

# Funding Fantasies

**Nevada K-12 education spends more than you think**



*Is k-12 Nevada public education top heavy?*

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## Executive Summary

The amount of money Nevada taxpayers spend on K-12 education is a hotly debated topic. Advocates of increased spending believe more money will allow the state to hire more teachers, to increase salaries to attract higher-quality teachers, to reduce class sizes, to buy computers, textbooks and school supplies, and of course to construct new schools. In general, such assumptions are reasonable; quality goods and services often *do* cost more money.

An alternative point of view, however, notes that such spending does not guarantee quality and has regularly failed to do so in the realm of public education. Proponents of this alternative view believe that remuneration needs to reward high-quality service while penalizing low-quality service. This, too, is a reasonable point of view.

There is, however, a way to transcend this controversy: Let us focus first on *how effectively* we are spending our current education dollars. Are the funds going to ineffective programs when more effective programs are being short-changed? Surely the relative productivity of areas of existing spending should be known.

Unfortunately, neither the State of Nevada nor its school districts pursue this data — something that virtually any competent business would do. And while the Nevada Policy Research Institute eventually foresees being able to provide the public with such information, this particular paper must begin that process at a much more fundamental level. This paper asks: How much are Nevada taxpayers *actually* spending on the education of their youth?

## Findings of this report

Public school finance is a world where relatively arbitrary accounting categories are regularly deployed to give parents and taxpayers overly modest impressions of existing spending. In reality:

- In Nevada, the true spending amount on K-12 education during the 2008-09 school year averaged \$13,052 per pupil.
- Per-pupil expenditures during that period ranged from a low of \$10,889 in Churchill County to a high of \$49,551 in Eureka County.
- Although the Clark County School District officially reports per-pupil spending for the 2008-09 school year will be \$7,175, the actual true cost per pupil will be \$13,387.
- Only 34 percent of the Clark County School District budget goes into instruction.
- Washoe County School District's actual cost per pupil is approximately \$11,393.
- Both the Clark and Washoe county districts employ *at least* one fulltime equivalent staff member for every 10 students enrolled.
- Per charter-school pupil, Nevada spent just \$6,746 during the 2008-09 school year.<sup>1</sup>

## Introduction

In K-12 public education policy, few concepts are debated more hotly than per-pupil spending. Usually the focus of this discussion is the question: “How much spending is adequate?” The more important question, however, is not how much we spend, but how effectively we are deploying the immense financial resources already dedicated to public education.

Do public schools in Nevada carefully spend money where it will do the most for student achievement? Or is the money often wasted on frivolous projects and needless administrative costs? For every student, parent, professional educator and friend of quality education in the Silver State, these questions are of critical importance. Yet these questions are rarely asked.

Recently, however, major nationwide research into this area was inaugurated with funding from the Bill and Melinda Gates Foundation. The School Finance Redesign Project, under the Center on Reinventing Public Education at the University of Washington, launched more than 30 independent study projects. They looked at the relationship between the financial management systems of school districts and those districts’ productivity in terms of student learning.

The findings are not encouraging. As a general rule across the country, spending decisions by school districts have no link at all to the policy priorities that school districts publicly profess. And although citizens “intend to pay for the education of children . . . they in fact pay for a frozen system that cannot adapt to the performance pressures it now faces.”<sup>2</sup>

## Reform of public school finance

These national findings also reflect the experience of many Nevada educators and parents. But to reform public school finance in Nevada is clearly to take on a daunting task. Thus this paper only addresses one key question: What, exactly, *is* the true cost of public education in Nevada?

Pursuing an answer to this question necessarily brings to the forefront the fact that the accounting can be done in different ways. The U.S. Census Bureau faced this issue in 2007, when it undertook a project to achieve relatively uniform reporting in its all-states education-spending database, despite the varying reporting practices of the different states. While the Bureau admits it may have missed some funds and expenditures, its database still allows the most authoritative inter-state comparisons on per-pupil spending.

The Census Bureau report found that Nevada’s per-pupil spending for the 2005-06 school year under the “current” category was \$7,348, ranking 42<sup>nd</sup>-highest in the nation. However, when all funding sources within the database are taken into account, identified funding in Nevada increased to \$9,738 per pupil, bringing the state’s rank to 31<sup>st</sup> in the nation.<sup>3</sup> More recently, NPRI learned that both the Clark County and Washoe County school districts actually spent more than the sums reported in this database.

For instance, the Clark County district reported it would spend \$7,175 per student during the 2008-09 school year. However, when NPRI examined the Clark County School Board's total original budget figure and divided that sum by the district's weighted-enrollment figure, it became apparent that the district's budgeted expenditures per student actually came to \$13,387—almost twice what was advertised.<sup>4</sup> The Clark County School District report on per-pupil spending effectively ignores nearly half of all spending undertaken by the district. Only the general fund and class-size-reduction funds were taken into account, and then divided by the total enrollment.<sup>5</sup>

The situation is not dissimilar in Nevada's second most populous county, Washoe. Outgoing Washoe County School District Superintendent Paul Dugan, in a state of the school district speech in January, spoke of per-pupil spending for the Washoe district as if the amount equaled general-fund expenditures divided by student enrollment.<sup>6</sup> This means Washoe County's advertised per-weighted-pupil spending figure would be \$7,376 — but would exclude classroom-size-reduction expenditures, which are counted in Clark County.<sup>7</sup> However, in relation to that school district's total budget, spending per-weighted-pupil actually comes to \$11,393.<sup>8</sup>

These per-pupil expenditures place the Clark and Washoe districts on a par with many of the nation's elite private schools — without, of course, the elite level of achievement. Why does such high spending not translate into comparably high levels of achievement? There is one basic reason: Nevada's public school system does not reward success and does not penalize chronic failure.

This would change if school funding followed the student. Nevada public schools would then have powerful incentives to improve the quality of education, maximize efficiency and eliminate waste. As parents moved their children to the superior schools, mediocre institutions would have to improve or go under.

Nevada should permit more charter schools, more empowerment schools, tax credit and tuition scholarship programs. All would greatly increase competition and move greater financial control to the level of the individual school — improving student achievement and fiscal management both.<sup>9</sup>

## **Big Spending and False Advertisement Nationwide**

During the 1959-60 school year, Nevada spent \$430 per pupil. By 2000 Nevada was spending \$6,150 per pupil.<sup>10</sup> Adjusted for inflation, Nevada's per-pupil spending more than doubled during that time. Even this drastic increase in per-pupil spending underreports the actual increase, as it does not take into account expenditures like capital outlays and debt service.

Underreporting of per-pupil spending is a nationwide practice. In the District of Columbia, Andrew Coulson of the Cato Institute found that D.C. schools spent more than \$24,600 per student — despite officially claimed expenditures around \$13,500 per student.<sup>11</sup> Meanwhile, the average tuition at a D.C. private school that accepted vouchers from the D.C. Opportunity Scholarship Program was just \$6,620.<sup>12</sup>

Dr. Vicki Murray of the Pacific Research Institute found that in California, the average district receives \$11,600 per student in revenue, more than \$3,000 above the state's official per-pupil expenditure amount.<sup>13</sup> Under that state's complicated funding rules, school districts' per-pupil funding levels ranged from \$10,700 to more than \$20,000.

