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A HISTORY OF PUBLIC SCHOOL FINANCE AND EDUCATIONAL TRENDS WITHIN THE STATE OF NEVADA:

SUMMARY AND CONCLUSIONS

by

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A dissertation submitted in partial fulfillment of the requirements for the

Doctor of Education Degree in Educational Leadership
Department of Educational Leadership
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ABSTRACT

A History of Public School Finance and Educational Trends Within the State of Nevada: Summary and Conclusions

by

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Funding public education has long been debated by policymakers and educators throughout history. This dissertation presents a systematic, structured, historical analysis of Nevada school funding and educational trends.

This study provides a foundation for assessing the funding of public schools in Nevada. In addition, this work examines the social, economic, and legislative events influencing the funding of public education in Nevada. The social, economic, and legislative events were chosen because of their importance to Nevada Governors and Superintendents of Public Instruction, as described in Biennial Reports and Legislative Addresses, from statehood to present times. This study also provides information for those interested in the evolution of the current funding formula and educational trends, documenting the history of public school funding in Nevada for future reference.
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CHAPTER ONE

THE PUBLIC SCHOOL FINANCE DEBATE

The National Public School Finance Debate

Issues regarding education, particularly those relating to finance, litigation, and both equity and adequacy, continue to be debated throughout the nation. Moreover, respected individuals from all professions continuously warn of budget cutbacks and the inequalities of state funding formulas, creating continued controversy.

As a result of imposing accountability measures, policymakers are pressured to determine whether resources provided are sufficient to enable all students to reach desired achievement goals. Policymakers are also pressured to determine whether resources are equitable for all children. Most educators think the country under-invests in public education, while some of the public and policymakers may feel that public education has already reached the marginal dollar value and the point of diminishing returns and that available funds should be diverted from it to other industries that have the potential for higher percentage increases in productivity (Brimley & Garfield, 2002). These different viewpoints create challenges for educators, seeking to obtain additional funding in support of public education.
While funding debates and legal challenges across the nation have historically focused on equity, recent debates have focused on the concept of adequacy. This change in focus has resulted in increased attention to such things as adequacy-based legal issue and litigation, current models for calculating an adequacy-based finance structure, and unique challenges faced by western states (Augenblick & Odden, 2000). Policymakers have indicated that unique challenges, faced most often by western states, include tremendous growth, the imposition of rigorous accountability measures, and per-pupil expenditures below the national average, requiring policymakers to further examine current funding and educational practices (Augenblick & Odden, 2000; Legislative Counsel Bureau, 2001).

School finance experts such as Augenblick and Odden (2000) indicate that policymakers must recognize and accept each state's responsibility to provide an appropriate education to all children. They further explain that policymakers within each state must work diligently to provide sufficient funding in support of public education before courts force policymakers to change adopted funding formulas. Many policymakers have already been required to change how they are funding education as a result of legal challenges, including policymakers in Kentucky, New Jersey, Wyoming, and Ohio. Recent courts have found that the state, not the local school district, is responsible for providing a public school system that offers all students an adequate education.

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1 In only Florida, Illinois, New York and Rhode Island have courts rejected adequacy claims.
education. Moreover, if the state’s funding system fails to support such an education, it can be deemed unconstitutional, resulting in years of litigation and debate.

While legal challenges and debates are gaining attention across the nation, western states face unique challenges that require more attention by policymakers. Increased enrollment, per pupil spending below the national average, limited legislative efforts to fund public education, and rigorous accountability measures appear to offer the most significant challenges. States in the west have long funded schools at levels below those in the Midwest and East. States such as Arizona, New Mexico, Nevada, and Utah, for example, rank near the bottom in national per-pupil funding (Augenblick & Odden, 2000), indicating that additional state funding is essential. Specifically, while the national average per pupil in 2001-2002 was $7,425, Arizona allocated $4,976, New Mexico $6,663, Nevada $5,841, and Utah $4,674. In addition, while total current expenditures per pupil averaged $6,724.81 nationally for school districts with enrollment over 25,000 students in 2001-2002, school districts such as Washoe Co, Nevada allocated $5,806.52; Clark County, Nevada $5,431.62; Granite, Utah $4,608.23; and Paradise Valley, Arizona only $4,413.29, demonstrating further the limited funds provided for public education (Educational Research Service, 2002).

Disparities in funding public education and resources provided have always existed, and continue to create controversy and debate throughout the nation. While education is considered primarily a state’s responsibility according to the constitution, states vary widely in their ability and willingness to raise revenues for education. Jonathan Kozol, author of Savage Inequalities, summarizes these disparities with funding
public education, explaining that the amount of money spent on each school-age child in this country ranges from $1500.00 to $15,000.00 depending on where the child lives (1991). Levine, author of *Meeting the third wave: Legislative approaches to recent judicial school finance rulings*, states that underlying the concerns with unequal resources and disparities in funding among school districts is the concern about the quality of education available to children in districts with lesser resources (1991).

Although policymakers often attempt to justify these disparities within school districts, funding public education is extremely complicated. Property taxes, state aid systems, drastic changes in the number of students and populations serviced, and an increased pressure on local tax rates all have an impact upon funding formulas. In addition, increasing numbers of students with special needs, insufficient funding provided by policymakers, and stricter accountability measures have further complicated public school finance. In turn, these factors are just some of the reasons why the debates continue to create controversy (McGuire, 1990).

Furthermore, a decade of emphasis on making qualitative improvements in the schools at the state and local levels may also explain the increased focus on school finance. Efforts to raise graduation standards, mandate expanded student testing and assessment, and to increase teacher salaries have amplified concerns about the cost of education. Moreover, the qualitative improvements have highlighted existing differences in resources from district to district.

Despite increased demands on public schools, however, findings published in state and national reports, including the report *Education in crisis: The state budget*
crunch and our nation's schools (Kennedy, 2002) indicate that state education cuts will continue to be the norm, rather than the exception. The report explains that state budget cuts in education spending already total $11.3 billion. Furthermore, the report confirms that state funding for public education has not equaled the rise in inflation, and has failed to meet the demands resulting from increased student enrollment. In fact, the report indicates that states cut $10.5 billion from their educational budgets between fiscal years 2001 and 2002 in the 47 states surveyed and the District of Columbia. In addition, the report notes that since enacting the above-mentioned budgets, 11 states have been forced to cut an additional $800 million from K-12 education.

As funding debates have become more intense, the role of the Federal Government has become extremely controversial. Many individuals feel that all students, regardless of where they live, should receive the same educational opportunities, insisting that more Federal involvement is needed (Rothstein, 2000). U.S. Senator Edward M. Kennedy is one such individual, who supports additional Federal involvement to resolve debates and to diminish current funding disparities within school districts. He confirmed his support in Education in crisis: The state budget crunch and our nation's schools, by stating,

"Throughout this country, state education budgets are facing cuts- an estimated $11.3 billion nationally- and schools are taking drastic steps to make ends meet. They are beginning to lay off teachers, cut back on textbooks, cram more children into fewer classrooms, postpone school modernization, and eliminate teacher training. Unless the federal government steps in quickly to fill the gaps, our children will fall through them" (2002).

Policymakers often feel that the Federal Government has a responsibility to provide resources and assist states that have difficulty in providing adequate resources for
educational programs (Burrup, P, Brimley, V. Jr., & Garfield, R., 1996). This position has become more popular in recent years due to an increased number of State Supreme Court decisions that have determined that school finance systems have violated state constitutions. In recent times, legal challenges to school finance systems have existed in several states. States involved in legal challenges include Alabama, Arizona, Kentucky, New Hampshire, New Jersey, North Carolina, Ohio, Tennessee, Washington, West Virginia, and Wyoming. The courts have required each of the states to revise school funding formulas due to disparities and inequities in funding structures (Augenblick and Odden, 2000). More importantly, as education reform develops and increased pressure is placed on educators to meet local, state, and national educational goals, increased attention will be given to the amount and type of resources that are required to help students meet expectations. Consequently, policymakers will be required to determine whether the amount of money provided by the Legislature in support of public education is sufficient to meet the needs of children throughout each state.

As states move toward higher expectations for student learning and stringent consequences for results, many school districts are demanding the resources and support they feel are needed to do the job. These demands are challenging policymakers to determine what type and amount of resources are needed to enable all students to achieve at high levels (Augenblick and Odden, 2000). Furthermore, these demands exemplify the shift in focus from equity to adequacy when discussing public school finance.

Although the debate regarding federal involvement has changed in recent years, some federal involvement is now supported by a majority of citizens. Greater responsibility and support by the federal government is needed (Burrup, P, Brimley, V. Jr., & Garfield, R., 1996, p. 211).
School Finance Constitutional Litigation

Although school-funding litigation has an extended history, most scholars acknowledge the Supreme Court of California's decision in *Serrano v. Priest* (1971) as the beginning of the modern era in school funding litigation (LaMorte, 1989; Sparkman, 1990). Consequently, the information provided in this dissertation regarding school finance litigation begins with *Serrano v. Priest*. A list of State Supreme Court Opinions involving challenges to state funding systems is provided in Appendix A for further review. The cases listed demonstrate the impact courts have had on the funding of public education and indicate that much has changed in the funding of public education as a result of litigation throughout history. Individual states, as well as the Supreme Court, have had to respond to school finance litigation in an effort to assist in developing funding systems that best meet the needs of all children.

Public School Finance Litigation

Litigation has played and continues to play an increasingly significant role in changing state funding formulas. Litigation and legal challenges have evolved throughout history and have focused on many different issues. Issues include equal protection, state constitution educational clauses, accountability measures, student achievement, and adequacy. Cases such as *McInnis v. Shapiro* (1968), *Burruss v. Wilkerson* (1970), *Serrano v. Priest* (August 1971), *San Antonio School Independent School District v. McFarland* (1981), *San Antonio School District v. Rodriguez* (1973), and *Shelby v. key issues and impact of that treatment on reform*, which was written by Anna Lukemeyer (1999).

Court case listing was taken primarily from *Financing education in a climate of change*, which was written by Vern Brimley, Jr., and Rulon R. Garfield. (2002) and *Education finance equity: Judicial treatment of key issues and impact of that treatment on reform*, which was written by Anna Lukemeyer (1999).
School District v. Rodriguez (1973), and Robinson v. Cahill (1973) are five cases that have had a drastic impact on the funding of public education.

In the late 1960s, the first attempts to challenge the funding of public education were filed in the McInnis v. Shapiro and Burruss v. Wilkerson cases, challenging the constitutionality of differences in educational expenditures across school districts. The equal protection clause served as the primary basis for these challenges. Plaintiffs argued that the education systems were unconstitutional because education was a fundamental right, and that the differences in expenditures per pupil across school districts were not related to educational needs. In other words, the plaintiffs felt that there was no educational justification for differences in per pupil revenues. They also felt that differences in expenditures per pupil had to be related to educational need, not to variables relating to wealth or the local tax base. In these two cases, the court determined that in order to rule upon whether or not differences in educational expenditures were or were not related to educational need, a standard by which to assess such need was necessary. The court also found that differences in expenditures per pupil were not sufficient in itself to move the court to find the system unconstitutional, mostly because the court could not develop an educational need standard (Brimley & Garfield, 2002). As a result, these attempts to use the courts as a route to resolve school finance inequities were unsuccessful.

Litigation continued, however, and courts continued to play a significant role in the search for school finance reform. The first wave of court cases, from 1971 to 1973, involved claims that school-funding systems violated the equal protection clause of the
fourteenth amendment to the United States Constitution. Plaintiffs, using equal protection as the basis for a legal challenge, felt that the government or a specific law was treating them differently or unfairly.

Courts utilized one of two tests to determine the constitutionality of a governmental action or law. The first test used was the minimal scrutiny test. This test asked whether the government had a reason for the different treatment, and determined whether there was a "rational relationship" between the laws and the differential treatment⁴. The second test used was the strict judicial scrutiny test. With this test, the government was required to demonstrate that there was a "compelling state interest" for its action, and that there was "no less discriminatory" policy the state could use to fulfill that compelling interest⁵.

Courts use the strict judicial scrutiny test under two circumstances: when governmental action affects a "fundamental right" or when governmental action creates a "suspect classification" of individuals (Lukemeyer, 2002). Laws subject to strict scrutiny can survive an equal protection challenge, if and only if, such scrutiny is narrowly tailored to serve a compelling state interest. Past court cases indicate that few laws can withstand this level of scrutiny.

⁴ Courts have accepted these rational relationships as acceptable bases for treating individuals differently. If the court invokes the minimal scrutiny test, the state action usually is upheld because the state can identify some rationale for its law (Odden and Picus, 1992, p. 23).

⁵ When the strict judicial scrutiny test is used, the state usually loses and plaintiffs win. The strict judicial scrutiny test usually overturns the governmental action that is the basis for the suit (Odden and Picus, 1992, p. 23).
The *Serrano v. Priest* and *San Antonio School Independent School District v. Rodriguez* are perhaps the two most significant cases regarding public school funding. *Serrano v. Priest* (1971) was the first major school finance case filed in a state, rather than a federal court. The case was significant because it was the first time that a state system of school finance was found to be unconstitutional. In both cases, plaintiffs argued that school finance systems created wide disparities in funds available and resources provided to school districts, thus, violating the equal protection clause.

In *Serrano v. Priest* (1971), the California Supreme Court found that the state funding system violated the equal protection clauses of both the U.S. Constitution and the California State Constitution. The California court found that the finance system differentiated among students on the basis of a suspect classification, which was based upon wealth. The court also found that education was vital to a democratic government, an individual’s well being, and economic mobility, concluding that education represented a fundamental interest. Burrup, Brimley, and Garfield (1996) pointed out that the immediate consequences of the Serrano decision were overwhelming in matters of school finance. They explained that “within five months after the announcement, three other state courts had made similar rulings and states that formerly seemed to be satisfied with maintaining their traditional financing programs began to study and restyle them with a zeal well beyond any previously demonstrated” (p. 222).

The opinion rendered by the Supreme Court in the *San Antonio Independent School District v. Rodriguez* (1973) case, however, precluded litigants from using the

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6 All state constitutions have the functional equivalent of an equal protection clause.
federal equal protection clause as a vehicle for school finance reform. The court indicated that, while education was extremely important, it was not mentioned in the United States Constitution. Therefore, the United States Constitution could no longer be used as a legal route to school finance reform. In addition, the court found that each state was required to address legal challenges regarding school finance reform. Leland Melvin, author of The Law of Public School Finance, Contemporary Education, stated that the “U.S. Supreme Court decision in Rodriguez effectively removed school finance reform litigation from the federal courts and, as a result, further court action was forced to rely on violation of state constitutional provisions if any relief was to be afforded” (1984, p. 149). Odden and Picus explained that one part of the decision suggested quite directly that states could find education to be a fundamental right. They explained that the primary reason was because, “unlike the federal government, most state constitutions not only mentioned education, but had constitutional clauses explicitly creating student access to a free, public education” (1992, p. 28).

The San Antonio Independent School District v. Rodriguez case (1973) was initiated by a Mexican-American family, whose children attended elementary and secondary schools in the Edgewood Independent School District. They brought a class action on behalf of school children throughout the state, who were members of minority groups or who were poor, and resided in school districts having a low property tax base (Kops, 1998). The original complaint was filed in 1968, and a three-judge court was

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established in 1969. The panel rendered its judgment in December 1971, and decided that the Texas school finance system was unconstitutional under the Equal Protection Clause of the Fourteenth Amendment\(^8\). The Court found that education was a fundamental right, and that property wealth per pupil was a suspect classification. As a result, the Legislature was ordered by the court to devise a constitutional system for funding public education.

The case was immediately appealed, however, to the United States Supreme Court. In March 1973, the Supreme Court found that the Texas funding system did not violate the Constitution. They held that, as important as education was for United States citizens and for discharging citizen responsibilities, it was not mentioned in the Constitution. Furthermore, the Court found that they were convinced that all public school students in Texas were provided some type of education (Odden and Picus, 1992).

Consequently, the Court was unwilling to recognize education as a fundamental right, and decided that property wealth per pupil was not a suspect class (411 U.S. 1, 93 S.Ct. 1278, 1973). Leland Melvin explained that the court held that education was not among the rights protected by the United States’s Constitution and that neither a suspect classification nor fundamental interest existed (1984, p. 149). Furthermore, the Court ruled that the Constitution did not prohibit the government from providing different services to children in poor school districts, than it did to children in wealthy school

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\(^8\) The district court stayed its mandate for two years to provide Texas an opportunity to remedy the inequities found in its financing program. The court, however, retained jurisdiction to fashion its own remedial order if the State failed to offer an acceptable plan (Kops, 1998, p. 50).
districts. They explained that the constitution protects the rights of individuals, not governmental entities (school districts). As a result of the Court’s decision, policymakers were forced to evaluate their own state constitutions to determine whether their systems of funding public education were sufficient.

Finally, the New Jersey Supreme Court rendered an opinion in the *Robinson v. Cahill* (1973) case one month after the Rodriguez decision. The court acknowledged the Rodriguez test for finding education to be a fundamental right, and recognized that education was mentioned in the New Jersey Constitution (*Robinson v. Cahill*, 289 A.2d 569 (N.J. Super. 1972). The Court found, however, that education was not a fundamental right, and that property wealth per pupil was not a suspect class, concluding that the New Jersey school finance system did not violate the New Jersey equal protection clause. The court overturned the New Jersey finance system, however, on the basis of the New Jersey education clause within the state’s constitution. The New Jersey Education Clause required the state to create a “thorough and efficient” public education system and the court stated that if the legislature failed to guarantee all pupils equal tax support, it would issue an order for that purpose—a strong threat of court enactment of taxing legislation (Brimley and Garfield, 2002). This case was significant because it allowed individuals to challenge school finance systems on the basis of state education clauses, as opposed to equal protection clauses.

Most of the 50 states have experienced some type of equity reform efforts, ranging from informal political efforts to protracted litigation (Lukemeyer, 2002). The list provided in Appendix A confirms that challenges to state funding systems continue
nationwide. Plaintiffs appear to be placing a greater emphasis on concrete evidence of disparities in educational resources and less emphasis on per-pupil expenditures. In addition, courts appear to be focusing more on defining the facets of a minimally adequate public education according to their state’s constitution than only on funding disparities.

The State Public School Finance Debate

While legal challenges regarding present public school financing have not thus far been raised in Nevada, there are many legitimate concerns regarding the current funding formula. The adequacy of state funding provided for public education, rising educational costs, increased student enrollment, and increasing student diversity are among the most significant concerns debated by policymakers (Augenblick and Odden, 2000). The unanticipated costs of reform such as the need for additional classrooms, schools, staff development, and services to provide for students with special needs are also issues affecting public school finance in Nevada. More recently, stricter accountability measures have strained relations between policymakers and educators as school districts struggle to comply with unfunded and underfunded mandates.

As a result, Nevada educators presently struggle with per-pupil spending levels well below the national average, tremendous growth, and additional pressure to demonstrate high levels of student achievement. The Las Vegas Sun reported on March 11, 2003, that, according to the latest census report, the national average for per-pupil spending in 2001 was $7,284, while Nevada only allocated $5,778 per-pupil (pp. 1A, 6A) and Clark County only allocated $5,431 (Education Research Service, 2002).
Consequently, Nevada has gained much national attention, and has been mentioned frequently throughout national accountability reports. *State investments: Fiscal profiles of the 50 states* (United States Department of Education, 1992) highlighted such problems. The 1992 report confirmed that despite growth and increased attention to below average per-pupil spending, problems of this sort were nothing new to Nevadans. The report indicated that per-pupil spending in Nevada was 9% below average, expenditures relative to personal income were 17% below average, and that Nevada consistently contributed a below average share of school revenue. In addition, the report confirmed that federal aid to Nevada was 34% below the national average, placing much of the burden to fund public education on local entities. Finally, the report indicated that total spending on other children’s programs per poor person was 42% below the national average and 45% below average, relative to personal income, accentuating the low overall investment in education in the state and demonstrating how little progress has been made in funding public education in Nevada.

In addition, more recent reports such as *Highlights 2001-02*, published by the Miami-Dade Florida School District’s Office of Budget Management (2002), reported that of the twenty largest school districts in the nation, the Clark County School District allocated $4,740 per pupil in 2000, which was the second lowest. Another report explained that, given its relatively low fiscal effort, Nevada had the ability to increase spending for certain children’s programs, such as education, without incurring an above-average tax burden (Department of Education, 2002).
The Clark County Public School Finance Debate

While statistics indicate that Nevada has the fiscal capacity to provide more funds to public education, no single solution has been developed to meet the needs that exist within each district. In 2002, Governor Guinn’s Task Force on Tax Policy indicated in the report titled *Analysis of fiscal policy in Nevada: General fund outlook* that Nevada’s spending on K-12 education had been a topic of much debate over the past several years and throughout the Task Force’s deliberations. The Task Force also acknowledged that public school funding had been an area of considerable confusion and misunderstanding due to the complex manner in which education is funded and the political rhetoric accompanying this fundamental public service (p. 4-19).

As a result, the Task Force refined caseload estimates in an attempt to accurately project K-12 education costs throughout the state. Refinements were made to data sets provided by the State Demographer’s Office and the Nevada Department of Education to provide a more accurate account of current enrollment figures. The Task Force analyzed the Distributive School Account and reviewed the basic per pupil support provided to each child.

According to their analysis, in fiscal year 2002-2003, basic support was budgeted to represent roughly 59 percent of the $2.4 billion in total state spending on education (p. 4-20). The Task Force explained that state general fund education appropriations or the amount of state education spending derived from its general fund, which historically has averaged between 23 and 28 percent of total state spending, threatened to push this figure above 30 percent (p. 4-21). Furthermore, they noted that inflation adjusted salaries per
pupil have declined in nominal dollars from fiscal year 1990-1991 to fiscal year 2002-2003. Factors influencing declines in per pupil salaries include higher student-teacher ratios, differences between inflation growth and salary increases, and less expenditures on non-instructional personnel.

The Task Force also stated that, while operating costs were budgeted to reach $191 million in fiscal year 2002-2003, they declined considerably in per capita terms during the past several years. In fiscal year 1990-1991, inflation adjusted operating costs per pupil were $550, whereas in fiscal year 2002-2003, they were budgeted to reach only $485 per pupil. Not all costs have declined, however. The price of electricity has risen from $81 per pupil in fiscal year 1990-1991 to a budgeted $106 per pupil in fiscal year 2002-2003. According to the United States Department of Labor, Bureau of Labor Statistics, *Consumer Price Index Data*, (Governor’s Task Force, 2002), the cost of power in the western United States has usually closely tracked the overall rate of inflation, but that since 2000-2001, the cost of electricity has increased well beyond the overall rate of inflation. As a result, the Legislature increased inflation adjusted per pupil spending on electricity from $92 per pupil in fiscal year 2000-2001 to a budgeted $106 per pupil in 2002-2003, an increase of more than 15 percent.

The Task Force also acknowledged that available opening fund balances have been variable and declining during the study period. They noted that federal funds, which accounted for inflation adjusted $28 per pupil in fiscal year 1990-1991, were budgeted to account for only $11 per pupil in fiscal year 2002-2003, a compound annual average decline of 10 percent. Consequently, the State’s commitment to use program
fund balances to support education and its ability to secure additional and/or continued federal funding remain uncertain and susceptible to considerable variation throughout the next ten years (p. 4-24).

In total, basic per pupil support is budgeted to total $1.4 billion in FY 2002-2003, or $4,000 per student. This represents a 140 percent increase in aggregate basic per pupil support and a 29 percent increase in basic support per pupil since fiscal year 1990-1991. These increases, however, are misleading. In inflation adjusted terms, basic per pupil support is projected to reach $3,660 in fiscal year 2002-2003, more than $200 less than the average reported over the past 12 years. In addition, revenues incorporated in the “state contribution” calculation such as the annual slot tax, investment income, mineral land leases, out of state sales tax collection, estate tax revenues, fund balances forward, refunds, and certain interest earnings have declined. In fiscal year 2002-2003 these sources were budgeted to account for $145 million, nearly three times the $55 million contribution recorded in fiscal year 1990-1991. In inflation adjusted per pupil terms, however, the non-general fund state revenues have provided a declining source of revenue, with only the out of state sales showing any substantive growth during the past ten years (pp. 4-26, 4-27).

Finally, the Governor’s Task Force acknowledged that shortfalls in key revenues funding state education programs are anticipated to lead to negative fiscal fund balances at the close of the 2002-2003 fiscal year. The Biennium shortfall has the potential to reach more than $90 million, a sum that must be “made up” by the 2003 Legislature prior to beginning the subsequent Biennium’s funding cycle. “The unexpectedly rocky
economic waters, which have challenged Nevada during the last 18 months, well-illustrate the problems intrinsic to the education funding system’s structural integrity” (p. 427). “While this funding mechanism may serve to stabilize funding from year to year, it ultimately results in deteriorating level of per pupil allocation and magnifies structural and cyclical deficits” (pp. 4-27, 4-28).

While the state of public education funding appears bleak, it is important to note that each district within the state varies in regard to population, enrollment, and educational funding needs (See Appendix B). The Clark County School District exemplifies the current educational funding crisis that exists, because it is the fastest growing of the nation’s ten largest school districts. In addition, the Educational Research Service indicated in the Local school district budget profile: A comparative analysis (2002), that in 2000-2001, Nevada policymakers provided approximately $1,198 dollars below the national average for per-pupil spending in school districts with 25,000 or more students, while at the same time imposing stricter accountability measures.

The Clark County School District covers approximately 8,000 square miles at the southern portion of Nevada, consists of approximately 7% of the land in Nevada, and has grown to include two-thirds of the population. In the year 2000, population totaled more than 1.32 million people with more than 5,000 people moving to Clark County every month. Moreover, according to the Clark County School District Budget and Statistical Report (2002), the Clark County School District employed more than 22,000 employees during the 2001-2002 school year. As a result of the population increase, educators have been forced to accommodate increased student enrollments, limited facilities, and higher
numbers of students with special needs, without sufficient funding provided by policymakers.

Carlos Garcia, Clark County Superintendent, explained why the current funding crisis was so severe in the Clark County School District, in his report titled Annual Update (2002). He explained that more than 14,000 new students enroll in the Clark County School District each year, requiring approximately 12-14 new schools be built, 1,300 new teachers be hired, 100 new buses be bought, and 562 portable classrooms be relocated each year, to maintain current educational services. Garcia further explained that, despite such needs, policymakers have failed to provide sufficient funding. As a result of the insufficient funds, the Clark County School District was forced to cut more than ten million dollars from the budget, while still being required to provide adequate educational programs and services to all children.

The Problem

To date, no comprehensive study of the history of the development of the Nevada State School Finance System has been conducted. Given that the current debate regarding the funding of public education, increased educational accountability, and the state focus of school finance litigation continue to impact educational practices in schools today, a historical study is both timely and relevant. The historical study will allow individuals to determine whether the past offers guidance for informing current educational and funding policy issues and/or disputes.
The Purpose of the Study

The purpose of this study was to examine the history of the school funding system utilized in Nevada, and to evaluate how the funding formula has developed since the adoption of the State Constitution. It examined the social, economic and legislative events that influenced public education in Nevada. In addition, this study was conducted to examine the development of the Education Article of the Nevada Constitution. The research also sought to determine what historical events affected the funding of public education, and whether expectations of policymakers for the public education system in Nevada have changed over time. It was the hope of the researcher that by providing a look at the past, educators and policymakers could gain insight into how Nevada’s current education system came into being and how the findings might contribute to refining educational finance policy in Nevada.

Research Questions:

1. On what underlying themes and beliefs was the Education Article of the Nevada Constitution developed?
2. In what manner has the funding of public education in Nevada changed over time?
3. What social, economic and legislative events have affected the funding of public education in Nevada to result in our current practices?
4. Have the expectations of policymakers for our funding system changed since becoming a territory?
5. What does a look at the past help reveal or offer in refining educational finance policy in Nevada?

Methodology

This study relied upon historical research methods to document the history of the funding of public education in Nevada. "The past provides our only source of information for evaluating current affairs and making predictions about the future"
(Lichtman and French, p. 1). While historical research can be conducted using either a thematic or a chronological approach, a chronological method was chosen to illustrate how the system of funding of education in Nevada was developed and how it has changed over time. Results obtained will provide insight into how the current funding formula came to be, and what changes need to be made to better accommodate Nevada children.

According to Lichtman and French, high quality historical research contains sufficient evidence and argument to sustain its findings, while including enough information to allow a reader to follow its internal logic (1978, p. 238). The reader must be provided background information and data that helps lead the reader through the historical journey. By utilizing historical methodology successfully, the historian impresses a feeling on the consciousness of a reader, awakens his interest, and advances conclusions to the forefront of his attention (p.239). Edward Carr, author of *What is History*, explained further that it is the role of the historical researcher to “liberate and organize human energies in the present with a view to the future” (1961, p. 161). Following these guidelines, this study represents an attempt to describe and interpret the past and to document Nevada’s history as it relates to the funding of public education.

Data obtained for this study came from both primary and secondary sources. Primary sources are those that were produced at the time of the event, are original, or happened first in order of time, while secondary sources are those that are based upon or drawn from primary sources (Stephens, 1974). It is recognized that certain sources do not fit precisely into either category.
This study utilized primarily written sources that included: official papers and documents, legislative and debate transcripts, letters, reports, official minutes, newspaper articles, letters to the editor, and educational pamphlets. Much of the data collected came from primary source material gained through legislative reports written by Nevada Governors and Superintendents of Public Instruction that were presented to the Legislature. These reports were analyzed to determine significant funding issues throughout Nevada’s history. A list of Nevada Governors and Superintendents is provided in Appendix C to assist the reader in identifying the individuals responsible for much of the data and when they served the state.

Historical records were also obtained from the Legislative Counsel Bureau, Research, Legal, and Fiscal Analysis Divisions in an attempt to identify major changes that have occurred within Nevada funding systems. In addition, primary source data obtained from each constitutional convention since Nevada became a territory, including the original transcripts from the constitutional debates, were evaluated. The data was utilized to identify the expectations of our founding fathers, to determine original systems for funding public education, and to determine changes that have occurred within Nevada funding systems.

Sources of information were evaluated and analyzed by assessing the reliability and validity of the various sources. In considering the sources of information, the researcher looked for reliability (consistency) and validity (accuracy). Accuracy of the information was determined by the degree of conformity with multiple accounts based on primary sources.
If sources conflicted, three criteria were used to determine which information to document. First, the researcher attempted to determine which source was closest to the event in time, if the source was secondary. The competence of the source was next considered. A competent source is one that is most capable of understanding and describing a situation (Melton, 1998). Finally, the impartiality of the source was considered. The source judged to be without emotional involvement and with the least to gain from distortion of the facts was the one used in the study (Felt, 1983).

The researcher made every attempt to confirm sources of data. In a few cases, the researcher was forced to rely upon secondary sources alone. Through triangulation, the researcher verified each source whenever possible through official minutes, legislative reports, and newspaper accounts. This made it possible to verify information through more than one source, allowing the researcher to obtain the same information through different perspectives.

Definition of Terms:

The following terms, used consistently throughout the text, may prove beneficial:

- **Assessed Valuation**: The value that a taxing authority gives to property and to which the tax rate is applied (Garner, 1999).

- **Average Daily Attendance (ADA)**: Total number of pupils attending a particular school each day during a period of reporting divided by the number of days school is in session during that period (West’s Nevada Revised Statutes Annotated, 2000).

- **Categorical Aids**: State or federal aid designated for a specific use. Examples are transportation aid, special education aid, aid for vocational education and aid for capital construction (Augenblick, Fulton, & Pipho, 1991).
Current Operating Expenditures: Expenditures for the daily operation of the school program, such as expenditures for administration, instruction, attendance and health services, transportation, operation and maintenance of plant, and fixed charges (Odden & Picus, 1992).

Enrollment: The count of pupils enrolled in and scheduled to attend programs of instruction of a school district or a charter school at a specified time during the school year (West’s Nevada Revised Statutes Annotated, 2000).

Equalization: The process of compensating for differences in order to make equal. Capacity equalization is the process of compensating for differences in school districts’ ability to support education in order to achieve student equity and taxpayer equity. Service and programmatic equalization is the process of compensating for differences in the level of services or programs in a school or school district in order to achieve student equity (Augenblick, Fulton, & Pipho, 1991).

Equal Protection Clause: The 14th Amendment provision requiring the states to give similarly situated persons or classes similar treatment under the law (Garner, 1999).

Fiscal Capacity: The total economic resources available to a government for tax purposes. In school finance, fiscal capacity is generally defined as property valuation per pupil, but several states include income or other measures of wealth with property valuation as a measure of fiscal capacity (Augenblick, Fulton, & Pipho, 1991).

Fiscal Neutrality: Fiscal neutrality is a court-defined equity standard in school finance. It is a negative standard, stating that current operating expenditures per pupil, or some resource, cannot be related to a school district’s adjusted assessed valuation per pupil or some fiscal capacity measure (Odden & Picus, 1992).
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Fiscal Year (FY)</td>
<td>A 12-month period with a starting date selected by the state and used as the period to be covered by the budget (Augenblick, Fulton, &amp; Pipho, 1991).</td>
</tr>
<tr>
<td>Flat Grant Programs:</td>
<td>A flat grant program simply allocates an equal sum of dollars to each public school pupil in the state (Odden &amp; Picus, 1992).</td>
</tr>
<tr>
<td>Foundation Program:</td>
<td>A foundation program is a state equalization aid program that typically guarantees a certain foundation level of expenditure for each student, together with a minimum tax rate that each school district must levy for educational purposes (Odden &amp; Picus, 1992).</td>
</tr>
<tr>
<td>Fourteenth Amendment:</td>
<td>All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws (Garner, 1999).</td>
</tr>
<tr>
<td>Fundamental Right:</td>
<td>A right derived from natural or fundamental law. A significant component of liberty, encroachments of which are rigorously tested by courts to ascertain the soundness of purported governmental justifications (Garner, 1999).</td>
</tr>
<tr>
<td>General Aid:</td>
<td>State or federal aid which can be used by a school district for any purpose (Augenblick, Fulton, &amp; Pipho, 1991).</td>
</tr>
<tr>
<td>Impact Aid:</td>
<td>A program that provides assistance to school districts that serve significant numbers of children whose parents either work for the federal government or reside on property owned by the federal government (Augenblick, Fulton, &amp; Pipho, 1991).</td>
</tr>
<tr>
<td>Mill:</td>
<td>One-tenth of one cent (Garner, 1999).</td>
</tr>
</tbody>
</table>
Minimal Scrutiny Test: Also referred to as rational-basis test. A principle whereby a court will uphold a law as valid under the Equal Protection Clause if it bears a reasonable relationship to the attainment of some legitimate governmental objective. Cf. Strict Scrutiny; Intermediate Scrutiny⁹ (Garner, 1999).

Nevada Plan: State financial formula used to fund public education in Nevada to ensure each Nevada child a reasonably equal educational opportunity (West’s Nevada Revised Statutes Annotated, 2000).

School District Tax Rate: Term states use to indicate the local school property tax rate. The tax rate often is stated as the amount of property tax dollars to be paid for each $100 of assessed valuation or, if given in mills, the rate indicates how much is raised for each $1,000 of assessed valuation (Odden & Picus, 1992).

Special Education Program Unit: An organized unit of special education and related services which includes full-time services of persons licensed by the superintendent of public instruction in accordance with minimum standards prescribed by the state board (West’s Nevada Revised Statutes Annotated, 2000).

Suspect Classification: A statutory classification based on race, national origin, or alienage, and thereby subject to strict scrutiny under equal-protection analysis (Garner, 1999).

Limitations

Limitations that helped to define boundaries for this study included an evaluation of a limited number of court cases that affected change in the funding of public education. In addition, literature reviewed was subject to interpretation because of the

historical approach taken. Information was taken primarily from reports written by Nevada Superintendents of Public Instruction and Governors, and popular press was excluded, due to the potential for further bias. If an event was not mentioned in the Superintendent’s or Governor’s Report, it was not included in this dissertation, leaving the recognition and interpretation of important funding and educational issues up to these individuals. Furthermore, complete legislative records were not always recorded and maintained throughout Nevada’s history. As a result, some information may not have been available, and thus, not included in this dissertation.

