



EXAMINING SCHOOL FUNDING IN NEVADA: EQUITY IN EDUCATION AND POLICY CONSIDERATIONS

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School funding models play a crucial role in ensuring that resources are distributed fairly and effectively to support student success. Over time, changing demographics and educational needs have challenged states to update their funding systems and provide more equitable support. In Nevada, the shift from the long-standing Nevada Plan to the Pupil-Centered Funding Plan (PCFP) represents a major effort to modernize school finance.



The Old System

In the late 1960s, Nevada was a rural and homogeneous state; its total population was under 500,000 and 90 percent white. It was in this demographic environment that [Senate Bill 15](#) established the Nevada Plan for K-12 school funding in 1967. The Nevada Plan modernized school funding by allocating funds more equitably between school districts. It mainly addressed disparities caused by differences in local property tax revenues, as Clark and Washoe counties were growing more rapidly than the rest of the state.

Fifty years later, the Nevada Plan remained effective at treating school districts equally, but it was not designed to address the growing differences between the state's schools and the dramatic changes in the demographics and needs of the student population. **The Nevada Plan was unable to fund students and schools equitably, so a new system was designed.**



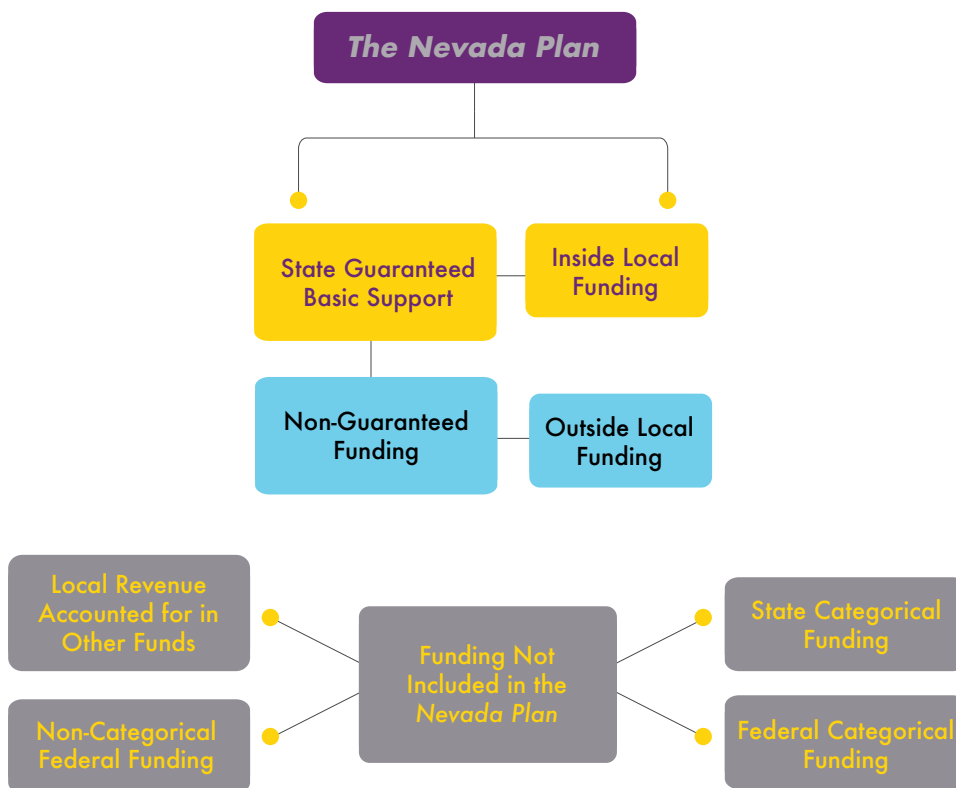
A New Approach

The landscape of K-12 education funding in Nevada underwent a transformative shift with the enactment of [Senate Bill 543](#) in 2019. It introduced the PCFP and created the State Education Fund (SEF), combining local and state revenues to ensure every student receives a guaranteed basic level of financial support responsive to their specific needs regardless of location. The plan includes provisions to safeguard against decreases in per-pupil funding, adjust for inflation and enrollment changes, and account for regional cost variations.