When the Oklahoma Council of Public Affairs hired a certified public accountant to conduct an audit of Oklahoma's public education spending, it found similar results. Accountant Steven J. Anderson found that Oklahoma spent \$11,250 per student in FY 2003, almost double what the state claimed it spent.<sup>14</sup>

Arizona, a state comparable to Nevada in many respects, similarly underestimates its per-pupil spending. According to the U.S. Department of Education and the U.S. Census Bureau, Arizona spent just \$6,742 per pupil in 2005-06 (excluding capital outlays and debt), ranking 48<sup>th</sup> in the nation. But a recent Goldwater Institute report by Susan Aud, a senior fellow at the Friedman Foundation for Educational Choice, found that Arizona, in the following school year, actually spent \$9,563 per pupil.<sup>15</sup>

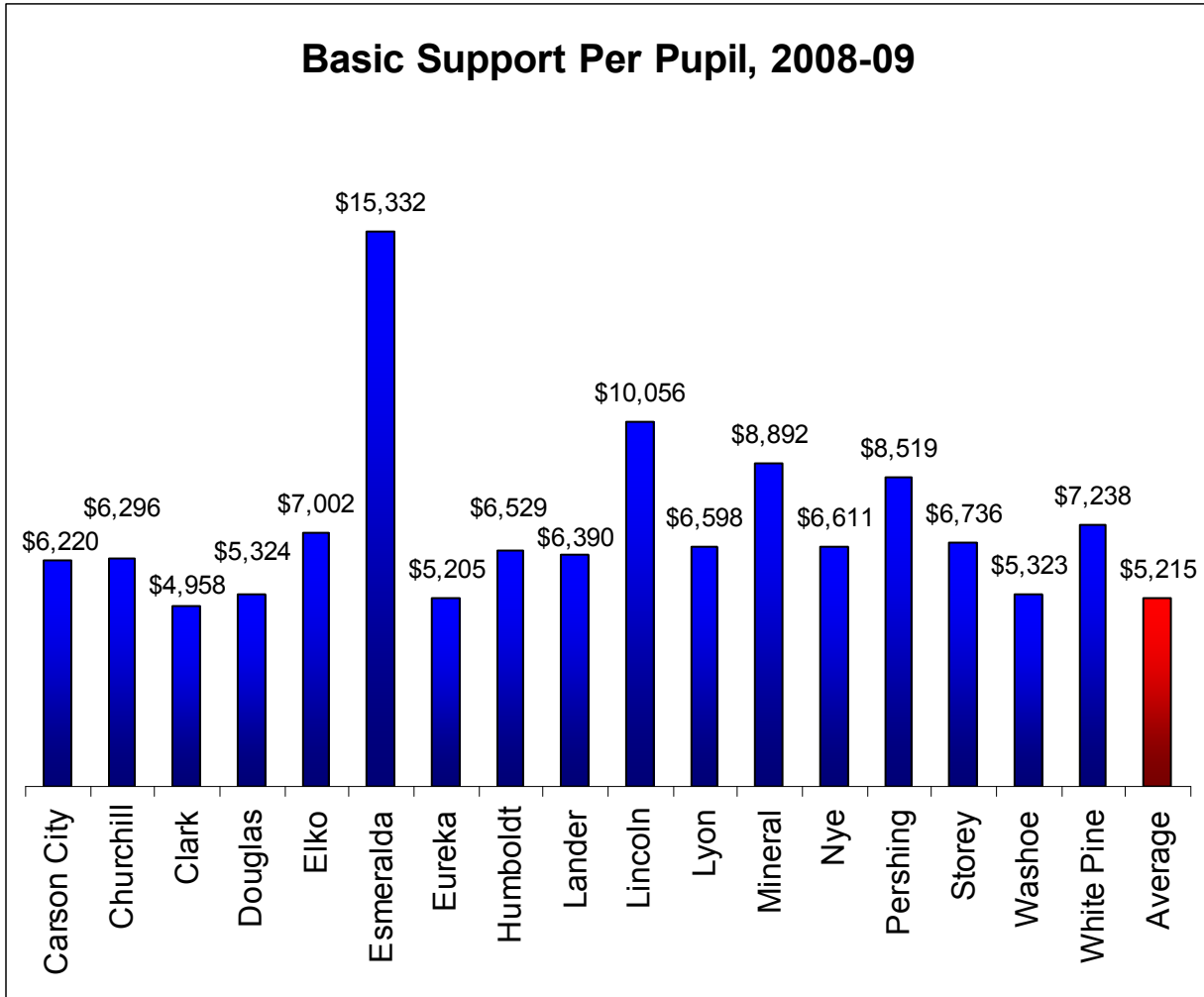
The true cost of educating students is regularly misrepresented behind claims that certain expenditures, such as capital outlays and debt service, should not be counted, because those expenditures are not *directly* related to student learning. But such thinking merely seeks to illegitimately exploit the arcane distinctions of accountancy. If the expenditure does *not* contribute to student learning, why is it being made? Consider what would happen to any private businessperson that failed to declare these expenditures: He or she could face charges of accounting fraud, with a possible imprisonment sentence.

Simply put, government has exempted itself from the standards and practices that are required of private business, in order to create the illusion that vital programs, such as education, are chronically underfunded.

## **Nevada's K-12 Public Education**

When studying K-12 public expenditures, it becomes very apparent that *how much* taxpayers actually spend impacts public discussion less than *who counts how much* we spend. Including or excluding accounting categories causes a great deal of variation in the amount the public thinks it spends on education.

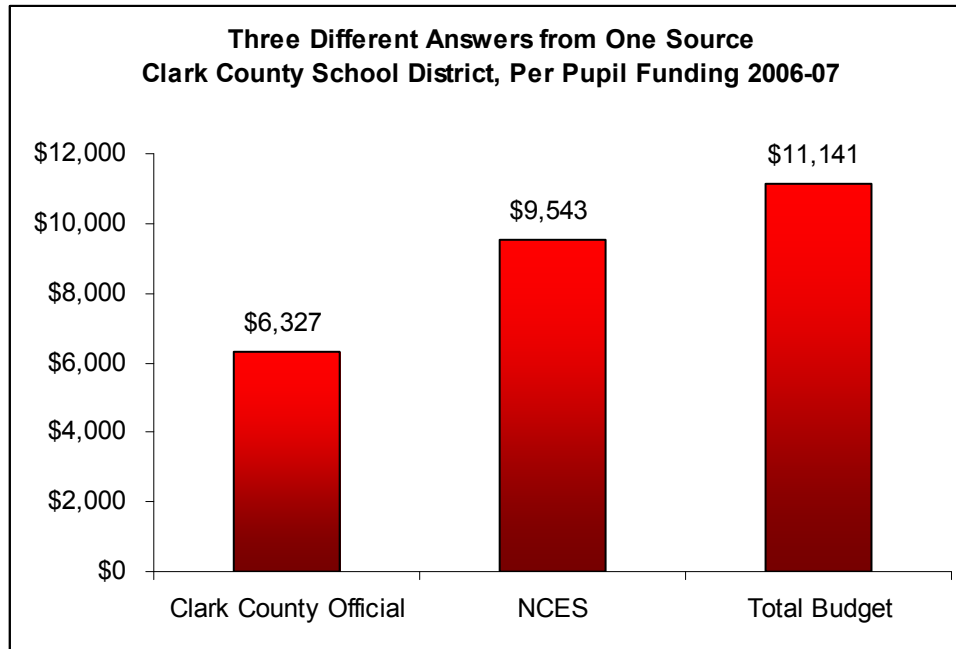
How much Nevada spends on public education varies from source to source. Some pundits and policymakers speak only about the basic support to school districts. While that support averages \$5,215 per pupil, this amount excludes several sources of funding. It also cannot be used legitimately for inter-state funding comparisons, since the percentages contributed by state, local and federal sources vary from state to state. The graph below details the basic students support from the Distributive School Account (DSA). The state-funded DSA allocates funds based on a school district's weighted enrollment.<sup>16</sup>