In addition, the researcher recognizes that his biases, formed from his experiences in education within Nevada, could have inadvertently limited or influenced findings obtained from the research.

Significance

This study provides a foundation for assessing the funding of public schools in Nevada. It is of interest to many of the educators and policymakers in Nevada because it is a history that is eventful and relevant and one that may serve as a background for them. This is the first comprehensive study of the chronology of the funding of public schools in Nevada. This work examines the social, economic, and legislative events influencing the funding of public education in Nevada. The social, economic, and legislative events were chosen because of their importance to Nevada Governors and Superintendents of Public Instruction, as described in Biennial Reports and Legislative Addresses, from statehood to present times. In addition, this study provides information for those
interested in the evolution of the current funding formula and educational trends, while documenting the history of public school funding in Nevada for future reference.

Organization of the Study

This study is divided into eight chapters. The first chapter is an introductory chapter that describes current educational and funding conditions. It also outlines the need for the study, research questions to be answered, methodology, sources of data, limitations, appropriate definitions, organization, and summary. Chapter two focuses on the history of Nevada before statehood, and includes information about delegates who attended the Constitutional Conventions, resulting in the formation of the Nevada Constitution. Chapter three includes information about Nevada from statehood, along with information on how the funding of education has changed since territorial days. Chapter four describes the impact that events such as World War I, the Great Depression, the building of Hoover Dam, and World War II had on Nevada in relation to the funding of public education. Chapter five provides information about state funding in Nevada after World War II, and proceeds through the adoption of the Nevada Plan in 1967. Chapter six evaluates the effectiveness the Nevada Plan had on funding education in Nevada and highlights major tax reform efforts that were implemented in the late 1970s. Chapter six also outlines legislative efforts made to increase state funding for the support of public education, as well as the condition of education throughout Nevada. Chapter seven documents additional accountability measures that were enacted from 1987 to the present, including the mandating of accountability reporting, the push for achievement standards, and the adoption of the Nevada Education Reform Act (N.E.R.A.) in 1997. In
addition, the shift in the funding debate from equity to adequacy and its affect on the funding of public education in Nevada from 1987 to the present is described. Finally, chapter eight provides answers to the research questions, an analysis of the study, a summary of the historical analysis conducted, and recommendations for further study.

Summary

This chapter is an introductory chapter that describes the current educational and funding crisis that exists across the nation by analyzing events occurring on the national, state, and local levels. This chapter outlines the need for the study, provides research questions to be answered, and describes methodology used, sources of data obtained, and specific limitations to this study. Appropriate definitions are also provided for the reader and the organization utilized throughout this dissertation is explained. Finally, this chapter will serve as a foundation, highlighting issues that will help examine the relationship of outside forces on the development of funding public education in Nevada.
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CHAPTER TWO

EDUCATION BEFORE STATEHOOD

The Education and Funding History of Nevada

This chapter will begin by providing information about education in what is now considered to be Nevada in early years. Policymakers relied on their own experiences in other states to develop educational funding and instructional systems for Nevada children. Furthermore, historical information about the territory that is now Nevada is included, so that individuals reading this dissertation can better understand how Nevada’s Education Article was developed, specifically as it relates to the funding of education and common educational practices. In addition, a brief timetable is provided below which highlights important events included in this chapter.

Timetable of Key Historical Events: 1859 - 1864

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
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<tbody>
<tr>
<td>July 1859</td>
<td>Settlers hold a constitutional convention</td>
</tr>
<tr>
<td>March 1861</td>
<td>Territory of Nevada approved by United States House of Representatives</td>
</tr>
<tr>
<td>November 1861</td>
<td>Establishment of common school system approved</td>
</tr>
<tr>
<td>November 1863</td>
<td>First Constitutional Convention held since becoming a territory</td>
</tr>
<tr>
<td>March 1864</td>
<td>Election called to choose another set of delegates to frame a state constitution.</td>
</tr>
<tr>
<td>July 1864</td>
<td>Second Constitutional Convention held</td>
</tr>
<tr>
<td>September 1864</td>
<td>State Constitution approved</td>
</tr>
<tr>
<td>October 1864</td>
<td>Nevada admitted into Union</td>
</tr>
</tbody>
</table>
Nevada's First Attempts of Organizing a Government

Settlers to the territory that we now call Nevada made several attempts to organize a government prior to 1859, but were not successful. As a result, settlers did not hold a constitutional convention until July 18, 1859. Initially, delegates focused primarily on issues relating to property, land rights, taxation, and voting, rather than on education, due to the limited number of individuals occupying the territory at that time and because many of the individuals were simply passing through the area on their way to California in search of gold (Bushnell and Driggs, 1984).
Delegates at the first constitutional convention, prior to the formation of the Territory of Nevada, developed a constitution, and submitted it to the people on September 7, 1859; An election was ordered on the same day in order to fill the offices created by the newly approved constitution. Meetings were held on November 21 and December 15, 1859 during which the inhabitants of Carson Valley were able to adopt a memorial to Congress, asking for the organization of the Territory of Nevada and where the Provisional Legislature met in a private home in Genoa to discuss needed action (Maestretti & Hicks, 1947). A committee of three was also appointed to write a memorial to congress to expedite the organization of the new territory, indicating that change was forthcoming.

"The constitutional convention lasted nine days and delegates completed a constitution patterned after the government of California"10 (Bushnell and Driggs, 1984, p. 11). Elenore Bushnell and Don Driggs, authors of the Nevada Constitution: Origin and Growth (1984) wrote, however, that about half the delegates did not believe that they were authorized to draft a constitution, so they were not actively interested in the result. Mineral wealth of the Comstock had also been discovered, so residents who were interested in the constitution became distracted by mineral discoveries. Consequently, when Governor Roop tried to convene the Legislature in Genoa on December 16, 1859, only four of the members attended; Thus the "unauthorized constitution and the

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10 In the declaration of cause for separation, two principal evils were complained of: the usurpation and abuse of power by the Mormons, and the danger to life and property upon the routes leading to the Mormon capital (Miller, W. C., 1972).
Unauthorized government it tried to create ceased to offer real promise of becoming the route to independence” (Bushnell and Driggs, 1984, p. 11).

Nevada: A Territory at Last

Colton’s Territories of New Mexico, Arizona, Colorado, Nevada and Utah. Published (1861)

Settlers Seek Out Territorial Government

Despite the lack of interest demonstrated in local elections by many of the settlers, a significant number of settlers continued to seek congressional action to establish the Nevada Territory. The United States Senate passed the bill creating the Territory of Nevada on February 26, 1861 and the House of Representatives approved it on March 1, 1861 by a vote of 91-52. President Buchanan signed the measure into law as one of the
last acts of his administration on March 2, 1861. Thus, "the organization of the new
territory was of necessity left to his successor" (Bushnell and Driggs, 1984, p. 13). On
March 22, 1861, President Lincoln commissioned James W. Nye of New York as
Governor of the new territory, and Orion Clemens of Iowa as Secretary. Governor Nye
arrived in Carson City on July 8, 1861, and soon after issued his proclamation organizing
the territory of Nevada, announcing appointments of the various officers and summoning
the territorial legislature to meet in Carson City (Bushnell and Driggs, 1984). Nevada’s
first official legislative body, Orion Clemens presiding, met at Abe Curry’s Warm
Springs Hotel in 1861 to begin the lawmaking process for the newly created Territory of
Nevada. At that meeting, education became a topic of debate.

The Territory of Nevada’s First Legislative Session

In order to fully understand the original educational systems developed at the first
territorial legislative session, it is important to recognize important delegates that
attended and took an active role in the development of such systems. It is written in the
Nevada Constitution: Origin and Growth (1984) that along with Governor Nye and Orion
Clemens, who was the newly appointed territorial secretary, many other significant
figures participated in the constitutional convention that was held in 1859 prior to
creation of the Territory of Nevada. One of the members was William Steward, who
served in the first Nevada constitutional convention in 1863\textsuperscript{11} and later represented
Nevada in the United States Senate for twenty-eight years (Bushnell and Driggs, 1984).

\textsuperscript{11} While a constitutional convention was held on July 18, 1859, the constitutional
convention of 1863 is referred to as the first constitutional convention in Nevada
throughout this dissertation since the Territory of Nevada was not created until 1861.
Other prominent members of the first territorial legislature included Samuel Youngs, M. N. Mitchell, and Edward C. Ing, who were members of the first constitutional convention; James Sturtevant, who served in the second constitutional convention in 1864; and Isaac Roop, who had earlier been elected provisional governor of a proposed Nevada Territory (Bushnell and Driggs, 1984).

The original transcripts from the first territorial constitutional convention were not preserved, however, enough documentation was created to indicate that delegates agreed to establish a constitutional convention that was to meet in 1863. Records also indicate that delegates developed a system for financing public schools; authorized an irreducible and indivisible school fund for the support of public education; gave authority to the county commissioners in each county to set apart money for the hiring of teachers; and approved taxes that would help support public education.

The articles provided below relate to the establishment of a common school system for the territory of Nevada that was approved November 29, 1861 at the First Session of the Legislature. They are significant because they represent the first system of education, and the financing thereof in what is now known as Nevada. The following sections pertain directly to the original system developed for the funding of education throughout the state.

Article I of the Territorial Constitution

Section 1: That the principal of all moneys accruing to this territory from the sale of any land heretofore given, or which may hereafter be given by the congress of the United States, for school purposes, together with any moneys that by legacy, or otherwise, may be appropriated to the general school fund, shall constitute an irreducible and indivisible fund, the interest accruing from which, shall be annually divided among all school
districts in the territory, proportionally to the number of children or youth in each, between the ages of four and twenty-one years, for the support of common schools in said districts, and for no other use or purpose whatever” (Laws of the Territory of Nevada, Passed at the First Regular Session of the Legislative Assembly, Begun the First Day of October and Ended on the Twenty-Ninth Day of November, 1861 at Carson City, Printed Under the Supervision of W. Martin Gillespie, San Francisco, Valentine & Co. Commercial Steam Printing Establishment, 1862, p. 273).

Section 2: For the purpose of establishing and maintaining common schools, it shall be the duty of the county commissioners of each county, to set apart annually ten per cent of all moneys paid into the county treasury, received as taxes upon the property contained in such county; and the said money so appropriated, shall be paid over to the county treasurer, to be appropriated for the hire of school teachers in the several school districts, to be drawn in the manner hereinafter prescribed.

Section 3: For the further support of common schools, there shall be set apart by the county treasurer, all money paid into the county treasury, arising from all fines for a breach of any penal laws of this territory, if not otherwise appropriated by law; such moneys shall be paid into the county treasury, and be added to the yearly school fund raised by tax in each county, and divided in the same manner.

Article II

Section 1: There shall be elected at the first special election in January, one territorial superintendent of public instruction, who shall remain in office, and perform the duties thereof, until his successor shall have been elected and qualified.

Section 2: It shall be the duty of the superintendent of public instruction, by and with the advice, and subject to, the supervision of the territorial board of education-First, to prepare and publish, in connection with this act, instructions and forms for the direction of the county superintendents, boards, trustees, marshals, and teachers of the common schools, and to distribute to each county superintendent a sufficient number of copies of this act, and of the said instructions and forms, for the supply of the common school officers in the county. Second, by all proper means in his power, to disseminate intelligence among the people in relation to the method and value of education. Third, to exercise a general supervision over such schools as may be established by law in connection with the common school system. Immediately after the territorial auditor has made his semi-annual report, as required, to apportion to the several counties the
amount of school moneys in the territorial treasury, to which each shall be entitled under the provisions of this act, in proportion to the number of children residing therein, between the ages of four and twenty-one, as shown by the last previous reports of the county superintendents and school marshals, or other officers, charged therewith, and make a record thereof in the book of records, to be kept by the territorial board of education, and furnish to the territorial auditor, to each county treasurer, and to each county superintendent, an abstract of such apportionment, and with each apportionment, to furnish to each county treasurer his order on the territorial auditor, under the seal of the territorial board of education, for the amount of school moneys in the territorial treasury to which such county shall be entitled, and to take such county treasurer’s receipt for the same. Fourth, to present to the legislature, annually, on or before the tenth day of each session, a full report of the condition of public instruction in the territory, the number and grade of schools in each county; the number of children in each county between the ages of four and twenty-one years; the number of such attending common schools established under the provisions of this act; the amount of school moneys apportioned to each county; the amount of moneys raised and expended by any county, town, city, or school district, for the support of common schools therein, together with such suggestions as he may deem it expedient to make in relation to the construction of school-houses, the improvement and better management of common schools, the qualification of teachers, the ways and means for raising funds for the support of common schools and providing suitable school-houses, and for the promotion of the general interests of education throughout the territory.

Section 3: All necessary expenditures of moneys incurred by the superintendent of public instruction, in the discharge of his official duties, shall be paid out of any fund in the treasury not otherwise appropriated, the amount being duly certified by the territorial board of education, and the territorial auditor is hereby authorized to issue his warrants on the treasurer for the same.

Section 4: It shall be the duty of the territorial treasurer to receive and hold as a special deposit, all common school moneys paid into the treasury, and pay them over only on the warrant of the territorial auditor, issued upon the order of the territorial board of education, under the seal of said board, and signed by the superintendent of public instruction, in favor of the county treasurers; which orders, duly indorsed by the county treasurers, shall be the only valid vouchers in the hands of the territorial auditor for the disbursement of said common school moneys.
Section 5: All school moneys due each county in the territory, shall be paid over by the territorial treasurer to the county treasurers on the first day of May and the first day of November of each year, or as soon thereafter as the county treasurers may apply for the same, upon the warrant of the territorial auditor, drawn in conformity with the apportionment of the superintendent of public instruction, as provided for in section second of this chapter: provided, however, that no mileage nor allowance, other than the commissions provided for by law, shall be made to any county treasurer for receiving and transporting said money to his county.

Section 6: The territorial auditor shall keep a separate and distinct account of the common school fund, and of the interest and income thereof, together with such moneys as shall be raised by territorial tax, or special appropriation, or otherwise, for the support of common schools.

Section 7: For the ensuing two fiscal years, there shall be set apart, semi-annually, five per cent of all moneys received as territorial tax, for school purposes, and such amount shall be distributed pro rata, according to the provisions of section second of this chapter.

Article III

Section 7: It shall be the duty of the county superintendent, at least five days before the first day of December, in each year, to make an apportionment of the school fund in the county treasury, among the several school districts in their respective counties, in proportion to the number of persons in the district between the ages of four and twenty-one, and certify the amount due to each district, which shall be drawn as hereafter directed; and he shall forthwith notify the trustees of the school districts of the amount due their respective districts.

Section 9: The superintendent shall, in the name of the county, collect, or cause to be collected, all moneys due the school fund from fines, or from any other source in his county.

The above-mentioned sections of the constitution served as the basis for the first education system in Nevada and were debated in the constitutional conventions of 1863 and 1864. Like all other facets of the constitution however, many changes and adaptations were made to the educational system throughout history, including the system
established for funding public education. Many of these changes occurred in 1863 at the first constitutional convention held since the Territory of Nevada had been established.

First Nevada Constitutional Convention for the Territory of Nevada

The first constitutional convention began on November 3, 1863, and lasted until December 11, 1863. Thirty-nine delegates had been elected, which was determined by apportionment among the counties to reflect the population. Storey had eleven delegates, Washoe, Ormsby, Esmeralda, and Lyon counties each had five, Douglas and Humboldt each had three and Lander had two. A map is provided on the next page to provide an understanding of the geographic size and location of counties that existed throughout Nevada at this time.
Johnson's California with Utah, Nevada, Colorado, New Mexico, and Arizona. Published by Johnson & Ward (1864).

The debates of the 1863 Nevada Constitutional Convention were not published, so little is known of the deliberations of the body, which drafted the 1863 constitution (Miller, 1972). Information such as the places of previous residency, the professions of every delegate who attended the first constitutional convention, and the actual debates are examples of information that was not recorded. The homographic chart kept by the convention secretary, William Gillespie, indicated, however, that eight were lawyers, five
were merchants, four were connected with mining, and four with mills. The chart also indicated that three of the delegates were farmers, and that a person in the lumber business, a banker, a physician, a notary republic, a coach maker, a civil engineer, a hotel keeper, and a sign painter all served as delegates (Miller, 1972). All but five delegates had come to Nevada from California. The five exceptions were William Epler and John North from Minnesota, Fred Ent from Pennsylvania, James Corey from Indiana, and Marcus Larrowe from New York. All of these delegates were relatively new to the territory. In fact, only one delegate had been in the Territory of Nevada more than four years, and that was Warren Wasson from Ormsby County. Warren Wasson had been in the territory for six years.

The chart provided on the next page identifies the makeup of the members constituting the Constitutional Convention of 1863:
<table>
<thead>
<tr>
<th>Delegate</th>
<th>County</th>
<th>Last Residence</th>
<th>Profession</th>
</tr>
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<tr>
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<td>California</td>
<td>Notr. Republic</td>
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<td>California</td>
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<td>Coach maker</td>
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<td>Potter, Charles</td>
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<td>Shamp, Thos.</td>
<td>Douglas</td>
<td>California</td>
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<td>Small, Jas.</td>
<td>Esmeralda</td>
<td>California</td>
<td>Lawyer</td>
</tr>
<tr>
<td>Stark, James</td>
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<td>Sterns, L.O.</td>
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<td>Stewart, William</td>
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<tr>
<td>Virden, William</td>
<td>Ormsby</td>
<td>California</td>
<td>Merchant</td>
</tr>
</tbody>
</table>
Although the election held in September, 1863 resulted in more than four times as many citizens voting for the formation of a state government, the constitution drafted in the first convention was defeated by nearly as great a majority of votes\textsuperscript{12}. Records of the deliberations of the first convention reveal many arguments among the delegates on issues confronting them, but the crucial question appeared to be the taxing of mines (Miller, 1972). The constitution that was proposed at the constitutional convention of 1863 provided that all of the offices created by it be filled at the time when the instrument was submitted to the people (Angel, 1973). Having the offices be filled at the same time was considered to be a serious mistake, however, because those disappointed in individuals getting nominations for the positions they desired became hostile to its adoption (Angel, 1973). In fact, it is written in the book *History of Nevada* that “because of the hostility, eight of the delegates walked out of the convention declaring their intentions to oppose its nominations” (Angel, 1973, p. 84). Delegates attempted to discuss the topic of education, specifically issues relating to funding, length of school year, at what age children could attend, and compulsory attendance. However, available documentation indicates that attempts were often overshadowed by taxation issues (Miller, 1972). The proposed constitution, despite being rejected, did serve as the basis for the second constitutional convention in 1864, however.

\textsuperscript{12} For the vote on the constitution, 6600 voted for statehood and 1,502 voted against it (Bushnell and Driggs, 1984, p. 15).
Second Nevada Constitutional Convention for the Territory of Nevada

On March 21, 1864, a short time after the first constitution was defeated, Governor Nye issued a proclamation calling for an election on June 6th, 1864, to choose another set of delegates and to frame a state constitution. An Act of Congress of the United States was also approved at this time “To enable the People of Nevada to form a Constitution and State Government, and for the admission of such State into the Union on an equal footing with the Original States” (Marsh, 1866, pp. x,xii). The Act defined the boundaries of the state, determined the qualifications of voters who were to choose members of a constitutional convention and to accept or reject the constitution, and determined the basis of representation for the convention to be in proportion to population. The Act also provided for the election of delegates, specified number of delegates, and set a date for the actual convention (Hicks and Maestretti, 1947).
Johnson’s California. Also Utah, Nevada, Colorado, New Mexico and Arizona. Published by A. J. Johnson, New York (1864).

The territory quickly convened another constituent body, and the second convention drafted the constitution that still serves the state today. The second constitutional convention was called to order on July 4, 1864, and thirty-nine delegates had been elected, which was determined by apportionment among the counties to reflect the population. Storey had ten delegates, Washoe and Roop combined had five; Ormsby, five; Esmeralda, four; Lyon, four; Humboldt, three; Lander, three; Douglas, two; Nye,
two; and Churchill, one. Four delegates did not attend the convention, one from Humboldt, one from Esmeralda, and two from Lander (Bushnell and Driggs, 1984).

Ten of the thirty-five men who attended had also participated in the first convention. Of the thirty-five men, there were eleven lawyers, seven delegates connected with mining, three in the lumber business, three merchants, and two editors. In addition, there were two farmers, two mechanics, two delegates connected with mills, a banker, a physician, and a surveyor, all participating in the convention. All but two delegates had come to Nevada from California. The two exceptions were George A. Nourse from Minnesota, and W. W. Belden from Wisconsin. Both men represented Washoe County. All of the delegates were relatively new to the territory as well.

"Nineteen of the thirty-five had been residents for less than four years; two had come the year that the convention was held; and the delegate with the longest residency had been in Nevada only seven years" (Bushnell and Driggs, 1984, p. 25).

The chart provided on the next two pages identifies the makeup of the members constituting the Constitutional Convention of 1864:

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13 Nathaniel Ball, Cornelius Brosnan, Samuel Chapin, John Collins, George Gibson, James Haines, George Hudson, J. Neely Johnson, Francis Kennedy, and John Kinkead attended the first convention.
<table>
<thead>
<tr>
<th>Delegate</th>
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<th>Last Residence</th>
<th>Profession</th>
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<td>Jones, William</td>
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Because thirty-three of the thirty-five attending delegates had come from California, references to that state’s practices were the most common throughout the debates and convention. Many of the references discussed involved California’s ruinous taxation and the widespread corruption that several delegates had allegedly observed in that state (Bushnell and Driggs, 1984). The first significant debate that occurred in the convention, which in fact reflected the California influence, took place when a proposal was made to have the rejected constitution from the first constitutional convention be the starting point for discussion in the current convention (Marsh, 1866). Upon hearing this proposal, a delegate advanced the counterproposal and suggested that instead of beginning with Nevada’s first constitution, the California Constitution should be the base of discussion, because the first Nevada Constitution was said to have owed much of its substance to the California Constitution14 (Bushnell and Driggs, 1984).

Once delegates agreed to base their deliberations upon modifications of the first constitution (Marsh, 1866), however, issues such as problems associated with the Civil War, taxation, railroad subsidy, and most relevant to this dissertation, education were debated. Educational topics most discussed throughout the debates were religious instruction in public schools, sharing of public funds, compulsory education, providing adequate revenue for education, and establishing a state university.

14 Bushnell and Driggs point out however, that while the Nevada Constitution derives in part from California’s, the California Constitution was, in turn, largely adapted from that of New York (1984, p. 27).
The Expectations of the Founding Fathers

One cannot properly examine the development of the constitution, specifically as it relates to education, without understanding the expectations that the original framers held as being most important. While each delegate expressed different views about education, several expectations were universally held. Of them, the most prevalent appeared to be that of providing a formal system of education to all children free of charge; developing a constitution that would create the foundation for a general educational system; and affording every child a sufficient amount of instruction to enable him/her to go creditably through life.

Mr. Collins, one of the seven delegates chosen to be on the committee, explained that it could be presumed that the Legislature, in framing or drafting a school law under the constitution, would frame it, not perhaps, in exact accordance with the present system, but in such a manner as to harmonize with the requirements of the Constitution. He explained that almost any man, if disposed to be critical, might point out difficulties likely to arise in the workings of any new system which could be devised, but that all delegates could do, or ought to attempt to do, was to lay down the outlines of a general system, presuming that the Legislature would be as much interested, and have as deeply at heart the cause of common schools, as the members of the convention. He proclaimed that the members of the legislature would have “to exercise their best judgment in devising the means of carrying out in detail these general provisions and that legislators would undoubtedly frame their law with a view to meet any and all such difficulties as that which had been suggested” (Marsh, 1866, p. 576).
Mr. Collins reiterated further that the great object was to stimulate the support of the public schools, and that he wished that it were possible to keep them going for twelve months in the year instead of six. He explained that delegates provided that the state offer a premium for the longer term of six months and that there were very few districts in which schools would not be kept from one to three or four months in the year, by the voluntary contributions of the citizens, even without the aid of the public money and by offering a premium, by which a stimulus was presented. He felt that this premium would induce them to contribute such amounts as shall suffice, together with the public money, to carry on the schools for six months at least; whereby they secured the advantage of state aid, and were enabled to educate their children. He proclaimed that Nevada would not be the only state doing so and that “the experience of all other states had shown the great advantages of such a system” (p. 577).

Mr. Hawley expressed his expectations by stating that what delegates really wanted was a basis upon which to build the educational superstructure, by means of which Nevadans could afford every child a sufficient amount of instruction to enable him/her to go creditably through life. At the same time, he explained that delegates wished to make the people understand that with the limited resources of the state, and with the heavy expenses necessary to support the schools as they should be supported, “they would be required to put their own shoulders to the wheel” (p. 577).

These expectations held by each delegate were significant because they served as the foundation from which each delegate debated issues of concern. The topics of most interest throughout the debates were religious instruction in public schools, sharing of
public funds, compulsory education, providing adequate revenue in support of public
education, and establishing a state university.

Sectarian Instruction\textsuperscript{15}:

Policymakers have expressed concern about sectarian instruction in public
schools since the early beginnings of statehood. In fact, delegates at the second
constitutional convention vigorously debated the issue and expressed concern about the
possibility of sectarian instruction finding its way into the public schools early on in the
debates. Delegate Charles DeLong was one such delegate who expressed both opposition
and caution with regard to sectarian instruction. He proclaimed that

"Attention to the Convention had been turned with a very jealous eye towards
matters of legislation," and that he was apprehensive that "if we consider the
article now, we might adopt or incorporate in it some provisions which would not
meet with our approval. This matter of religions and sectarian influence in the
public schools is of all things, most calculated to arouse suspicions and jealousies
in the public mind, and if the enemies of the Constitution can see anything in our
action on the subject to carp at, they will be sure to make the greatest possible
amount of capital on it" (p. 568).

Another delegate, J. H. Warwick from Lander County, expressed further concern
when he wanted clarification from other delegates on the word sectarian. He questioned
whether the proposed section meant that they had no right to maintain Catholic Schools,
to which Delegate Collins from Storey County explained that the provision had reference
only to public schools organized under the general laws of the state. Delegate Hawley
from Douglas County then asked whether the language of the section as it stood would
make any difference in regard to payments of the school-money, under the law. He
questioned whether funding would be an issue in a case for instance, where, under the

\textsuperscript{15}(Marsh, 1866, pp. 568,569,577,579,660 and 661).
laws of the state, parties had organized a Catholic school, entirely separate and distinct from the public schools. He questioned further whether any school district could be held responsible for action of private parties in organizing sectarian schools within such district.

The delegates' concerns about sectarian instruction is reflected not only in the above mentioned paragraph that was taken from the debates, but also in Article XI, Section 2, of the Constitution, which was modified in 1938, containing an injunction that any public school in which instruction of a sectarian character is permitted may be deprived of its share of public funds. It is also evident in Section 9 of the Education Article, which states, "No sectarian instruction shall be imparted or tolerated in any school or university that may be established under this Constitution." Section 10 was added to the Constitution in 1880 as well, further accentuating the strong beliefs expressed throughout history that sectarian instruction should be kept out of public schools, which reads that "No public funds of any kind or character whatever, state, county, or municipal, shall be used for sectarian purposes." Consequently, while the topic of sectarian instruction has remained an issue of much debate throughout time, delegates at this convention made it extremely clear that they were concerned about the potential of sectarian beliefs being taught in public schools and felt that public funds should not be provided to such schools.
Compulsory Attendance\textsuperscript{16}.

Compulsory attendance was another issue of much debate throughout the convention that invited many intense discussions. One argument that was used against compulsory attendance was the distance individuals had to travel to get to school. Delegates felt that it was unfair to require parents to bring their children such long distances and thus expressed their viewpoints with much enthusiasm. In fact, Delegate Dunne from Humboldt County believed that the only objection of any considerable weight to the compulsory clause contained in the Constitution was the fact that it made no distinction between populous and rural areas. There was no distinction between children whose parents resided in populous places where there were numerous public schools and those residing in areas where public schools did not exist (Marsh, 1866, p. 569). Another argument that was used in opposition was that compulsory attendance appeared “dictatorial and undemocratic” to some of the delegates. Delegate Warwick from Lander County was one such individual who opposed this. He confirmed his opposition by stating that there were some subjects, “which were justly, and properly objects of legislation, and among them, one of the most worthy was education...but that legislators should not forget that they were living in a Republic, that a man’s house was his castle, and that in it every man should have a perfect right to exercise full authority and control over his children, to send them to school or to keep them at home, just as he pleased” (1866, pp. 566, 574). He went on to explain that “the very character of free institutions forbade proposed interference with private rights of the citizen and that the

\textsuperscript{16} (Marsh, 1866, pp. 566, 567, 569, and 574).
moment delegates invaded the home of any man, telling him that he must do this and
must not do that, seeking to make men good according to delegates’ notions, that
delegates were traveling out of the line of their duty and departing from the fundamental
principles of the Republican form of government” (1866, pp. 566, 574).

Some delegates encouraged compulsory attendance, however, on the ground that
democracy required people who could read and write and that all citizens needed some
education in order to make intelligent choices when voting. “Because a democracy
presupposes an educated citizenry, several delegates argued that the only way to ensure
such a citizenry was to make school attendance compulsory” (Bushnell and Driggs, 1984,
p. 33). Delegate Dunne explained that he did not feel that any American citizen should
be permitted to exercise the elective franchise unless he was able to read and write
(Marsh, 1866). Delegate Collins explained further that “it was the duty of the State to
furnish the children the means of education and that it was the duty of the children to
attend” (1866, pp. 568, 569). In addition, Delegate Frizell stated “if legislators could
establish a system that would either induce or compel parents to educate their children, it
would prevent crime, and consequently would be a good thing for the state” (1866, p.
573).

Delegate Collins concluded his thoughts regarding compulsory attendance by
stating that there was something “sufficiently elastic” to cover everything that had been
suggested during the debates, to meet every changing condition of public feeling on the
subject of education. He explained that “if the Legislature shall hereafter deem it proper
to enforce the attendance of all scholars of a certain age, it has the power to do so; or if
the Legislature, coming up fresh from the people, shall be imbued with the idea that it is impracticable to make a general enactment of that kind, but the County of Storey or Ormsby, or some other county, asks for the advantages of such a law, the Legislature had power to grant the request, and confer on such county the privileges solicited" (Marsh, 1866, pp. 573, 574). Upon hearing these thoughts, delegates resolved the issue of compulsory attendance and agreed that Section 2 of Article XI should read that the legislature may pass laws that will tend to secure a general attendance of the children in each school district upon said public schools.

The Funding of Public Education

While the problems of sectarian instruction and compulsory attendance were discussed extensively throughout the debates, discussions continually reverted back to the topic of funding public education, specifically, the topic of taxes, where revenue should come from, and how much revenue was to be allocated for the support of public education. Transcripts from the debates indicated that delegates recognized that such issues as sectarian instruction and compulsory attendance drastically affected the amount of funding needed for public schools. Delegates acknowledged that forcing children to attend school required additional funds and that mandating the type and amount of instruction students were to receive required that students be provided appropriate materials, thus requiring additional revenue.

17 (Marsh, 1866, pp. 447, 448, 466, 565, 566-582, 585-595, 659-662, 743, 745, 746, 808, and 809).
Delegate Chapin felt that taxes should not automatically be levied for the support of public education and suggested changing the wording of the proposed section to the constitution involving a special school tax from “shall provide” to “may in its discretion provide” which was previously agreed to by the delegates. The majority of the delegates agreed upon the change, however, intense debate ensued. Delegate Collins was one delegate who adamantly opposed the change. He explained to the delegates that he regretted that it had been changed and that he was confident that the Board of Regents would have great difficulty in obtaining funds in support of education (Marsh, 1866) He explained further that it was always the case that institutions of this character were embarrassed for the want of funds and that he hoped the committee would reconsider the amendment. Delegate Frizell, on the other hand, agreed to the change, but attempted to comfort delegates in opposition by stating that there was no doubt that if any funds were needed for the State University or for the support of normal or other schools, they would be provided (Marsh, 1866). He went on to say that there would be American citizens in the Legislature and if the money was needed, and they may in their discretion appropriate it, the Legislature would vote the required amount of money for the support of education, to which Delegate Collins had much to say.

Upon hearing Mr. Frizell’s remarks, Delegate Collins replied that he did not believe that the Legislature was likely to be as earnest in this matter of education as he had appeared to anticipate. Delegate Hawley was another delegate who felt that the change was not necessary. He supported the statements made by Delegate Collins and explained to the other delegates that a special tax was needed for the support of public
education and that he most sincerely trusted that the reconsideration would prevail, and that delegates would make it mandatory on the Legislature to provide the special tax. He justified his sentiments in favor of the special tax by explaining that he had read carefully the last published report written by the Superintendent of California titled the *Thirteenth Annual Report* and that the report emphasized the difficulty with which the Legislature of California had been prevailed upon to make sufficient appropriations for educational purposes. He explained further that petitions were in circulation throughout California for the purpose of receiving signatures urging the Legislature to impose upon the entire state, a tax of five mills on the dollar for educational purposes, instead of one-half of one mill, as was proposed in the Nevada section of the Constitution. He went on to articulate to the other delegates that if California could afford to pay a tax of five mills, Nevada could certainly afford to pay one-half of one mill. Delegate Collins concluded his remarks by stating,

"While we are engaged in laying the foundations of a great and mighty state, do not let us be niggardly in such a matter, and by want of a comprehensive foresight on our part in regard to the great wants of the future, force our children to leave the state to acquire education" (Marsh, 1866)

While opposition was expressed to the levying of a special tax in support of education because of the question of whether it was needed, one such delegate, Mr. Nourse, expressed his opposition for a different reason. He explained to the delegates that he was opposed to the special tax, not because it was not needed, but because he felt that money expended economically and to the best advantage should be raised in such a manner as to be brought close to home to all of the people who were to expend it. He declared that if the people were required to tax themselves for the money they expended,
they would take better care of it than they would if the money that they received derived from land grants or special taxes.

Consequently, after much debate, delegates adopted a solution to provide for a special tax of one-half mill on the dollar on all taxable property that was to be used for the common schools and for the university. The question was taken by yeas and nays on the final passage of the article as amended, and the vote was yeas: 23; nays: 0. Individuals who voted for the special tax were Messrs, Banks, Belden, Brosnan, Chapin, Collins, Crawford, Crosman, DeLong, Dunne, Frizell, Folsom, Gibson, Hawley, Johnson, Kennedy, Kinkead, Lockwood, Mason, Murdock, Nourse, Parker, Tagliabue, and Wetherill.

Second Constitutional Convention:
Delegates Approve Sections Related to School Finance

On July 21, 1864, delegates proposed several sections of the Education Article, which were later adopted, including sections relating to school finance:

Section 1: The State owes the children thereof tuitional facilities for a substantial education, and is entitled to exact attendance there from in return upon such educational advantages as it may provide. The Legislature shall therefore encourage by all suitable means, the promotion of intellectual, literary, scientific improvement, and also provide for the election by the people, at the general election, of a Superintendent of Public Instruction.

