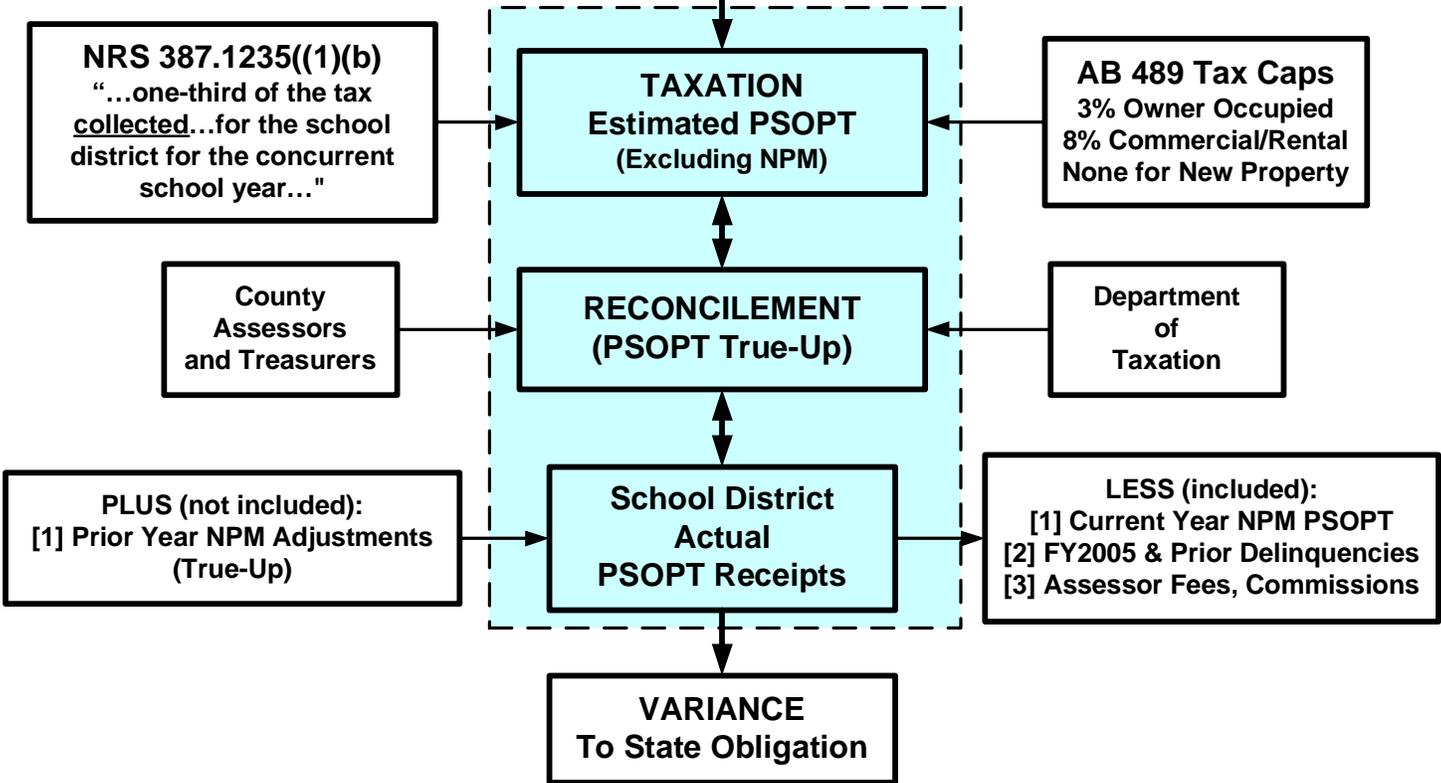
Weighted Apportionment Enrollment
Multiplied by
Basic Support per Pupil



Make-Up
of Shortfalls
in 2 and 3

Adjusted "Red Book"
Assessed Valuations
Times 0.0025

Actual Cash
Collections
July-June



VARIANCE
To State Obligation

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

LCB
Wording

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

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