\*Source, Clark County School District. DSA Apportionment-2009, Table 7.

In addition to the basic per-pupil support, school districts receive additional revenue from other federal funds, local funds, capital project funds, food service funds, special service funds and debt service funds. Thus the state's basic support will always be lower than the school districts' claimed per-pupil spending.

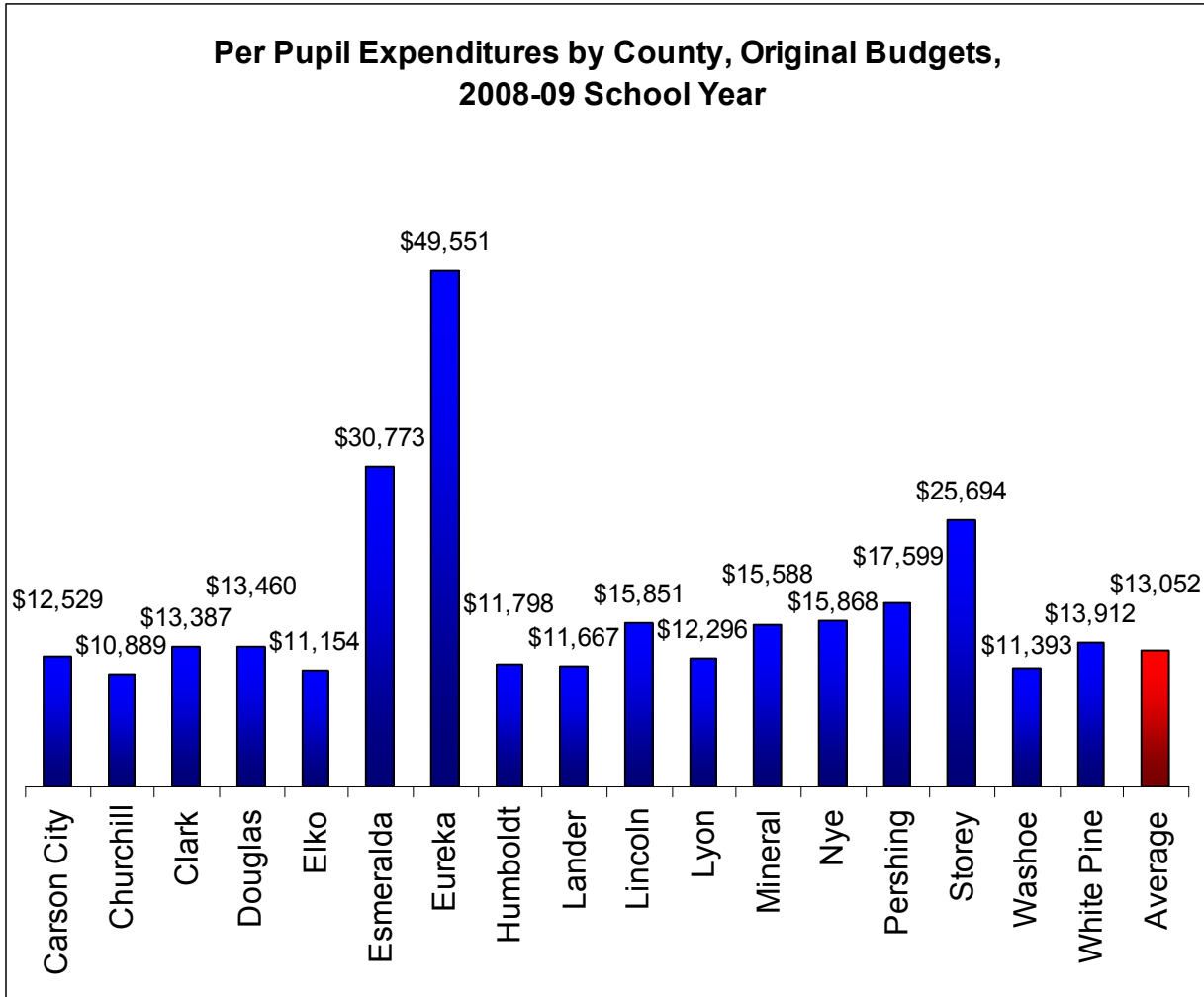
There is no better example than the Clark County School District to demonstrate how differently per-pupil spending can be reported. The graph below details three different per-pupil spending amounts, despite the fact that the data originates from one source — the Clark County School District. The differences result mostly from the inclusion or exclusion of certain expenditures.



For 2006-07, the district announced that it spent \$6,327 per pupil. However, the expenditure total reported to the National Center for Education Statistics (NCES), divided by student enrollment, yields a per-pupil figure of \$9,543. Nevertheless, CCSD’s total budget for 2006-07 was actually more than \$500 million higher than reported to NCES — producing a per-pupil expenditure amount of \$11,141 per student. This is almost double what the school district claimed as its official per-pupil expenditure. For these reasons, this report uses the most straightforward and common-sense approach to identifying the true cost of educating students in Nevada: total district budget, divided by weighted student enrollment. Even this may not capture all expenditures related to operating the school district. For example, Nevada districts do not count the budgets of those agencies which assess property values or collect taxes. Private schools, by comparison, must budget for bursar’s offices, which collect tuition and fees.

Looking statewide, the average Nevada per-pupil expenditure for the 2008-09 school year, as originally budgeted, came to \$13,052 per pupil. Budgeted spending per pupil ranged from \$10,889 in Churchill County to \$49,551 in Eureka County. Results are very similar to data collected from the National Center for Education Statistics.<sup>17</sup>

Several of the state’s counties, such as Esmeralda (69 students) and Eureka (230 students) are extremely small. In these counties, therefore, capital costs and salaries, arguably the most expensive educational costs, are spread over only a few students. As a result, small counties suffer from diseconomies of scale; per-pupil expenditures calculate much higher than the state average.