Section 2: The Legislature shall provide for a uniform system of common schools, by which a school shall be established and maintained in each school district, at least six months in every year; and any school district neglecting to establish and maintain such a school or therein, may be deprived of its proportion of the interest of the public school fund during such neglect or infraction, and the Legislature may pass such laws as will tend to secure a general attendance of the children in each school district upon said public schools.
Section 3: All lands, including the 500,000 acres of land granted to the new states under an Act of Congress distributing the proceeds of the public lands among the several States of the Union, approved A.D. 1841; the sixteenth and thirty-second sections in every township, donated for the benefit of public schools, set forth in the Act of the thirty-eighth Congress, to enable the people of Nevada Territory to form a State Government; the thirty thousand acres of public lands granted by an Act of Congress, and approved July 2, 1862 for each Senator and Representative in Congress; and all lands and parcels of lands that have been or may hereafter be granted or appropriated by the United States to this State; all estates that may escheat to the State; all of such percent, as may be granted by Congress on the sale of land; all fines collected under the penal laws of the State; all property given or bequeathed to the State for educational purposes; and all proceeds derived from any or all of said sources, shall be, and the same are hereby solemnly pledged for educational purposes, and shall not be transferred to any other fund for other uses; and the interest thereon shall, from time to time, be apportioned among the several counties, in proportion to the ascertained numbers of the persons between the ages of six and eighteen years in the different counties. And the Legislature shall provide for the sale of floating land-warrants to cover the aforesaid lands, and for the investment of all proceeds derived from any of the above-mentioned sources in United States bonds or the bonds of this State; provided, that the interest only of the aforesaid proceeds shall be used for educational purposes, and any surplus interest shall be added to the principal sum; and provided further, that such portion of said interest as may be necessary, may be appropriated for the support of the State University.

Section 5: The Legislature shall have power to establish Normal Schools, and such different grades of schools, from the primary department to the University, as in their discretion they may see fit.

Section 6: The Legislature shall provide a special tax of one-half of one mill on the dollar of all taxable property in the State in addition to the other means provided for the support and maintenance of said university and common schools; provided that at the end of ten years they may reduce said tax to one quarter of one mill on each dollar of taxable property.

The complete Nevada Constitution was framed by a convention of delegates, chosen by the people that met at Carson City on July 4, 1864 and adjourned on July 28, 1864. On the first Wednesday of September 1864, the constitution was approved by the
vote of the people of the Territory of Nevada and on October 31, 1864, President Lincoln proclaimed that the State of Nevada was admitted into the union.

This chapter described the development of educational and funding systems in the State of Nevada from before Nevada became a territory to statehood in 1864. Information was provided from the transcripts of the original Constitutional Debates as well as information about our founding fathers. In addition, sections of the Nevada State Constitution were provided to give the reader an opportunity to analyze how our current Constitution and funding systems have developed throughout history.
CHAPTER THREE

EDUCATION IN NEVADA ONCE ADMITTED AS A STATE

This chapter will begin by providing important information related to funding education in Nevada, through the eyes of Nevada Governors and Superintendents of Public Instruction from 1867 to 1917. Historical information about early school funding methods, systems of taxation, and legislation passed are also included, so that individuals reading this dissertation can better understand funding changes that have occurred. In addition, a brief timetable is provided below which highlights important events included in this chapter.

Timetable of Key Historical Events: 1867 - 1917

1867  First Superintendent of Public Instruction’s Report published
1879  Section 17 of the Nevada School Law was amended
      Interest in General School Fund apportioned semi-annually
      Policymakers in the 12th Session of Legislation approve
      important amendments giving more flexibility to individuals responsible
      for investing school funds
1889  Number of children assigned to each teacher as a basis for apportionment
      of school funding reduced
1897  Superintendent rewrites school laws and submits copy to
      each member of the Legislature
1907  Number of school districts totaling 254
1911  State School Tax increased to 10 cents on $100
1912  State School Tax repealed as an economy measure
1913  New apportionment method adopted
1917  Apportionment Act passed
Education: Its Early Beginnings

On July 18, 1864, Nevada policymakers debated the topic of public education and a committee of seven\footnote{Messrs. Collins, Hawley, Crawford, Crosman, McClinton, and Folsom were named to the Committee.} was appointed with instructions to report to the Nevada Legislature as soon as practicable (Marsh, 1866). Delegates explained that the committee was very important and that matters of the greatest importance would come under its supervision. The original transcripts from the second constitutional convention suggest however, that the committee was formed originally to save time and to not take time away from discussing other issues of importance during the convention (Marsh, 1864).

Mr. Collins, one of the seven delegates chosen, explained that he was moved to present the resolution to meet as a committee (Committee on Education) on account of the change in the Constitutional provision in regard to taxation. He stated that the Article on Education in the old constitution was based upon the idea of the general taxation of the mines and that the article required a good deal of alteration. He thought, therefore, that a Committee might lay the foundation, at least, so as to have the “Article on Education perfectly consistent with the present Constitution, and thereby save a great deal of time at the Convention” (Marsh, 1866, p. 447). Mr. Collins explained further that his idea was to remodel that Article, so as to be in harmony with the general arrangement of the Constitution.
Sections of Article 11: The Education Clause

The Education Article of the Constitution was developed by policymakers primarily at the first constitutional convention and was broken down into several sections. The sections included:

1. Legislature to encourage education; appointment, term and duties of superintendent of public instruction.
2. Uniform system of common schools.
3. Pledge of certain public lands and money for educational purposes; apportionment and use of interest; investment of principal.
4. Establishment of state university; control by board of regents.
5. Establishment of normal schools and grades of schools; oath of teachers and professors.
6. Support of university and common schools by direct legislative appropriation.
7. Board of Regents; Election and Duties.
8. Immediate organization and maintenance of state university.
9. Sectarian instruction prohibited in common schools and university.
10. No public money to be used for sectarian instruction.

While each of these sections is important to the education of children in Nevada, only sections two, three, five, six, nine and ten are thoroughly discussed in this dissertation, for the other sections relate primarily to topics relative to higher education and are not relevant to this historical analysis.

The Funding of Education Debate

After being admitted as a State in 1864, Nevada policymakers continued debating the topic of education and, more specifically, educational finance. What responsibilities schools, districts, states, and the federal government should play in formulating and supporting public schools within the state became the subject of intense debate and an emphasis on obtaining sufficient funds to provide a free education for all children.
throughout the state became a topic of much discussion in subsequent sessions of the Legislature (White, 1867).

Viewpoints held by the Superintendents of Public Instruction and Governors of Nevada, as interpreted through their reports and addresses given to the legislature at each legislative session, were utilized throughout this dissertation to highlight key funding and educational issues throughout Nevada's history. The information taken from each report or address served as the primary mechanism for obtaining relevant information for this study.

1867: The First Superintendent of Public Instruction Report is Published

Insufficient funds designated for public education became a topic of much concern as early as the first published report written by the Superintendent of Public Instruction to the Governor (White, 1867). Rev. A.F. White, Nevada's first Superintendent of Public Instruction, who served as Superintendent during the 1865-1866 school year, wrote in his report to the legislature (1867) that despite provisions made in the first legislative session to provide funds for public education, the amount of money designated for public education was considered to be inadequate and that funding levels needed to be reconsidered. "The State School Fund amounted to $5,075.72 and was distributed among 2,601 children, giving only $1.95 and a small amount towards the education of each child for one year" (White, 1867, p. 12). Rev. White emphasized his concerns to the Governor by stating that "the sum allocated was insufficient and that in a country like the United States, where there were comparatively few taxable productions, it was difficult to increase the School Fund to any great extent from the revenues of the
counties... Hence the state needed to be more liberal in its provisions for educational purposes” (White, 1867, p. 12). He went on to explain that securing a “just and equitable” portion of funds for education was essential and would greatly aid the schools in their weak and struggling condition (White, 1867, p. 12).

Despite insufficient funds, the superintendent acknowledged that much progress had been achieved during the previous year since adjusting the newly adopted system of public instruction. He acknowledged that the amount of school funds derived from all sources exceeded that of the previous school year by three thousand two hundred and ninety-three dollars and that all of the school districts, with the exception of six, had a balance of funds in the Treasury (White, 1867). In addition, statistics obtained from the First Biennial Report indicated that the number of pupils attending school in 1866 was 716 greater than the previous year (White, 1867, p. 17), indicating that population growth needed to be considered in the future financing of public education.

Although the superintendent felt that additional funds were needed, the governor was satisfied overall with educational programs that had been established. In fact, Governor Blasdel acknowledged his appreciation for educational systems in his letter to the Legislature dated January 10, 1867, by stating that it was truly gratifying that so thorough a system of education had been inaugurated throughout the State; that in all places where a sufficient number of pupils were found, Free Schools were in successful operation; that the average attendance thereon was commendably large, and that the great cause (education) was in an advanced and prosperous condition (Blasdel, 1867, p. 14).
However, Superintendent White cautioned the governor in his optimism since a “period of great financial depression under Territorial rule, was followed, with embarrassment and disaster throughout the State” (White, 1867, p. 13). He explained that in his visits to schools throughout the state, families who had taken up their abode, and who began to feel a particular interest in the cause of education suddenly found themselves unsettled and compelled to seek a residence elsewhere. Property depreciated in value, and “the means necessary to completely organize and efficiently sustain the public schools were wanting” (White, 1867, p. 13). This financial depression was seen mostly in the rural areas, for students attending such public schools were not being given the same opportunities as students in larger, more populated areas because of limited funds, availability of qualified teachers, and lack of proper facilities, all of which are mentioned extensively throughout this dissertation.

The Biennial Report written by Superintendent White for the year 1865-1866 indicated, however, that the educational system possessed “sufficient vitality” not only to live through the period of financial depression which was said to have embarrassed the State for the previous two years, but that it had gained a surer hold in the hearts of the people-grown in usefulness, and developed in its resources (White, 1867, pp. 18,19). Superintendent White proclaimed to the Governor, however, that an effort to improve education throughout the State, as well as to provide sufficient funding, was essential and had to continue wholeheartedly. In closing his report to the Governor in 1867, he explained that “it may not be improper to record an earnest hope that the system of public instruction be developed and established, until it is complete and harmonious in all its
departments; and until in its efficient workings the benefits of a good, sound, practical
education are freely extended, without money and without price, to every child and youth
in the State” (White, 1867, p. 44), thus making known the perceived objective for
education that existed at that time.

In 1869, Rev. Fisher, Nevada’s Second Superintendent of Public Instruction,
continued the efforts begun by Rev. White for the improvement of education systems
throughout the State and served from 1867 to 1874. He acknowledged in his fourth
annual report to the governor that with respect to the system, provision, and facilities for
popular education in elementary branches, “Nevada was superior to many and inferior to
few States in the Union” (Fisher, 1869, p. 3). In spite of peculiar disadvantages incident
to the settlement of a mineral country, public schools, mainly free, were established in
every populous district, and had been taught for a greater average number of months at a
greater expense per census child, by teachers employed at a larger average salary, than
elsewhere in the United States (Fisher, 1869). He did express concern, however, much
like the previous superintendent, about the lack of funds allocated for the support of
education. He explained to the governor that much needed to be done to provide a free
education for all children across the State, and wrote that expenses incurred in acquiring a
permanent school fund had to be met in the same way as other State expenses. He also
explained that moneys already taken from this fund needed to be replaced (Fisher, 1869),
not only to provide education to all children, but also to insure a progressive educational
system throughout the State.
At this time, statistics taken from the biennial report of the superintendent indicated that the sum of $14,233.13 was contributed, $7,388.80 more than the previous year, at the rate of $5.11 to each child in the State between six and eighteen years of age. While this was not proportionate to the funding of other governmental causes, it was a considerable amount, since “California allocated $3.19 per child, New York allocated $1.42, Wisconsin 45 cents, Iowa 45 cents, and Kansas 66 cents per child” (Fisher, 1869, p. 9), thus making the superintendent’s plea for obtaining additional revenue somewhat unsuccessful. It is important to recognize that at this time, the distributive fund was made up of moneys derived from the ad valorem tax of one half of one mill on the dollar authorized by the Constitution, and from interest on the invested portion of the State School Fund. The tax of five percent on moneys received as State tax, levied by section fifty-five of the School Law, was held inoperative by the Controller and Attorney General, and was in effect repealed by subsequent legislation (Fisher, 1869).

Interestingly, the amount raised by taxation was in excess of the amount received by apportionment in only four counties and in two of these counties, Churchill and Lincoln, there had never been a school census and consequently under the law, there had been no school appropriation. In addition, “four counties at this time levied thirty cents on each one hundred dollars valuation of taxable property, which was the maximum rate, and the average rate throughout the state was twenty-five cents” (Fisher, 1869, p. 10). Total expenditures for educational facilities were $78,430.11, which was an increase of $30,949.39 over expenditures from the previous year and $16,744.42 was paid for erection, repair and equipment of schoolhouses which, deducted from the total amount,
provided $18.73 per census child and $37.13 per pupil in public schools (Fisher, 1869). This again was considered to be a substantial amount since California only allocated $10.12 per census child, Ohio approximately $4.00, Pennsylvania $6.11, New York $5.80, and New Jersey $3.00 (Fisher, 1869).

Superintendent Fisher indicated, however, that despite a greater per pupil allocation than neighboring states, Nevada was laboring under disadvantages incident to the history of a new State and the settlement of a mining country, thus resulting in the state having no University, College, Normal School, or Academy (Fisher, 1871). Furthermore, he wrote that educators were “forced to wait accumulation of funds and an increase of population in permanent centers” (p. 3) to provide such services, thus negatively affecting students throughout Nevada. He acknowledged that while the division of school funds on census returns was the best plan for states having a well developed system of schools in permanent and successful operation everywhere, in a new state, where newly populated and thinly settled districts abound, another plan would secure more extensive educational privileges, thus encouraging policymakers to review funding practices.

Upon reviewing current funding practices, the Superintendent of Public Instruction acknowledged at this time that, unlike many of the neighboring states, “Nevada had the ability to provide for educational needs without being drastically burdened financially” (Fisher, 1873, p. 6). In fact, Superintendent Fisher explained in his report to the Legislature during the 6th Session that Nevada was advantaged above all other states in the item of ability to provide for schools, that Nevada had a maximum of
taxable territory with a minimum of school population, that the $19.17 expended per capita in furnishing common school privileges to Nevada children in 1870, was no more creditable outlay than was the $7.97 paid in Illinois, or the $6.86 paid in New York, or even the $2.75 paid in Missouri, and that the total expenditures in the State first named above was nearly $7 million dollars, while in Nevada it was less than $75,000 (Fisher, 1873). He went on to explain that, while there were fewer than 5,000 children of school age in the State, the Distributive Fund amounted to near $100,000, thus making it difficult to “find an excuse for manifest deficiencies in the extent and character of facilities furnished” (1873, p. 7).

It was this feeling that Nevadans could provide appropriate revenue to make educational services available to all children throughout the State that led to intense discussions among policymakers regarding the implementation of a new tax structure, problems with funding rural schools, compulsory attendance, and the responsibility (of Legislators) to maximize funding in support of public education throughout many of the subsequent legislative sessions. Superintendent Fisher noted in his report (1875) to the governor, however, that despite the need for additional state revenue, notable improvements in almost every essential feature of the educational system were visible. One of the most obvious improvements was the increase from $104,000 to $250,000 in the Permanent School Fund. In addition, statistics showed that nearly $8,000 more was distributed in 1873 from the General School Fund than had been distributed in 1872 (Fisher, 1875), indicating that the funding of education was considered to be a priority.
The report written by the Superintendent of Public Instruction to the Governor (1875) did indicate, however, that problems did exist within the education system. One of the most significant issues was the number of disparities that existed among school districts throughout Nevada. Superintendent Fisher acknowledged the disparities as he pointed out that "of the seventy-one school districts that existed in the State, twenty-four furnished less than six months of public school during the previous year" (Fisher, 1875, p.9), while other districts were furnishing as much as ten months. He went on to note that "sparsely settled districts, situated in counties whose larger districts were able to furnish ten months of public school in the year, wholly from the public fund, arose from the pro rata plan of distributing public school moneys and thus affected not merely the amount, but the quality of instruction furnished in the smaller districts" (Fisher, 1875, p. 9).

These inequities led to much discussion and debate in the next several legislative sessions and consequently, recommendations were made to reduce the number of school districts, thus providing better educational opportunities for all children, while eliminating existing inequities. Superintendent Fisher supported such efforts and explained to the governor that the supply of tuition to twenty children required just as great an outlay as for forty children and that the law which divided school funds among the districts according to the number of children of school age returned, was an unjust one (Fisher, 1875), thus requiring the immediate attention of the legislators.

Discussions continued in the next two legislative sessions, yet disparities continued to exist throughout Nevada, particularly in rural areas. In 1879, the extended territory, limited means of travel, and remote location of school districts began to be
recognized by educators and discussions were held to improve such conditions. Samuel Kelley, Superintendent of Public Instruction, who served from 1875 to 1879, noted such disparities and difficulties in rural areas. He stated that "the only liability to mistake in the matter was misdirected energy and that too much money was expended on too few children" (1879, p. 9). He went on to say that he had called the attention of the Legislature to the necessity of aiding feeble districts, where a reasonable number of children were entitled to tuition, but whose limited funds did not enable the employment of first class teachers, but little was done (1879). He appealed to Legislators,

"The returns show that of the seventy-one districts in the State, twenty-four furnished less than six months of public school during the past year. These, I think, are without exception, sparsely settled districts, situate in counties whose larger districts are able to furnish ten months of public school in the year, wholly from the public fund. This inequality arises from the pro rata plan of distribution of public school moneys in the several counties, and affects not merely the amount, but the quality of instruction furnished in the smaller districts. Our educational policy looks toward the supply of equal educational advantages to all the children of the State, but the statute discriminates in the interest of residents in populous centers. When it is remembered that the supply of tuition to twenty children will require just as great an outlay as for forty children, it will be seen that the law which divides school funds among the districts according to the number of children of school age returned, is an unjust one. A certain sum should be given each district, as a district, and the remainder be distributed pro rata, as now. Perhaps in some counties small districts have been unnecessarily multiplied. These should be absorbed. They are an evil in almost every sense, and care should be taken that neither neighborhood, ambition, nor petty jealousies should be able to created districts at pleasure" (p. 9).

In response to Superintendent Kelley's determination, policymakers responded by amending Section 17 of the School Law. The county superintendent was given the

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19 In 1876, Nevada had 7,510 children between the ages of six and eighteen years, and made an apportionment of $44,154.27, and in 1878, Nevada had 9,364 census children and an apportionment of $49,670.30.
responsibility to apportion the public school money among the different school districts as written below:

“First, he must ascertain the number of teachers each district is entitled to, by calculating one teacher for every one hundred census children or fraction thereof, as show by the next preceding school census.

Second, he must ascertain the total number of teachers for the county, by adding together the number of teachers assigned to the several districts upon the basis of one teacher to each one hundred census children or fraction thereof.

Third, twenty-five percent of the amount of the apportionment from the State and County School Fund shall be apportioned equally to each district for every teacher assigned it, upon the basis of one hundred census children or fraction thereof.

Fourth, all school moneys remaining on hand after apportioning twenty-five percent of the State and county apportionment equally to each district for every teacher assigned it, upon the basis of one hundred census children or fraction thereof, must be apportioned to the several districts in proportion to the number of children between the ages of six and eighteen years, as returned by the School Trustees and Census Marshals, and to forthwith notify the County Treasurer, County Auditor, and the School trustees, in writing, of such apportionment in detail” (1879, pp. 9,10).

With the exception of amending the law, however, much of the discussion held by policymakers focused on the State University at Elko. Policymakers made arrangements to visit the university in order to examine its general condition and management and to report information regarding the number of teachers who were employed, their classification, the salaries paid to each individual, the number of students in attendance and the entire cost to the State of keeping such institution in operation (1879, p. 39). In addition, attention was given to such items as Assembly Bills No. 70 and No. 60. These
two bills were introduced to abolish the office of County Superintendent of Public Schools\(^{20}\) and to create a State Board of Examination\(^{21}\).

Superintendent D. R. Sessions replaced Mr. Kelley in 1879 and served as Superintendent until 1882. He continued focusing on the funding of public education and he, like Mr. Kelley, urged policymakers to sufficiently fund school districts throughout Nevada. He acknowledged that schools were in “as good of condition as possible,” but that Nevada covered a prodigious area, had few facilities for travel, was sparsely settled, and had many schools located in remote areas that were extremely small (1881, p. 5).

As a result of these conditions, Mr. Sessions made changes to the funding of education. He explained in his Biennial Report (1881) that while it had been the rule under previous administrations to place the interest accruing on deferred installments on land purchased according to the twenty percent plan in the irreducible fund, otherwise known as the State School Fund, he chose another option. He explained that he had decided to place the interest in the Distributive or General School Fund, from which it would be apportioned semi-annually among the counties to defray existing school expenses. He explained further that according to the State Land Register, for the current year the amount to be realized from this source would be $15,000 and that during the 1882 year and after, it would be approximately $22,000. In support of his decision, he stated “the disposition of the money in question, which he conceived was made in

\(^{20}\) Assembly Bill No. 70 lost in the Senate on February 24, 1879 by a vote of 16 to 6 (Kelley, 1879, p. 239).

\(^{21}\) Assembly Bill No. 60, on motion of Mr. Mayhugh, indefinitely postponed the bill (Kelley, 1879, p. 273)
accordance with the spirit as well as the literal interpretation of the State Constitution, would result in very great and immediate aid in the maintenance of the public school system” (1881, p. 11).

Attention remained on the funding of education, especially within rural districts throughout the State, when Mr. C. S. Young was appointed the Superintendent of Public Instruction in 1883. He urged policymakers to provide additional revenue in support of public education throughout his term, which lasted from 1883-1886. He encouraged policymakers to provide for the rural districts and wrote in his report to the governor (1885), “For many years to come, in our sparsely settled rural districts, our schools have had to struggle with poverty...But measures should be at once taken to alleviate this distress and supply their wants” (Young, 1885, p. 50). He highlighted allocations that were expended to other agencies throughout the State and explained that in comparison with other expenses, the amount expended by the State Government for the support of schools was small22 (Young, 1885), thus requiring additional funding and attention.

In further support of his claims, the Superintendent explained that although Section 6, Article XI of the Constitution read that the Legislature “shall provide a special tax of one half of one mill on the dollar of all taxable property in the State, in addition to the other means provided for the support and maintenance of said University and common schools, past demands and experiences indicated that the funds provided were not sufficient” (Young, 1885, p. 51). One example given by the Superintendent of Public

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22 Since Nevada became a State, there had been $803,536.52 expended for the Legislative Department, $1,006,394.54 expended for the Executive Department and only $641,657.64 for public schools (Young, 1885, p. 50).
Instruction to emphasize inadequate funding and support for public schools at this time was presented to the Legislature as he explained that, since 1864, when Nevada became a State, there had been expended for the Legislative Department $803,536.52 and $641,657.64 for the support of schools, making a difference in favor of the Legislative Department of $161,878.88 thus insinuating that other agencies were more important than educating Nevada’s children. He went on to explain that there had been $1,006,394.54 expended for the Executive Department and only $641,657.64 for the support of schools, making a difference in favor of the former of $364,736.90. Finally, he pointed out the need for additional funding for the support of public education by explaining to the legislators that within the previous twenty years, “the support of the State Prison had cost the State $519,514.33 more than the schools” (Young, 1885, p. 50), thus forcing policymakers to rethink their educational priorities and overall commitment to the funding of public education.

As a result of highlighted disparities and requests from educators throughout the State, legislators began exploring various ways to better invest school funds in order to provide additional revenue in support of public education, while not placing an additional burden on taxpayers. The constitution that was originally established allowed only for the school money derived from the sale of public lands and other sources to be invested in the United States and Nevada State bonds, thus limiting interest to only three percent per year. This limitation of potential interest earnings encouraged legislators to approve two amendments relating to the investment of school funds during the 12th Session of Legislation in 1885, thus giving more flexibility to individuals responsible for investing
funds. One of the amendments allowed school funds to be invested "in United States bonds or bonds of this State, or bonds of such other State or States as may be selected by the Boards authorized by law to make such investments," while the other allowed school funds to be invested "in United States bonds, the bonds of this State or such other State bonds or other securities as may be authorized by law" (Adams, 1885, p. 4).

These amendments were significant because it meant that whatever amount of interest over the three percent per year that could be secured by investing in other than United States Bonds, would provide that much additional income to the School Fund, and would immediately become available for the support of public schools. Both the Governor of Nevada and the Superintendent of Public Instruction agreed with the proposals and stated respectively, "I therefore earnestly renew my recommendation to the last session, that one of these amendments be adopted and submitted to the people for their ratification" (Adams, 1885, p. 4) and "In the judgment of the Board, the Constitution should be changed so as to allow the Board greater discretion in making investments" (Young, 1885, p. 46).

Along with the proposed amendments, legislators and educators throughout Nevada recognized that more needed to be done to eliminate existing disparities within school districts across the state. As a result, legislators and educators throughout the state made recommendations to change the tax structure in order to rectify the unequal distribution of funds, particularly in rural areas, and to reduce the number of students assigned each teacher from 100 to 75 (Young, 1885; Dovey, 1889). Mr. W. C. Dovey, Superintendent of Public Instruction from 1887-1890, immediately acknowledged the
tremendous need to rectify the unequal distribution of funds in his biennial report (1889) by explaining that nearly all the County Superintendents complained of the injustice of the present law of apportionment and asked that the maximum numbers of pupils assigned to one teacher by the law be reduced from one hundred to fifty or sixty (Dovey, 1889), to better provide for students throughout the state.

Reports submitted by the County Superintendents to the Superintendent of Public Instruction (Young, 1887) also indicated that educators throughout the state felt that the method of apportioning the school money on the whole number of persons between the ages of six and eighteen was extremely unjust to some school districts. J. G. Young, County Superintendent in Lyon County, confirmed such injustice in his report to Superintendent Young as he explained that the Census Marshals’ reports came to him from some districts “in very bad shape and frequently incorrect,” thus affecting the amount of money received in support of public education (Young, 1887, p. 7). He also explained that children were often employed to take the census and that the law should immediately be changed to allow only qualified electors to serve as Census Marshals, ensuring that school districts receive the appropriate amount of funding. As a result, a proposal was submitted to establish a method of apportioning the school funds according to the average number attending school. In addition, discussions held in the legislature revealed that both Legislators and educators supported increased taxes, felt that a careful analysis of funding distribution methods was needed, and that an increase in revenue for the support of education would do much to eliminate existing disparities.
The State Controller's Report (Young, 1887) further highlighted major issues of concern at this time, including the depreciation of property values, the urgent need to revise the tax system, and the need to seek out additional funding for education.

"The year 1886 showed a depreciation in property valuations to the amount of $714,411.68 as compared with 1885, and of $848,421.70 as compared with 1884; and a decrease in the taxable proceeds of mines of $384,989.57 as compared with 1885, and of $899,339.71 as compared with 1884; but this result was expected as to the taxable proceeds of the mines, because of the legislation of 1885 making taxable only the actual net proceeds above all costs; and depreciation in property valuations was also expected in some counties, but entirely unlooked for in others where there seems to be good reason for it; and these facts again demonstrate the necessity of a State Board of Equalization, with power to determine the value of all property for purposes of taxation, or the appointment of a commission to thoroughly revise our system of assessment and taxation, and the further necessity of exceeding wisdom on the part of the Legislature in maintaining the present and seeking for and opening all possible additional sources of revenue, as with depreciation of property and decrease in the taxable proceeds of the mines, revenue is correspondingly decrease" (Young, 1887, p.14).

With the acknowledgement of needed change expressed by the State Controller, as well as the support of the Superintendent of Public Instruction, the Governor focused extensively on the mode of apportionment or distribution of public school money and the policies that dictated which school districts received funds throughout the late 1880s. Since the establishment of the Constitution, funds were provided by the Legislature for school districts in areas that contained at least ten children of the legal school age within their borders. As a result, citizens in rural areas began to complain and challenge distribution methods, feeling that they were being treated unfairly due to the inappropriate proportion of school money they were receiving, thus forcing legislators to make the discussion of educational funding a priority in subsequent legislative sessions.
Due to these increased complaints and concerns, the Governor recognized and proposed a
resolution to their concerns to Legislators during the 13th Session:

“It appears that in order to maintain a portion of the State public school money, a
school district must have within its borders at least ten children of legal school
age. The complainants say that the present mode of apportionment or distribution
of the public school money is unjust to them, and maintain that in organized
districts where there are even less than ten children of age required by the school
law, said districts could have their relative proportion of the school money. This,
they claim, would enable them to maintain schools a portion of the year at least,
and in cases where schools are maintained partly by private subscription the
burden would be, in a measure, lightened. I would, therefore, recommend that
you consider the case of these citizens, and if you believe their claims just and
proper, to relieve them by legislative action” (Stevenson, 1887, p. 11).

Mr. Young, Superintendent of Public Instruction, further emphasized the importance of
equal distribution methods by supporting the governor as he reiterated his belief that not
only should funds be distributed differently, but also that additional revenue should be
provided from the State to maintain and encourage a progressive educational and funding
plan. He wrote in his report (1887) to the Governor that he renewed his recommendation
of two years previously that the rate of State school tax be increased and emphasized to
policymakers, arguing that experience demonstrated that it was not satisfactory to leave
this question of education so completely to the counties. He urged the State to provide
adequate school facilities for all of its children and recommended increasing the State tax,
so that “the terms of the school be made more uniform and the schools be made more
efficient” (Young, 1887, p. 44). Superintendent Young stated that under the existing
laws, “some counties had an average school year of ten months, while other counties had
an average of less than five months” (Young, 1887, p. 44). He felt that by increasing the
State tax the terms of school might be made more uniform and the schools would be

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made more efficient. He cautioned the governor, however, by stating that the change in the rate of taxation for school purposes could not be made until the Constitution relative to the matter was changed (Young, 1887), thus complicating and prolonging the matter.

Mr. W.C. Dovey replaced Superintendent Young as Superintendent of Public Instruction in 1887 and served from 1887 to 1890. School funding continued to be an issue of much concern throughout his term as Superintendent, as indicated in his reports to the Governor published in 1889 and 1891 respectively. Because of the low rate of interest on United States bonds and their high range of premiums, the Legislature, upon the presumption that an amendment to the State Constitution had just been adopted by popular vote, passed an Act that empowered the State Board of Education to invest State school moneys in the bonds of States other than Nevada and of the United States (Dovey, 1891). The State Treasurer declined to purchase six percent California bonds, however, and stated that there was no legal authority for the investment of State school moneys in other securities than those of Nevada and the United States. The case was taken up to the Supreme Court upon a writ of mandamus, whereupon the Court rendered a decision that the amendment to the Constitution had failed of adoption through lack of certain requisite formalities, and that there was no authority for such investment (Dovey, 1891).

Consequently, on February 11, 1889, a special election was held, at which time the amendment was resubmitted to the people and was adopted by popular vote. The Board of Education renewed their efforts to invest school moneys, but the same objection was raised and the Board took the same action. In this case, the Supreme Court decided that, as the Legislature had failed to pass an Act under the Constitution as it appeared to
be amended, authorizing the investment, no power had been conferred for so doing, the court reserving its opinion as to whether the amendment had been adopted. As a result, the Board deemed it prudent to make investment as above, rather than await the tardy action of the Legislature (Dovey, 1891).

Along with focusing on ways to generate additional funding, Superintendent Dovey reduced the number of school children assigned to each teacher as a basis of apportionment of school moneys from one hundred to seventy-five and attempted to compensate teachers for attending teacher meetings or institutes. He also proposed legislation that would expend $15 to $50 of the school money apportioned to each district to purchase library books, and proposed to policymakers the idea of appropriating at least $500 for the purpose of holding State Teachers’ Institutes. Therefore, his term as Superintendent reflected plans for providing additional revenue in support of public education that would improve conditions for students, teachers, and administrators.

Mr. Orvis Ring was appointed Superintendent of Public Instruction in 1891 and served until 1894. He continued focusing on the funding of public education in many of the same ways as the previous Superintendent. He advocated the idea of compensating teachers for attending educational meetings and Teacher Institutes, proposed passing a law for expending money for purchasing library books, and proposed raising the salary of the County Superintendents. In addition, he further recommended that moneys be provided for holding annual State Teachers’ Institutes, that the law on compulsory attendance be revised to make it more effective, and that the State Superintendent be given at least $800 for traveling expenses, thus enabling him to visit all of the school
districts in the State. No efforts were mentioned in the Superintendent’s Reports however, regarding the actual funding of public education, or reviewing apportionment methods.

In general, despite recommendations for additional revenue in support of public education, the consensus among policymakers throughout the state was that the State of Nevada was providing an appropriate education for all students attending school regularly. Governor Colcord confirmed such sentiment in his Legislative address (1893, p. 25):

“But one thing we feel well satisfied with is the favorable condition of our public school fund. Our parental government has been exceedingly generous with its land grants; our Legislatures have, with wisdom, guarded the funds, and the recent approval of land grants has placed the fund on so sound a basis as to warrant, in the near future, the maintenance of our schools without taxation.”

Since it was the feeling of the majority of the policymakers that education was progressing, Superintendent H. C. Cutting, who served as Superintendent from 1895 to 1898, attempted to focus on the need for a new code of school laws. He explained to the Legislature that the greatest need of schools at that time were for a “good strong, wholesome code of school laws” since the laws governing the schools were considered by educators to be “very defective, unintelligible, and weak” (Cutting, 1897, p. 3). The Superintendent did feel that there were many good points in them, however, since every Legislature since the first had amended them, but that there was no system to school laws and no system to the schools, thus requiring change. In fact, the superintendent explained that many of the laws were considered to be “unconstitutional and obsolete” (Cutting, 1897, p. 3).
Because of his strong beliefs that the laws were defective, which incidentally began being voiced in 1881 when the Superintendent of Public Instruction, D.R. Sessions, publicly emphasized that a new school law was greatly needed (Cutting, 1897), he began putting all of his energy into rewriting the laws himself. He felt that making the old law what it should be would require too many amendments because it was very defective, often ambiguous, and, in some respects, inconsistent with itself.

Consequently, "from a personal study of the condition of the schools in every section of the State, from conversation and correspondence with citizens and teachers in every county, from the study of laws and reports of other states, and from correspondence with the educational head of almost every State in the Union" (Cutting, 1897, p. 4), he prepared a school law, which was intended to be complete and effective. With the help of Professor Walter C. Gayhart of Austin, he printed on the typewriter and mimeograph 100 copies and sent a copy to each member of the Legislature of 1897, and to several citizens, teachers, and school officers in all parts of the State. Each copy was accompanied by a letter calling attention to the necessity of school legislation and asking that the party receiving the proposed new school law study and comment on the material and then return the pamphlet with all suggestions to this office by January 15, 1897, so that "all changes" could be made and the bill, thus perfected, presented to the Legislature by winter (Cutting, 1897, p. 4).

Soon after, a committee of 20 was appointed at the Teachers' Institute, held in Elko, on December 28-31, 1897, and "the committee studied the proposed law very carefully, section by section, making a number of valuable changes and suggestions, and
when its work was done, its members unanimously approved the bill as revised and
reported the findings to the Institute\textsuperscript{23}" (Cutting, 1897, p. 4). Unfortunately, two years
after the study of the conditions existing in the state had been conducted and after an
entirely new school law for Nevada was established, the bill (Assembly Bill No. 48) was
introduced in the Legislature, yet it never received attention. Originally, the rules were
suspended, considered read first time, rules further suspended, read second time by title,
and referred to Committee on Education (Cutting, 1897), thus creating much
disappointment on behalf of the Superintendent. In fact, he confirmed such
disappointment as he stated:

"I went to considerable trouble and took peculiar pains to prepare an entire school
bill, which was presented to the last Legislature for consideration. It encountered
captious opposition and absurd prejudices from those of the Legislature who were
willing to discuss it at all, while the majority preferred to kill it rather than to
examine it with the necessary degree of patience and deliberation" (Cutting, 1897,
p. 4).

He went on to say that "there was no use talking of improving the schools until
the laws governing them were improved" (Cutting, 1897, p. 75). In spite of such
persistence on behalf of educators throughout the state, particularly D. R. Sessions,
Assembly Bill No. 48 was only introduced and did not pass.