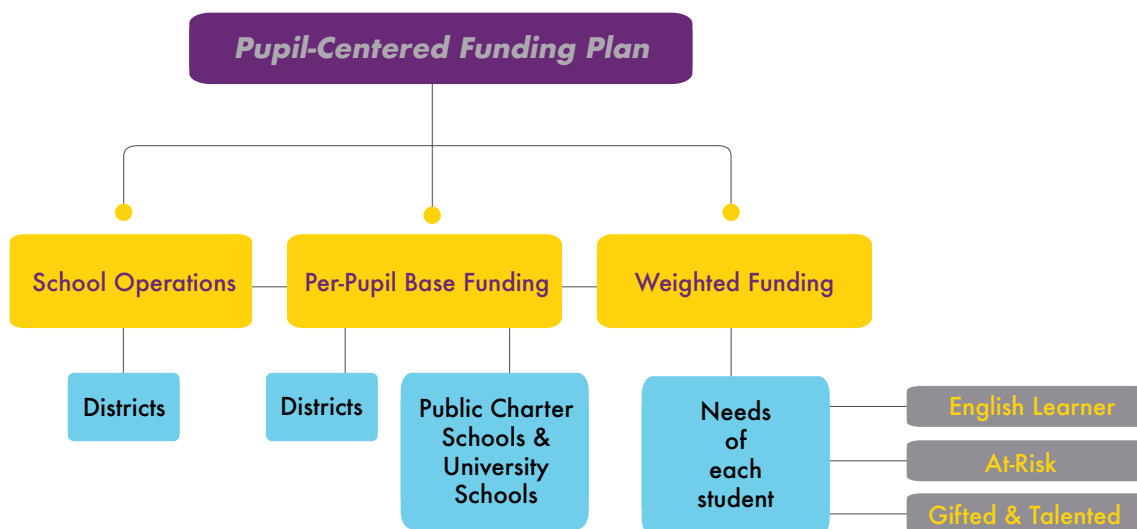
The PCFP is financed through the SEF, which was established to ensure that funds designated for education are exclusively used for that purpose. At the end of each fiscal year, any remaining balance in the SEF does not revert to the state's general fund, thereby preventing it from being redirected to other state functions. As a financial safeguard, the Education Stabilization Account within the SEF ensures continuity in educational funding during economic downturns or revenue shortfalls. It allows surplus revenues to be reserved for future educational needs, thus enhancing the stability and sustainability of Nevada's education funding system.



Figure 1. Nevada Plan vs. PCFP



VS.



GUINN CENTER'S REPORT ON EDUCATION FUNDING

Over the 2023-2024 Interim, the Nevada Department of Education (NDE) commissioned the Guinn Center to analyze Nevada's new approach to funding K-12 education, the Pupil-Centered Funding Plan. We also examined other school funding sources—state allocations, federal grants, and community contributions—and how they support students in different regions and school settings. The study aimed to define and visualize funding streams, compare funding portfolios across school and community types, and explore the measurable and perceived effects of the PCFP and other funding streams.

The Guinn Center examined funding data from the state and school districts, mapped funding distributions using Geographic Information Systems (GIS) tools, and interviewed school and district administrators to assess the effect of funding changes from the PCFP on educational equity. The report concludes with policy considerations to encourage equitable and effective funding across Nevada's schools to meet the specific needs of students in each school.

In analyzing funding allocations, demographic trends, and educational outcomes, the study sought to:

Evaluate equity and fairness – We assessed how the PCFP addresses historical funding inequities and promotes equitable resource allocation across urban, suburban, and rural school districts.

Create a baseline for connecting funding to performance – We analyzed the correlation between funding performance metrics, attendance rates, and other outcome indicators to create a baseline for gauging its effectiveness in supporting student success.

Understand Implementation Challenges – This report identifies challenges and opportunities in implementing the PCFP, including district-level autonomy in funding allocation, staffing decisions, and the adaptation of schools to the new funding model.



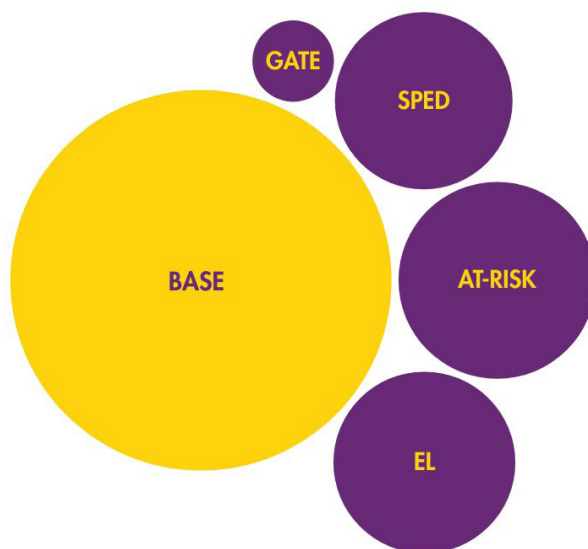
KEY FINDINGS

Funding Allocation Analysis

The PCFP provides a consistent base funding amount for all students, with additional weighted funding for students within specific categories. Currently, these weighted categories are Gifted and Talented Education (GATE), English Learners (EL), and at-risk students. Special Education (SPED) is not a weighted category because these students are allocated the funding necessary to meet their needs.

Although Special Education is not a weighted category, students only receive funding for the highest of the categories for which they qualify. Therefore, if a student receives special education services but is also an English Learner, they will only be allocated funds for the special education services. This is consistent with the other three categories as well – if a student is an English Learner but also a GATE student, they will only receive the weighted funding for the EL distinction, as it is the higher allocation of the two. For Fiscal Years 2024 and 2025, GATE students are allocated 12 percent above the base per-pupil funding; EL students receive 45 percent above the base, and students at risk of not graduating receive 35 percent above.