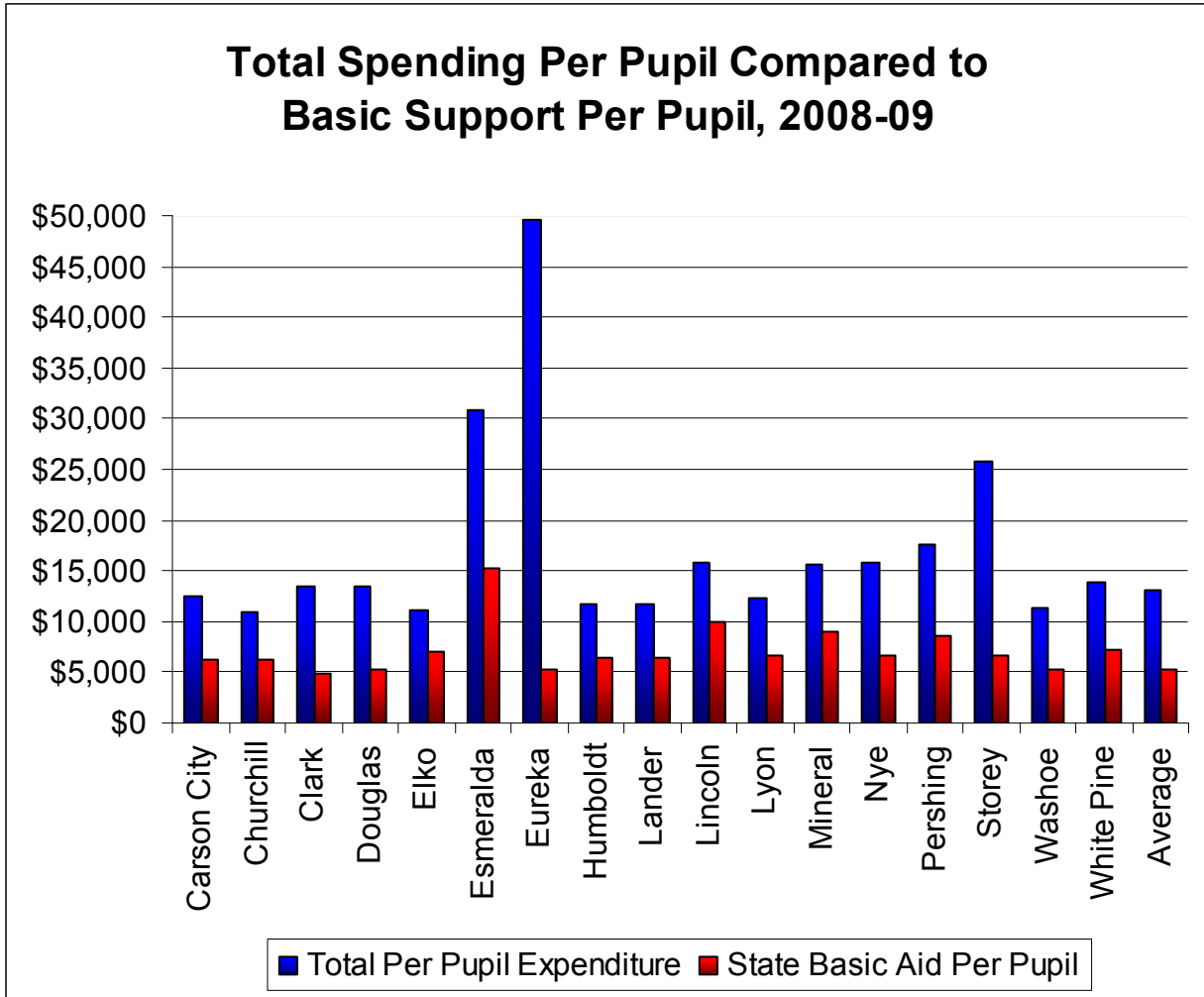


\*Data from State of Nevada Budget and Planning Department website, using original final budgets and weighted enrollment.

The above graph details actual Nevada per-pupil spending, by school district, for the 2008-09 school year, based on *original* budgets submitted in May of 2008 to the Nevada Department of Taxation.<sup>18</sup> Where applicable, NPRI excluded “refunding” payments under Debt Service, since these do not result in a net gain in expenditure. Because the data did not include subsequent budget cuts or augmentations, some districts may spend less or more than is illustrated here.

The graph below compares total per-pupil expenditures by county with the basic student support by county. While some would use the relatively low basic support levels to justify claims that the districts are under-funded, this funding source provides only a portion of any given school district’s budget. Restrictions on using other funding sources to cover classroom-related expenses actually reflect poor budgeting priorities or, in some cases, contradictory rules created by state and local policymakers.





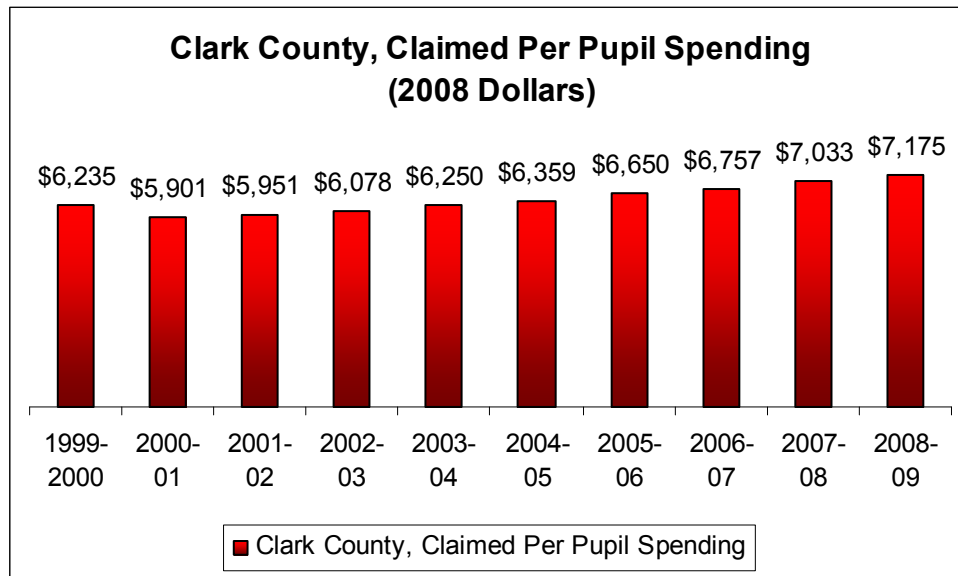
### A Closer Look at the Clark County School District

Some three out of every four children in Nevada are educated in the Clark County School District, where about three-quarters of taxpayer education spending also takes place.