While developing and implementing an appropriate set of school laws continued
to be important to Superintendents Cutting and Ring throughout the late 1890s and in the

\textsuperscript{23} The committee of twenty consisted of Dr. J. E. Stubbs, A. E. Kaye, H. C. Cutting, J. C.
Doughty, Dr. W. McN. Miller, Miss Mande Daugherty, Mrs. J. E. Miller, Miss Anna
Schadler, Louise Loschenkohl, A. L. Dornberger, Mrs. Mary Emery, Orvis Ring, E.
Winfrey, N. A. Hummel, Anna M. Smullen, Hon. H. S. Starrett, John Edwards Bray
early 1900s, more attention was given to the apportionment methods and number of school districts throughout the State of Nevada, along with how they were funded. Whereas some educators and policymakers were satisfied with their particular school districts and resources available, many expressed their concern and dissatisfaction.

Superintendent Cutting made clear that the method of apportioning the school money at that time could and should be improved. He felt that by apportioning the money on the average daily attendance instead of on the whole number of children in the county or district, school districts and thus children would benefit. He went as far as writing that “the advantage and justice of apportioning the money on the average daily attendance was too apparent to need argument” (Cutting, 1897, p. 4).

In fact, funding education based upon the number of students in a specific area or census led to much dishonesty and funding disparities between school districts. Many superintendents acknowledged the dishonesty used in census reporting to obtain funds for the support in their biennial reports to the legislature and expressed desire to develop and implement a new apportionment method. Superintendent Orvis Ring (1901), who was once again appointed Superintendent of Public Instruction in 1899 and served until September 13, 1910, when he suddenly passed away, summarized the dishonesty in utilizing the census to determine funding best by explaining to the Governor that reports that he obtained annually from county superintendents indicated that the school census law was constantly violated. He explained that it was reported that “children were included in the school census of some places who had never lived in the district or State; that sometimes those who had once lived in a district, but had been away for eight or ten
years, were still included in the census; and that double and some triple enumerations were not infrequent” (p. 7). Superintendent Cutting noted the same injustices in his report (1899), writing that the method of apportioning the school money needed to be improved and that “the advantage and justice of apportioning the money on the average daily attendance was too apparent to need argument” (p. 4). Superintendent Bray was yet another individual who expressed concern with apportioning funds based on census, as he pointed out in his report (1913) that “the method of apportioning school money had been devised forty years ago and was not suited to present conditions in the state” (p. 7).

While Superintendent Ring focused on the need for a new apportionment method, he concentrated extensively throughout his second appointment on the need for Nevada to provide county high schools (Ring, 1905). He pointed out to legislators that although the 16th Session of the Legislature allowed for County High Schools, ten years later, only Elko had established one (Ring, 1905), thus indicating that much more needed to be done to support and encourage them throughout Nevada.

Superintendent Ring expressed concern over counties not establishing high schools and explained “the school was supported by money raised by a special tax levied in the same manner as other taxes for county purposes” (Ring, 1905, p. 13). Mr. Ring felt that more high schools were required and that the number of school districts needed to be consolidated in order to provide better facilities and resources to the children. He felt that the “larger the number of districts and schools the smaller the amount of money for each district and school” (Ring, 1905, p. 13). He also felt that the larger the district and schools the larger the amount of money, the better the schoolhouse and the longer the
terms of the school” (Ring, 1905, p. 8). The Superintendent noted in his report to the Legislature in 1907 that the number of school districts had increased from 23 to 254, thus requiring more facilities and resources throughout the State and placing a heavy burden on the taxpayers (Ring, 1907). In order to rectify the situation, he encouraged lawmakers to “amend the school census law, or enact an entirely new law governing the school census and apportioning the state school moneys” (Ring, 1905, p. 15) to better provide for all children throughout the State of Nevada.

In 1909, Nevada’s wealth, as indicated by the valuation of taxable property, had increased more than ten percent, in spite of the universal business depression that had occurred over the previous year and a half, resulting in the depreciation of all property values. As a result of the depreciation, amendments were recommended to provide for the purchase of county and municipal bonds of Nevada with school moneys of the State. In addition, the Governor recommended that a sufficient fund be placed at the disposal of the State Board of Education to properly meet “emergencies of that kind” (Sparks, 1909, p. 26).

September 13, 1910 brought change to the education system in Nevada due to the death of Mr. Orvis Ring, who had served as the Superintendent of Public Instruction from 1891 - 1894 and from 1899 - 1910. John Edwards Bray was appointed Superintendent for the unexpired term and served until his death on January 1, 1919. He continued the focus begun by Superintendent Ring on providing additional revenue for the funding of public education and compensating educators for the work that they did.
Discussions continued throughout the next two legislative sessions which took place in 1911 and 1913, and amendments were made to extend investments of the State to include county bonds and to increase the State School Tax to 10 cents on the $100, which was repealed in 1912 as an economy measure. Governor Oddie supported the amendment and noted that although it was a much-needed amendment, more needed to be done to adequately support schools and maximize profits (Oddie, 1913). He proposed a plan that allowed the investment of state funds in other sources in order to maximize benefits and profit, which he explained further in his State address to the Legislature (1913):

“The last Legislature proposed a constitutional amendment extending investments of the state school funds to include county bonds. This is a step in the right direction, and, while I believe this proposed amendment should be ratified by your honorable bodies, I would suggest the advisability of proposing an additional amendment, which if ultimately adopted would take effect two years after the former, permitting the investment of the state school funds in first mortgage loans on farm realty, after the manner of Oregon and certain other States, and in the debentures of rural credit associations, similar to the Landschaften system of Germany, when organized under the provisions of any law recommended for uniform adoption by the states by the national commission investigating such systems” (Oddie, 1913, pp. 13, 14).

Because of increased concern for obtaining appropriate funds, a new apportionment system was finally adopted at the 1913 Legislative Session that allowed for a more accurate distribution of funds. Funds distributed were appropriated based on percentage of money for districts and on census, rather than census numbers alone, making the amount of funds dispersed more non-discriminatory. Superintendent Bray acknowledged the improvement by stating that:
"The system of apportionment of state school moneys adopted at the last session (1911) is doubtless the best we have ever had and the best that can be devised on the census and percentage basis, now in use. The distribution of state school money was grossly unequal and unfair in the different counties under the former system. The present system treats the districts impartially, and gives the smaller districts throughout the State better average support" (Bray, 1913, p. 7).

Unfortunately, however, the Superintendent of Public Instruction, John Edwards Bray, acknowledged that there was a feeling that sufficient allowance had not been made to some of the larger and richer districts that enforced the compulsory education law. He also acknowledged that "sufficient allowance had not been made to districts that supplied a considerable part of the general county and state school tax in their respective counties or districts that stood for thoroughly up to date schools and yearly district taxes to maintain them at a satisfactory standard of excellence" (Bray, 1913, p. 7).

Consequently, he recommended a method of distribution based on actual school attendance and recommended that each district levy a special tax that would be used to meet some or all of the running expenses, aside from the teachers' salaries (Bray, 1913). The Superintendent's Report to the Legislature of 1913 confirmed his recommendations as the following was written:

"It is held that a method of distribution based on actual school attendance in districts would be fairer than one based on census and on percentage of money for districts, as at present. Again approximately three fourths of the districts in the State have never raised any money locally for the support of their schools, using the county school fund for repairs of buildings, for supplies of all kinds and for janitor services. The larger and more progressive districts, on the contrary, raise yearly by special tax an amount far in excess of all these expenses, thus leaving all state and county funds exclusively for the payment of teachers' salaries. A requirement that each district by means of special tax should raise yearly money to meet some or all of its running expenses, aside from the teachers’ salary, seems just and reasonable; and this would, I believe meet general approval" (1913, p. 7).
Despite continued efforts by Superintendent Bray to obtain additional revenue, however, permanent additional funds were not designated or appropriated for public schools by the legislature, thus causing concern amongst educators throughout the State. In 1917, Superintendent Bray spoke to the Legislature on behalf of the other county superintendents throughout State and stated that with comparatively few exceptions, the school districts of the State had insufficient funds from the regular sources of income to pay proper salaries and maintain work for the necessary time for the children to complete the common school course in eight years (Bray, 1917, pp. 7, 8). He also explained that some, if not all, of the increase would be best and most equitably met by an increase in the state school tax, thus making the property of the entire State help out in the less prosperous counties and districts (Bray, 1917, pp. 7, 8). As a result, additional levying of taxes to establish and support high schools on a countywide basis was recommended and the Apportionment Act of 1917, which provided additional funds for all amendments, intended to address the tax limit was proposed.

Superintendent Bray died January 1, 1919 and W. J. Hunting replaced him as Superintendent of Public Instruction. W. J. Hunting served from 1919 to 1926 and continued the focus on providing additional funds in support of public education. Superintendent Hunting was quoted as saying that “under the new Apportionment Act of 1917 more funds on a more equitable basis became available, and, as a first step, even the small school of five census children was provided an annual minimum of $775, which was generally nearer $800 to $850 per school, while larger schools drew proportionately larger amounts on the per capita basis” (Hunting, 1921, p. 5).
In 1919, "the law went into full effect, with a minimum of $805 and a per capita increase for the larger schools and again the actual amounts were considerably above the minimum in most cases" (Hunting, 1921, p. 5). The report issued by the Superintendent of Public Instruction indicated that for the current school year, a larger increase took place than in any single year previous and that the budget law enabled schools to present their needs, so that county tax rates and special district tax rates were fixed to provide a larger income (Hunting, 1921). Although these changes were to provide more revenue from the counties and local districts, the Superintendent of Public Instruction felt that more needed to be done by the state and thus turned his focus toward the State Legislature. Superintendent Hunting pleaded for additional support from the state and encouraged "the further equalizing of school support, to the end that the beginning made in 1917 may be carried to a point where the State shall assume approximately 60% of the general minimum requirements for all the schools of the State, leaving 40% to be borne by the counties" (Hunting, 1921, p. 6).

This continued push for additional funding from the state and support for public education led to much discussion about the amount of taxes paid by citizens in Nevada, as well as the amount of money being used for educational purposes. The Governor explained to all citizens that the "percentage of the average normal income in Nevada consumed in taxes for all purposes, federal, state, local and special taxes, was 9.9 percent against an average of 12 percent for the United States as a whole" (Scrugham, 1923, p.17), thus indicating that more could be done to support education. Furthermore, financial records indicated that "state taxes for the year 1921, when state expenditures
reached its peak, were $1,221,664, whereas county, district, special school district, and city taxes aggregated $3,759,195” (Scrugham, 1923, p. 17), thus indicating that the State could and should take more responsibility to fund public education. The Governor explained further that “schools, roads, and public service equal to that obtained elsewhere, were not luxuries in Nevada any more than they were luxuries elsewhere” (Scrugham, 1923, p. 21), thus pleading with citizens throughout the state to become more involved and supportive of public education.

The Superintendent’s Report to the Governor (Hunting, 1923) indicated that when the budget for the State Department of Education was put in the final form in 1921, it was estimated by the Governor, State Auditor, and the Secretary of the State Board of Finance that “the revenues from a state tax rate of 11 cents, interest on the Permanent School Fund, interest on school land contracts, and one-half the annual balance in the State Library Fund, would bring in for the biennial period 1921-1922 $812,042 to cover administration and school support expenditures” (Hunting, 1923, p. 11). The actual receipts for this two-year period had been on $766,487, causing a deficit of $45,555 in the estimated revenues. In addition, the expenditures were estimated at $790,326 and there was a net deficit of $42,798 in the amount required to give the estimated balance of $162,428. Finally, since the apportionment due the last of January 1923, was a little over $200,000, it was evident that when the revenues for the month of January had been added to the fund there was going to be a deficit of $40,000 in the amount needed to meet the apportionment requirements.
Superintendent Hunting expressed his concerns by pointing out "inasmuch as the budget law sought to place school districts on a cash basis, the failure to secure the estimated state revenues was bound to upset the school budget of all districts that did not have a fairly generous balance as a margin" (1923, p. 11). The problem was an urgent one that "called for prompt attention, to the end that the State of Nevada could possibly be enabled to live up to the promises made to several school districts and on which they planned to maintain a cash basis as required by law" (p.11). He used these findings and sentiment to emphasize that "not only should the present shortage be made up, but the provision against a recurrence of such a shortage be made up" (p. 12), thus affecting future funding formulas and educational practices throughout Nevada.
CHAPTER FOUR

FEDERAL INVOLVEMENT AND TURMOIL

This chapter will begin by explaining the impact World War I had on the funding of education in Nevada. Historical events relating to the Great Depression, the construction of Hoover Dam, and the beginnings of World War II are also provided, highlighting the impact each event had on Nevada funding systems. In addition, a brief timetable is provided below which identifies important events included in this chapter.

Timetable of Key Historical Events: 1918-1946

1918 World War I ended
1923 State share of funding dropped from 38.7% to 23.2% in previous ten years
1925 Apportionment method changed from census to average daily attendance
1927 Rate of funding for each child reduced from $9.00 to $8.50
1929 Great Depression begins
1931 Construction of Hoover Dam began
1935 School budgets were placed on calendar year
1935 Tax placed on liquor, providing additional funds for education
1936 Hoover Dam completed
1938 Nevadans approve Senate Joint Resolution 18 at General Election
1939 Method of financing high schools changed
1941 State tax levy was increased from 11 to 13 cents
1943 State tax levy increased from 13 to 21 cents

Liquor License Tax Act was repealed
World War I and Its Affects on Funding Public Education in Nevada

Soon after Mr. Hunting, Superintendent of Public Instruction, brought the education funding shortages to the attention of policymakers, the welfare of the Nevada system of education became an issue of much confusion and debate. World War I, "organized propaganda" to cut school support, and the increasing costs of education in 1925 all contributed to the complexity of the funding debate. "Among the school questions fundamentally related to the welfare of the Nevada system of education, perhaps the most outstanding in the minds of the citizenship of this State was that of school finance" (Hunting, 1925, p. 7). Superintendent Hunting acknowledged that there had been a great amount of misunderstanding in regard to the costs of education, partly due to organized propaganda to cut school support, and partly due to the natural difficulties growing out of the situation created by the war. (Hunting, 1925).

Superintendent Hunting stated to the Legislators that "Nevada had not escaped its share of this misunderstanding, although the great body of those responsible for supplying, through taxation, the money necessary for school support had demonstrated in successive years their willingness to provide whatever funds the schools really needed to make them efficient" (Hunting, 1925, p. 7). As a result, one of the largest challenges, however, based on reports written by both the Governor and Superintendent of Public Instruction, was the willingness of citizens and taxpayers of the commonwealth to invest larger and larger amounts of money in the support of public schools (Hunting, 1925).

Economic disturbances caused by World War I had affected school finance, along with the factors that had continuously influenced school costs in general. These factors
included such things as increasing attendance, especially of high school students, and the
increased programs that were implemented by public schools designed to meet the more
complex social and economic conditions faced by young children. Superintendent
Hunting emphasized the importance of adequately funding education in his Biennial
Report to the Governor (1925) by explaining that the financial support of public schools
was the very life current that determined the quality of teachers and the kind of
equipment at the service of the school. He also explained that the understanding of
changes in the cost of education since World War I was significant and that public
education should be of great interest to parents and citizens (Hunting, 1925).

Expenditures were unusually low during World War I because of the delayed
building program necessitated by high war prices, which lasted for several years
following the close of the war. By 1923, these expenditures had become extraordinarily
heavy as districts attempted to catch up on building needs, “in caring for which there had
been a prolonged delay” (Hunting, 1925, p. 9). Moreover, the amount of funding
provided by local school districts and the state had changed dramatically during the
previous ten years. In fact, financial reports indicated that of the total amount furnished
for the support of public education in 1914, $551,310.00, the State’s contribution was
38.7% and that of the counties and local districts was approximately 61.3%, but in 1923,
the State’s share had fallen from 38.7% to 23.2% and the share of the local units had
risen from 61.3% to 76.8% (Hunting, 1925). This dramatic change meant that the ten-
year increase in costs to the local units for general support and maintenance was more
than five times the increase incurred by the State.
The effect of the increased pressure on the counties and districts was reflected in the unequal county school tax rates (Hunting, 1925). Statistics taken from the Superintendent’s Report (1925) indicated that the highest average valuation per census child was $32,902, more than eleven times that of the county having the lowest average valuation per census child, a cost of $2,811 (Hunting, 1925). Moreover, the statistics indicated that a tax of 10 cents in the most prosperous county yielded the same relative school support that a tax of $1.10 yielded in the county least wealthy in this respect, thus indicating that disparities were widespread.
Assessed Valuation per Child in Nevada Counties 1922-1923

<table>
<thead>
<tr>
<th>Counties</th>
<th>Assessed valuation per child</th>
</tr>
</thead>
<tbody>
<tr>
<td>Churchill</td>
<td>$8,951</td>
</tr>
<tr>
<td>Clark</td>
<td>$8,616</td>
</tr>
<tr>
<td>Douglas</td>
<td>$13,468</td>
</tr>
<tr>
<td>Elko</td>
<td>$25,182</td>
</tr>
<tr>
<td>Esmeralda</td>
<td>$12,482</td>
</tr>
<tr>
<td>Eureka</td>
<td>$28,184</td>
</tr>
<tr>
<td>Humboldt</td>
<td>$28,037</td>
</tr>
<tr>
<td>Lander</td>
<td>$20,847</td>
</tr>
<tr>
<td>Lincoln</td>
<td>$15,984</td>
</tr>
<tr>
<td>Lyon</td>
<td>$12,136</td>
</tr>
<tr>
<td>Mineral</td>
<td>$29,836</td>
</tr>
<tr>
<td>Nye</td>
<td>$8,552</td>
</tr>
<tr>
<td>Ormsby</td>
<td>$2,811</td>
</tr>
<tr>
<td>Pershing</td>
<td>$32,902</td>
</tr>
<tr>
<td>Storey</td>
<td>$8,848</td>
</tr>
<tr>
<td>Washoe</td>
<td>$9,577</td>
</tr>
<tr>
<td>White Pine</td>
<td>$10,883</td>
</tr>
<tr>
<td>State Average</td>
<td>$13,635</td>
</tr>
</tbody>
</table>

The widespread disparities also meant that although the State's share in school support and maintenance had fallen in relation to the total needs, the counties and districts were forced to assume the added financial burdens required to offset this, despite varying financial ability (Hunting, 1925). In reality, statistics indicated that in the school year 1924-25, the disparities between assessed valuations per census child and school tax

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24 Statistics were taken from the *Biennial Report of the Superintendent of Public Instruction* written by Superintendent Hunting (1925).
rates were so significant that a range of almost ten to one in financial ability was indicated on assessed valuations per child. In addition, Superintendent Hunting stated that while the school tax rate ranged from 34 cents to 90 cents, the total county tax rate ranged from 93 cents to $2.98 (Hunting, 1925).

Extreme disparities in taxes levied and financial ability led to much unhappiness amongst educators as described in reports sent to the Superintendent of Public Instruction by County Superintendents, and in observations made by the Superintendent through visits to public schools throughout the State. Educators considered the Constitution unfair in areas related to providing a special tax, ability to pay, and variations in resources provided for children residing in different districts. In addition, Superintendent Hunting indicated that educators felt that since Section 6, Article 11 of the Constitution of the State of Nevada at that time read that "the Legislature shall provide a special tax, which shall not exceed two mills on the dollar of all taxable property in the State, in addition to the other means provided for the support and maintenance of said university and common schools" (Hunting, 1925, p. 11), increased costs of education and diminishing funding support by the State required that more power be given to the representatives of the people as varying conditions demanded. The Superintendent indicated that he supported such a change (1925) and urged policymakers to amend the constitution. He explained that the "shift of the increased costs of education onto the local units, the counties and school districts and the diminishing share borne by the State in school support, further supported the need for an amendment to the Constitution" (Hunting, 1925, p. 13). Superintendent Hunting felt that amending the Constitution
would place the power to make needed changes as varying conditions demanded, in the hands of policymakers, in the same manner in which the Legislature was entrusted with other financial responsibilities (Hunting, 1925).

Superintendent Hunting went on to say that "Because of the twenty-cent limitation in the Constitution, the five mill tax for Physical Training in the high schools had to be cut off, as this gave a total State school tax for support and maintenance of the University and the common schools of twenty cents and five mills, a half cent in excess of the constitutional limit" (Hunting, 1925, pp. 13,14), thus indicating that more changes regarding the funding of public education were on the way.

In view of the fact that the State Distributive School Fund had declined drastically because of the diminished funding supplied by the state, as well as the fact that education costs were increasing, an enormous amount of burden was placed on the counties and districts. This added pressure forced educators, most specifically the State Superintendent and County Superintendents, to encourage the legislature to remove the twenty-cent limitation and to increase the state school tax rate (Hunting, 1925).

Educators Sought Federal Support

Since, in the minds of educators, sufficient funding was not provided to support public education, educators sought federal support and involvement. Nevada educators reaffirmed their support for increasing the school tax rate at the State Institute in Elko by supporting the Education Bill (Formerly the Towner Sterling Bill) presented before Congress. The support for additional funding and immediate change was forthcoming and "this action represented practically the unanimous conviction of the teachers of the State
that the passage of that important measure would greatly aid in the promotion of
education in the State and throughout the Nation" (Hunting, 1925, p. 18).

It was this unanimous support for changes to the funding of education that led to a
change in apportionment methods. The apportionment method was changed from census
to average daily attendance, an approach thought to be more equitable. Superintendent
Hunting was quoted as saying “It now seems evident that Nevada has reached the point
where it would be an economy and stimulation of full attendance to have the
apportionment of school money based on average daily attendance rather than upon the
number of census children” (Hunting, 1925, p. 18), to better meet the needs of children
throughout Nevada.

As educators were convinced that the new formula would better meet the needs of
all children and school districts in the State of Nevada, the attention turned once again to
investing funds in order to maximize profit in support of funding public schools (Balzar,
1929). Superintendent Walter W. Anderson was appointed in 1927, replacing W. J.
Hunting, who had served as Superintendent for the previous seven years. Superintendent
Anderson served as the Superintendent of Public Instruction until 1934 and focused on
the funding of public education throughout his time in Nevada. He felt that the Board of
Finance had invested the State Permanent School Fund wisely and that additional revenue
was available in support of public education (Anderson, 1929). He confirmed this
sentiment in his letter to Governor Balzar when he wrote that the action of the Board of
Finance in investing the State Permanent School Fund was highly commendable and that
he was confident that educators and taxpayers of the State would be satisfied with the
investments. He commented further that the added income to the “State Distributive School Fund would allow a more effective means of meeting the State’s portion of the education funding” (Anderson, 1929, p. 17), thus eliminating some of the anxiety amongst educators about consistently late apportionments.

Despite good investments, however, consistently delayed payments by the State to cover educational costs and payments, including salaries and expenses of the Deputy Superintendents, salary and travel expenses of the Superintendent, and additional clerical help, which totaled $150,000 (Anderson, 1929), continued to be of much concern to educators. Superintendent Anderson proclaimed that investments did not adequately fund the State’s portion of education as prescribed by the Constitution. This became evident in December 1926, when $36,939.40 had been paid from the State Distributive Fund in order to meet the delayed payment, leaving $159,263.13 for the regular January semiannual apportionment to the various counties of the State for school purposes, a shortage of approximately $44,736.87 (Anderson, 1929). Up until this date, the apportionment to schools had been made on the basis of $9 per pupil and $137.50 per teacher, thus indicating that approximately $204,000 was needed to meet the State’s expense in connection with the regular semiannual apportionment to schools. This shortage, then, which resulted from $36,939.40 being taken from the State Distributive Fund, was seriously questioned by educators throughout the State and was discussed in great detail at the Nevada State Teachers’ Educational Association (NSTEA) meeting in Reno in October 1928.
Teachers Voice Concerns about Funding Education

While Superintendents of Public Education often expressed anxiety about the lack of sufficient funding for public education in their Superintendents' Reports, teachers began to voice their concerns about past funding practices at the Reno Institute. Teachers passed resolutions in October 1928 regarding several issues, including proceeds pledged for educational purposes that were described in Section 3 of Article XI (lines 19-23) of the Constitution and the appropriation of funds. Teachers pointed out that since Section 3, Article XI of the Constitution read that "all proceeds derived from any or all of said sources shall be and the same are hereby solemnly pledged for educational purposes, and shall not be transferred to any other funds for other purposes, and shall not be transferred to any other funds for other uses... provided, that the interest only of the foresaid proceeds shall be used for educational purposes, and any surplus interest shall be added to the principal sum" (Anderson, 1929, p. 18)\textsuperscript{25}. Extreme caution needed to be taken when managing revenue that was to be appropriated for public education.

Teachers also proclaimed that policymakers, who took part in the First Session of the Legislature, passed an Act that was approved March 20, 1865\textsuperscript{26}, in order to provide for the maintenance and supervision of public schools. They explained that Section 1 of that Act was very clear in that it explained that after enumerating various sources of income, funds "shall be and the same are hereby solemnly pledged for educational purposes, and shall not be transferred to any other fund for other uses; but shall constitute

\textsuperscript{25} Refers to proceeds and not net proceeds.

\textsuperscript{26} See page 413, Statutes of Nevada, 1864-65.
an Irreducible and Indivisible Fund ***” (Nevada, 1864, p. 413), thus indicating that funds were not to be transferred to any other fund or used for any other purpose.

Superintendent Pledges Support for Teachers and Appropriate Funding

As a result, with the support of the Nevada State Teachers’ Educational Association, Superintendent Anderson confronted Governor Balzar, asking where the Constitution had been altered or amended (Anderson, 1929) to allow for the transferring of funds. He went on to say that the half million dollars that had been distributed from the Permanent Fund should have been left there and that the $150,000 that had been paid from the Distributive Fund should have been added to it in support of public education. Mr. Anderson stated further that if that would have been done, the Permanent Fund would have been nearing the five million dollar mark and the two-mill limit would not have needed to be removed.

In support of his argument, Superintendent Anderson pointed out the Statutes of 1926-1927, specifically Section 9 of the General Appropriation Act, to policymakers and reviewed its contents. He indicated further that despite the fact that the original framers of the constitution intended for the fund to be “permanent, irreducible, and indivisible,” sums had previously been appropriated from the Permanent School Fund for the years 1927-1928 (Anderson, 1929, p. 19). Superintendent Anderson expressed this concern to policymakers to demonstrate that funding in support of public education was not sufficient and that current practices went against the constitution and ultimately negatively affected children throughout Nevada.
Policymakers Ignore Superintendent’s Plea

In spite of the Superintendent’s plea for additional revenue and needed reform in funding education, policymakers reduced the rate of funding provided for each child from $9.00 to $8.50 to avoid raising taxes or providing additional funding in support of public education (Anderson, 1929). In addition, this reduction, which remained in place for quite some time, allowed the same amount of money in support of public education to be allocated to a larger number of students.

As a result of the reduction, educators continued to be frustrated, which eventually led to Superintendent Anderson making a recommendation for a “full and comprehensive survey” to be completed (Anderson, 1929) in order to provide data that would indicate that more revenue was needed in support of public education. The survey was to provide information about conditions and institutions that affected the public school system of the State. Furthermore, the survey was to include the State Department of Education, the Surveyor-General’s Office, the State Library, county libraries, local and school libraries, the State Distributive School Fund, the State Permanent School Fund, Vocational Education, and any and all other activities that influenced the public elementary and secondary schools” (Anderson, 1929).

Governor Balzar stated in his message to the Legislature (1929) that although educators expressed a need for additional funding in support of education, the people of Nevada did not want an increase in taxes and expected a reduction in their tax burden at that time (Balzar, 1929), thus indicating that additional revenue was not available. He acknowledged, however, that it was apparent under existing conditions, that Nevada had
reached the maximum of appropriations that could be made under the existing tax rate within the present limit of valuations. He also confirmed that the total of appropriations could not be increased without increasing the tax rate, thus indicating that alternative sources of revenue were needed if education was to receive sufficient funding.

Governor Balzar explained further to policymakers that “every effort had been made to limit the expenditures in several State Departments and that a large degree of success had been attained” (Balzar, 1929, p. 16). While he recognized that departments within the State were cutting budgets due to lack of funds, he pointed out that every child within the State deserved a free education. Governor Balzar stated that it was a “fundamental axiom of national existence that every citizen shall have equal opportunity to receive an education at public expense and that the State should provide ample appropriations for the support of the State University and public schools” (Balzar, 1929, p. 16).

Consequently, policymakers allocated an additional $40,000 per year to equalize educational opportunities throughout the State, obtained by districts, which chose to apply for the funds (Anderson, 1929). The appropriation was taken from the State Distributive School Fund by an Act of the State Legislature. Because of the nature of the budget deficits, districts throughout the State immediately applied for the funds, thus reinforcing the belief that additional permanent funding revenues were needed to support public education. In fact, the Superintendent’s Report indicated that because the number of schools applying for relief from this fund was so large, before another year had passed,
the fund had to be prorated and the appropriation was taken from the State Distributive School Fund by an Act of Legislation (Anderson, 1929).

Reports from the different County Superintendents and visits by the Superintendent of Public Instruction to districts throughout Nevada confirmed, however, that despite efforts made to equalize funding and the method of apportionment across the state, "funding disparities still existed" (Anderson, 1931, pp. 11,12). Superintendent Anderson claimed that "there were some districts in the State where a special district tax of twenty-five cents brought in less than five dollars and other districts where a similar tax brought in thousands of dollars" (Anderson, 1931, pp. 11,12), thus demonstrating that great disparities existed. These variations in available revenue resulted in shorter terms of school in poorer districts, poor equipment, inadequate or no library facilities, and in some instances, a teacher who was poorly paid and often unprepared to do her work (Balzar, 1931), thus placing children in poorer districts in a position to fail.

In an attempt to encourage policymakers to rethink investment and apportionment methods in order to eliminate existing disparities, Governor Balzar drew legislators' attention to the provision of Section 5, Statutes 1917, p. 399, which prohibited the investment of surplus State Permanent School Funds at a lesser rate of interest than 5% (Balzar, 1929, p. 18). He explained that the past experience of the State Board of Finance showed that it was impossible for the State to compete with private interests in the purchase of county bonds permitted by law, if restricted to those bearing not less than 5% interest (Balzar, 1929, p. 8). Consequently, he urged that the law be amended to authorize the investment of such school funds, if necessary, at a lesser rate of interest than 5% as
then required. He further encouraged legislators to establish a fund that would cover the expenses of procuring supplies, clerical aid employed, salaries and mileage of members, extra expenses incurred by the State Printing Office, and other allowances that were deemed necessary during the special session (Balzar, 1929, p. 10), rather than take allocated funding away from the Permanent School Fund.

Funding Methods:

In order to evaluate the funding and appropriation methods properly, one must understand where the funding came from at that time and how it was being allocated. “The State Distributive School Fund was made up from eleven twentieths of the two-mill tax, the interest from the State Permanent school Fund, one-half of the corporation filing fees from the Secretary of State’s office after the State Library expense had been paid, and the interest from land contracts” (Anderson, 1931, p. 19). This fund was then used to pay the State’s portion of the elementary school expense along with a small portion of funding to relieve two or three of the counties for their high schools, not to exceed $15,000 annually.

The State’s portion of education for the elementary and high schools at that time (1929) was approximately 18%, compared to about 10 to 15% for local and 60 to 70% for county (Anderson, 1931). While additional funds were needed from the State in support of public schools, educators considered the equalization of educational opportunity to be the most important facet needing adjustment. Mr. Anderson, State Superintendent of Public Instruction, confirmed such a belief as he indicated in his report to Legislators that it was not the exact proportion that was so important, but the equalization of educational
opportunity (Anderson, 1931) that needed the most attention. He pointed out further that the tendency was to have the State assume a larger proportion of the load and that the "State and county should some day be interchanged" (p. 20). With this in mind, he recommended that a tax be levied on the whole State rather than on local districts or counties, in order to make the system more equitable for all citizens.

Superintendent Anderson placed an emphasis on the need for a more equitable funding system, which would provide sufficient revenue for public education and establish a minimum school term for all schools that were to receive state funds. This recommendation was proposed so that a determination could be made as to the actual cost of operating the smaller schools in order to build educational programs around the data (Anderson, 1931). He felt that if this was accomplished, the plan would then serve as a foundation or standard for Nevada public schools to be funded. In addition, Superintendent Anderson recommended that "once the foundation or standard was met, local communities could choose to exceed the limit by levying a special district tax beyond the one districts were required to levy, in order to carry its proportion of the load under the minimum conditions" (Anderson, 1931, p. 20), thus allowing more local flexibility. While this plan would have certainly been able to benefit many children throughout the state, Mr. Anderson did caution legislators that provisions had to be made for the relief of the districts that had to levy local rates in excess of the given standard, reinforcing the idea that more work needed to be done before major changes to the funding of public education occurred.
Despite efforts to increase public education funding, however, attention quickly turned to the effects of the depression. Superintendent Anderson explained in the *Nevada Education Bulletin* (1935) that because of the depression, “people in Nevada had taken heavy financial losses and that an extreme drought had added to their suffering” (Anderson, 1935, p. 4). He explained that the depression also brought a new order and a critical public attitude toward schools, thus complicating efforts to obtain additional revenue for the support of public education. The Superintendent recognized such difficulties and explained that educators had to be prepared to meet these criticisms satisfactorily or to alter their procedure (Anderson, 1935). He recommended that services of schools become more extensive than had formerly been the case in order to aid in the economic and social adjustment of the students and that services be available not only to the student in the school, but to the student out of school and to adults (Anderson, 1935, p. 4). Unfortunately, superintendent reports indicated that, while more programs were encouraged, additional revenue was neither provided nor available.

Recommendations made by Superintendent Anderson as a result of the depression resulted in less specific and professional training and more of the liberal arts training than in the past (Anderson, 1935, p. 4), thus affecting the amount of revenue needed for the support of education. Examples of changes made to public education as a result of the depression and the new focus of the superintendent included the completion and implementation of a new high school course of study for Nevada, questionnaires being sent to almost two thousand high school students in order to identify further changes that
they felt needed to be made to improve public education, the implementation of a new social science course which addressed current social problems, student relationships, international relations, training for World Mindedness, and Problems of American Democracy, and the establishment of adult education programs\textsuperscript{27} in ten different communities throughout Nevada.

Since major efforts were made by educators to overcome the public’s criticism and to obtain additional funding, Mr. Anderson compiled information and included a supplement in his report to the Legislature dated January 1 – June 30, 1932. The supplement was provided so that people could have accurate data concerning schools and so that the need for additional funding would become obvious to policymakers and citizens throughout Nevada. In the supplement, he provided actual costs for each school district in the State, financial tables showing that the State Permanent School Fund had grown since the beginning of statehood, a list of the bonds owned by the fund, and a table showing the amounts of cash constituting the State Distributive School Fund (Anderson, 1933).

The supplement indicated that the State Permanent Fund had decreased in amount over the previous two years due to disbursements from the fund itself (Anderson, 1933) and that since the fund was started in 1865, more than $655,000 had been paid out. Furthermore, the supplement indicated that the interest on the Permanent School Fund meant more than a 6.5 cent tax on the total assessed valuation of the State and that “the

\textsuperscript{27} Ten communities were offering some forty different subjects at that time. There were nineteen teachers employed, and the total enrollment had reached four hundred and fifty (Anderson, 1935, p.12).

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interests of schools and taxpayers alike must be protected either by legislative action or by court action if necessary” (Anderson, 1933, p. 16).

Moreover, Superintendent Anderson made recommendations to the Legislature to increase and perpetuate the State Permanent School Fund. Recommendations included enacting legislation that would correct existing budget and apportionment laws, proposing laws that would give permission for larger units of administration, develop an estate or inheritance tax law that would protect the present interests of the State, and revise school laws in order to clarify meaning and make laws more usable to the people (Anderson, 1933).

Despite the Superintendent’s requests for provision of additional revenue in support of public education, policymakers allocated insufficient funds and disparities in revenue still existed. Consequently, policymakers were forced to make educational funding a priority, resulting in Governor Balzar taking immediate action in 1931. He explained in his address to the Legislature that the state owed it to its children to give them “the very best possible and in order for equal educational opportunity to be offered to all children, the state had to play a larger part in financing its schools” (Anderson, 1931, p. 12).