NEVADA STUDENTS BY FUNDING CATEGORY



Interviews with School Principals

The Guinn Center requested interviews with principals of the 19 elementary schools profiled in the study; 10 schools participated. The primary themes that emerged from the interviews include:

- Most principals report very little budgetary control (outside of Clark County); they also lack the time and expertise to assume such control. Decisions about school staffing, including the number of teachers and class size ratios, are primarily made at the district level. Principals are unsure whether these decisions are based in part on the weighted categories at each school but feel the districts are generally responsive to the school's needs.
- The principals do not perceive any significant program or staffing changes at their school under the PCFP. Several schools were "held harmless" and did not see material funding changes until the 2023-2024 school year. Overall, principals whose budgets are district-managed did not report any noticeable changes in their available resources.
- Although the interview did not include any questions related to staffing, every respondent mentioned the challenges of recruiting and retaining educators and support staff. The challenges differ by geographic location, with concerns including the high cost of housing, long and expensive commutes from the closest metro area, and trying to recruit to rural communities.
- Although challenges like shift work, family transience, and poverty have been relatively consistent over the past decade, respondents mentioned new and significant challenges that have coincided with the PCFP. Skyrocketing housing costs have caused some families to share a dwelling or to move regularly in pursuit of cheaper rent. Principals also noted that the pandemic recovery continues, with children and families experiencing social, emotional, and behavioral challenges. The "pandemic babies" who experienced limited socialization during the pandemic years are starting kindergarten, and principals notice more students needing extra support in language development, emotional regulation, and social skills.



POLICY AND PROGRAM CONSIDERATIONS

The Guinn Center offers several policy recommendations and other considerations to address the findings of the study. Below are summaries of these items, which are outlined in greater detail in the full report.

Improve the consistency in data collection and reporting across districts and charter schools:

- Amend the state law to require the Nevada Department of Education to adopt regulations creating mandatory, standardized guidelines for schools to follow when collecting and reporting financial data. These should be streamlined, and not duplicative, yet comprehensive.
- Require the NDE to implement a centralized, statewide data system where all districts can input their data.

Resolve discrepancies in how funds are distributed and managed across schools:

- Establish clear guidelines for how the PCFP's weighted funds can be spent and a framework for how districts should distribute the funds to individual schools, particularly for services provided to at-risk students.
- Offer training for school principals and administrators on budget management. The training should be differentiated between the Clark County School District, where principals are responsible for their school's budget, and other districts that lack school-level budget control and whose principals may not fully understand the PCFP.

Continually evaluate the PCFP:

- Undertake longitudinal studies to track the effect of the PCFP over several years.
- Analyze the combined effects of the PCFP and other overlapping policies, such as pandemic-related funding and mandatory salary increases, on school budgets and operations.
- Develop a set of comprehensive, qualitative performance metrics that go beyond test scores to include factors like student well-being, teacher satisfaction, and community engagement.
- Regularly gather feedback from principals, teachers, parents, and students to gauge the perceived effect of the PCFP and related policies.

Respond to ongoing post-pandemic family needs:

- Ensure adequate funding to support social and emotional learning programs, early childhood development, and mental health services in schools.
- Foster partnerships with local organizations and service providers to directly connect students and families with needed support.
- Provide professional development for teachers and staff in addressing students' social and emotional needs.

Ensure funding truly follows the student and addresses disparities caused by differential teacher salaries:

- Conduct regular equity audits to assess whether funding is being allocated objectively.
- Consider whether funding should only be allocated to the highest weighted category, since schools are providing the full gamut of services a student may need.
- Promote transparency in state-, district-, and school-level funding allocations.
- Develop or enhance targeted incentive programs to attract and retain teachers in hard-to-staff areas.
- Expand "grow your own" programs to build a pipeline of local educators who are more likely to remain in their communities.
- Implement robust mentorship and support programs for new teachers, focusing on those in hard-to-staff schools.
- Increase funding for K-12 education.

CONCLUSION

Nevada has transformed how it funds K-12 education by enacting the PCFP. To better understand and visualize the outcomes of school funding under the new plan, the Guinn Center has created useful mapping tools that could be used in the years ahead, modeled school profiles that may be valuable on an expanded basis, and offered program and policy prescriptions for use by the state's executive and legislative leaders. With ongoing assessment and analysis, and with adjustments based on the findings, the strengths and weaknesses of Nevada's PCFP can become clearer and more effectively addressed.



ABOUT THE GUINN CENTER

The Kenny Guinn Center for Policy Priorities is a nonprofit, nonpartisan policy research center addressing key challenges faced by policymakers and all Nevadans.

Our staff researchers, together with academic partners and independent experts across the state, tackle policy issues that range from taxation to water use, healthcare to education, and everything in between. We identify and analyze the complex problems we face as a state and inform decision-makers about actionable, data-driven, and effective policy solutions.

We invite you to join us in creating a brighter future for the Silver State by supporting our mission, signing up for our newsletter, or getting in contact.

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