As noted earlier, the Clark County School District’s 2008-09 budget planned spending of more than \$4 billion, resulting in a budget of \$13,387 per pupil.<sup>19</sup> Is such spending cost-effective? Charter schools operating in Clark County receive just \$6,519 per pupil. Yet when compared with traditional public schools on the No Child Left Behind scale of Adequate Yearly Progress, no statistically significant difference is apparent.<sup>20</sup>

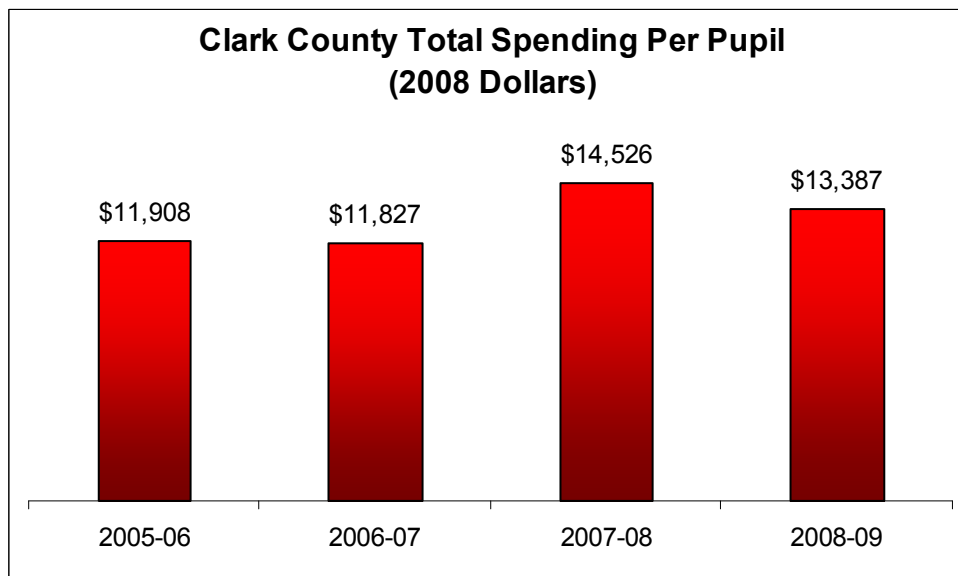
The Clark County School District claims to spend only \$7,175 per pupil and justifies that low-balling claim by saying its numbers only reference “classroom-related” expenditures. Unfortunately, most businesses — including schools in the private sector — cannot simply ignore nearly half of their budgets. Nevertheless, even when the additional spending is ignored, the district has seen significant growth in its claimed per-pupil expenditures over the last nine

years. For the 2008-09 school year, Clark County will spend 15 percent more per pupil than in 1999-2000, after adjusting for inflation.<sup>21</sup>



\*Source: [http://ccsd.net/directory/budget-finance/publications/Quick\\_Facts/2009.pdf](http://ccsd.net/directory/budget-finance/publications/Quick_Facts/2009.pdf). This graph uses total student enrollment.

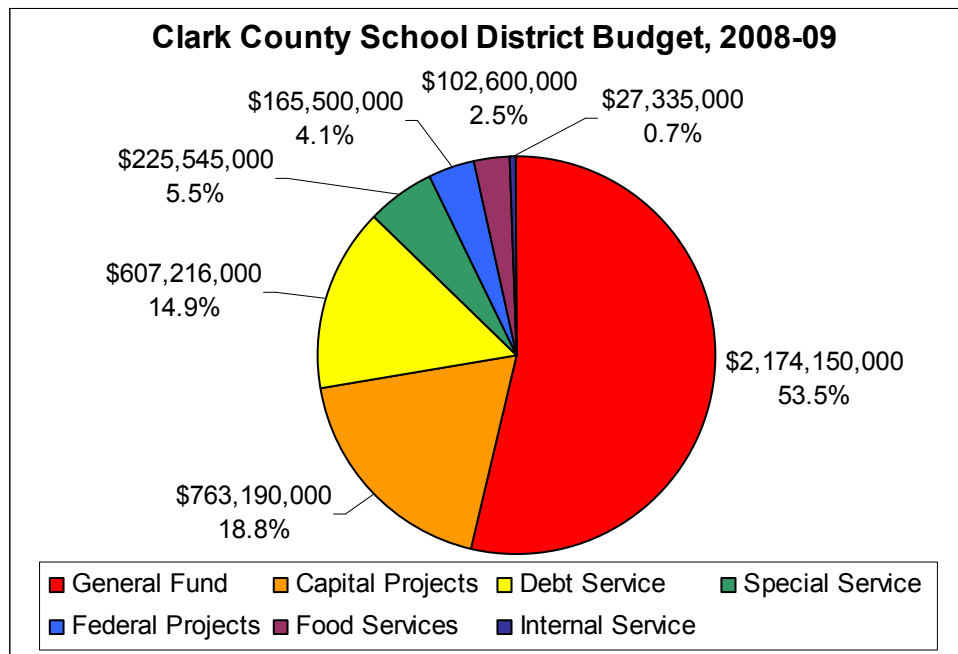
Clark County’s total budget per pupil is 12.4 percent larger for the 2008-09 school year than it was in 2005-06. By comparison, CCSD’s *claimed* per-pupil expenditures over that same period increased by only 7.9 percent.<sup>22</sup> This suggests that a good portion of growth, at least since 2005, has been in programs that even the district does not consider “classroom-related.” For the coming, 2009-10 school year, CCSD has currently planned a tentative budget of \$12,094 per pupil.<sup>23</sup> Of that, the basic support per student is estimated at \$4,800 from the DSA.<sup>24</sup>



\*Source: <http://ccsd.net/directory/budget-finance/publications/>.

With considerable resources at its disposal, the Clark County School District had plenty of room to set priorities. So where did the money go? Just 33.7 percent — \$4,514, of the \$13,387 per student originally budgeted for 2008-09 — was spent on instruction-related expenses.<sup>25</sup> The great bulk of it went to the remaining areas: administration, support staff, transportation, food programs, capital outlays, debt service and other.

Capital outlays and debt service make up a large part of the growth in total district spending. The Clark County School District’s total debt, including interest, is \$23,225 per student.<sup>26</sup> The district will spend just over \$600 million toward direct debt service during the 2008-09 school year — roughly \$1,960 per student. That’s enough to fund the salary of a veteran teacher for every 30 students in the district.