Fortunately for Governor Balzar, the National Education Association (NEA) had just completed a study that concluded that every state should carry an equitable share of educational programs and in doing so, pay at least twenty percent of the total bill (Anderson, 1931). The study reaffirmed the need for additional revenue in support of public education discussed by Superintendent Anderson and made the 18 percent paid by
Nevada for public education at that time appear inadequate. The study further concluded that 25 to 35 percent was recommended as a much better proportion for the state to bear. Results from the study were significant and supported a more uniform system of educational funding and practices within school districts throughout Nevada.

In order to obtain a more uniform system of education throughout the State, Governor Balzar recommended that Nevada establish a minimum term of 170 teaching days and that policymakers fund education sufficiently (Anderson, 1931). He did not stop there, however, because he worked diligently to convince people throughout Nevada to support educational funding efforts. As a result of both Governor Balzar and Superintendent Anderson encouraging additional revenue in support of public education, some citizens, because of their concern for providing a quality education program for their children and others because of the heavy tax burden being placed on them from real estate, personal property and gas, became increasingly concerned and thus more involved in the educational debates.

A Search for Temporary Relief

Governor Balzar also voiced his concerns to policymakers about the limited sources of revenue available in support of public education. He further encouraged studies that would investigate alternative sources of taxation and ways to divide the tax burden amongst a larger group of people in the hope of eliminating some of the variations that existed throughout Nevada. He stated in his message to the Legislature (1931) that Nevadans had the problem of a proper equalization of the tax burden on all classes of property, and, in view of severe criticisms of members of the State Tax Commission in
acting upon requests for a reduction of taxes, he brought to the attention of legislators a 
resolution adopted by the State Board of Equalization. The resolution asked the 
Legislature to authorize the employment of necessary help to make a State-wide survey 
of present assessed valuations on all classes of property, with a view to better equalize 
and assure more equitable assessments (Balzar, 1931). He went so far as saying that 
suggestions had been made for securing necessary revenues from other sources, such as 
the so-called luxury and nuisance taxes and also for the imposition of an income tax 
(Balzar, 1931)\textsuperscript{28}. Superintendent Anderson further explained to the Legislature that high 
taxation, in proportion to its severity, caused increasing difficulty of just apportionment 
and was therefore collected irregularly. In addition, he stated that the “high taxation 
increased the instability of property ownership, while increasing the inequality of 
distribution” (Anderson, 1931, pp. 11-13), thus indicating that more needed to be done to 
solve the educational funding crisis.

As a result, Superintendent Anderson expressed frustration throughout the 
Legislative Session of 1931 because, in his opinion, the Legislature had failed to address 
concerns about the distribution of funds and the practice of using money from the State 
Permanent School Fund for other than educational purposes, thus causing continued 
problems throughout the State (Anderson, 1931). He proclaimed that “Taxpayers and 
citizens should not allow a condition to exist that will eventually hamper the relief that is 
not being given by this fund, or possibly in the end annihilate the entire fund, principal,

\textsuperscript{28} Under the laws at that time, income taxes were not imposed or collected in Nevada, 
although they were required under Federal laws (Balzar, 1931, p. 31).
and interest” (Anderson, 1931, pp. 17,18). Moreover, he felt that the practice of making appropriations from this fund was not in accordance with the intent of the law or the Constitution since the law and Constitution provided that the “fund be permanent, irreducible, and indivisible.” He stated that “by impairing the principal, the interest, which could be used for State distribution, was impaired” (Anderson, 1931, p. 18), thus negatively affecting the amount of revenue available for educational purposes.

The Superintendent’s solution to the problem was revealed in 1931 at the Legislative Session as he persistently urged legislators to divert fifty percent of the estimated portion of revenue that would be earned from the building of Boulder Dam, an expected $200,000 to $600,000 annually, to school purposes. Superintendent Anderson explained that by diverting fifty percent of the total income to school purposes, one-half of which could be deposited in the State Permanent School Fund. Some attempt would be made to make up for the losses that had accumulated over the previous sixty years (Anderson, 1931).

Superintendent Anderson also declared “the practice of paying the expense of the Surveyor-General’s Department from the State Permanent School Fund should be discontinued and that effort should be made to obtain another land grant instead” (Anderson, 1931, p.19). He supported his request by stating that out of thirteen states that received land grants west of the Mississippi, Nevada had received the smallest grant of them all. Governor Balzar supported additional revenue for public education as well, and stated “it was time for the Legislature and the people of the State to take the necessary steps to increase and perpetuate the fund, since the interest from it could
always be used to relieve the tax burdens of the people and to avoid further financial hardship" (Anderson, 1931, p. 19). Governor Balzar explained in his letter to the Legislature dated January 20, 1931 that “No State could be worthwhile as a place of residence that neglected the health of its citizens, the education of its children, the care of its unfortunates, or which tolerates disrespect for or disregard of its laws” (Balzar, 1931, p. 5).

Along with the many changes being made within the education system throughout Nevada at this time, research indicated that actual and psychological effects of the depression had created difficult problems with school finance, consolidation of school districts, and the creation of larger school district units of administration (Balzar, 1933), which were slowly becoming more evident to educators. Consequently, Superintendent Anderson invited citizens to pay close attention to both the National and Nevada educational statistics mentioned in the biennial report written by the State Superintendent and reiterated that all citizens should understand the cost and value of schools in relation to other expenditures and values.

Governor Balzar felt, much like Superintendent Anderson, that policymakers needed to conduct a comprehensive study of educational costs in relation to the cost of pleasure activities such as chewing gum, cosmetics, shows and tobacco, automobiles and other luxuries (Balzar, 1933). He felt that by conducting a comparative study of these items, the need to fund education appropriately would become evident and that additional revenue in support of public education would be provided by policymakers. He wrote,
“There is no doubt that the schools have come to furnish help, not only to the pupils enrolled but to all the people of the communities, in a wide variety of problems, and that administrators and teachers have taken on additional responsibilities in this larger field of school activities. Such reductions as can be made in school costs without irretrievably impairing school efficiency should certainly be made. Therefore great care must be taken to understand the necessities of the school, and clear-thinking must be exercised in dealing with school legislation at this session if complications and losses are not to accrue to the State later because of its failure now to meet its present educational needs” (Balzar, 1933, pp. 28-29).

Governor Balzar went on to explain that he was not convinced that increasing the minimum number of resident school children, required for establishment and maintenance of a school, or the creation of larger units of school administration, along with certain types of consolidation, would result in the reduction of school expenditures without impairing efficiency (Balzar, 1933).

Instead, Governor Balzar suggested that five boards of education, one in each supervision district, be established for the creation of oversight of larger units of school administration and the consequent equalization of educational opportunities in rural school districts where but one or two teachers were regularly employed (Balzar, 1933). He indicated that he was not sure if his suggestions were feasible, but felt that some plan for larger units of school administration should be carefully considered and that appropriate legislation should be enacted (Balzar, 1933). He also approved the recommendation of the State Superintendent of Public Instruction concerning the elimination of obsolete and ambiguous sections in the school law and suggested that the School Code be revised and reenacted at the upcoming session of the Legislature (Balzar, 1933).
The Building of the Dam and What it Meant for Funding Education:

While the years following the depression proved to be eventful regarding the funding of public education, the building of Hoover Dam drastically affected educational funding in Nevada. As a result of data provided in Superintendent Anderson’s supplement dated January 1 – June 30, 1932, Clark County became extremely important in the argument to obtain additional funding in support of public education. The data collected indicated that the conditions throughout Clark County had been complicated due to the influx of people looking for work at Hoover Dam and that State allocated funding was not sufficient to provide for children in the public schools. “Schools in Las Vegas had been overcrowded and the increase in school population in the county was about twice what would be expected for the State in normal years” (Anderson, 1933, pp. 14, 15). Furthermore, schools had not been provided in Boulder City and children had been sent to Las Vegas to obtain their education, while the State failed to provide additional funding. Consequently, children suffered due to such things as limited resources, teacher shortages, lack of transportation, and inadequate facilities.

In an attempt to alleviate the problems created by the increased number of children who needed an education in Boulder City, Superintendent Anderson made many recommendations, one of which included making children who were residing in Boulder City be considered nonresidents under the census law and thus excluded from benefits of the school funds (Anderson, 1933). This recommendation was strongly encouraged and supported throughout the Clark County School District because citizens were upset about
having to pay for educating the children in Boulder City, while no tax money or state funding support had been forthcoming for the schools in that section.

Superintendent Anderson proclaimed to policymakers that "something had to be done because under current conditions, and unless some of the tax problems were settled prior to January, 1933, Clark County school funds would not be sufficient to meet even the teacher apportionment as required by law" (Anderson, 1933, pp. 14,15) and that no additional funds could be distributed until the teacher apportionment was met. In addition, the county rate per pupil at this time was only 50 cents for elementary schools and $1.24 for high schools in Educational District No. 2 and had been decreasing rapidly, thus indicating that more problems with funding public education were forthcoming.

Interestingly enough, the Superintendent’s budget prior to meeting in 1931 indicated a shortage of $94,261 for the period from July 1, 1931 to June 30, 1933, yet the legislature took no steps to meet the shortage, thus complicating the matter for educators throughout the State (Anderson, 1933). Furthermore, the apportionment for July was short $47,992 of meeting the minimum requirement proposed under the apportionment statute. This created many problems in Clark County and throughout the State, since the budget law applied to school districts and other political subdivisions of the State. In addition, according to the law, the State apportionment was to provide $137.50 per teacher and not less than $8.00 nor more than $9.00 per pupil, thus indicating that major deficiencies existed and the law was not being followed by state policymakers.

In attempting to explain the deficit, Superintendent Anderson told policymakers that it was the "impounding of taxes by court orders, the exceptional increase in school
population, and the condition in Clark County over the collection of taxes in the so-called reservation area that were largely responsible for excess deficit" (Anderson, 1933, p.15).

The Controller’s Report indicated that the total amount of State money spent for education in 1930 equaled 22.78 percent of the total State expenditures, yet for the previous fiscal year, the total amount of State money spent for education only equaled 12.55 percent of the total State expenditures. This extreme inadequacy further demonstrated that school expenditures were not increasing in comparison with other State costs, since the decrease in the percentage figures for education amounted to approximately 45% in the previous two and one-half years (Anderson, 1933).

Superintendent Anderson further proclaimed that legislative action needed be taken to remedy the problem and that the Legislature needed to take responsibility for supplying sufficient funds for the minimum state apportionment if the laws were going to continue to provide for the filing of budgets and determine the amount of money school trustees could expect per apportionment teacher and each child in average daily attendance (Anderson, 1933).

These extreme deficiencies, paired with the persistence of both the Governor and Superintendent, led to much talk of additional legislation that would guarantee that sufficient funds for the minimum State apportionment be provided. The Superintendent made it known to the Legislature that “the earlier provided supplement demonstrated that schools were doing their part to meet the difficult conditions and that the coming session of the Legislature needed to do its part to remedy the situation” (Anderson, 1933, p.15).
The Funding Crisis Continues

Education was considered to be “in crisis” in 1933 due to insufficient funding. The per capita support for public education dropped 22 percent, the cost of education per child per day in schools had been cut 14 cents from 1929 to 1930, the average cost per child per day of educating a child dropped from 62.8 cents in 1930 to an estimated 48.7 cents in 1933, and funding decreases in 1933 carried per capita costs for public education to a level lower than any year since 1922 (Anderson, 1935; March 1933).

As a result, Superintendent Anderson proclaimed in the Nevada Education Bulletin dated March 1933 that the funding of public education needed to be given more attention and support by policymakers. He felt that “unsolved problems of a steadily increasing deficit in the State Distributive Fund and the dissipation of the State Permanent Fund were not as yet unrecognized by the people and needed to be solved” (Anderson, 1935; March 1933, p. 4) in order to best provide for children throughout the State. In addition, he declared that until additional funding was provided in support of education, “children of Nevada had to suffer from shortened terms and curtailed supplies and that taxpayers had to suffer in proportion to the decrease in the Permanent Fund” (Anderson, 1935; March 1933, p. 4).

Despite new ideas for the apportionment of the State Distributive School Fund and the State Relief Fund that came out of legislative debates, sufficient funds for public education were not available until October 1934. Consequently, the State Controller could not send his warrants for their share of the funds to the various counties (Anderson, 1935, p. 8), which resulted in schools not receiving the allocated funding on time.
Furthermore, this shortage of State Distributive School Funds, which caused the delay, still existed in December of 1934 and caused much debate and concern amongst educators throughout the State of Nevada. Citizens began wondering where the money went and why appropriate funding was not available when their taxes were paid.

The data provided on the following page represent the financial statement of the second semiannual apportionment of County School Funds for the school year 1933-1934, made in accordance with Section 5979, N. C. L. 1929:

<table>
<thead>
<tr>
<th>Counties</th>
<th>Teachers’ Apportionment</th>
<th>Actual Teachers’ Apportionment</th>
<th>Pupils’ Apportionment</th>
<th>Total</th>
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<td>$16,385.41</td>
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<tr>
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<tr>
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<td>$17,766.00</td>
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</tbody>
</table>
Superintendent Anderson explained to citizens across the State "no money from the fund had been lost in closed banks or any other way, but it was simply a matter of provisions of the law for financing the schools no longer being adequate to meet the demand" (Anderson, 1935; Nov-Dec 1934). All sources of income for the State Distributive School Fund were said to have decreased materially over the previous two years and the total taxable valuation of the State had decreased by several million dollars (Anderson, 1935; Nov-Dec 1934), creating both concern and a deficit in funding provided for public education. It was for these reasons that the 11-cent tax yielded considerably less income than it did in previous years. The Nevada Education Bulletin (Anderson, 1935; Nov-Dec 1934) indicated that a steady decrease in interest on the State Permanent School Fund had also existed over the previous two years. This decrease was primarily due to defaulted interest payments on some of the Permanent Fund bonds and other sources of income for the fund such as income from filing fees and interest on school and contracts that had decreased steadily for several years, making the timely and adequate appropriation of funds difficult.

Difficulties continued for educators throughout the State of Nevada during the Biennium that lasted from July 1, 1934 to June 30, 1936 and it was considered to be a Biennium of much stress for the public schools in Nevada (Smith, 1937) due to many changes made by the Legislature. Chauncey W. Smith, Superintendent of Public Instruction, who replaced Walter Anderson, attempted to obtain additional revenue in support of public education, as he served from 1935 until his death December 4, 1937.
One significant change that occurred in public school finance while Chauncey Smith was Superintendent involved school budgets and how they were based. School budgets were placed on a calendar year basis by Legislators in 1935 instead of the fiscal year plan, which resulted in much confusion amongst educators. The fiscal year plan coincided with the school year and was thought to be more convenient by educators than the new method, yet was considered to be less efficient to policymakers. Educators felt that the new system was inappropriate since half of any school year fell within one budget embracing a calendar year and the other half of the same school year fell within another budget period and another calendar year (Smith, 1937).

Another significant change to the funding of public education at this time involved a law that was enacted in 1935, which placed a tax on liquor sales. “The law resulted in proceeds from this source totaling approximately $200,000 per year, of which $100,000 was allocated to the State Distributive School Fund for the elementary schools of the State” (Smith, 1937, p. 13). This additional revenue was said to have helped immensely to make up such losses in revenue for education sustained during the depression due to the falling off in the assessed valuation of taxable property, the lower receipts on corporation fees in the Secretary of State’s office, the low income from the State land contracts in the office of the Surveyor General, and the lessened yield of interest on the Permanent School Fund (Smith, 1937).

In fact, the additional funding made such an impact on public education that both the Governor and Superintendent of Public Instruction made recommendations to not only continue the liquor tax, but to increase the amount allotted to the schools from
$100,000 to $150,000 a year. This solution was proposed to remain in effect until such time as the constitutional amendment called for in Senate Joint Resolution No. 18 could be made effective.

Senate Joint Resolution No. 18 was proposed at this time and was considered by many educators to be the answer to the education funding shortage. The law was proposed and adopted to equalize school burdens among the counties and to yield a greater measure of State support for the elementary schools. In addition, educators explained that Senate Joint Resolution No. 18 provided State aid for high schools, which, at the time, “were being almost entirely financed by the counties and local school districts” (Smith, 1937, p.13).

Senate Joint Resolution No. 18 was introduced in the 1935 session of the Legislature by Senator William Dressler of Douglas County to remove the constitutional limitation on taxation for public schools and the university. The amendment was considered to be “far reaching,” to say the least, but received much attention from policymakers. Citizens were made aware that if the resolution was passed again at the 1937 session and then voted upon favorably by the people at the ensuing election, it would amend sections 2 and 6 of Article 11 of the Nevada Constitution to read as follows:

Section 2: The legislature shall provide for a uniform system of common schools, by which a school shall be established and maintained in each school district at least six months in every year, and any school district which shall allow instruction of a sectarian character therein may be deprived of its proportion of the interest of the public school fund during such neglect or infraction, and the legislature may pass such laws as will tend to secure a general attendance of the children in each school district upon said public schools.
Section 6: The legislature shall provide a special tax in addition to the other means provided for the support and maintenance of said university and common schools.

At that time, the Nevada Constitution had a tax limitation for education of 20 cents on each $100 of assessed valuation, of which the public school received 11 cents and the university 9 cents (Smith, 1937). While some opposing viewpoints were represented throughout Nevada, Superintendent Smith felt that the amendment should be supported since education was the only element of the state government that was limited in taxation by the Constitution. He explained in the Superintendent's Report to the Governor (1937) that,

"Modern school finance philosophy requires that, in order to assure equality of opportunity to all the children of the State, there must be equality of school maintenance. But no equality of opportunity is provided under our present constitutional limitation. One school district pays as high as $1.80 special school tax, while another pays only 15 cents on the hundred dollars of assessed valuation. Naturally, a district paying the latter rate can give greater opportunity to its children than can the former district. Yet sound governmental principles require that all children should be given the best possible, and that this best should be paid for by the State as a unit. The only way to do this, of course, is to have as large a State support for education as possible, yet as large a local control as is feasible" (Smith, 1937, p. 15).

Furthermore, he explained that:

"Our constitutional limitation for education was reached in 1921, and we know the sad spectacle of the condition of the public schools when, during the recent depression, the State, even with its relatively small total contribution, was many months in arrears in the very minimum support provided by the statutes" (Smith, 1937, p. 15).

Finally, Superintendent Smith proclaimed to the legislature that there could be no equality of opportunity when Ormsby County, for example, with an assessed valuation of $1,679, 363 had to educate 138 high school pupils, and Humboldt County with an
assessed valuation of $14,026,890 had to educate only 124; when Pershing County 
educated only 92 high school pupils with an assessed valuation of $11,543,195, and Nye 
County had to educate 116 high school pupils with an assessed valuation of 
$3,348,297.54. Richard Kirman Sr., Nevada’s Governor, on the other hand, cautioned 
legislators, stating that if the State tax levy was to be held at even approximately its 
present amount, and other departments and activities of our state Government were not to 
be seriously handicapped by reduced revenue, then, as above indicated, proposals that 
still more revenue be set aside for schools and University, and allied activities, must be 
scrutinized most carefully (Kirman, 1937).

After much debate however, a Senate Joint Resolution was proposed and passed 
by the 1935 legislature, agreed to and passed by the 1937 legislature, and approved and 
ratified by the people at the 1938 general election.29

World War II: Its Affects On Public Education Funding in Nevada:

On December 4, 1937, Superintendent Chauncey Smith died suddenly and was 
replaced by Ms. Mildred Bray, who served until 1950. She too, felt that additional 
revenue was needed in support of public education and immediately shared her opinions 
with policymakers regarding the need for properly funding public education.

Unfortunately, national attention turned to other events however in 1937 because 
of World War II. While school systems throughout the State were considered to be 
somewhat healthy by policymakers (Carville, 1939), Ms. Bray pointed out that problems 
such as certain services being paid for from the State Distributive School Fund,

insufficient funds for services being rendered in Boulder City, conflicts in existing educational laws, and inadequate public education funding did exist (Bray, 1939). She explained that “many problems of grave import faced the educational system of Nevada and that a complete revision of the School Code, a change in the system of school financing, higher standards of certification, and a redrafting of the district high school laws were matters which required the most careful research and painstaking study” (Bray, 1939, p. 15).

Governor Carville acknowledged such problems as well in his address to the Legislature (1939). He pointed out that complications resulting from the war required additional funding. He also explained that because of the supervisory system cost and the cost of tuition of the children in the State Orphans’ Home, “sufficient revenue was not provided for the support of the schools to cover expenditures authorized by the statute” (Carville, 1939, p. 18). Complicating matters further, he explained, was the fact that while the Hoover Dam was being constructed, the Federal government provided school quarters, teachers’ salaries were paid and additional funding was set aside to erect a building for school purposes, but that construction was just completed and the Federal appropriation for school purposes was almost exhausted. This meant that educational costs were provided by sources, other than the State, and that these sources would no longer be available for public education.

Superintendent Bray expressed frustration over both inadequate funds in support of education, as well as the inability for legislators to distribute funds at the time designated by law. The law stated specifically that, “It shall be the duty of the
Superintendent of Public Instruction, immediately after the State Controller shall have made his semiannual report, to apportion the State Distributive School Fund among the several counties of the State in the following manner:

After setting aside the sum of three thousand dollars as the emergency school fund in the manner provided in section 90 of the above entitled Act, and not more than thirty thousand dollars as the State School Reserve Fund, he must apportion the State Distribute School Fund, subject of apportionment at the time, among the several counties of the State in the following manner:

a) He shall apportion $137.50 for each teacher to which the county is entitled, as provided in paragraph 1 of this section; provided, that for districts having an average daily attendance of less than five resident pupils for the preceding school year, he shall apportion $62.50.

b) He shall apportion on a per capita basis from the State Distributive School Fund not more than $9 nor less than $8 for every pupil in average daily attendance, as shown by the last preceding annual school report” (Bray, 1939, p. 2), yet the amount of available funding provided by the State made the process impossible.

Despite the increased attention to the apportionment process, sufficient funds had not been available to make the teacher and pupil apportionment promptly at this time, which resulted in continued concern and frustration amongst educators. Educators felt that additional revenue should be provided for the State Distributive School Fund if the statutory requirements for expenditures were to be met.

Furthermore, on July 1, 1938, there was a balance of $71,000 when an expenditure of $496,650.25 was needed to fund education throughout Nevada (Bray, 1939, p. 3), thus causing further alarm amongst citizens throughout the state. Much of the revenue for the State Distributive School Fund was derived from the interest on bonds belonging to the State Permanent School Fund, but “because the State Board of Finance had difficulty finding lucrative investments for the State Permanent School Fund and
interest rates on bonds had been low” (Bray, 1939, p. 4), needed revenue for the support of public education was not available.

This was one of the many problems of grave importance that faced the educational system of Nevada in the 1930s, yet the Superintendent of Public Instruction, Ms. Mildred Bray, felt that despite their severity, “the problems all could be solved if properly studied and impartially considered” (Bray, 1939, p. 15). A complete revision of the School Code, elimination of conflicts in existing laws on consolidation of school districts and transportation, a possible change in the system of school financing, higher standards of certification, and a redrafting of the district high school laws were all matters, which were in need of much attention.

In addition, Ms. Bray felt that many of the conflicts in existing school laws that had arisen, occurred because when a change in the method of distributing school funds from school census children to children in actual daily attendance transpired in 1925, many laws which were predicated on the school census plan were not repealed or amended to harmonize with the new system (Bray, 1939). “Among the laws that were not synchronized were those regarding the support of consolidated school districts and the transfer of children from one school district to an adjoining district in the same county” (Bray, 1939, p. 16).

The change to the average daily attendance plan of school support resulted in the elimination of apportionments to high school pupils, as apportionments were no longer made to all children between the ages of 6 and 18 (Bray, 1939). Clarification of the legislative intent as to which district should receive apportionment funds for children
living in one district who attended a school in another district was but one of the many
other matters which needed consideration in the drafting of the new school code (Bray,
1939). Regardless, Superintendent Bray proclaimed to the legislature that a recodification
of school laws was essential in order to remove the many inconsistencies and conflicts
with the funding apportionment system that was being used.

1939: A Year of Tremendous Change

Despite much uneasiness amongst educators throughout the state due to World
War II and the utilized apportionment methods, Superintendent Bray felt that the 1939
Session of the Nevada Legislature reflected the faith the people of Nevada had in the
school system. Policymakers established special provisions for the governance and
support of high schools in counties with a “duly established” county high school, as well
as for district high schools in counties without such a structure. In addition, they
“appropriated additional funds in support of public education to correct the estimated
deficit in the State Distributive School Fund for the current Biennium” (Bray, 1941, p. 1).
An appropriation of $51,900 for each of the school years 1939-40 and 1940-41 was made
to meet that estimated deficit (Bray, 1941). This was necessary in order that the $137.50
per teacher and $8 per student due semiannually to the several school districts of the State
could be allocated.

The 1939 Legislature also changed the method of financing high schools and
differentiated between district high schools in counties, which did and did not have a
county high school. The 1939 statute required that if a district high school was located in
a county that had a county high school, support allocated for the district was to equal
$140 per pupil per year and the county was required to pay 100 percent of the transportation costs if 25 percent of the registered voters of the county so specified in petition (Bray, 1941).

Despite additional funding being provided by the State, Superintendent Bray cautioned policymakers. It was estimated that for the school year 1941-42, "approximately $438,000 would be received, when expenditures for the year would only total approximately $490,000, making an annual deficit of $52,000" (Bray, 1941, p. 4). This estimated deficit then required the immediate attention of policymakers if teacher and pupil apportionments were to be made in full, as prescribed by the law. Since the State Distributive School Fund was insufficient to meet the legal requirements for apportionments to school districts, Superintendent Bray recommended immediate legislative changes to ensure that the State Distributive School Fund received adequate revenue to meet the needs of the schools (Bray, 1941).

Increased Attention Given Toward Educators

At this time, Superintendent Bray indicated that individuals in charge of purchasing for the school districts had to be careful so that the terms of the budget law were followed conscientiously. She explained that the primary reason for taking such caution was because of the decrease in funds received from the interest on investments of the Permanent School Fund and because of the increasing number of teachers and pupils needing services (Bray, 1941). Ms. Bray further explained that she was aware of instances when school boards had violated Section 3013 Nevada Compiled Laws 1929, which stated that it was "unlawful for any commissioner, board of county commissioners,
or officer of the county to authorize, allow, or contract for any expenditure unless the money for the payment thereof was in the treasury and specially set aside for such payment” (Bray, 1941, p. 13), which caused alarm throughout the educational community and legislature.

As a result, limited and decreased funds in support of public education continued to be an issue of great concern. Policymakers were forced to review and consider the benefits of consolidating school districts throughout the state. In fact, the issue became so intense that the Attorney General rendered an opinion on June 24, 1939, stating “consolidated districts were to receive apportionments as any non consolidated district based on the average daily attendance of the school in the consolidated district” (Bray, 1941, p. 15). Since July 1939, funds had been apportioned to consolidated districts on the basis of the average daily attendance of children in each individual’s district, so Governor Carville, as well as Superintendent Bray, recommended that the law governing apportionment of funds to consolidated districts be amended at the coming session of the State Legislature to conform with the present system of apportionments, which was considered to be a more equitable method of apportioning the moneys (Bray, 1941).

In addition, interpretation of subsection 4(a) Section 151 of the 1935 School Code, being Section 5798 Nevada Compiled Laws 1929, by the Attorney General was requested due to confusion concerning the amount of taxes levied in different counties and to determine what amount of money would be received by different school districts (Bray, 1941). The real question that citizens, including the Governor and Superintendent of Public Instruction, wanted to know from the Attorney General was whether or not
districts which had levied more than 35 cents stipulated in section 151,4 (a), would receive from the State School Reserve Fund apportionments based on the amount which a 35-cent tax would bring in or on the amount brought in by the actual tax levied (Bray, 1941). The opinion of the Attorney General rendered was that relief moneys would be apportioned on the basis of the amount brought in by the tax levied and not on the basis of what would be brought in by a 35-cent tax (Bray, 1941).

World War II Continues: Sufficient Funding Not Available:

The period covered by the Superintendent of Public Instruction’s Report that was published in 1943 had been “marked successively by the growing realization that our country could not remain safe and aloof in a world torn by war, by our precipitate entry after Pearl Harbor into the second world war, and by our quick adjustment to changed conditions” (Bray, 1943, p. 9). Schools were said to have recovered quickly from the catastrophe of Pearl Harbor and many more male teachers enlisted in the navy, army, or Marine Corps, or were inducted into service. Superintendent Bray explained in her report that “teachers were called upon to conduct the first Nation-wide registration for sugar rationing; that teachers now volunteered for civilian defense work, bought war bonds and stamps, gave of their leisure to attend first-aid or home-nursing programs, studied how best to protect pupils during air raids, and were forced to consider what services they might render if the Pacific Coast were bombed and evacuees in large numbers came to Nevada” (Bray, 1943, p. 9).

As a result of the nation’s condition, the 40th Session of the State Legislature brought major changes to the funding of education in the State of Nevada. One of the
most significant changes was an increase in the State tax levy from 11 to 13 cents for the
State Distributive School Fund (Bray, 1943). This increase eliminated the necessity of
appropriating moneys to that fund from the State General Fund and provided the amount
of revenue for education in Nevada sought in the budget of the State Department of
Education for the Biennium 1941-43 (Bray, 1943). Educators continued to be frustrated,
however, because apportionments of State funds to school districts during the period
covered in the report (1940-42) had once again not been paid promptly in January or July,
due to the lack of funds.

Consequently, the delay in apportioning the $30,000 of the State School Reserve
funds in July 1940 was occasioned by the Writ of Mandate issued by the Supreme Court
of Nevada in the suit instituted by Las Vegas School District No.12. (109 P.2d 274
60 Nev. 345). The Supreme Court of Nevada decided\(^\text{30}\) on January 24, 1941, that no
irreconcilable repugnance existed in the provision of 4 (a) of 151 or those of 5 (a), 151,
and subdivisions 2 of 152. They wrote,

"Having also in mind our duty to give effect to and harmonize, if reasonably
possible, all these provisions, and every part of them; and being of the opinion
that the construction of 4 (a), 151, contended for by respondent does not conform
to the intent and purpose of the Public School Act, particularly chapter 10 thereof:
we hold that the 50 cent levy made by the Board of County Commissioners in
April, 1940, included the 35-cent levy spoken of in 4 (a), 151, and that Clark
County was and is entitled to have apportioned to it, out of the state school

\(^{30}\) Board of School Trustees of Las Vegas Union School District No. 12 et al. v. Bray,
Superintendent of Public Instruction No. 3321. See also: State v. Glenn, 18 Nev. 34, 1 P.
186; State v. Grey, 21 Nev. 378, 32 P. 190, 19 L.R.A. 134; State v. Brodigan, 35 Nev. 35,
126 P. 680; State v. Cole, 38 Nev. 215, 148 P. 551; Seaborn v. Wingfield, 56 Nev. 260,
48 P. 2d 881.
reserve fund, the sum of $16,531.45, as prayed in the petition” (Nevada Reports, 1940-41, p. 356).

In making the ruling, the court took into consideration subdivision 4(a) of the amended section 151 of said act (5798, N.C.L. 1929) which stated:

“Whenever any county shall have levied 35 cents on the hundred dollars assessed valuation of the county for elementary school purposes, if such levy does not bring in an amount of money equal to that required by law of such county for elementary school purposes, exclusive of bonds and interest thereon, the superintendent of public instruction shall apportion to said county from the state school reserve fund a sum of money such that taken with the amount raised by the levy of 35 cents on the hundred dollars by the county will be sufficient to make the sum required by law of such county for elementary school purposes; provided, that in the apportionment for July, 1925, said rate shall be 30 cents on the hundred dollars in counties having county high schools and said rate shall be 50 cents on the hundred dollars for combined elementary and high school purposes in counties levying a rate for such combined purposes” (Nevada Reports, 1940-41, pp. 347,348).

The court also explained that subdivision 5 (a) of said amended section 151 read:

“The superintendent of public instruction shall then apportion to any district in the state which, after receiving the regular state and county apportionment provided for above, shall lack the necessary funds to maintain its school properly, a special school district relief apportionment from the state school reserve fund, whenever such district shall have levied (and there shall have been collected the first half of) a special district tax of not less than 15 cents on the hundred dollars of assessed valuation of the district. If the county in which such district is located has levied a total tax for county school purposes, exclusive of school bonds and interest thereon, amounting to 65 cents, but for the apportionment in July 1925, 50 cents on the hundred dollars of assessed valuation of such county, the state shall provide from the state school reserve fund a sum of money equal to not more than $5 per census child, for such relief apportionment to such district; provided, that if the state school reserve fund is sufficient, no district shall receive less than $50 relief apportionment under the provisions of this act. In case the county levy for school purposes in the county in which such district is located is less than 65 cents; but for the apportionment in July, 1925, 50 cents on the hundred dollars of assessed valuation for county school purposes, exclusive of school bonds and interest thereon and any county relief rate, the county shall provide from its county general fund such special relief apportionment to be made by the superintendent of public instruction; provided, such district has submitted a budget as now required by law for such year, and the moneys provided from this
and other sources and taxes shall not exceed such budget requirements” (Nevada Reports, 1940-41, p. 348).

Finally the court wrote that,

“Pursuant to the provisions of subdivision 2 of section 152, in order to provide funds for the schools of Clark County’s twenty-three school districts for the school year 1939-40, the Board of County Commissioners of that county, at its April meeting in 1940, levied a county school tax of 50 cents on each $100 of the assessed valuation of the taxable property in said county. The amount raised by this levy, on the assumption of a 100 percent payment of the tax, would have been $80,375. The amount of funds required for the said school year under the provisions of said subdivision 2 amounted to $72,794. The amount which would be raised by the levy of 35 cents on each $100 assessed valuation in Clark County for said school year would be $56,262.55, being $16,531.45 less than said required sum” (Nevada Reports, 1940-41, p. 349).

As a result, Superintendent Bray was required to make a semiannual apportionment from the state distributive school fund to the state school reserve fund of a sum of not more than $30,000. This apportionment, under the provisions of said section 151 (5798, N.C.L. 1929), was required to be made immediately after the state controller made his semiannual report in January and July of each year. It was also noted in the court’s decision that when the petition in this proceeding was filed, and after the July, 1940 apportionment to the state school reserve fund, there were sufficient monies in the latter fund for the apportionment to Clark County, as well as to other counties of the State. It was also noted that such sums of money as, taken with the amounts raised by the 35-cent levies, would have been sufficient to make up the sums required by law of such counties for elementary school purposes.

In addition, despite the support of the legislators for education and section 5792 of Nevada Compiled Laws 1929, which presupposed that on January 10 and July 10 of each year there would be in the State Distributive School Fund a balance adequate to pay the
$30,000 to be transferred to the State School Reserves Fund, the $1500 to be transferred to the State School Research Fund, and the amount required for the semiannual pupil and teacher apportionments, larger taxes needed to be levied for the schools until an adequate surplus could be attained to meet the legislative intent (Bray, 1943, p. 11).

Since funding designated by the State was not sufficient to meet educational needs at that time, the federal government attempted to provide some assistance. One such attempt was the passing of the Lanham Act. The Lanham Act was passed in 1941 and allowed for the United States Office of Education, Public Works Agency (Later the Federal Works Agency), and other governmental agencies to work with the State Department of Education in approving or rejecting applications from local school districts for additional school facilities or for maintenance and operation funds for schools in those areas which could not take care of the influx of children of defense workers (Bray, 1943). This was considered to be a step in the right direction because it provided an avenue for schools to ask for additional funding, yet school districts still suffered from inadequate funding.

