

Budgeted 2019-20 K-12 Education Funding: When Proposed Funding Increases Are Actually Decreases

Funding for K-12 education has become a major theme of Nevada's 80th (2019) Legislative Session. Overall, the budgeted increase in funding for K-12 education is approximately \$84.6 million, based on Governor Sisolak's budget and revenue projections from the Nevada Department of Education (NDE). Additionally, Governor Sisolak's 2019-2021 Executive Budget includes a 3 percent cost of living adjustment (COLA) increase for public school employees. This brief analyzes the 2019-20 proposed K-12 education funding and seeks to understand how it will impact individual school districts – with a specific focus on the COLA increase.

2019-20 K-12 Education Budget Highlights

- The estimated total basic support guarantee to all school districts for the 2019-20 school year is \$2,962,485,269 (with \$1.2 billion and \$1.7 billion from State and local sources, respectively).
- This \$2.9 billion for the 2019-20 school year is an increase of \$84,629,135 from the 2018-19 school year, which amounts to 2.9 percent increase.
- Student enrollment is projected to increase from 482,292 to 491,444 between the 2018-19 to the 2019-20 school years - an increase of 1.9 percent.

Considering the growth in both the total basic support guarantee and student enrollment, it appears that school districts should expect a small increase in overall funding. But it may not amount to the 2 percent "roll-up" to cover the cost of merit pay and additional years of service pay increases that are traditionally included in the education budget.

Additionally, the Governor's budget includes a 3 percent COLA in his budget, totaling \$89.4 million. Of this amount, \$78.9 million is included in the Distributive School Account (DSA), the primary mechanism to transfer State pledged money to school districts (i.e., the \$1.2 billion state share of the basic support guarantee).

Separating the COLA amount from the remainder of the DSA in the current budget proposal, **the Guinn Center estimates that without the budgeted COLA in the Governor's budget, each Nevada school district would receive, on average, \$100 less than the prior school year.** See Table 1 for the Guinn Center's estimates of how each Nevada school district would fare.

Table 1: Nevada School Districts Per Pupil Funding Comparison: For School Years Ended 2019 and 2020

District	2018-19 Per Pupil	2019-20 Per Pupil (Estimated)	Portion of 2019-20 Per Pupil Representing 3% Cost of Living Adjustment (COLA)	2019-20 Per Pupil, Less: COLA	Difference in Per Pupil Amounts (before COLA Adjustment)
Carson City	7,193	7,268	194	7,074	(119)
Churchill	7,202	7,278	195	7,083	(119)
Clark	5,779	5,837	154	5,683	(96)
Douglas	6,334	6,411	198	6,213	(121)
Elko	8,129	8,213	221	7,992	(137)
Esmeralda	21,776	21,990	558	21,432	(344)
Eureka	14,487	14,690	536	14,154	(333)
Humboldt	7,379	7,463	223	7,240	(139)
Lander	4,904	4,995	242	4,753	(151)
Lincoln	10,907	11,019	291	10,728	(179)
Lyon	7,487	7,562	196	7,366	(121)
Mineral	9,725	9,829	272	9,557	(168)
Nye	8,278	8,364	224	8,140	(138)
Pershing	9,261	9,365	269	9,096	(165)
Storey	8,283	8,394	289	8,105	(178)
Washoe	5,737	5,797	158	5,639	(98)
White Pine	8,324	8,409	223	8,186	(138)
Statewide	5,967	6,028	161	5,867	(100)

This begs the question of how much money *should be* directed to education for the 2019-20 budget? Table 2 estimates the amount of per pupil funding that would be necessary to provide a 2 percent “roll-up,” as well as provide the 3 percent COLA increase (both included in the Governor’s budget). Additionally, it estimates how much additional revenue each school district would receive given this higher per pupil funding amount. **Ultimately, the Guinn Center estimates that the State of Nevada would need an additional \$107.5 million dollars to fund education based on the items already included in the Governor’s 2019-2021 budget.**

Table 2: Estimated Per Pupil Funding, by School District, with 2 Percent Roll-Ups and COLA Increase

District	Amount of Estimated 2019-20 Per Pupil with 2% Roll-Ups and COLA	Additional Dollars with 2% Roll-Ups and COLA	District	Amount of Estimated 2019-20 Per Pupil with 2% Roll-Ups and COLA	Additional Dollars with 2% Roll-Ups and COLA
Carson City	\$ 7,532	\$ 2,193,075	Lincoln	\$ 11,414	\$ 419,694
Churchill	7,543	1,022,679	Lyon	7,829	2,312,099
Clark	6,046	76,904,868	Mineral	10,199	197,426
Douglas	6,680	1,642,873	Nye	8,669	1,605,505
Elko	8,513	3,101,366	Pershing	9,731	237,384
Esmeralda	22,749	58,491	Storey	8,786	172,709
Eureka	15,418	192,918	Washoe	6,012	15,610,322
Humboldt	7,767	1,072,010	White Pine	8,713	435,143
Lander	5,325	337,277	Statewide	6,247	107,515,840

The results of this Guinn Center analysis suggest that, given the current State of Nevada budget, along with projected local revenues that are included inside the Nevada Plan, there is not enough funding to adequately cover a 2019-20 per pupil funding figure that includes a 2 percent “roll-up” and a 3 percent COLA increase.