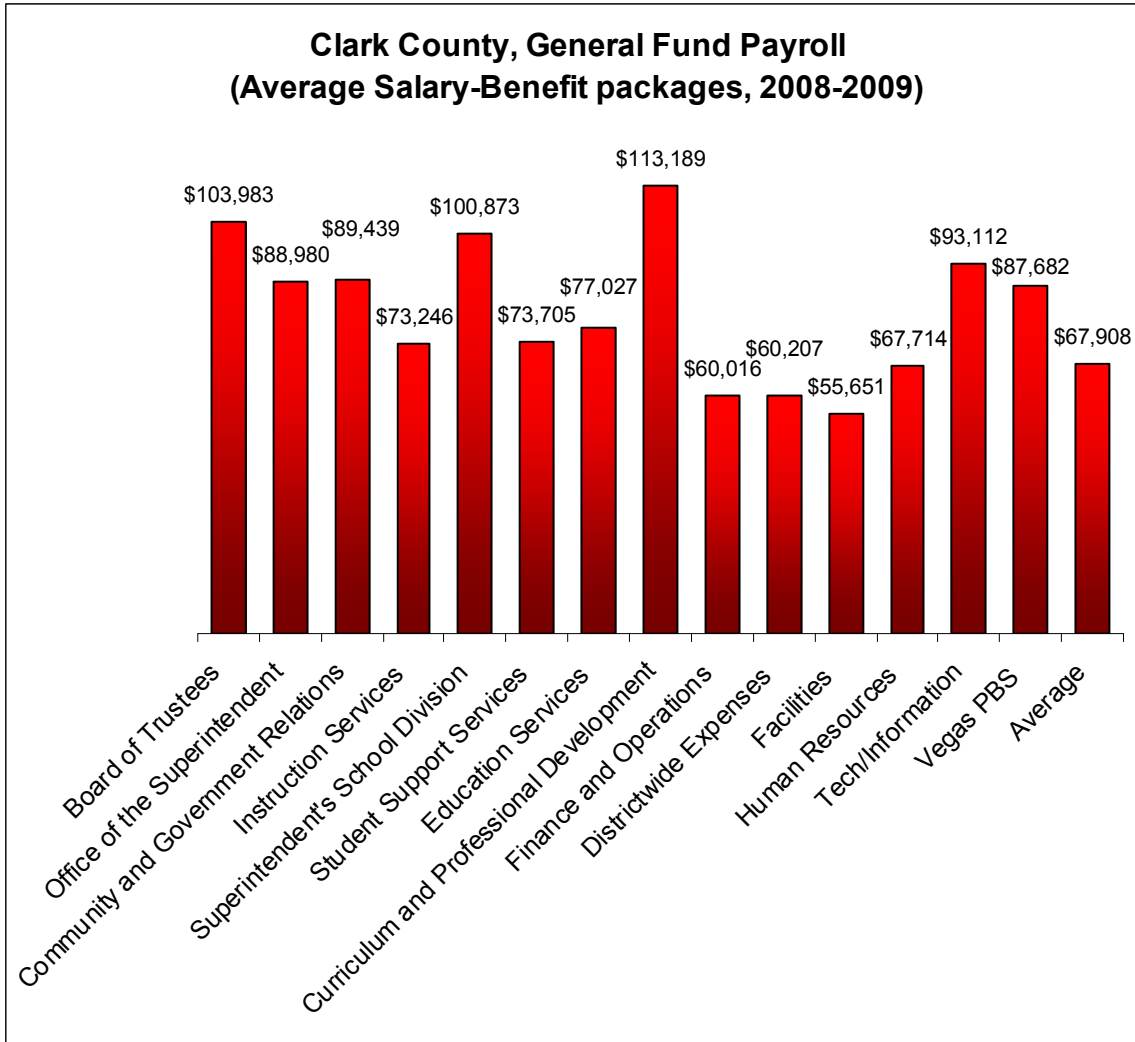


\*Source: Clark County School District <http://ccsd.net/directory/budget-finance/publications/>.<sup>27</sup>

Capital costs and debt service are expensive outlays to ignore. Whether Nevada returns to rapid growth or not, taxpayers deserve to know the true cost of a public education, how their money is being spent and where school districts are *actually* placing their priorities.

## Salaries and Benefits in the Clark County district

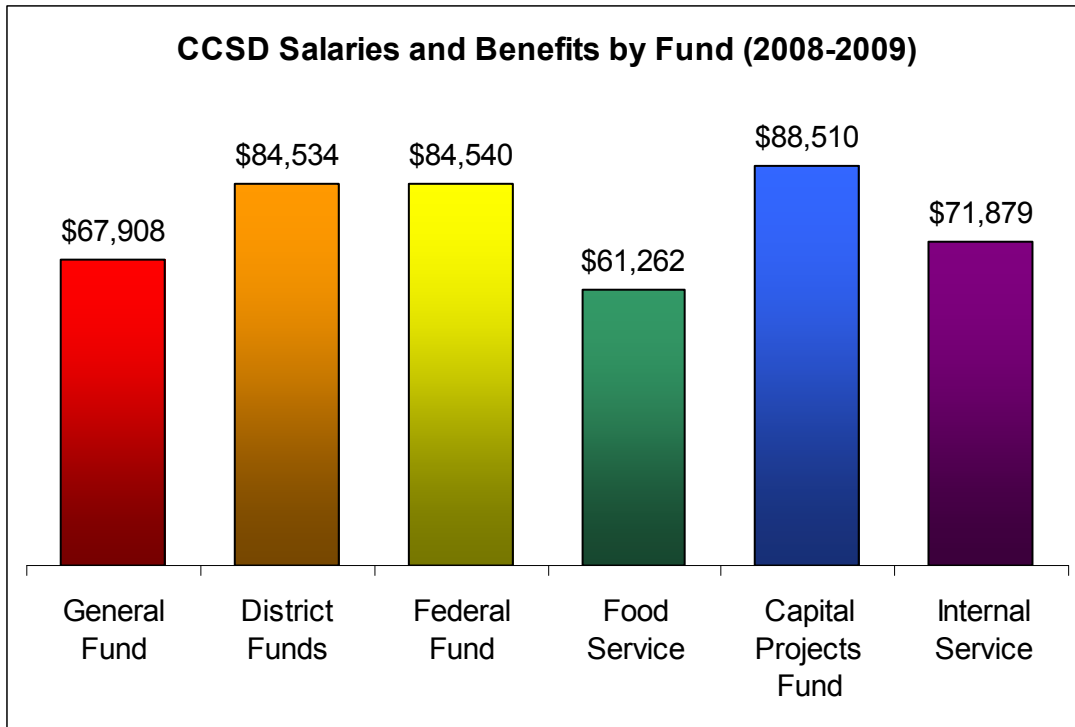
Among the largest expenditures of any business or government operation is the cost of employing labor, namely wages, salaries and benefits. How does this break down within the Clark County School District?



\*Source: [http://ccsd.net/directory/budget-finance/publications/08-09\\_Budget/Budget\\_08-09\\_Complete.pdf](http://ccsd.net/directory/budget-finance/publications/08-09_Budget/Budget_08-09_Complete.pdf).

Can CCSD academic results justify these generous average salaries? The average compensation package for staff members within the Curriculum and Professional Development division, for example, is higher than in any other division within the district. Yet some district insiders are convinced that the costs of the division are much higher than its services warrant. Already it is apparent that principals able to exercise more control over their own school finances find it more cost-effective to hire such services elsewhere.

Approximately half of all expenditures in the Clark County School District in a given year flow through the district general fund. At least five other funds exist, however. The following graphic breaks down salaries for all fund types.



\*Source: [http://ccsd.net/directory/budget-finance/publications/08-09\\_Budget/Budget\\_08-09\\_Complete.pdf](http://ccsd.net/directory/budget-finance/publications/08-09_Budget/Budget_08-09_Complete.pdf).

When other funds are not taken into account, the per-pupil expenditure level as reported by CCSD will ignore \$396 million in additional salaries and benefits of the \$2.25 billion paid out in salaries and benefits during the 2008-09 school year.