Unfortunately, in spite of the fact that the State Board of Finance had cooperated and kept practically all of the moneys belonging to the State Permanent School Fund invested in the best bonds obtainable, “the interest received from these investments had diminished during the previous Biennium and yielded less to the State Distributive School Fund” (Bray, 1943, p. 15). Financial assistance from the State for rural school districts, whose funds were not adequate to provide a fair salary for teachers, was greatly needed and a committee had been appointed to prepare legislation on that subject.
Furthermore, work on the recodification of the School Code was abruptly halted with the entry of the United States into the World War (Bray, 1943).

The 1943 Legislative Session brought much change, despite World War II, in regard to education systems throughout the nation and in Nevada. Nevada Legislators increased the tax levy of the State Distributive School Fund from thirteen to twenty-one cents\(^{31}\), provided additional State aid for rural schools in order to equalize educational opportunities\(^{32}\), rewarded rural districts who assumed their part of school maintenance by levying the twenty-five cent special district tax, and revised the Liquor License Tax Act thus eliminating revenue to the State Distributive School Fund. In addition, although more than 90% of local school revenues came from the property tax, not counting receipts such as charges, fees, and miscellaneous income in a few areas, school districts also levied other types of taxes, such as on sales or income (Freeman, 1972), in order to generate additional revenue in support of public education.

At this time, "approximately 90% of all property taxes were levied on real estate (land and buildings) and the remainder fell on "personal property," machines and equipment, inventories, motor vehicles, and in some states, household goods" (Freeman, 1972, p. 12), thus placing a heavy burden on taxpayers. In fact, research indicated that prior to World War II, the property tax was not merely the biggest single tax in the United States; it alone accounted for between 25 percent and 40 percent of the receipts of

\(^{31}\) Legislators increased the tax levy mainly because of enrollment requirements.

\(^{32}\) This was the first bill seeking to render special assistance to rural schools whose total revenue was inadequate (Statutes of Nevada, 1943, Chapter 159).
all governments, federal, state and local combined, and it produced more revenue than
individual and corporate income taxes combined (Freeman, 1972). As a result, Superintendent Bray cautioned legislators that since revenue for schools was derived mainly from property taxes in Nevada, “any proposed change in school support should take cognizance of the fact that there were glaring inequalities in the assessed valuation of property in the various counties of the State, and should not be based wholly on the apparent taxable wealth behind each school child in a county as evidenced by the assessment roll of that county” (Bray, 1939, p. 16).

Despite much discussion and debate regarding the tax structure, policymakers worked diligently to determine what role schools should play in such things as civilian defense and the development of youth centers. They realized that schools were forced to play an active role in civilian defense during the first half of the Biennium and, as a result, additional funding would need to be provided. Policymakers also acknowledged that the shortage of teachers, handicaps occasioned by the war, the development of youth centers, and planning for the postwar era needed consideration when determining funding to be provided in support of public education.

As a result of increased demands and decreasing funds during the war, Superintendent Bray recommended that the Legislature either “impose a higher State tax levy for the Distributive School Fund or amend statutes and enact laws relating to the State Distributive School Fund that would constitute a first claim on and pay needed educational funds from the State General Fund” (Bray, 1945, p. 14). Obtaining appropriate funds in a timely manner became increasingly important as well, since a rapid
increase in the school-age population (ages 5 to 17 inclusive), which required additional resources and supplies for children throughout the State.

In conclusion, this chapter provided information about the impact World War I had on funding education in Nevada. Historical events relating to the Great Depression, the construction of Hoover Dam, and the beginnings of World War II, highlighting the effects each event had on Nevada funding systems.
CHAPTER FIVE

NEVADA EDUCATION: POST WORLD WAR II

This chapter will begin by providing important information related to funding education in Nevada after World War II. Historical information about legislation passed, the Peabody Report, and the development of the Nevada Plan are also included, so that individuals reading this dissertation can better understand the major funding changes that were implemented at this time. In addition, a brief timetable is provided below which highlights important events included in this chapter.

Timetable of Key Historical Events: 1947 - 1967

1947  Legislature enacted the next comprehensive public school code
      Survey conducted to develop funding solutions
      Assembly Bill 8 approved
      State teacher apportionment increased
      Additional funding allocated for high schools
1948  History of Public School Funding paper written by R. Guild Gray
1954  Peabody Report authorized and conducted
1955  Policymakers enact legislation based on Peabody Report
1956  Special Session of the Legislature held to address financing defects.
      New county organization and school code put into effect.
1959  Legislators approved contract with University of Wyoming to study Nevada schools.
1963  Study commissioned to develop Nevada Plan
1965  Elementary and Secondary Education Act approved
1967  Nevada Plan enacted into law
A Time to Assess the Funding of Education in Nevada

Because of the need for additional resources and supplies, the Nevada Taxpayers Association made a proposal in December of 1946 at a meeting of the Nevada State Education Association to conduct a survey to evaluate financial and administrative problems in Nevada schools. The survey was conducted to develop possible solutions to problems that school districts were having throughout Nevada, since funding education continued to be an issue of much concern among educators. Consequently, a bill, creating the commission, was passed by the Senate at the 1947 Session of the Legislature, but failed to be reported out of committee in the Assembly, thus resulting in the study not beginning until May of 1947.

Results from the study, authorized by the Senate at the 1947 Session of the Legislature, titled *Financial and administrative problems of Nevada schools and suggested solutions: A study by the Nevada School Finance Survey Group* were completed, however, and the recommendations adopted by it were presented to the teachers at the 1948 State Teacher’s Institute in Las Vegas on October 20, 1948, (Legislative Counsel Bureau, 1949). The State Institute and the Nevada State Education Association, in a joint meeting on October 22, endorsed recommendations made from the study and overall changes were considered to be positive for both policymakers and educators.

After the study was completed and World War II was over, school finance became a topic of even more discussion throughout the Legislature. Policymakers focused on not only the amount of money being allocated in support of education, but to
the sources from which they came. "State governments increased their contribution to schools from less than 20% to about 40% following WWII and the Depression of the 1930s" (Freeman, 1972, p. 11), indicating that more state involvement was forthcoming. In addition, policymakers introduced many bills relating to school finance at the Legislative Session of 1947. One such bill that received much attention throughout the state included Assembly Bill No. 8, which radically altered school finances in the State of Nevada.

Results from the Legislative Session of 1947 indicated that policymakers recognized that greater financial support from the state was essential to sufficiently support public education throughout Nevada. However, policymakers acknowledged that even by the passing of Assembly Bill No. 8, the basic method of financing remained unchanged. Nonetheless, despite changes to the funding of public education and assembly bills being passed, local sources continued to fund a large portion of public education.

As a result, Governor Vail Pittman explained to the Legislature that the method of financing public schools in Nevada was "inadequate and that it deserved to receive special attention" by the Legislature (Pittman, 1947, p. 7). The funding of public education was considered to be inadequate because under the funding system that was being utilized, "Nevada only partially supported elementary schools and placed an extraordinary amount of pressure on the various counties and local school districts to fund education" (Pittman, 1947, p. 8). While policymakers gradually increased expenditures for schools in actual dollar amounts, the increase in student population and
rising educational costs resulted in continued funding difficulties. Policymakers paid $1, 471, 406, more in taxes for schools in 1947 than in 1937, and the Average Daily Attendance increased from 18,109 in 1938 to 23,083, but due to increasing educational costs, additional state funding was crucial. A study of Nevada school finance (Legislative Counsel Bureau, 1949) indicated that while Nevada policymakers provided 18% of the funding for public education, policymakers from surrounding states such as Arizona, Utah, Wyoming, and New Mexico contributed 61.8%, 45.7%, 26% and 76.8% respectively. Furthermore, data (Freeman, 1948; Legislative Counsel Bureau, 1949) indicated that each unit of government responsible for the support of the public educational program was increasing the amount that it was paying for education, with the greatest increase derived from the local school district, as opposed to providing additional funding by the state.

By 1947, the local school district was assuming a greater proportion of the revenues for education than in years past, mainly because of decreased state funding and limited federal financial support. These limited and decreasing federal and other miscellaneous funds indicated that the state was actually giving less in 1947 than it had been in 1937 on a proportionate basis, and that the county had also decreased somewhat in importance, despite paying more than half of every school dollar (Freeman, 1958).

While these changes seemed somewhat monumental to educators throughout the state, the Legislative Counsel Bureau (1949) explained that the basic concepts of school finance, as codified in the 1929 Compiled Laws and the 1935 School Code, had changed little since the school laws were first written. In fact, the only exception noted was the
granting of state support, which was now based on average daily attendance instead of
the school census. They also indicated that it was their opinion that each new school law
had been a refinement of an old law, a change in procedure, or a modification of the
amounts granted by a specific jurisdiction, and that the basic fundamentals of school
finance remained unchanged through the years, with the additional exception that an aid
to rural school funds was set up as the further step toward equalization dollar (Legislative
Counsel Bureau, 1949).

There were many significant changes in the funding of public education affected
by the 1947 Legislature. Changes included state teacher apportionments for elementary
schools being increased from $275 annually to $1,775 and the amount paid by the state
and county increasing. Funding increased from $250 and $100 respectively to $500 to
each new school district, paid from the Emergency School Fund. In addition, $200 was
paid to each school district by the county for each teacher to the newly established district
(1947 School Code, Section 186). Other significant changes that occurred as a result of
legislation included additional funding being allocated to help support high schools,
funding and apportionment methods for high schools being established, additional
revenue being provided for new school districts, and the deletion of certain sections of
the 1935 School Code that provided for relief apportionments for elementary schools.

In addition, through assistance from the State Aid to Rural School Fund, one
teacher schools that levied the maximum special school district tax of 25 cents were
assured a total annual revenue, exclusive of transportation costs, of $2,900 instead of the
$1,800 provided in former statutes; and the annual revenue of two teacher schools,
exclusive of transportation costs, having a 25 cent special school district tax was not to be less than $5,800 (Pittman, 1949). Legislation enacted also guaranteed a minimum salary of $2,400 for every full time school employee who was required to hold a certificate through the 1947 Act, which brought a more uniform and acceptable rate of pay for certified employees. In fact, Governor Pittman explained that the minimum salary law, as well as a teacher's free placement agency, provided by the State Department of Education, improved conditions for educators throughout Nevada (Pittman, 1949).

The Funding of Public Education: 1947

Despite policymakers' attempts at the 1947 Legislative Session to provide additional funding to help support high schools throughout Nevada, funding and apportionments methods still differed between elementary and high schools, causing wide disparities between school districts throughout Nevada. Furthermore, the Legislature enacted the next comprehensive public school code, containing specific sections defining the authority and specifying different types of school districts. The school code classified districts into seven different groupings, which included Regular School Districts, Joint School Districts, Union School Districts, Consolidated School Districts, County High School Districts, and Combined High School Districts. In addition, elementary school districts were classified as "first class" and "second class," based upon their size. Nevada was also divided into six regions or "Supervisory Districts." The chart provided on the next three pages summarizes the number of school districts that existed in Nevada each year, prior to the Peabody Report, as well as the number of sites, total pupil enrollment, and total expenditures.
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A brief description is provided below to assist the reader in identifying different funding and apportionment methods that were utilized. The description is also provided to help the reader determine whether changes made to the funding of public education throughout the next fifty-three years benefited or hindered children throughout Nevada.

Laws for Nevada Elementary Schools In 1947

County tax was limited to a school tax of 50 cents on each $100 of assessed valuation for elementary schools. Revenue from this tax was then apportioned among the public schools on a basis of $625 a year for each teacher apportionment and a minimum of $2 a year for each child in average daily attendance. In the event that a 35-

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33 Nevada Compiled Laws of 1929, sec. 5787, par. 139 and Nevada Compiled Laws of 1929, sec. 5799.
cent tax was insufficient to pay the required apportionment, the state was authorized to pay the amount of the county share, which the county was unable to raise. The Regular State apportionment to elementary schools, however, came primarily from the State Distributive Fund. Its revenues were derived primarily from a general property tax that was earmarked for the fund by each session of the Legislature. The apportionment of the state school moneys, on the other hand, was made based on the teacher-pupil apportionments. The state allocated funding semiannually to each elementary school on the basis of $137.50 for each teacher and at least $8, but not more than $9, for each pupil in average daily attendance prior to the passage of the 1947 School Code (Legislative Counsel Bureau, 1949).

In addition to normal state aid, provision had also been made for emergency help to the Nevada public schools. This aid was available to all new school districts as described in the Nevada Compiled Laws 1929, sec. 5798, par. 5. Emergency aid to districts was granted when the district had levied at least a 15-cent tax for schools, but was still unable to meet school costs, even after the regular state and county apportionments had been made (Hillyer, 1930). In such cases, the Superintendent was required to pay $5 for each census child in the district, providing, however, that not more than $1,000 nor less than $50 was paid.

Laws for Nevada High Schools In 1947

Laws for high schools throughout Nevada, on the other hand, were extremely different. By the first enactment on public schools in Nevada (1865), "the school district, as the fundamental unit of school administration, was authorized to provide and support
high school education” (Traner, 1947, p. 16). Unfortunately, because of the low and sparse population, the local districts proved financially inadequate to maintain high school instruction. As a result, the county was authorized in 1895 to establish and support high schools on a countywide basis34 (Traner, 1947).

Furthermore, in 1915, counties, in which no county high school existed, were required to levy a tax in order to assist districts in maintaining their high schools. This tax levy was said to have increased favorable sentiment to the idea of county support for high school education (Traner, 1947). Ten years later, because of the need for additional support, “the policy of county aid for district high schools was extended to cover also the counties that did maintain county high schools” (Traner, 1947, p. 16), since the state itself had not assumed any responsibility for general high school support at that time.

The basic laws relating to the financing of high schools were not altered by the 1947 legislation, but were supplemented by statutes, giving state aid to high schools. This was the first time in history that state support, other than the relatively small sum earmarked for relief and distributed to a very limited number of high schools, was given, making this change monumental.

Because of the passage of the 1947 School Code, “Nevada county and district high schools were recognized for the first time as being entitled to state support to supplement their other sources of revenue” (Legislative Counsel Bureau, 1949, p. 41). This change had long lasting effects on the funding of public education. In fact, prior to

34 This information was taken from a study titled “A proposal for reorganizing the financial support of Nevada High Schools,” undertaken at the request of the Nevada State Education Association (N.S.E.A.).

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adopting the new laws, educators were often required to seek their entire financial support from the county. In other counties, educators relied on funding from the county and from the local community, having to survive without funding from the state (Legislative Counsel Bureau, 1949).

The Funding of Nevada High Schools

As part of the adopted law, high schools were categorized into three types of schools. The schools included county high schools, district high schools having a county high school, and district high schools not having a county high school. All three types of schools were present throughout Nevada, and all were financed differently. Provisions were made for state support of high schools through the establishment of the State High School Fund and the enactment of legislation directing how that fund should be handled and how appropriations were to be made (Pittman, 1949).

Originally, district high schools were financed on the basis of $200 per student (Nevada School Finance Survey Group, 1949). This was the combined amount of revenue that the county, in its support of the district high schools and the district itself, was required to achieve. The system began with the requirements that each district having a high school be required to levy a tax of 25 cents for high school purposes solely. If this tax failed to provide an amount equal to $200 per pupil, then the county was to make up the difference between the amount actually raised and the actual school budget, not to exceed a cost of $200 per pupil. County support for high schools, however, did not stop at this point (Nevada School Finance Survey Group, 1948). “If the high school levied an additional 15-cent tax, the county was required to pay $100 per pupil regardless
of the total revenue of the schools" (Nevada School Finance Survey Group, 1948, pp. 27,28). Moreover, if a school district had a total high school tax of 40 cents, it was assured $100 per pupil from the county, which was intended to be considered an incentive. If, however, a district only had a tax of 25 cents, the district could only obtain the difference between its own revenues and the $200 that was allocated per pupil. Nonetheless, these different scenarios were essential since there was no state aid given for high schools before the Legislative Session of 1947.

Further Studies Conducted

Since the funding of education had changed considerably and was continuing to change due to population growth and the increased cost of education, several studies were conducted throughout Nevada at this time. Individuals such as R. Guild Gray, Harold Brown, and Proctor Hug conducted studies and wrote papers to describe progress made in the State of Nevada regarding the funding of public education. Their research is provided to both acknowledge work that has been completed and to give the reader different perspectives to the history of public school finance than the one presented throughout this dissertation.

Studies conducted throughout the State of Nevada regarding public school education and finance include *A History of Public School Finance in Nevada 1861–1948* written by R. Guild Gray, *The History of Elementary Education in Nevada: 1861–1934* written by Harold Brown, and *The Development of the High School in Nevada* written by Proctor R. Hug. Each of these papers and studies represent different
perspectives and ideas regarding education in the State of Nevada throughout history and serve as additional sources for this historical study.

While each of these papers and studies were significant, only the thesis paper written by R. Guild Gray in 1948, dealt primarily with the funding of K-12 education in Nevada. Mr. Gray summarized the philosophies and ideas that were popular throughout history up until 1948 that related to education in general and described how education was funded at that time. He described the general feelings toward education, both before and after World War II, and recognized that opinions toward education drastically changed as the United States approached war. He explained that before the war, people began "to shout loudly for favorable legislative action, but when the United States became involved in the war and the energies of the nation were concentrated upon its farms, factories, and armies, voices were subdued for a time" (Gray, 1948, p. 1), impacting the funding of public education in Nevada.

R. Guild Gray also noted that, due to the war, when the Nevada State Legislature finally did meet in January of 1947, it was necessary for educators to present to their policymakers careful estimates of the amount of money that schools needed, while being prepared to present suggestions for a fair system of distributing funds for education (Gray, 1948). Mr. Gray's attempt to highlight the funding of education during challenging times throughout history was important because it recognized that the funding of public education needed to be a priority in Nevada.

In attempting to reveal the condition of public school education in the United States and in Nevada, Mr. Gray addressed a series of issues which he referred to as
“battles” throughout his paper such as, but not limited to, tax support, eliminating the
“pauper” school idea, making schools entirely free, establishing state supervision,
eliminating sectarianism, extending the system upwards, and adding the state university.
He addressed not only the status of these issues at that time, but evaluated how they came
to be, different feelings that were apparent throughout Nevada regarding these issues, and
what impact they had on schools and people in the state. Moreover, he wrote that by
addressing these issues, he felt that he was better able to relate and justify a careful
examination of Nevada’s first school laws, the constitutional convention of 1864, and the
histories or experiences of the men who were responsible for drafting the laws that were
established by the first session of Nevada’s legislation (Gray, 1948).

In completing his study, R. Guild Gray summarized his findings by stating that
territorial laws, laws in the State of California, and the Constitution of the State of
Nevada had the most influence on educational funding and instructional practices, and
that individuals interested in the history of public education in Nevada should carefully
analyze systems implemented in each of those states. He wrote,

“It can be said that the public school system established by the first session of Nevada’s
legislature was founded upon previous territorial laws, the laws of the state of California
and the Constitution of the state of Nevada. The legislature of 1865 created a system
financed partly by state funds derived from a permanent school fund, a special school tax
and appropriations from the general fund. Limitations were placed upon the use of
school funds and penalties were provided for the misuse of funds and the violation of
other school laws. The principle of state control of district schools was thereby
established” (Gray, 1948, p. 56).

Finally, after much research, Mr. Gray concluded that although he felt that there
were adjustments that needed to be made to the funding of education, the first legislators
responsible for drafting the laws and developing the systems, did well and were quite successful. He confirmed this belief by stating that

“Though no provision was made for district taxes other than a fuel tax, though district boards of school trustees could not issue bonds for school construction, though the legal restrictions on school expenditures were narrow, and though the amount of revenue available to the schools from territorial and county sources was not sufficient, with the possible exception of Storey County’s schools, it is to the credit of Nevada’s first legislators that they laid the foundation for a broad tax base for the support of education” (1948, p. 39).

He proclaimed further that,

“When one considers the newness of the territory, the expanse of territory which its boundaries encompassed, the itinerant nature of its inhabitants, the lack of stabilized property values, and the small population, one is amazed that so much was done in the interest of public education in all the counties” (Gray, 1948, p. 40).

Post R Guild Gray

Although R. Guild Gray considered the funding of education in Nevada to be founded in solid principles, issues such as overcrowded classrooms due to increased industrial, mining and agricultural development, teacher procurement, and the mounting costs of school maintenance became issues of much importance throughout the 1950s. As a result, Mr. Glenn A. Duncan, Superintendent of Public Instruction, who served from 1951 until his death in 1956, spent much of his time and energy on persuading policymakers to increase funding in support of public education. His report (1953) began with the statement, “There are three major concerns in our state educational situation:
First, overcrowded classrooms and half-day sessions\textsuperscript{35}, second, teacher procurement\textsuperscript{36}, and third, the mounting costs of maintenance” (Duncan, 1953, p. 7). In fact, he stated that books, furniture, paper, pencils, all kinds of materials from soap to fuel had increased by large percentages in price, and that because of insufficient funds provided by policymakers, “educators could not meet the present school law provisions which required free texts and supplies” (Duncan, 1953, p. 7).

Due to limited state financial support, Nevada educators sought assistance from the federal government. Policymakers introduced Public Laws 874 and 815. These laws authorized federal payments for the maintenance and operating costs of schools overburdened by increased enrollments, and authorized grants for construction purposes when influenced by federal activities. Superintendent Duncan indicated that additional funding in support of public education was essential and urged policymakers to increase funding up to 55% of the total costs, which was said to be directly in line with other state programs (Duncan, 1953).

By 1955, “enrollment throughout many counties in Nevada had been increasing so rapidly that the collapse of elementary and high school educational systems, due to deficit spending, was a distinct threat” (Russell, 1955, Special Session, pp. 3-4). The

\textsuperscript{35} In 1953, Superintendent Duncan stated there was an excess of 160 half-day sessions in operation, and over half of the total classrooms had more students than any instructor could adequately instruct. He said that during the previous year, 57 classrooms between 41 and 50 students each, and 156 classrooms had between 31 to 40 students (Duncan, 1953, p. 7).

\textsuperscript{36} In 1953, Superintendent Duncan also stated that increasing educational costs placed a financial burden on educators (Duncan, 1953, p. 7).
severity in certain counties, particularly Clark and Washoe, was said to be increasing
daily to the extent that it became imperative for legislators to address the situation
immediately. Governor Russell explained in his address to the legislature (1955) that the
immediate, but admittedly temporary, solution of this critical problem could be reached
through the simple expedient of disbursing state funds to the school districts on the basis
of the current average daily attendance instead of on the average daily attendance of the
year immediately past, as provided by the law (Russell, 1955, Special Session, pp. 3-4).

In response to the crisis, Governor Russell asked a special committee, which he
appointed, to conduct a survey as to how school monies were being spent and to report on
the financial needs of the schools. It was his hope that the committee could then, upon
conclusion of the study, recommend an educational program that addressed the district
and state financial responsibility to support the funding of schools, thus alleviating the
funding crisis throughout Nevada. Governor Russell recommended to policymakers that
a fund of $25,000 be made available for expenditures by the Governor's office to carry
out the work of the school survey committee that was to be completed prior to the 1955
regular Legislative Session, so that Legislators could consider a long-range solution to
the school problem.

As a result of the recommended study and continued problems with funding
public education throughout Nevada, $30,000 was appropriated at a special session of the
Legislature in 1954 for the use of the Governor's School Survey Committee and the
Division of Surveys and Field Services of George Peabody College for Teachers.
Policymakers provided the money to conduct a comprehensive study of the Nevada
public school system. Upon completion, the committee was to be able to propose developments and improvements based upon the results of the study.

The Peabody Study

Under the direction of Dr. McClurkin, an eleven-man team from four different states conducted a comprehensive study of Nevada schools, including the funding of public education, during the spring and summer of 1954. A preliminary report of the findings and recommendations were reported in October of that year. The Governor's School Survey Committee analyzed the report written by this committee, and the result of its findings and recommendations was submitted to Governor Russell.

Policymakers involved in the 1955 Legislative Session enacted legislation based upon the recommendation of Governor Russell and his committee. "This legislation resulted in some revolutionary changes in the educational organization and support of the schools" (Stetler, 1957, Vol. 2, p. 7). Results were founded through school observations, conferences with teachers, parents, administrators and Nevada policymakers, analysis of school records, and questionnaires. The proposals were weighed in terms of the facts and conditions upon which they were based. Each committee member aimed to improve the adequacy, efficiency, and economy of the Nevada education system. In addition, Governor Russell explained that he hoped the study would provide the committee, the Governor, Legislature, and the citizens of Nevada a guide to the continuing development and progress of public schools. Dr. W. D. McClurkin, Director, added that "the genuine concern for the common good, the universal desire for adequate educational opportunities for children, and the apparent determination to overcome difficulties that stood in the way
had given stimulation and encouragement during the study,” (George Peabody College for Teachers Division of Surveys and Field Services, 1954, p. vi).

The study was broken down into a series of educational facets such as, but not limited to, the Socio-Economic Setting of Education, State Organization and Administration, Organization and Administration of Local Schools, Instructional Personnel, Financing the Public School Program, and the Physical Plant, in order to help educators, politicians, and family members better understand the educational system at that time. Furthermore, data collected was utilized to determine changes that needed to be made to provide a better, more efficient education program for all children in Nevada. This section will analyze the findings of the Peabody Report, while focusing on the impact the study had on the funding of education in Nevada, as well as various educational trends throughout the state. In addition, a summary and interpretation of changes that occurred to the funding of public education in Nevada as a result of the Peabody Study will be presented.

Socio Economic Setting of Education

In 1954, school districts in Nevada were experiencing many of the problems that educators face today, including tremendous growth, lack of qualified teachers, inadequate funding, and varying needs within different school districts throughout the State. The Peabody Report described such difficulties in depth and confirmed what Nevada’s founding fathers indicated, which was that Nevada had challenges that were much different than those of surrounding states. The committee summarized Nevada’s
uniqueness by writing "Nevada was the state with the fewest people\textsuperscript{37} and the largest public domain with a short, but eventful history" (George Peabody College for Teachers, 1954, p.1).

As a result of these unique qualities, committee members encouraged all individuals, especially educators, to pay close attention to the condition of education in Nevada. This was encouraged to ensure that necessary funding changes were made and that the changes made would in fact benefit all children.

Committee members wrote:

"It seemed evident on the basis of the foregoing discussion of the historical background and the land of the Nevadans, that the education system of this state needed to pay particular attention to the schooling of its children, young people, and adults in the history of Nevada, in the structure and functions of various parts of the federal government as they relate to Nevada, and in the conversation and development of all natural resources in Nevada" (p. 9),

explaining the importance of this historical study.

Along with the varying educational needs that existed throughout Nevada, committee members recognized that factors such as mining, the lack of resources in rural areas, limited housing, and a constantly changing population meant that funding education in Nevada was a complicated matter. Moreover, committee members stated that while the rural population of Nevada had been decreasing steadily since 1925, and eight of the seventeen counties of the state lost population from the 1940 to 1950 census, other counties experienced tremendous population growth. These significant differences in population then, indicated that the system for funding public education in Nevada

\textsuperscript{37} When Nevada became a state in 1864, it ranked third in area among the 36 states and had the smallest population among them through 1950.
needed great flexibility. In fact, census data pointed out that while population decreased as much as 54% in Eureka and 61% in Esmeralda counties, counties such as Mineral and Clark were experiencing a growth in population by 181% and 190% respectively.

Along with the need to adjust the system of funding public education because of population shifts, the committee found that different counties insisted upon different subjects to be taught to their children, due to the unique qualities that existed within each county. This further complicated the funding of education because as districts implemented different educational programs, different resources needed to be provided, requiring different amounts of money to support each program. Individuals in rural districts, for example, felt that educators had a responsibility to teach children about diet, sanitation, and health protection to prepare them for encountered diseases. Citizens in other counties felt that more emphasis should be placed on mining, requiring different amounts of revenue from the state.

The rationale provided in the Peabody Report for such emphasis on mining was that Nevada was built economically and culturally on its mines, and that schools needed to reflect that fact. The report indicated that the Nevada economy was based in large part on what can be discovered and dug from the ground, thus the impact on the cultural history of the state must be acknowledged. Moreover, the state was encouraged to provide sufficient funding for educators to develop and implement curricular activities reflecting the importance of mining. Nonetheless, this noted concern and increased attention given to mining had significant implications for the funding of education throughout all counties in Nevada. Not to mention the fact that this increased attention
made it apparent that politics would come to play an important role as funding and curriculum became topics of much debate.

Politicians, parents, administrators, students and teachers often felt that specific topics such as, but not limited to mining, diet, and sanitation, should be included in the curriculum, yet what people thought should be included differed considerably within each school, district, and county, thus complicating the funding of public education further. Such differences were highlighted throughout the report and included the following opinion that

"The school system should not only give instruction at the appropriate level in the scientific and technological foundations of mining but should also teach civics and economics in as effective a manner as possible. Here are children and young people who need to grow up learning the political facts of life rather precisely, or they may have to fight some of their fathers’ battles over again. Here are children and young people who need to learn economic facts, processes, and problems in their national and international, as well as in their local, ramifications. If they do not so learn, they may stumble on the political and economic roads that by virtue of her geography, history, and industry Nevada has to travel,” (p. 12).

The Organization and Administration of Public Schools in Nevada

Recognizing the importance of the socio-economic environment throughout the state was an important facet of the Peabody Report. Evaluating the organization and administration of education throughout each school district also became extremely relevant. Like the majority of states throughout the country, Article 11 of Nevada’s first State Constitution included a section on education and how it should be organized and administered. The inclusion of the Education Article then, signified the importance of providing and funding quality educational programs sufficiently. In addition, the
Education Article confirmed that the founding fathers considered the funding of education a state responsibility and a priority that could not be thought of lightly.

The Nevada Constitution, as adopted in 1864, Section 1, Article XI, stated that "the Legislature shall encourage by all suitable means the promotion of intellectual, literary, scientific, mining, mechanical, agricultural, and moral improvements (George Peabody College for Teachers. Division of Surveys and Field Services, 1954, p. 15), thus prescribing what curriculum areas needed to be included in each educational program. The Constitution also stated in Sections 4 and 5 of the same article that Nevada would provide respectively for the establishment of a state university and give to the Legislature power to establish "...normal schools, and such different grades of schools, from the primary department to the university, as in their discretion they may deem necessary...".

Because the founding fathers included the word "discretion" in the Nevada Constitution, problems existed with the funding of public education throughout Nevada. Problems that existed included dramatic population changes, different educational programs being offered in different counties, the rising cost of education throughout the state and nation, and varying viewpoints held by policymakers as to what amount of funding should be provided by the state. These problems complicated the funding debate that existed and prevented policymakers from developing one funding formula for all school districts throughout Nevada.

The Nevada State Constitution was extremely important to policymakers in the State of Nevada throughout history, because it served as the foundation from which all programs were developed. In fact, the survey staff utilized the Nevada State Constitution
to make recommendations on how to improve the State’s participation in the funding of public education throughout Nevada. Committee members made specific observations about funding educational programs in the State of Nevada and described how the provisions for the organization and administration of the educational system in Nevada developed and changed throughout history.

State Funding and Public Education in Nevada

The State Board of Education played a major role in developing and funding educational programs in the State of Nevada since statehood. Legislation was enacted one year after Nevada became a state to provide for a State Board of Education, which consisted of the Governor, the State Superintendent, and the Surveyor General as ex officio members. This plan remained the same for thirty years until the surveyor general was removed from the board of education and the university president was added in his place. In reality, the system remained in place until 1931 when legislation was enacted implementing the system currently used, which is having the State Board of Education consist of the Governor and State Superintendent of Public Instruction as ex officio members and five lay members elected from each of the five educational supervisions districts to which Nevada had been divided in 1907.

Duties of the State Board of Education at that time included such things as prescribing courses of study, adopting lists of books for libraries, providing regulations regarding teaching certification, and preparing specifications for rural school houses, all of which affected the funding of public education. In an attempt to better understand the people and the processes that determined educational programs and funding throughout
Nevada, the Peabody Committee examined the minutes of meetings from the State Board of Education from May 11, 1948, to March 15, 1954. Interestingly, the careful analysis of the minutes indicated that of the 438 items handled by the board, 317 dealt with some aspect of certification, indicating that the funding of education was not considered a major priority.

The committee also analyzed the attendance records of each board member at the nineteen regular meetings that were scheduled for that period of time. Committee members discovered that only one time were all members present and that at five meetings, six members were present; at three meetings, five were present; at six meetings, four were present; and at four meetings, only three members were present. The lack of attendance confirmed the difficulty that existed with developing any system of education, yet alone one that financed public education. Because of these difficulties, the committee determined that the two major weaknesses with respect to the State Board of Education were poor attendance and lack of interest in the elections in each of the educational supervision districts, which resulted in the following agreed upon discoveries:

1. The need for more clearly stated policies in the Department of Education and closer cooperation among its divisions and staff was essential.
2. The urgent need for more assistance to satisfactorily carry out present responsibilities was vital.
3. The need for better district organization and better-trained school administrators was imperative.

The committee also discovered in looking at the organization and administration, that low salaries was a major issue among administrators, and that additional funding was
needed for sufficiently funding public education. The average salary of all Superintendents and Assistant Superintendents of schools in the state was $6,862 as compared with $6,600 for State Superintendent of Public Instruction. Furthermore, the average salaries in 1953-54 of all principals and vice-principals were $4,811, as compared to $5,365 for the staff of the State Department of Education.

Attention to the need for higher salaries was important because it affected not only the amount of money allocated to educational programs, but also morale throughout each district and county. Moreover, the policymakers’ attention to the amount of money allocated for salaries was important because it created dialogue between educators and policymakers throughout Nevada. Discussions turned from the need for higher salaries to the amount of money provided by the state in support of public education, and more specifically, to the amount of funding provided for students with special needs. Students with special needs, specifically those who were deaf and/or blind, were sent to other states to obtain an appropriate education at the expense of the state of Nevada. This practice drastically impacted the overall financial condition of education throughout Nevada.

Because of the special facilities required for the instruction of the blind and deaf children in Nevada and because of the wide geographic distribution of these children throughout the state, Nevada, unlike many surrounding states, did not provide the necessary facilities. Consequently, when the numbers of these children were too few to justify establishment of special schools, arrangements were made to send them to other states on a tuition basis. For the year 1951-52 for example, $37,600 was appropriated to...
meet the expenses of sending these children, fifteen students in all, to appropriate institutions in other states. Of the fifteen children, ten went to schools in Utah, three to schools in Idaho, and two to schools in California at a total cost of $32,342.67.

Furthermore, since the population in Nevada, specifically in Washoe and Clark Counties, was increasing rapidly at this time, the University of Nevada at Reno acknowledged that they could not meet the needs of the growing population. In support of this realization, the Peabody Committee referred to Section 5 of Article XI of the State Constitution, which required the Legislature to establish a state university and also gave it power to create other state institutions of higher education to encourage policymakers to provide additional funding. At that time, the University of Nevada at Reno was the only accredited university in the State of Nevada, so training a sufficient number of teachers for the growing population was extremely difficult, if not impossible.

In order to alleviate the problem of not having enough qualified teachers, the committee recommended that the Department of Education and the University work closely together to develop and implement an appropriate program. In response to the problem, Mr. Minard Stout, University President, provided a plan that included:

1. A new College of Education that had been established.
2. A summer session of four three-week terms, designed specifically to meet the needs of Clark County teachers, was in session.
3. A complete reorganization of the summer session of the University was under consideration to better meet the needs of Nevada elementary and secondary school staff members.
4. A program of Saturday classes and weekend conferences for teachers and administrators was being developed.
5. Correspondence courses were being offered.
6. Arrangements were being completed for a University-sponsored thirty-minute educational television program.
7. Discussions were held with the State Superintendent of Public Instruction concerning the establishment of a cooperative annual statewide testing program for all high school juniors and seniors of Nevada.

8. An aggressive high school relations program intended to encourage more qualified graduates to continue their education beyond high school was inaugurated in order solve the crisis at hand.