The district employs 32,202.39 fulltime equivalent staff (FTE) on its payroll. That’s roughly one employee per 10 students, and an average salary-and-benefits package of \$69,871.

## Washoe County School District

The Washoe County School District budget reported to the Nevada Department of Taxation in May 2008 yielded a per-pupil expenditure of \$11,395 (weighted enrollment). Total WCSD expenditures are nearly double those in the district’s general fund. The per-pupil expenditure level implied by Superintendent Dugan ignores spending of \$248 million in the \$705 million 2008-09 school year budget. Roughly 27 percent of all salaries and benefits paid by the Washoe County School District are not counted as part of its operating expenses. WCSD employs approximately one staff member for every nine students.<sup>28</sup>

Charter schools appear to be in high demand in WCSD. While the district in its first 2008-09 budget estimated a 0.5 percent enrollment increase for traditional public schools, and a 12 percent enrollment increase for charter schools, the amended budget was even more emphatic. Enrollment estimates for traditional public schools actually declined by 200 students, and charter-school enrollment estimates increased by 100.<sup>29</sup>

## Why the games?

Why is it that school districts in Nevada and across the country play these games with their per-pupil spending numbers? Among other findings, the School Finance Redesign Project determined that:

- School districts regularly do not know whether their spending patterns have any link *at all* to the policy priorities they publicly profess;
- Public school finance is essentially an accidental system in which spending decisions, regulations and other restrictions are made piecemeal and with conflicting intent;
- Customary methods of school finance actually work *against* the single-minded focus on student learning that the public today demands;
- School board contracts with teacher unions currently determine how *nearly half of all funds available to public education are used*. Moreover, because unions and other interest groups are empowered by regulations or contracts that allow them to control pots of public money, they face no incentive to relinquish that control.
- While educators understand the need to press for higher academic performance, they operate within rule-bound schools and districts that generate fear that innovating educators may be punished;
- In this respect, educators are often in a no-win situation, as different levels of government all demand that their own particular rules and priorities be observed — even when *those* rules conflict with the rules of *other* governmental levels;
- Although most funding programs and regulatory requirements were imposed for good reason, in combination they prevent teachers, principals and schools from making sensible adaptations and trying new ideas.
- Citizens intend to pay for the education of children, but they in fact pay for a frozen system that cannot adapt to the performance pressures it now faces.

It is this “frozen” inability of public K-12 education (as currently structured) to meet the public’s educational goals that appears to answer our question. Desperate for some excuse that will allay public frustration, much of the public education establishment, it would appear, has embraced the “not enough money” excuse with a vengeance. After all, it is an excuse that the public, lacking ready access to the actual details of school finance, has shown it will accept.

## Conclusion

This paper has shown that per-pupil spending in Nevada not only is actually much higher than the public education establishment wants to acknowledge, but that spending has also rapidly increased. Yet the fact remains that student achievement has not seen significant gains.

It is apparent that here in Nevada, as around the country, public education spending is being routed into ineffective and wasteful programs. Nevertheless, the Silver State for decades has been going through the motions of attempting to reform its dysfunctional schools.

Together, these two facts strongly suggest that the real priority of Nevada's public school establishment — and, indeed, state lawmakers — is not in fact the good of the state's young people. Instead, distributing checks for the system's adult employees and favored vendors appears to be the overriding concern.

Leaders honestly seeking to make the public schools responsive to students would end the disempowerment the State of Nevada imposes on students' parents. They would allow the public funds necessary to educate a student to follow that student and encourage greater financial control at the level of the local school, rather than the district.

This is the most direct, humane and cost-effective solution to the plight of Nevada parents, their children and, indeed, the entire statewide community.

With such vast resources, averaging more than \$13,000 per pupil, Nevada needs no increase in education funding. What it needs, rather, is sound fiscal management, rational budgeting and greater accountability.

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## Citations and Notes

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<sup>1</sup> Table 2, FY 2009 Distributive School Account (DSA) Apportionment Model. The average student enrolled in a charter school in Nevada will receive a total apportionment of approximately \$6,746. Funding ranges from \$6,519 in Clark County to \$29,346 in Eureka County. The average charter school receives \$8,368 per pupil, but this average is skewed upward by higher spending amounts in less populated counties. Some charter schools receive multiple funding levels because they operate in several counties as distance learning schools.

<sup>2</sup> Hill, Paul T., “The School Finance Redesign Project: A Synthesis of Work to Date” School Finance Redesign Project, Center on Reinventing Public Education, p. 8.

[www.crpe.org/cs/crpe/download/csr\\_files/sfrp\\_interimreport\\_hill.pdf](http://www.crpe.org/cs/crpe/download/csr_files/sfrp_interimreport_hill.pdf)

<sup>3</sup> See U.S. Census Bureau, “Public Education Finances 2006” <http://www2.census.gov/govs/school/06f33pub.pdf>.

<sup>4</sup> See Clark County School District “Budget Overview” p. 3 [http://ccsd.net/directory/budget-finance/publications/08-09\\_Budget/Budget\\_Overview.pdf](http://ccsd.net/directory/budget-finance/publications/08-09_Budget/Budget_Overview.pdf) and Clark County School District “Education Plan and Budget 2008-2009” p. 1, [http://ccsd.net/directory/budget-finance/publications/Quick\\_Facts/2009.pdf](http://ccsd.net/directory/budget-finance/publications/Quick_Facts/2009.pdf).

<sup>5</sup> The “total enrollment” accounting category, incidentally, will always lead to a lower per-pupil expenditure amount. That’s because it does not adjust for the part-time status of certain students (kindergarteners, for example), but counts them as fulltime. This leads to a larger student number divided into the budget number, and thus a smaller result. Using the same budget total but dividing by weighted enrollment, which adjusts for part-time students and helps identify the cost per fulltime student, yields a per-student number of \$13,387.

<sup>6</sup> Dugan, Paul “Washoe County’s school chief Dugan’s state of education speech” KVBC News 3, January 23, 2009. <http://www.kvbc.com/Global/story.asp?S=9724431>.

<sup>7</sup> Ibid. Dugan commented on his understanding of per-pupil spending in Nevada and attempted to make a comparison to Washoe County. While he did not give an actual per-pupil figure for Washoe County, he implied that dividing the general fund by student enrollment would yield the figure. The Washoe County School District does not include classroom-size-reduction expenditures in the general fund.

<sup>8</sup> Washoe County School District Final Budget. See schedule AA-1

[http://www.washoe.k12.nv.us/docs/pdf/0809\\_Final\\_Budget.pdf](http://www.washoe.k12.nv.us/docs/pdf/0809_Final_Budget.pdf). For total student enrollment see schedule B-1.

<sup>9</sup> Coulson, Andrew J. “Choosing to Save: The Fiscal Impact of Education Tax Credits on the State of Nevada” Nevada Policy Research Institute, January 2009. [http://npri.org/docLib/20090113\\_Choosing\\_to\\_Save.pdf](http://npri.org/docLib/20090113_Choosing_to_Save.pdf). Coulson finds that in the long run, Nevada would average a savings of about \$500 million per year by offering a universal tuition tax credit combined with corporate and individual scholarship programs for low-income students. See also, Forster, Greg. “A Win-Win Solution: The Empirical Evidence on How Vouchers Affect Public Schools” Friedman Foundation, January 2009. <http://www.friedmanfoundation.org/downloadFile.do?id=357>.

<sup>10</sup> National Center for Education Statistics “2007 Digest of Education Statistics” Table 175: Current expenditure per pupil in average daily attendance. [http://nces.ed.gov/programs/digest/d07/tables/dt07\\_175.asp](http://nces.ed.gov/programs/digest/d07/tables/dt07_175.asp)

<sup>11</sup> Coulson, Andrew J. “The Real Cost of Public Schools” Cato Institute, April 7, 2008. <http://www.cato-at-liberty.org/2008/04/07/the-real-cost-of-public-schools/>. For the lower “current per-pupil spending” (which excludes capital outlays and debt payments) estimates see “Public Education Finances 2006” <http://www2.census.gov/govs/school/06f33pub.pdf>.

<sup>12</sup> Coulson, Andrew J. “D.C. Vouchers: Better Results at a Quarter of the Cost” Cato Institute, April 3, 2009. <http://www.cato-at-liberty.org/2009/04/03/dc-vouchers-better-results-at-a-quarter-the-cost/>.

<sup>13</sup> Murray, Vicki E. “Citizens Guide to California Public School Finance” Pacific Research Institute, March 2009. [http://liberty.pacificresearch.org/docLib/20090330\\_CA\\_Public\\_School\\_Finance.pdf](http://liberty.pacificresearch.org/docLib/20090330_CA_Public_School_Finance.pdf).

<sup>14</sup> Anderson, Steven J. and Brandon Dutcher “Education in Oklahoma: The Real Costs” The Oklahoma Council of Public Affairs, August 2005. <http://www.ocpathink.org/sites/ocpathink/uploads/documents/EdinOKtrc.pdf>.



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<sup>15</sup> Aud, Susan L. "Student-Based Funding: How to Make Arizona Public Education Finance More Transparent and Accountable" Goldwater Institute Policy Report No. 09-01 April, 2009.

<http://www.goldwaterinstitute.org/Common/Img/040109%20Aud%20paper.pdf>

<sup>16</sup> See, Nevada Association of School Boards "The Nevada Plan and the Distributive School Account"

<http://www.nvasb.org/legislative/Nevada%20Plan%20and%20DSA.pdf>. See also, "The Nevada Plan for School

Finance" <http://www.leg.state.nv.us/lcb/fiscal/NevadaPlan/NevadaPlan2003.pdf>

<sup>17</sup> Extrapolated from National Center for Education Statistics "Build a table" <http://nces.ed.gov/ccd/bat/>. The average per-pupil expenditure according to the data collected by the National Center for Education Statistics was \$9,451. The median expenditure was \$10,526. The average between Clark County and Washoe County, which educated 371,000 of the 425,000 students in FY 2007, was \$9,280. The remaining counties averaged \$10,612. The NCES data did not capture all expenditures for Clark County and thus may underestimate total expenditures and per-pupil expenditures for all counties.

<sup>18</sup> Nevada Department of Taxation, Reports to the Taxpayer,

[http://budget.state.nv.us/nv\\_taxpayer\\_rpt/local\\_reports\\_by\\_entity\\_2008.htm](http://budget.state.nv.us/nv_taxpayer_rpt/local_reports_by_entity_2008.htm).

<sup>19</sup> The Clark County School District publicly reported its total budget for 2008-09 as \$5.1 billion. Dividing this figure by weighted student enrollment yields \$16,864 per pupil. Additionally, the district's amended budget claimed a total expenditure of \$5.9 billion, resulting in \$19,614 per pupil. However, more than \$1 billion of the claimed expenditures in both budgets is attributed to "refunding escrow agent." As NPRI interprets this, it constitutes a school-district bond refunding in order to replace debt charging a higher interest rate with debt charging a lower rate. Under Government Accounting Standards Board standards, such activity must be reported but does not technically qualify as an expenditure. For this reason this paper excludes this amount when calculating per student expenditures.

<sup>20</sup> Gibbons, Patrick R. "Nevada Needs More Charter Schools" Nevada Business Journal, April 2009.

<http://www.nbj.com/issue/0409/38/2012>.

<sup>21</sup> Clark County School District "Education Plan and Budget 2008-2009" p. 1, [http://ccsd.net/directory/budget-finance/publications/Quick\\_Facts/2009.pdf](http://ccsd.net/directory/budget-finance/publications/Quick_Facts/2009.pdf).

<sup>22</sup> Part of the rise in per-pupil spending may also originate from the Clark County School District overestimating student enrollment. Originally it projected an enrollment increase of 1.75 percent, but it appears as though enrollment increased just 0.78 percent. Fewer students than projected would naturally lead to a larger per-pupil amount. However, this difference would only account for approximately \$200 per pupil.

<sup>23</sup> Clark County School District 2010 Tentative Budget, [http://ccsd.net/directory/budget-finance/publications/pdf/2010\\_Tentative\\_Budget\\_Summary.pdf](http://ccsd.net/directory/budget-finance/publications/pdf/2010_Tentative_Budget_Summary.pdf).

<sup>24</sup> Ibid.

<sup>25</sup> Clark County School District "General Fund Operating Budget" p. 60. [http://ccsd.net/directory/budget-finance/publications/08-09\\_Budget/General\\_Operating\\_Fund.pdf](http://ccsd.net/directory/budget-finance/publications/08-09_Budget/General_Operating_Fund.pdf).

<sup>26</sup> Clark County School District 2008-2009 budget [http://ccsd.net/directory/budget-finance/publications/08-09\\_Budget/Other\\_Funds.pdf](http://ccsd.net/directory/budget-finance/publications/08-09_Budget/Other_Funds.pdf) p. 159. Uses weighted enrollment. Excluding interest CCSD's debt per student is \$16,488. In FY 2006 (three years prior) the statewide debt-per-student average was \$11,771. Given that Clark County grows faster than other counties in Nevada, it is understandable that the debt would be higher. One would think this would give CCSD a stronger incentive to cut costs on capital expenditures and debt.

<sup>27</sup> Note: When adding up the fund sources, we reached \$5.2 billion, The Clark County School District discloses \$5.12 billion. We also note that the Clark County School District's chart of expenses claims \$5.12 billion in expenditures despite the figures not adding up to that amount. NRPI found the chart itself excludes a \$1 billion expenditure within the Debt Service Fund. NPRI has also excluded this expenditure

<sup>28</sup> Washoe County School District "At a glance" <http://www.washoe.k12.nv.us/docs/pdf/report07wcsdataglance.pdf>.

Note: Student enrollment is a weighted enrollment.

<sup>29</sup> Washoe County School District amended budget, p. 4.

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## **The Nevada Policy Research Institute**

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