Once the plan was put into action, the organization and administration of local schools was evaluated so that policymakers could make further changes and appropriate funding. In order to make an appropriate assessment of the local organization and assessment, the survey committee determined the purpose the State of Nevada had for organizing local school districts, which was to provide the legal machinery, the tax structure, the personal services (staff), the buildings, and the instructional equipment necessary for carrying on an educational program for the state (p. 45). The committee also determined, from data collected, that the “ideal” plan needed to provide at least a minimum of school services to meet the needs of children, the community, and the state (adequacy); yield the greatest educational benefit for each dollar spent (economy); and provide for the necessary coordination of all aspects of the entire enterprise (efficiency) (p. 45). Furthermore, committee members emphasized that the most successful school district plan must guarantee the chance to achieve each objective. These objectives were significant because they served as the foundation for later discussions held by Nevada policymakers, regarding the funding of public education in Nevada.

The Peabody Committee identified the principles of school district organization that they developed from research and experience, in order to report observations of the conditions of public schools in Nevada that had implications for local organization. They explained that data collected would help them to evaluate school organization and to
develop a plan that would improve the operation of schools throughout Nevada in relation to adequacy, efficiency, and economy. With these goals as the foundation, the committee made the following recommendations with respect to funding education and educational systems:

1. The State Constitution should contain a mandate directing the General Assembly to provide for an adequate system of education throughout the state.
2. The General Assembly should enact laws providing the legal machinery for organizing, financing, and operating schools.
3. Teaching and the rendering of educational services must necessarily be conducted in local areas where children can be assembled.
4. Responsibility for providing these services should be placed at the level of government that can render the best service most efficiently and at the least cost.
5. Other factors being equal, school policies should be determined as close to the home as possible.
6. All public school operations in the area should be under the control of a single board.
7. Local school boards should be given all necessary powers for the operation of schools.
8. The state plan of organization should provide professionally-trained, special staff personnel on a reasonable formula basis: one staff person for every ten certificated teachers and principals employed by the board; or, on the basis of an instructional supervisor for each thirty teachers, a school nurse for each fifty teachers, clerical service in each school having a full-time principal, and similar staff personnel in proportion to the number of teachers.
9. The state school finance plan should reward efficiency and penalize inefficiency in school organization.
10. Local boards of education should establish written policies for the government of schools.
11. Within reasonable limits established by law for the protection of the public interest, boards of education should have final authority to determine school tax rates, (pp. 46-48).

In addition, the committee found the type, quality, and range of opportunities given to children in Nevada schools to be dependent upon local district organization. This was mainly because the organization of each district at this time determined the school a child attended, exerted noticeable influence upon the number and the age
distribution of children grouped in a given school, and within limits controlled the curriculum and educational services offered by each school (p. 48). These determinations drastically influenced the amount of funding needed to support public schools sufficiently, which were appropriated by the state to each school district.

The Peabody Committee concluded that the basic step in the organization of local schools was, “...agreement by the citizenry on how much and what kind of school opportunity was to be offered” (p. 50), which affected the funding of public education drastically. The varying opinions and ideals about the funding of public education held by policymakers throughout the state, however, made the development of a funding formula that would meet the needs of all children extremely difficult.

The Peabody Committee recognized that educational priorities held by policymakers had changed drastically throughout history. They explained that there was a time when reading, writing, and arithmetic were considered to be the total symbols of a satisfactory elementary school, and that if the high school curriculum prepared youth to go to college, it was considered to be adequate. At the time the Peabody Report was conducted however, increased enrollment and higher student expectations caused programs to change rapidly, impacting funding needs. Policymakers indicated that schools had to furnish educational offerings which, “to the degree that was possible, enabled every individual to develop his abilities and talents, not only of the mind but also of the hand and the heart” (p. 50), requiring a substantial amount of flexibility with funding systems.
School districts throughout Nevada offered a variety of instruction, yet the committee determined that certain areas were lacking essential components. Full human development for example, was the major objective of most schools at this time and required that essential offerings in a school program be wide and varied. The list of minimum essentials for an adequate educational program was much longer than what was found in the majority of our schools. As a result, the committee recommended that the following pupil services and experiences be available to all children throughout Nevada

1. Formally organized teaching.
2. Educational and vocational guidance
3. Library services.
4. Extracurricular activities
5. Work experiences.
6. Junior placement services.
7. Transportation facilities.
8. Lunch facilities and health services, including nutritional, medical dental, nursing, and psychiatric.

Unfortunately, the only item in this list that Nevadans provided was formally organized teaching. In fact, the committee determined that the nature of much of the organized teaching within both elementary and secondary schools and institutions of higher learning left much to be desired. As a result, teachers were told that the “lecture textbook memorizing type of learning” did not occur in any life experience except in school, therefore teachers at all levels were encouraged to become familiar with, and utilize, the methods by which people learn outside the school. This recommendation required that schools implement new instructional programs and training for teachers, without additional funding provided by Nevada policymakers.
Along with the recommendation to implement additional programs and adequate training that allowed students to experience methods that were learned outside the school, the Peabody Committee found that the number of students in each class was a major factor in determining the success of the organizational structure. The staff reported that one of the most influential educational opportunities given a child in his school experiences was the chance to “rub elbows” with other children of similar and also different age, and physical, intellectual, social, and cultural qualities (p. 51). In order to “rub elbows” with the other children, the staff emphasized the importance of maintaining small schools and class sizes by making specific recommendations for enrollment. These recommendations included having at least one teacher per grade in the elementary school, an enrollment of approximately 250 in an eight-grade school, and at least three teachers per grade in the high school, indicating a minimum enrollment of approximately 300 in a four-year high school. Unfortunately, funding required to implement the recommendations was not provided by the state.

In researching the effects of class size throughout Nevada, the committee also found that although there was not a state regulation mandating the maximum number of students per class, there were local regulations that varied from 25 to 40 students. The average class size in the elementary schools at that time in Nevada was 28, while the average class size in the high schools was 23. The report did indicate, however, that the averages were somewhat inaccurate and only represented a statistical figure. Nearly 59% of the elementary school classes had 30 or fewer pupils, while 14% had 35 or more pupils. Furthermore, the Peabody Study indicated that nearly 55% of the high school
classes had 25 or fewer pupils. The report further specified that the data on elementary school enrollment was based upon figures of individual classes obtained from the teachers, and that high school figures were only partially based upon the exact number of pupils. The primary reason for the inaccurate statistics was because the teachers reported the total number of pupils for the same subject although it may have been taught to several classes.

Regardless, the committee found that overcrowded classrooms were hindering the education of the children in Nevada. The committee considered overcrowded rooms a great handicap to the teacher and to the children and found that the pressure of so many children on the teacher created nervous tension. In addition, discipline was difficult to maintain and increasing numbers resulted in Nevada children receiving little individual attention. For these reasons, the committee recommended that the class size be reduced to 30 children per teacher as rapidly as possible and that appropriate funding be provided. The committee further explained that current class sizes were too large for effective teaching and did not allow for appropriate attention to be given to the individual needs of children. In addition, the committee recommended that enrollment of all high school classes be reduced to 30 pupils immediately and eventually to 25.

Unfortunately, every recommendation made by the committee required additional funding that had not previously been provided by policymakers. The committee did acknowledge, however, that “great expanses of sparsely populated areas, insufficient transportation services, difficult travel conditions due to roads, terrain, or weather, and other similar problems made these desirable minimum sizes of schools unattainable” (p.
In addition, the committee proclaimed that despite such obstacles, policymakers had a responsibility to provide sufficient funding and needed to refrain from compromising the recommended objectives. In fact, the committee stated "the objectives should remain as defensible goals and that they should be modified or compromised only to the extent demanded by unavoidable local conditions," (p. 52).

The Peabody Report also indicated that the Nevada State Department of Education needed to maintain close communication with the local school administrative units and help the local schools by serving as a professional consultant. The committee explained further that the Nevada State Department had a responsibility to protect the interests of the state by serving as a law enforcement agency if schools were to provide adequate and successful education programs for all children. They emphasized the importance of providing state financial for local schools and identified important principles within school organizations. The principle of state financial support for schools at this time was universally established in all of the forty-eight states and operated primarily to make certain that educational opportunities the state considered essential were provided within reach of every child. In other words, the principle was established to guarantee that funds were available to pay the necessary school costs in each local unit.

Increasing population, climate, insufficient funding in support of public education, and geography in Nevada, created many problems in the organization of effective local administrative units and attendance areas however. Additional funding was required to educate children throughout Nevada and the financial ability Nevada citizens indicated
that they could easily afford to furnish more money for schools. One staff member emphasized his disgust with the funding and current procedures of local educational organizations in Nevada by stating that “there was no justification for continuing legislation that condoned a plan of local school organization that was inefficient or extravagant” (p. 56).

Nonetheless, the Peabody Committee found that Nevada presented a variety of challenges for establishing, maintaining, and funding an efficient and adequate educational organization. The committee explained that the principles of school organization and the practical conditions in Nevada clearly called for a reorganization of the structural pattern, yet confirmed that there was no one solution because conditions throughout the State were not uniform. In an attempt to make appropriate changes, the committee recommended that the following things be completed:

1. Establish the county as the basic or smallest local school administrative unit and merge all local school corporations into one school organization.
2. Elect one local school board.
3. Employ a superintendent of schools as the executive and school administrator for the new local school board.
4. Provide a minimum of one additional staff person in every unit employing as many as thirty teachers.
5. Employ a non-teaching principal for each school having eight or more teachers and provide clerical services in schools having more than five teachers.
6. Establish a citizens’ advisory council as a means of providing a channel for expression.
7. Make an effort to increase the size of both elementary and secondary attendance areas.
8. Center over-all state transportation plan for schools in the State Department of Education.
9. Establish the county as the fiscal taxing unit and assess all taxable areas in the county for school tax purposes.
10. Give jurisdiction to the school board over all phases of public school operations in the area of counties.
Personnel and the Many Funding Implications

These recommended changes were made to better the organization and administrative systems within each school district. Regardless of how one compared the quality of each school district or program with that of another, however, the question of personnel always remained a major issue. The committee explained that no school system was better than the quality of its instructional personnel. The committee recognized that changes implemented to better the organization and administrative systems within each district could not be successful if one did not have a proper understanding of who it was (personnel) that actually made up each district and county. Therefore, the committee evaluated personnel working in the State of Nevada in 1954 and found that 57% of the women teachers were married, eight percent were widowed, and 5 percent were divorced. They also found that the average age of teachers in Nevada was 41 and that 62% of the teachers were more than 35 years old. This information was critical not only because of funding implications, but because it allowed committee members to make recommendations to establish successful hiring practices that would bring quality applicants to Nevada and minimize turnover.

Because turnover was relatively high in school districts throughout Nevada due to the number of teachers married to military personnel and the lack of qualified applicants, the need for teachers was increasing dramatically. As a result, the committee recommended that administrators screen applicants to determine what outside commitments an applicant had before deciding whether to hire. They also recommended that "a special effort be made to determine whether an applicant had heavy obligations to
her family, which would conflict with her efficiency as a teacher and to determine whether she understood that her professional duties would include a reasonable number of meetings, conferences, and other cooperative activities that would fall outside of the school day” (p. 78).

The Committee found that Nevada had a fairly good representation of men compared to other districts across the United States, but that there was a shortage of men teaching at the elementary level. Only 14% of the elementary teachers in 1954 were men, while 59% of the high school teachers were men, indicating significant differences between the two. Interestingly enough, 26% of all of the teachers in Nevada were said to be men, which was comparable to other districts across the nation at that time.

The Committee recognized that the reason more men were not teaching was because men nearly always had dependents, and, therefore, would be drawn into the teaching profession in larger numbers only if the annual income was sufficient to maintain a fairly respectable standard of family living. Because the income was extremely low, policymakers were encouraged to increase salaries, so that teaching could be considered a desirable profession.

Throughout history, the experience of teachers and high turnover ratios were increasing dramatically, thus effecting not only the time spent on hiring teachers, but on the amount of funding needed throughout Nevada. The large annual replacement of teachers was a serious problem throughout the state, but particularly in small rural schools. In addition, “twelve out of twenty-four rural teachers in one supervision district were new to their positions during the 1954-55 school year” (p. 79), thus influencing the
education children received in those school districts. The State Department indicated further that 20 percent of the teachers had not taught in Nevada before the beginning of the 1954-1955 school year and that the present rate of faculty change made it urgent to provide adequate instructional supervision throughout Nevada, which required additional funding from Nevada policymakers.

As a result of these factors, recruiting and certifying qualified teachers in the State of Nevada became an issue of much controversy and concern to educators throughout Nevada. In addition, school districts across the United States required different credentials for teacher candidates, which complicated the situation further. While Nevada issued renewable elementary school certificates to applicants who had two years of college preparation or less, twenty-five other states required four years of preparation for the lowest elementary school certificate. These variations then, affected both the funding required and the quality of teachers obtained in school districts throughout Nevada. Consequently, the committee recommended that the standards for certification of school personnel be revised and that a requirement be made for all teacher candidates to hold a bachelor's degree. They stated that the educational qualifications of Nevada teachers were declining in all fields of public education and that the remedy did not lie in temporizing.

To better provide consistency among teacher preparation programs, the committee urged school districts, the legislature, and the Department of Education to work closely together, rather than to continue current practices. "In Nevada, where the education of teachers was restricted to the State University, agencies responsible for the education and
certification of instructional personnel should have been more closely coordinated” (p. 84). The committee also encouraged policymakers to develop a comprehensive teaching preparation program that included one year of graduate study, along with a reasonable amount of specialization in school administration, to better prepare teachers throughout the state. At this time, nearly three-fourths of all Nevada teachers were educated in other states; therefore, educators and policymakers were forced to give special attention to the interstate movement of teachers, in order to make appropriate adaptations and adjustments.

Furthermore, to better entice qualified teachers and bring more teachers to Nevada, the State Board of Education was encouraged to issue a teaching certificate to any applicant who held a license in another state and had completed an accredited teacher education program. The committee felt that the State Board of Education needed to authorize the issuance of certificates to persons holding a certificate in another state based upon a four-year curriculum completed in an institution accredited for teacher education by the National Council for Accreditation of Teacher Education or by a regional accrediting agency. In addition, the committee recommended that the School of Education discontinue the two-year program for preparation of teachers, since a bachelor’s degree was to be required of all interested teacher applicants.

The Peabody Report highlighted the high turnover ratios and the need to hire more teachers throughout Nevada. In addition, committee members acknowledged that the high turnover of teachers was an unusually serious problem in Las Vegas, because salaries were not high enough to attract qualified teachers. As a result, “administrators
were forced to employ transient teachers such as wives of military personnel and civilians stationed at the nearby air base" (p. 90). Results obtained from surveys that were sent to principals throughout Nevada indicated that appeals were being made to the appointment offices of colleges and universities, recommendations for higher teacher salaries were instituted, and teacher placement bureaus were being contacted to increase the number of qualified teacher applicants. In addition, Future Teachers of America groups were being established and the provision of better living and housing conditions were being sought in order to attract qualified applicants. Administrators throughout the state also pointed out that they gave special attention to welcome new teachers. In fact, the report stated that the school district in Las Vegas went to extremes in making teachers feel welcome.

“Newcomers were met at the bus, plane, or train station, a housing bureau was made available early in August to help them find places to live, they were taken on tours of places of special interest and local ministers were given a list of teachers and their religious preferences” (p. 92). Furthermore, “an older teacher was assigned to help every new teacher to adjust to new routines” (p. 92), in hope that they could be retained.

Despite such measures however, recruiting, hiring and maintaining qualified teachers remained an issue of much concern throughout school districts across the state, which continued to impact the development of a consistent funding formula throughout Nevada. More importantly, data collected by the Peabody Committee indicated that many of the issues of concern are similar to issues facing Nevadans today, confirming that policymakers should learn from past policymakers' experiences and practices.
The Need for Strong Educational Leaders

In order to promote successful educational and funding programs in any district or state however, strong leadership was considered by the Peabody Committee, to be crucial. The need for school administrators to serve as instructional leaders and to provide leadership to every individual within the organization became an issue of much importance and debate throughout the Legislature at this time. In addition, since additional funding was continuously needed to support educational practices, much attention was given to individuals in leadership positions within the State. The committee concluded that educational leadership at the level of the individual schools was greatly in need of improvement. In fact, the principal was considered to be more important or influential than any other person within the organization. The committee stated that:

"The principal, more than any other person, could influence the quality of learning and teaching in a school. He is in a key position of leadership in the improvement of curriculum in his particular school and builds a common point of view, a willingness to improve, and a common loyalty, therefore, it was his responsibility to work toward a better understanding of his opportunities for the improvement of his school" (p. 103).

Despite attention paid to leadership qualities, however, the amount of funding received in support of public education from the Legislature proved to be much more significant and time consuming for both the Peabody Committee and state policymakers. Among important issues being discussed within the funding debate was that of transportation. The Nevada Legislature gave school district boards of education the authority to consolidate school districts in the Act of 1915. In this act were the first provisions for providing pupil transportation in the State of Nevada. Provisions of the
Act of 1915 included, but were not limited to, authorizing trustees of a consolidated school district to make contracts with reputable drivers for pupil transportation, requiring trustees to establish an arrival and departure time for school buses at each school, and requiring each bus driver to furnish a performance bond. The Act also contained provisions that required trustees to make an estimate of the cost of pupil transportation services and to file each estimate with the county commissioner; authorized transportation services for all children who lived more than one mile from a school of proper grade levels; and required that funds allocated for transportation services be kept in a separate account. Consequently, these provisions required a considerable amount of funding that was to be provided by the Nevada Legislature.

The committee conducted a series of studies that included a study of pupil transportation programs in several local school districts, a study of state level policies and statistical records, and a study of state laws and state board of education regulations. These studies were chosen because they affected the operation of pupil transportation programs in Nevada and determined the amount of funding required to comply with the Act. The study of transportation was also conducted to determine the extent services were being provided for all children, different patterns of pupil transportation programs provided, and to determine the extent that the cost of transportation was affected by the various plans of operation.

Upon completion of the studies, the committee found that there was a need to improve and further develop transportation services throughout Nevada. Moreover, the committee noted that in order to provide adequate pupil transportation services at a
reasonable cost, it was necessary to change certain statutory provisions, as well as the philosophy of some influential citizens of the state. Consequently, policymakers were encouraged to accept the responsibility of providing equal educational opportunities for all children regardless of circumstances such as where each child resided and what amount of funding was required.

As a result of the data collected, the committee made several recommendations and urged Nevada policymakers to implement them immediately. The recommendations included:

1. Transportation service should be available to all children who live within a reasonable travel distance of a school.
2. Pupils who cannot be reached by school busses should receive a reasonable cash allowance in lieu of transportation.
3. State funds should be made available to assist local school districts in providing satisfactory transportation.
4. The State Department of Education should employ a well-trained person to assist local school systems in planning transportation programs.
5. All pupil transportation programs should be operated on a countywide basis.
6. Local boards of education should give careful consideration to the total needs of the transportation program before school busses are purchased.
7. Section 160 of the 1947 Nevada School Code should be repealed. (This particular section of the law required approval by a majority of the votes in a regular or special election before pupil transportation could be provided).
8. The State Board of Education should be given authority by law to adopt minimum standards for school bus equipment.
9. Provisions should be made for the purchase of school busses in quantities sufficient to secure bids on a fleet basis.
10. The State Department of Education should be given authority by law to make regular inspections of school bus equipment.
11. Each school bus driver should be required to pass a physical examination annually.
12. The minimum age limit for a school bus driver should be lowered from eighteen years to sixteen years.
13. The State Department of Education should conduct driver-training programs for school bus drivers.
14. The State Legislature should make mandatory provisions for each school bus to be covered with liability insurance.
15. The reporting system for pupil transportation should be made to conform with the recommendations of the U.S. Office of Education.

Committee members considered these recommendations essential to improve existing transportation practices, yet recognized that a tremendous amount of additional revenue would be required from the Legislature, which previously had not been provided. This was yet one indication that major funding changes were required to equalize education and transportation opportunities for children across the State.

The Peabody Study recognized the importance of developing a funding formula that would meet the needs of children throughout Nevada. The Peabody Committee explained that while increases or decreases in the general level of public school support would not usually result in immediate and abrupt changes in the quality of instruction, a state which persistently starved its public schools financially could not expect to obtain superior instruction for children. On the other hand, they explained that a state, which maintained over a period of years a high level of public school support, was usually rewarded with superior instruction.

The Peabody Report radically impacted education throughout Nevada not only because it highlighted problems within the state, but also because it evaluated the financing of public education as it related to ten other western states. The report evaluated school funding programs that were being utilized within each state, while identifying problems that existed and presenting recommendations for improvement.

Unlike the majority of the other ten western states examined, Nevada was considered to be able to support public education without burdening taxpayers extensively. This was determined by evaluating the total income payments received by
individuals, divided by its total population, otherwise known as "per capita income." This determination was made and published by the U.S. Department of Commerce each year. In fact, since 1929, Nevada had ranked either first or second among the eleven western states in per capita income, and since 1945 it had consistently ranked first, with California occupying second place. "This historical trend indicated that Nevada’s superior position throughout history was not the result of some transitory economic phenomenon, but that there was good reason to believe that Nevada would enjoy for some years to come a superior position among the western states in per capita income" (p. 274). This realization then, supported educators in their quest for additional funding for public education, yet often resulted in minimal funding being allocated by Nevada policymakers.

After obtaining data from statistical reports, surveys and careful observations, the Peabody Committee proclaimed that Nevadans needed to make education a priority if the state was to progress and compete with other states. In 1949-1950, for example, the people in Nevada only spent 3.29% of their total income in support of public education, which was lower than every western state except Washington. In 1950-1951, Nevadans only spent 3.05% in support of public education. These statistics were important because they confirmed that Nevada taxpayers were not being overburdened by school taxes and that they were not paying as much as individuals in any of the other eleven western states that were included in the study.

The Peabody Committee evaluated the percentage of public school revenues received from state tax sources as well. There had been a long-term trend in most states
to provide a greater amount of public school support from state sources, which led to a
greater equalization of school support among school districts within each state. Nevada
was no exception at that time and increased the proportion of school revenues derived
from state sources. Nevada was one of the few states, however, that derived a substantial
amount of state revenue from ad valorem property taxes. The committee concluded that
in comparison to the other eleven states considered, "sources of school funds in Nevada
were similar to those in other states, except for the relatively large amount of federal
funds and the substantial use of the ad valorem property tax at the state level" (pp. 278-
279). This reliance made the funding of public education dependent on federal assistance
and the amount of funding obtained from property taxes, which varied from year to year.

After collecting a significant amount of data, the committee concluded that the
Nevada funding formula and plan had several points of excellence including the
following six items:

1. The use of earmarked taxes for state school support was eliminated.
2. The development of the dual measure of educational need-number of
teachers needed and average daily attendance-provided an excellent basis
for further improvements.
3. A beginning had been made in the development of a state-guaranteed
minimum level of school support for all districts.
4. The recent change in which apportionments were based upon the teachers
needed and the average daily attendance during the current year was
highly commendable.
5. The use of the highest average daily attendance of any six-months' period
for apportionment purposes was basically sound.
6. The provision of extra state aid for the education of physically
handicapped children was highly commendable.

Unfortunately, there were significant weaknesses as well, which included:
1. The separation of elementary and secondary school support created unnecessary complications and interfered with efficient management of schools.
2. The failure to include the cost of pupil transportation in the state school support formula was detrimental.
3. The number of teachers allowed for apportionment purposes did not conform to the number actually employed.
4. No test of necessity was applied before extra state funds were allowed to maintain high-cost small schools.
5. Property was not assessed uniformly for tax purposes. – Data obtained from the 1945 report of the Valuation Division of the State Tax Commission indicated that residential property was being assessed more than three times as high in Mineral County as property in Lincoln County. Furthermore, data obtained indicated that percentages of taxation ranged from 12 percent in Lincoln to 39 percent in Mineral, with Clark County taxing at 20 percent.
6. Closely related to the foregoing weaknesses in Nevada’s school finance program was the constitutional tax limitation of $5.00 per $100.00 of assessed valuation.
7. The combined effect of Nevada’s school finance laws produced a patchwork which was confusing and which was not equitable to the children or to the taxpayers.
8. A substantial amount of property was not in an organized school district.

With these strengths and weaknesses identified, the committee made several recommendations for the improvement of the funding of public schools in Nevada to policymakers. Committee members urged policymakers to follow the recommendations in their entirety and that only following some would result in continued problems throughout the State. The committee stated that,

“The foregoing analysis of the present plan for financing public schools in Nevada points quite clearly to needed improvements. However, these improvements should not be approached in a piecemeal fashion. There is need for a comprehensive revision of the school finance program which will eliminate or minimize present weaknesses, provide adequately for the schools, and eliminate inequities to taxpayers” (p. 293).

In addition, the committee emphasized that the joint participation between the state and local school systems was essential, since a plan for equalizing property
assessments on a statewide basis was needed. If the State was to provide funds to supplement amounts raised in each county, it was necessary first to know how much each county was expected to raise from county property tax sources. “This required the use of a uniform yardstick in each county in order to avoid inequities to taxpayers” (p. 293).

The committee also recommended that elementary and secondary schools be combined under a single local school board and that school districts be made larger, being coterminous with counties as a minimum. This allowed for budgets and funds to be combined so that all twelve grades were operated as an incorporated system. This would also allow for local taxes to be administered on a countywide basis, thus making it possible to utilize the county as the important unit for school funding purposes.

The Birth of the Nevada Plan

To provide a more permanent solution to the funding of public education problem, the committee recommended that a local school tax rate of $1.50 per $100.00 of assessed valuation be allocated by law for county and local school expense purposes to avoid great variations in school tax rates. They also recommended that the State Tax Commission serve as a school budget review agency to monitor the process. In addition, the committee felt that if more local funds were needed, local school boards needed to be given the authority to submit a proposition to the voters for additional taxes. This allowed not only more local control, but also more citizen involvement within each county.

To develop a successful funding plan that would provide more permanency and sufficient funding for public schools across the state, committee members recommended
that policymakers develop a state aid program for schools. To do this, committee members stated that policymakers needed to develop an adequate objective measure of the minimum financial requirements required for schools located in each county. They explained that the objective measure had to be simple and easy to understand for all citizens in order to encourage public involvement, support, and understanding. Moreover, the committee emphasized that minimum requirements to be considered included such things as teachers' salaries, operating costs, and the expenses of pupil transportation.

The committee proposed that the minimum basic school need for each county be computed in order to establish an adequate funding system, by adding together three allotments. The suggested allotments were to be a teacher unit allotment, attendance allotment, and a pupil transportation allotment. The teacher unit allotment was to be computed by multiplying the number of certified personnel needed and employed in each county by $4,000.00. The attendance allotment was to be computed by multiplying the average daily attendance during the current year (in public schools) in each county by $80.00 with the average daily attendance being for the six-month period with the greatest attendance. The pupil transportation allotment, on the other hand, was to consist of the actual cost of pupil transportation in each county during the preceding year subject to approval by the State Department of Education.

Furthermore, the committee recommended a school funding plan that required Nevada policymakers to guarantee that each local school district would have revenues at least equivalent to its computed basic school need and that revenues for the basic school
need be derived from state sources and from a uniform county school levy. They recommended further that each school board be given authority to levy additional taxes locally if needed. They also recommended that each school board be allowed to submit a proposition to the electorate to authorize additional school levies, and that debt service taxes be levied as needed to service bond issues voted for school construction purposes.

Peabody Summary

Governor Charles Russell appointed individuals to study problems within public schools in 1954, in hope that recommendations be made and implemented to improve education throughout Nevada. The Governor’s School Survey Committee amended the recommendations made by the Peabody Report and encouraged legislators to replace the Peabody Summaries with their own. They recommended that the following changes be implemented immediately:

1. That the Legislature relinquish ad valorem tax as a basis for financing state government, thereby giving to the counties, cities, and school districts, all ad valorem tax allowed by the constitutional provision.

2. That the Peabody Formula for determining basic need, the furnishing of funds to properly finance schools, and the application of a ratio to equalize state contribution be adopted.\(^{38}\)

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\(^{38}\) This recommendation specifically endorsed the proposition of a legislative Act providing for a 70 cent tax levy on county levels for basic school needs, and a tax levy not to exceed 80 cents per $100 for needs in excess of basic school needs; that the State Tax Commission determine the mean or average ratio of assessed valuation of property in the respective counties by sampling or other proper method and that the ratio of the valuation of the property in each county to the statewide average or mean ratio be applied so as to equalize state contribution.
3. That the Peabody Formula be modified so as to provide that no county of the State would receive, under the application of such formula, less than 50 percent of the basic needs of the schools as computed by such formula.

4. That in applying the Peabody Formula, not more than half of the cost of transportation in each county based on the cost of the previous year be added into the formula for the purpose of determining basic needs.

5. That irrespective of the proposed consolidation of school districts, all bonds now constituting liens upon property with the respective school districts be retained as liens upon such property.

6. That the Legislature be requested to provide by mandatory Act for the equalization of the value for tax purposes of all real, personal, and property rights.

7. That the Legislature be requested to provide for the approval by the State Planning Board of all school building construction to be done or performed in any district in the State.

8. That the State Legislature be requested to provide by legislation for the financing of capital expenditures on local events.

9. That the State either place state property on the tax rolls in respective counties where it is located, or make appropriations to such county in lieu of taxes.

10. That after the operational expenses in excess of the basic needs of each school district has been first satisfied, the balance remaining within the 80-cent rate, if any, shall be applied to retire the school bonds of such district and interest thereon.

The report resulted in the reduction of the number of school districts throughout Nevada from 207 to 17. Other recommendations included allocating money per teacher, providing money for students in attendance, and allowing each district to have more flexibility with assessing more taxes for education. Superintendent Stetler, noted five significant improvements that resulted from the Peabody Report:

1. Improved school housing facilities in nearly all of the areas.
2. A more continuous and adequate school program of studies was developed.
3. School districts were providing supervisory services, which could not have been attempted under the former small district plan.
4. Transportation services were expanded.
5. The preparation of teaching personnel had been upgraded through changed certification standards (1959).
While the Peabody Report is the most significant event regarding the funding of public education that occurred in the 1950s and perhaps throughout history, rapid population growth and the decrease in federal grants placed a heavy burden on Nevadans to fund public education. These conditions resulted in the acute condition regarding the funding of public education as well as the need to increase other services in proportion to the 36% increase in population that occurred in the late 1950s (Russell, 1955). The adoption of recommendations made by the statewide school committee report from the George Peabody College Survey, met the emergency needs of elementary and high schools of the state, but further changes were needed. The recommendations and adoptions made were said to have laid a firm foundation, however, for funding public education, allowing Nevada to demonstrate the ability to provide adequate and planned programs for Nevada schools.

Provisions of the 1955 legislative efforts that greatly influenced the funding of public education in Nevada included local school districts being consolidated, new school districts receiving additional support, and the establishment and implementation of specific funding to better accommodate children throughout the state. Under the provisions, new school districts received $4,000 per certified employee, $80 per pupil, $40 per kindergarten pupil, one half the cost of transportation during the previous year.\(^{39}\)

\(^{39}\) This was computed in a manner prescribed by the State Board of Education, but which computation should not include the cost of the purchase of new school buses.
and $200 per handicapped child\textsuperscript{40}. The availability of local funds was to be determined as follows:

The proceeds of the 70-cent local tax, computed as provided in Section 179.1 (Average Daily Attendance).

One half of the receipts during the previous year from all federal funds for maintenance and operation paid because of the existence of federally owned, tax exempt property within the district.

Apportionment computed on a yearly basis should consist of the difference between the minimum yearly requirements as computed in paragraph 2 above and the local funds available as computed in paragraph 1, but no school district should receive less than one half of the minimum yearly requirements.

Apportionments shall be paid quarterly at the times provided in Section 173.

Effective July 1, the Nevada Tax Commission shall determine for each county the average ratio expressed as a percentage of assessed valuation of property to a true valuation of property and the Superintendent shall:

Divide the total assessed valuation of property of each county by the assessment ratio for that county.

Multiply the quotient obtained in Paragraph A by the “State average ratio of assessed valuation to true valuation of property” to obtain an adjusted assessed valuation for each county.

Multiply the adjusted assessed valuation of property of each county by the 70-cent per $100 assessed valuation mandatory county school levy.

The product thus obtained is the adjusted yield of the 70 cent tax levy in each county and shall be used when computing State aid as provided in Section 179.2. It shall be mandatory for each Board of County Commissioners to levy a 70 cent tax on each $100 of assessed valuation of property within the county, which taxes shall be used by school districts for maintenance and operation of the public schools.

\textsuperscript{40} Section 108.01
Also shall levy, when recommended by the county board of trustees, a mandatory
tax provided in the preceding paragraph, an additional tax of not to exceed 80
cents, exclusive of taxes levied for debt service, for the support of the public
schools in each school district.

A special session of the legislature was called and convened in February 1956,
which resulted in further changes to public education in Nevada. Mr. Glenn Duncan,
Superintendent, died suddenly and was replaced by Mr. Byron Stetler, who served as
Superintendent until 1966. He explained that an entirely new school code was enacted at
this session (1957) that remedied the defects in the bond law. He explained further that
changes made to the procedures that formed the new county organization were put into
effect immediately, as of March 2, 1956, the date when the Governor signed the
legislation. In total, 21 bills were enacted during this special legislative session resulting
in great change for Nevada educators, however, the bills did not further effect the funding
of public education.

Challenges Continued To Exist After the Peabody Report

Nevada had the second fastest growing population in the nation at this time and
policymakers were concerned about the amount of funding available to handle the
population growth. Nevada policymakers expressed concern over the unemployment rate,
increasing student enrollment in public schools, the need for additional funds to
accommodate students with special needs, and limited school facilities. As a result,
Governor Charles Russell called for a special session of the legislature to meet in 1958.

As a result of the Special Session, radical changes regarding unemployment
throughout Nevada were made and an Emergency Distributive Fund was established to
provide relief for school districts that could not sufficiently fund public schools. In
addition, policymakers provided some additional revenue in support of public education. Policymakers increased funding from $4000 to $4300 for each teacher and $80 to $90 per pupil in the basic need formula, and "substantial increases in school aid was limited only by the urgency of keeping operating expenses with anticipated revenue" (Sawyer, 1959, p. 18). This additional funding facilitated the operation of schools, but highlighted the need for additional revenue that provided for students with special needs. As a result, policymakers spent much time discussing the amount of funding and services needed to accommodate all Nevada children (Stetler, 1959).

In order to develop a funding formula that would best meet the needs of all Nevada children, a Governor's Survey Committee, appointed and authorized in the 1959 Legislative Session, contracted with the University of Wyoming to make a fact-finding study of Nevada public schools (Stetler, 1961). The study was conducted to determine what changes could be made to the Nevada system for funding public education to better provide for children attending public schools throughout the state. The study addressed areas of finance, personnel, business management and curriculum.

The committee attempted to determine whether the apportionment formula, with respect to the State Distributive Fund, met county school district needs and whether funds were sufficient. Results from the survey convinced the Governor that the Wyoming Formula needed to be considered for school districts throughout Nevada because it provided additional revenue based on a weighted classroom unit. Governor Sawyer urged legislators to consider replacing the Peabody Formula (Sawyer, 1961), despite the
fact that it would cost an additional $4 million in the first year and larger amounts in succeeding years.

The Wyoming Formula

The fact-finding team conducted and concluded its study between August 25 and January 15, 1960 and provided the factual information upon which the Governor’s School Survey Committee report was prepared and submitted to the legislature (Stetler, 1961). A new formula was proposed for the distribution of state aid based upon the weighted classroom unit. This measure of need was said to be able to remove many of the inequities that existed between different school districts and would extend the principle of equalization in the distribution of state support.

The report recommended that each weighted classroom unit be included in the minimum foundation program in terms of $7000 and further reiterated that the formula being used in Nevada at that time was inadequate. The Governor’s Survey Committee felt that the funding inadequacies that existed in the funding system being used could be met by accepting the weighted classroom unit as the basis for apportionment with $7000 as the dollar value of the unit. Furthermore, Superintendent Stetler agreed that the implementation of the Wyoming Formula would make educational opportunities, including funding, more adequate and equal across Nevada.

Despite increased national and local attention to the need for additional funding and better distribution methods, Governor Sawyer felt that the legislature failed to correct problems with funding public education that existed throughout the state. He continued to express concern for the lack of “permanency” within the funding system and was
disappointed with legislative efforts. Although additional funding had been provided in the previous two legislative sessions, he explained that “funds were only provided through the “emergency fund,” rather than by increasing the basic formula”, which would have been more permanent (Sawyer, 1961, p. 8). This failure to provide appropriate funding on a more permanent basis led to recommendations for further study that would be able to propose a plan for a more adequate and equitable system for funding public education.

The Study Commissioned: Nevada Plan

As a result of the recommendations made by Governor Sawyer, an interim study of the funding of public education was commissioned in the 1963 and 1965 legislative sessions in order to develop a funding formula that was more permanent, progressive, and adequate for all school districts in Nevada. The rapid growth of pupil enrollment, together with changes in assessed valuation and certain inequities in the operation of the current plan for distribution of state moneys to school districts, presented problems which eventually led to the study of ways to more adequately apportion the Distributive School Fund (Stetler, 1965). At that time, Nevada aided education on the basis of a formula, which provided $96 per student in average daily attendance and $4800 for each certified personnel, thus providing 54.6 percent of the revenue of the school boards and 54 percent of the total general fund appropriations (Sawyer, 1963). This percentage of revenue received from local governments, 37.6%, was much lower than the national average of 40.2%, provided for public education. This low percentage further demonstrated that
Nevada policymakers needed to provide additional funding in support of public education.

The 1963 Legislative Session resulted in the appropriation of $53,763,868 from the state’s general fund for local schools for the Biennium, or 53% of the total general fund appropriation, yet no permanent increases in the formula were provided (Sawyer, 1965; Special Session). Furthermore, according to formula based on actual enrollment, there needed to be an additional appropriation of $2,758,080 for the current, creating further financial hardship for educators. The increased enrollment for the 1965-1966 school year was nine percent above the 1964-1965 enrollment, impacting and accentuating the need for additional funds and more permanency within the funding formula.

As a result, a special session of the legislature was called in 1964, which appropriated $1,500,000 to support public schools above the level provided by the Peabody Formula. Governor Sawyer also proposed Senate Bill No. 16 (NRS 387.127) “to provide supplemental funds for school districts levying the maximum local tax and meeting other criteria which still could not meet budget requirements” (Sawyer, Executive Budget, p. 82). Despite individual bills, however, much time was being spent on developing a funding formula that would address the many unique qualities that existed throughout Nevada, while providing a more permanent solution to the funding of public education.
Federal versus State Funding Support

Although federal funding was expanding rapidly during the 1960s, as evidenced by the Elementary and Secondary Education Act of 1965, a special legislative session was called in May of 1967 because of the "compelling need to continue state support of education, both at the district level and at the university level" (Sawyer, 1967, p. 3). Nevada made progress in its aid to education and funded 64% of the public school expenditures from the state as opposed to 46% that was funded in 1958-1959. Despite such gains, however, more needed to be done due to the increase in population\(^{41}\) and the unique characteristics that existed throughout Nevada. "Student enrollment grew from 5,389 students in 1907 to 102,893 students in 1968" (Larson, 1969, p. 60). The chart provided on the next page represents the growth in student enrollment within Nevada between the 1966-67 school year to the 1967-68 school year.

\(^{41}\) Increasing student enrollment was considered substantial (Larson, 1969, p. 60).
Superintendent Burnell Larson, who replaced Byron Stetler in 1966 as the
Superintendent of Public Instruction, felt however, that additional funding in support of
public education was needed. He also felt that the Department of Education should be
reorganized to improve its effectiveness and that Nevada educators needed a “State
Philosophy and Master Plan” to ensure that students were provided quality education
programs that were sufficiently funded. The philosophy and master plan that were
developed by the State Department of Education, local school districts, and the
Superintendent of Public Instruction, included statements relating to such things as
finance, curriculum, community involvement, and equal opportunities for all children. In fact, the Nevada Philosophy of Education included statements such as:

1. The State recognizes its responsibility to promote the most effective use of federal funds, to extend and update vocational education and to seek ways to aid financially its improvement and expansion;

2. It determines that education is an investment and not a cost and therefore takes first priority in achievement of state and national goals, that the responsibility for keeping professional staffs abreast of current knowledge has shifted from the individual to larger units of government representing society’s interests in the common good that education can bring;

3. State endorses the concept of Creative Federalism which manifests a local-state-federal sharing of responsibility while acknowledging the individual and singular importance of these entities with their accompanying powers and responsibilities to execute a most important public purpose which all have in common but which none could consummate as well without the cooperation of the others” (Larson, 1969, p. 62).

These statements were important because they signified that Nevada citizens recognized that education should be considered the number one priority, that education needed to be funded sufficiently by local, state, and national sources, and that all Nevadans had a responsibility to provide quality educational programs for all children.

Despite the feeling that education was to be monitored and supported by state, local, and national sources, the funding of public education in Nevada at this time was considered to be fundamentally a state problem. Policymakers considered education to be the “real answer to the most pressing social problems” (Laxalt, 1967, p. 16), yet an effective funding formula had not yet been developed or implemented throughout the State. In fact, the Nevada State Education Association, Nevada Parents and Teachers Association, and the School Trustees Association maintained that State support, in relation to school costs, had declined since the adoption of the Peabody Formula in 1956.
They also proclaimed that eleven of the seventeen counties in Nevada were at the maximum tax limit for local support of schools and that something needed to be done to address the lack of sufficient funding for public education.

The Nevada Plan⁴²

As a result of increased concerns, the Nevada Plan or system utilized to finance elementary and secondary education throughout Nevada, was enacted into law in 1967, following the interim study commissioned at both the 1963 and 1965 legislative sessions. The Nevada Plan is a minimum foundation program that represents a ten-year effort to restructure elementary and secondary education in the State of Nevada from a system of 207 school districts in 1956 to a system of 17 co-terminus county districts in 1957.

The Nevada Plan has been the basic formula mechanism for state aid to schools since 1967, but has undergone various changes. These changes primarily involved the local school support tax (LLST) and property tax rates and are still considered to be equitable to most finance experts, as demonstrated by its long-lasting implementation. The Nevada Plan provides a guaranteed amount of funding for each of the school districts, and the revenue, which provides the funding, is taken from both State and local sources.

⁴² In 1995 the Nevada Legislature passed a resolution requesting an analysis of the overall appropriateness of Nevada's school organizational structure. Management Analysis & Planning Associates (MAP) of Berkeley, California was selected to conduct the study. The primary question investigated was whether the present system of county-by-county school district organization fostered excellence in education as well as made efficient use of public resources. MAP's final report entitled "Nevada School District Organization and Control: Meeting the Challenges of Growth and Diversity," was delivered to the Legislature in July 1996 (Legislative Counsel Bureau, 1997).
According to statute (387.121), the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity. By recognizing wide local variations in wealth and costs per pupil, this state should supplement local financial ability to whatever extent necessary in each school district to provide programs of instruction in both compulsory and elective subjects that offer full opportunity for every child to receive the benefit of the purposes for which public schools are maintained. The statute (387.121) further indicates that the quintessence of the state's financial obligation for such programs could be expressed in a formula partially on a per pupil basis and partially on a per program basis. The formula would include State Financial aid to school districts that equals the difference between school district basic support guarantee and local available funds produced by mandatory taxes minus all the local funds attributable to pupils who reside in the county but attend a charter school.

The Nevada Plan consists of state support received through the Distributive School Account\(^{43}\) (DSA), locally collected revenues from the 2.25-cent Local School Support Tax (LSST), and 25 cents of the ad valorem Tax. It is a process by which the state provides a guaranteed amount of funding to a local school district. The cost of the guarantee is shared by the local school district and the state and makes up approximately 80% of the total general fund (operating revenue) resources available to school districts.

\(^{43}\) The Distributive School Account is financed by legislative appropriations from the State's General Fund and other revenues, including a 2.25-cent tax on out-of-state sales, an annual slot machine tax, mineral land lease income, interest from investments of the Permanent School Fund, and a portion of estate taxes collected.
The Local School Support Tax is levied by the state for the support of schools and the state returns the tax to the counties of origin. The Local Support Tax Law was enacted in 1967 to facilitate the implementation of the Nevada Plan. The Legislature required an increased contribution by local districts for public education, but determined that the increase could not come from increasing property tax. As a result, a sales tax was approved and the tax was established at the same rate in each county and on goods purchased outside the state for use in the state.

To determine the level of guaranteed funding for each district, a basic per-pupil support rate is established. The rate is determined by a formula that considers the demographic characteristics of the school district (Nevada Legislative Counsel Bureau, 2001). Local school districts receive quarterly apportionments of state aid based on a count of children enrolled in schools within the district on the last day of the first school month of the year. Transportation costs are included using 85% of the actual historical costs adjusted for inflation according to the Consumer Price Index and a wealth adjustment factor that is based on each district’s ability to generate revenues in addition to the guaranteed funding. In addition, the Basic Support Guarantee that is determined by the state legislature is based on teacher allocations, staff costs, and operating costs and by adding the district’s local per pupil revenue to the formula and subtracting it from the adjusted local per pupil revenue.

Each school district applies its Basic Per-Pupil Support Rate to the number of students enrolled. The official count for apportionment is taken in each district on the last day of the first school month. The number of kindergarten children and handicapped
three and four year-olds is multiplied by 0.6 percent and added to the total number of all other enrolled children, creating a weighted enrollment. Furthermore, each district’s Basic Per-Pupil Support Rate is multiplied by its weighted enrollment to determine the guaranteed level of funding. This is called the Total Basic Support. In addition, the Nevada Revised Statutes contains a “hold harmless” provision that insures that if a district’s enrollment decreases, the guaranteed level of funding is based on the prior year’s enrollment figures, thus providing additional protection for districts that experience decreased enrollments.

Nevada uses a quarterly disbursement method. Monthly disbursement occurs only when the state controller finds that the state general fund is at a level that is deemed as not sufficient to pay the other appropriations. Generally, disbursements are made in four equal payments. However, the Nevada Revised Statutes includes an additional provision that assists districts that experience tremendous growth. If a district grows by more than three percent but less than six percent after the second school month, a growth increment consisting of an additional two percent of basic support is added to the guaranteed level of funding. If a district grows by more than six percent, the growth increment is four percent.

Special education is funded on a “unit” basis with the amount per unit being established by the legislature. Special education unit funding is provided in addition to the Basic Per-Pupil Support Rate and includes full time services of licensed personnel providing a program of instruction in accordance with minimum standards, prescribed by the State Board of Education.
The difference between total guaranteed support and local resources is state aid, which is funded by the Distributive School Account (DSA). Revenue received by the school district from the 2.25 percent LSST and 25 cents of the property tax is deducted from the school district’s Total Basic Support Guarantee to determine the amount of state aid the district will receive. If local revenues from these two sources are less than anticipated, state aid is increased to cover the total guaranteed support. Consequently, if these two local revenues come in higher than expected, state aid is then reduced.

In addition to revenue guaranteed through the Nevada Plan, school districts receive other revenue considered to be “outside” the Nevada Plan (Clark County School District, 2002). Revenues outside the plan, which are not part of the guarantee but are considered when calculating each school district’s relative wealth, include the 50 cents of the ad valorem tax on property, a portion of the motor vehicle tax, 1.5 cents of the state’s sales tax, franchise taxes, and various other local and federal revenues.

School districts also receive additional revenue from the Distributive School Account for Adult High School programs with the maximum amount to be expended determined by the state legislature. Categorical funds are given to local school districts from the state, federal government, and private organizations that may only be utilized for specific purposes. Examples of programs paid from categorical funds provided by the state, include Class Size Reduction, and Early Childhood Education. Federally funded programs include Title I, the National School Lunch Program, and Bilingual Education (Legislative Counsel Bureau, 2000, p. 5).
State Aid

The information provided below illustrates the guaranteed funding process based on the revenue of the Clark County School District for the 2001-2002 fiscal year. The information also explains other revenue sources outside of the guarantee, making up the total resources included in an operating budget.

The amount of funds provided under the Nevada Plan for Clark County students is computed by multiplying the basic support guarantee per pupil of $3,660 by the sum of:

a. Sixth-tenths of the count of pupils enrolled in pre-kindergarten and kindergarten on the last day of the first school month of the school year;

b. The count of pupils enrolled in grades 1-12 inclusive on the last day of the first school month of the school year.

In addition to the basic support guarantee per pupil, the state legislature also establishes funding for state supported special education program units. Additional special education units, if necessary, may need to be locally supported.

In determining the amount to be distributed by the State to school districts, the amount of tax proceeds received by schools from a 2.25-cent local school sales tax plus the amount received from 25 cents on each $100 of assessed valuation of taxable property are deducted. Combing all of state aid, all of the school support sales tax, and one third

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44 The 1993 Nevada Legislature approved NRS 387.047, which required all school districts in the state of Nevada to separately account of all money received for the instruction of and the provision of related services to pupils with disabilities. This revenue is reported to the state in a separate Special Education Fund (CCSD Budget and Statistical Report: Fiscal Year 2001-2002).
of the property tax (25 cents of the total 75 cent operating rate), has the effect of including 77 percent of the district’s General Operating Budget within an enrollment-driven formula, somewhat insulating the district from economic fluctuations.

Computation of estimated state aid to be received by the Clark County School District for the 2001-2002 year based upon projected 4th week school enrollments is provided as follows.

1. **State Basic Support**

   For prekindergarten and kindergarten students
   
   \[
   \text{(20,995 x .6 x $3,660)} \]
   
   $46,017,180

   For elementary and secondary students
   
   \[
   \text{(223,953 x $3,660)} \]
   
   $819,667,980

   For special education students
   
   \[
   \text{(588 x $3,660)} \]
   
   $2,152,080

   For special education units not assigned to a grade level
   
   \[
   \text{(1446 x $29,977)} \]
   
   $43,346,742

   **Total State Basic Support:** $911,183,982

2. **Less Local Contribution**

   Estimated proceeds from 2.25-cent local sales tax
   
   $489,983,682

   Proceeds from 25-cent Ad valorem Tax Levy
   
   $90,408,694

   **Total Local Contribution:** $580,392,376

3. **State Payments** to be received in support of District programs (Item 1 Total less Item 2 Total)

   $330,791,606
Property Taxes

According to the Clark County School District Budget and Statistical Report: Fiscal Year 2001-2002, 23.08 percent of the income received by the Clark County School District for operating expenses comes from local property taxes (p. 44). Property tax collections are based on assessed valuations of real and personal property provided by the Clark County Assessor. The percentage of growth in assessed valuation from 2000-2001 to 2001-2002 was 7.6 percent.

The total property tax levy for school operating purposes is 75 cents per $100 assessed value. Nevada school districts may not levy more than 50 cents on each $100 of assessed valuation of taxable property within the county for the support of public schools nor more than 25 cents to reduce revenue from state aid funds. The necessary tax rate for repayment of school construction funds and public safety compliance programs is levied in addition to the tax rate for operating expenses and is deposited to the district’s Debt Service Fund. In addition, of the 75-cent property tax level, 25 cents is included and protected from fluctuation under the State Aid formula and since the remaining 50 cents is based on assessed valuations that are essentially determined prior to the inception of the fiscal year, the district is substantially protected from fluctuations in property tax revenues.
The computation is as follows:

- Net assessed valuation (35% of market value) $36,159,445,308
- Tax rate for operating expenses per $100 of Assessed valuation 0.75
- Subtotal: 271,195,839
- Net Proceeds of Mines 30,242
- Adjustment to reflect increase of revenue From distribution of prior year’s delinquent Taxes and changes in the unsecured roll 2,760,589
- Estimated income $273,986,670

Local School Support Sales Tax

In addition to the sales and use taxes enacted in 1955 to provide revenue for the state of Nevada, a separate tax rate upon the privilege of selling tangible personal property at retail in each county to provide revenue for the school district within each county. The 1991 Legislature established the tax rate to be 2.25 percent effective October 1, 1991. Approximately 41.3 percent of the Clark County School District’s revenue came from the Local School Support Tax (p. 45).

Additional Sources of Revenue

Additional sources of revenue include the motor vehicle privilege tax, franchise tax, investment income, and federal aid. The Clark County School District received approximately $44,765,508 from the State Department of Motor Vehicles from the Motor Vehicle Tax, $2,228,015 from the Franchise Tax, $2,900,000 from investments, and $485,000 from Federal aid, most of which came from Public Law 103-382 (Impact Aid – Formerly PL 81-874) in 2001-2002. Furthermore, miscellaneous income sources
including the sale of school equipment, tuition from summer school, donations, and sale of bonds totaled $22,409,654.

Changes to the Nevada Plan

While the Nevada Plan has remained the funding formula for public elementary and secondary schools in Nevada since 1967, a number of changes have occurred to the program throughout history. These changes include additional funding being added in 1973 to accommodate special education students, an approved property tax relief package that reduced the total levy for school districts in 1979, and increased property tax rate for local school districts to offset state general funds in 1983. Other changes include money being allocated by the legislature for class size reduction in elementary grades Kindergarten through Three in 1989 and an increased reliance of local school districts on the sales tax due to the increased local school support tax from 1.5% to 2.25% on taxable sales in 1991. As a result of these changes to the Nevada Plan, the majority of financial experts consider the plan to be extremely equitable and effective.

Recent Concerns with the Nevada Plan

Although the general consensus indicates that the plan is relatively equitable (Legislative Counsel Bureau, 1997), concerns have emerged in recent years, particularly in the area of funding for special needs students. The legislature does provide a guaranteed basic support amount for general education programs that is intended to cover the cost of personnel and operating costs. In addition, programs such as gifted and talented education, bilingual education and compensatory education are not funded.
Special education services are provided directly to students by local school districts and are funded from federal grants, state appropriations, and local dollars. Special education funding is separate from and in addition to the total guaranteed support. When an appropriate special education program is not available, the school board of a particular county may apply to the State Superintendent for an out-of-district placement. The state pays educational, residential, and transportation costs of pupils with disabilities placed in programs outside their school district. Funding for the out-of-district placement is provided from the state general fund and a portion of the discretionary funds available to the state under P.L. 101-476, Individuals with Disabilities Education Act.

The 1991 Legislature amended provisions of the law relating to out-of-district placements of children with disabilities, however, and transfers approximately $1 million each year from the Department of Education to the Department of Human Resources. The Department of Human Resources, in collaboration with the Superintendent of Public Instruction, provides special education programs and related services to any child suffering from autism, emotional illness, or a traumatic brain injury. The money provided by the Department of Education is intended to stimulate development of in-state facilities for autistic, emotionally disturbed, and children with traumatic brain injuries.

In addition, the 1993 legislature amended Chapter 387, adding a new section regarding the method of accounting for funds distributed to school districts for education of children with disabilities. The law required the establishment of a separate accounting
system for money expended for special education and related services\(^45\). Each child’s Individual Education Plan, as required by federal law, determines the services provided to each child. The Nevada Department of Education oversees special education programs provided by school districts. The state’s authority and responsibilities are outlined in Nevada Revised Statutes Chapter 395, “Education of Persons with Disabilities,” and in Chapter 395 of the Nevada Administrative Code. The Nevada Department of Education and local school districts are limited by federal legislation and regulations regarding services to students with special needs (Legislative Counsel Bureau, 2000, p. 33).

**Special Education in Nevada**

In Nevada, special education services are funded from local, state, and federal sources. State support is provided through the Distributive School Account. This includes special education teachers, at the average salary and benefit level, plus a percentage “roll up” for salary increases and student enrollment growth. This amount plus the amounts for other educational expenditures are used to determine a per-pupil basic support guarantee from the state to local school districts. Furthermore, the Legislature funds a certain number of “units” for special education allocated to school

\(^45\) Chapter 447 Stats. (1993). The separate accounting must include the amount of money provided to the school district for special education for basic support and transfers of money from the school district’s general fund needed to balance the special revenue fund. The account system must also include the cost of instruction provided by licensed special education teachers and supporting staff, related services, including, but not limited to, services provided by psychologists, therapists, and health-related personnel, transportation of handicapped students to and from school, the direct supervision of educational and supporting programs and the supplies and equipment needed for providing special education. Money received from federal sources must be accounted for separately and excluded from the state accounting system established by the new legislation.
districts each year. Each unit is defined as the salary and benefits for one special education teacher and the unit funding can only be used to support special education teacher salaries and benefits (Legislative Counsel Bureau, 2000).

The Legislature funded 2,186 units in the fiscal year 1999-2000 at $28,813 per unit for a total of $62,985,218. In the fiscal year 2000-2001, 2,291 units were funded by the Legislature at $29,389 per unit for a total appropriation of $67,330,199. A chart provided below indicates the amount of special education unit funding for fiscal years 1992 - 2001 that was approved by the Legislature Legislative Counsel Bureau (Legislative Counsel Bureau, 2001).

Nevada: Special Education Unit Funding
Fiscal Years 1992-2001
(Number of Approved and Unit Money)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Legislatively Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2001</td>
<td>2,186 @ $29,389</td>
</tr>
<tr>
<td>FY 2000</td>
<td>2,291 @ $29,389</td>
</tr>
<tr>
<td>FY 1999</td>
<td>2,088 @ $29,389</td>
</tr>
<tr>
<td>FY 1998</td>
<td>1,976 @ $29,389</td>
</tr>
<tr>
<td>FY 1997</td>
<td>1,857 @ $29,389</td>
</tr>
<tr>
<td>FY 1996</td>
<td>1,746 @ $29,389</td>
</tr>
<tr>
<td>FY 1995</td>
<td>1,645 @ $29,389</td>
</tr>
<tr>
<td>FY 1994</td>
<td>1,560 @ $29,389</td>
</tr>
<tr>
<td>FY 1993</td>
<td>1,475 @ $29,389</td>
</tr>
<tr>
<td>FY 1992</td>
<td>1,389 @ $29,389</td>
</tr>
</tbody>
</table>
The amount allocated for each unit falls short of actual costs of salaries and benefits for special education teachers. As a result, school districts are required to use money from the local general fund to pay the difference between the amount funded by the state and the actual cost of providing special education services. The Legislative Counsel Bureau indicated that some money was available from federal sources and grants, but that it had historically been extremely small (2000). Actually, Congress planned to fund 15 percent of the total cost in 2000, which was the most it had ever contributed.

In fact, according to the *Clark County School District Special Education Financing General/Special Education Fund Revenues and Expenditures Fiscal Year 2001-2002 Actuals Report*, $30,576 was provided by the state for each special education unit, while the actual cost per unit was $56,139, costing the district $25,563 per unit. Moreover, the state allocated 1,519 Special Education Units to Clark County in 2002-2003, when 2475 units were required to educate the number of special needs children enrolled. As a result, the additional 956 units required cost the Clark County School District $53,669,189.92.

According to Senate Bill 585, the maximum number of units and amount of basic support for special education units within each of the school districts, before any reallocation pursuant to NRS 387.1221, for fiscal years 2001-2002 and 2002-2003 are provided on the following page.
<table>
<thead>
<tr>
<th>District</th>
<th>2001-2002 Units</th>
<th>Amount</th>
<th>2002-2003 Units</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carson City</td>
<td>78</td>
<td>2,338,206</td>
<td>80</td>
<td>2,446,080</td>
</tr>
<tr>
<td>Churchill</td>
<td>43</td>
<td>1,289,011</td>
<td>44</td>
<td>1,345,344</td>
</tr>
<tr>
<td>Clark</td>
<td>1437</td>
<td>43,076,949</td>
<td>1,519</td>
<td>46,444,944</td>
</tr>
<tr>
<td>Douglas</td>
<td>61</td>
<td>18,28,597</td>
<td>62</td>
<td>1,895,712</td>
</tr>
<tr>
<td>Elko</td>
<td>80</td>
<td>2,398,160</td>
<td>81</td>
<td>2,476,656</td>
</tr>
<tr>
<td>Esmeralda</td>
<td>3</td>
<td>89,931</td>
<td>3</td>
<td>91,728</td>
</tr>
<tr>
<td>Eureka</td>
<td>4</td>
<td>119,908</td>
<td>4</td>
<td>122,304</td>
</tr>
<tr>
<td>Humboldt</td>
<td>29</td>
<td>869,333</td>
<td>29</td>
<td>886,704</td>
</tr>
<tr>
<td>Lander</td>
<td>14</td>
<td>419,678</td>
<td>14</td>
<td>428,064</td>
</tr>
<tr>
<td>Lincoln</td>
<td>17</td>
<td>509,609</td>
<td>17</td>
<td>519,792</td>
</tr>
<tr>
<td>Lyon</td>
<td>52</td>
<td>15,58,804</td>
<td>54</td>
<td>1,651,104</td>
</tr>
<tr>
<td>Mineral</td>
<td>10</td>
<td>299,770</td>
<td>11</td>
<td>336,336</td>
</tr>
<tr>
<td>Nye</td>
<td>42</td>
<td>1,259,034</td>
<td>44</td>
<td>1,345,344</td>
</tr>
<tr>
<td>Pershing</td>
<td>14</td>
<td>419,678</td>
<td>14</td>
<td>428,064</td>
</tr>
<tr>
<td>Storey</td>
<td>8</td>
<td>239,816</td>
<td>8</td>
<td>244,608</td>
</tr>
<tr>
<td>Washoe</td>
<td>451</td>
<td>13,519,627</td>
<td>471</td>
<td>14,401,296</td>
</tr>
<tr>
<td>White Pine</td>
<td>19</td>
<td>569,563</td>
<td>19</td>
<td>580,944</td>
</tr>
<tr>
<td>Subtotal</td>
<td>2362</td>
<td>70,805,674</td>
<td>2,474</td>
<td>75,645,024</td>
</tr>
<tr>
<td>Reserved by the Board of Education</td>
<td>40</td>
<td>1,199,080</td>
<td>40</td>
<td>1,223,040</td>
</tr>
<tr>
<td>Total</td>
<td>2,402</td>
<td>72,004,754</td>
<td>2,514</td>
<td>76,868,064</td>
</tr>
</tbody>
</table>

The Legislative Counsel Bureau (1992) indicated that the special education population in Nevada had grown at an annual rate of over six percent over the last five years and has increased at a faster rate, since 1992, than the general student population. Students with special needs comprised about 9.5 percent of the total school population in 2000 (ages 6 – 17), which is lower than the nationwide average of 11.1 percent.\(^{46}\)

\(^{46}\) The percentage of special education students in Nevada from ages 3 through 21 is approximately 11 percent (Legislative Counsel Bureau, 2000, p. 33).
The average cost, statewide, for educating a disabled student in Nevada, is $10,528 per year. This includes the expenses for general education classes, special education programs, and related services. Finally, the total cost for the 1999-2000 school year to educate students with disabilities in Nevada, was $346 million, paid from a combination of federal, state, and local dollars. The charts provided on the following two pages indicate Nevada public school enrollment, and the amount of funding provided by state versus local resources.
CHAPTER SIX

FUNDING SOLUTION

Post Nevada Plan: Did the Plan Solve the Funding Debate?

This chapter will begin by providing significant information related to funding education in Nevada since the enactment of the Nevada Plan. Historical information about legislation passed, major tax reform, and adjustments made to the Nevada Plan are also included, so that individuals reading this dissertation can better comprehend social, economic, and political events of this era and how they impacted the funding of education. In addition, a brief timetable is provided below which highlights important events included in this chapter.

Timetable of Key Historical Events: 1967 - 1987

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1967</td>
<td>Nevada Plan enacted</td>
</tr>
<tr>
<td>1969</td>
<td>School District Emergency Fund Established</td>
</tr>
<tr>
<td>1971</td>
<td>Study requested by Governor Mike O'Callaghan conducted recommending consolidation. The Legislature deleted all references in Nevada Revised Statutes to joint school districts.</td>
</tr>
<tr>
<td>1973</td>
<td>Additional funds provided for special education in Nevada Plan</td>
</tr>
<tr>
<td>1977</td>
<td>Economic Trigger implemented into law The Assembly Committee on Education reviewed the concept of deconsolidation for the Clark County School District</td>
</tr>
<tr>
<td>1979</td>
<td>Property tax relief package approved Assembly Concurrent Resolution No. 23 directed a legislative study of the practicality of creating smaller school districts was not adopted.</td>
</tr>
</tbody>
</table>
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Timetable of Key Historical Events Continued: 1967 - 1987

1981  Tax rate was detriggered to provide relief to state
       AB 171 passed, authorized study of the Nevada Plan.
       Local School Support Tax was raised from 1% to 1.5%
       Education Consolidation and Improvement Act approved
1983  Property tax rate increased for local school districts from 50 to 75
       cents
1984  Senate Concurrent Resolution 3 approved to study public school
       financing

Problems Continued Throughout Nevada

Although the Nevada Plan was enacted in 1967 to improve the funding of public
education in Nevada, problems still existed throughout the state. As a result of these
problems, in 1969, the fourth Special Session of the Nevada Legislature was called
within five years. Superintendent Larson explained that the Biennium, 1968-1970, had
been one of greater challenge, change, tension, and stress than any yet experienced by all
public agencies, and that it could be only a mild preamble to what could be experienced
in the future (1971, p. 7). He further explained that society was asking much of its
institutions, and the extent to which they could respond would depend on their ability to
plan and to anticipate trends and exigencies.

Policymakers provided 30.2 percent of the funding received in support of public
education, while counties allocated approximately 50%, indicating local counties were
responsible for funding the greater percentage of educational costs. This compared to
other states throughout the country such as California, Georgia, Michigan, and
Oklahoma, which provided 37.1 percent, 64.5 percent, 47.2 percent, and 48.2 percent

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respectively\textsuperscript{47}. During the 1968-70 Biennium, public schools of Nevada received a total of $213,391,255 from the following sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968-69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>$28,715,674</td>
<td>30.02</td>
</tr>
<tr>
<td>County</td>
<td>$51,106,226</td>
<td>53.42</td>
</tr>
<tr>
<td>Sale of Bonds</td>
<td>$7,895,714</td>
<td>8.25</td>
</tr>
<tr>
<td>School District</td>
<td>$1,999,170</td>
<td>2.09</td>
</tr>
<tr>
<td>Federal</td>
<td>$5,951,654</td>
<td>6.22</td>
</tr>
<tr>
<td>Total:</td>
<td>$95,668,438</td>
<td>100</td>
</tr>
<tr>
<td>1969-70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>$37,564,742</td>
<td>31.91</td>
</tr>
<tr>
<td>County</td>
<td>$56,535,004</td>
<td>48.02</td>
</tr>
<tr>
<td>Sale of Bonds</td>
<td>$13,570,381</td>
<td>11.53</td>
</tr>
<tr>
<td>School District</td>
<td>$1,420,560</td>
<td>1.21</td>
</tr>
<tr>
<td>Federal</td>
<td>$8,632,130</td>
<td>7.33</td>
</tr>
<tr>
<td>Total:</td>
<td>$117,722,817</td>
<td>100</td>
</tr>
</tbody>
</table>

In addition, disparities in per pupil cost existed throughout Nevada, indicating students in certain school districts were provided additional resources and opportunities.

The chart below identifies the amount of per pupil income by county during the 1968-1969 and 1969-1970 school years (Larson, 1971, p. 57):

To alleviate problems that existed with the funding of public education, Governor Laxalt proposed that a School District Emergency Relief Fund (SDERF) be established to provide immediate relief to school districts unable to generate sufficient funding. He recommended that the fund be established immediately, distributed through the State Treasury, and administered by the State Board of Examiners.

Policymakers responded favorably to Governor Laxalt’s proposal and established a $110,000 emergency fund to assist schools with funding education. Allocations from the Emergency Relief Fund were distributed by the Board of Examiners after school districts applied for the funding to the State Board of Education (Laxalt, 1969, Volume III). While the emergency fund assisted schools districts that were unable to generate sufficient funding, policymakers reduced the state’s share of the property tax from 28
cents to 25 cents for the 1967-1969 years. This reduction lessened the amount of funding received by legislators in support of public education and forced educators to rely on financial assistance from both local and federal sources to fund public education.

Both Superintendent Larson and Governor Laxalt indicated that additional funding, than what was provided by the state, was required to support public education sufficiently at this time due to increasing enrollments and the rising cost of education. As a result, Governor Laxalt stated to policymakers that if Nevadans shared a unanimous sentiment, it was that “education was the most vital of all the human resource investments.” He also explained “as policymakers looked to the future, it was most appropriate that education be looked at first since education was what the future was all about” (Laxalt, 1969, pp. 5, 6).

In order to demonstrate his support for providing additional state funding for public education, Governor Laxalt examined various ways of allocating the maximum number of dollars to education without seriously jeopardizing the capacity to meet other state financial obligations. He proposed a record amount of funding in support of public education to policymakers and explained that education was the answer to providing a better future for Nevada children. In his message to the Legislature (1969), Governor Laxalt requested that policymakers allocate $97.8 million in state basic support for public schools for the Biennium. The $97.8 million was the greatest amount sought by any governor in Nevada history and equaled approximately 16% increase from the previous Biennium. Governor Laxalt (1969) indicated, however, that while the proposed increase would eliminate many of the obstacles related to the lack of funds, it would only maintain
educational services, rather than provide additional programs due to the increase in student enrollment throughout Nevada.

Education: the Answer to Society’s Ills

Policymakers paid particular attention to the funding of education in the early 1970s because educators were expected to solve problems that existed within society. Examples of problems expected to be handled by educators included teen pregnancy, suicide, and drug use. Governor O’Callahan stated to policymakers (1971) that while education was the most expensive area of government, as demonstrated by the percentage of the budget that was allocated by policymakers, it was also the soundest investment that could be made by the people. As a result, Governor O’Callahan proposed a record $160 million for the support of public schools throughout Nevada (1971, p.10). The recommended funding, if approved by policymakers, would have increased the amount expended for each pupil from the $889 to $1,001 in the first year of the Biennium and $1,060 in the second year. The additional funding also would have included a substantial increase in the appropriation for children with special educational needs. This request for additional funding was important because it acknowledged that policymakers recognized that all students learned differently and required different resources to be successful. In addition to requesting additional funds in support of public education, Governor O’Callahan requested a study that recommended consolidating school districts which included combining Esmeralda and Nye, Lincoln and Clark, Mineral and Lyon, Carson City, Douglas and Storey, and Lander and Eureka in order to maximize educational
benefits. Policymakers also deleted all references in the Nevada Revised Statutes to joint school districts in 1971.

Despite the need for additional funding in support of public education expressed by Governor O' Callahan and Superintendent Larson, policymakers did not approve the Governor’s budget proposal. Instead, policymakers allocated and provided an additional $6 million for supplemental programs, primarily for special education, which was added to the allocation determined by the Nevada Plan. This supplemental allocation for special education programs was significant because it allowed educators to comply with the federal mandates prescribed in the Education of All Handicapped Act, which was passed in 1974.

In addition, Governor O' Callahan sought greater financial support for elementary and secondary schools throughout Nevada from policymakers throughout his term as Governor from 1971 to 1979. He also recommended that policymakers allocate a one-time appropriation of $1 million to school districts throughout Nevada to acquire library materials, purchase or lease school buses, and to carry out minor construction projects. This one time allocation brought temporary relief to school districts across the state and was considered to be a step in the right direction by Mr. Hansen, Superintendent of Public Instruction, who replaced Superintendent Larson, and served from 1973 until his resignation in July 1975.

Despite being a step in the right direction, however, Superintendent Hansen noted in his Biennial Report (1975) that although the general support for public schools was increased 14% the first year of the Biennium and 4% the second year, inflation was
greater than expected, and funding was not sufficient (p.11). He did acknowledge, however, that beginning with the 1973-74 school year, state aid calculations would be made from enrollments at the end of the first month of school. This practice, he stated, made support calculations more closely related to the expenditures that must be incurred when schools were staffed at the beginning of the year, as well as made known to school administrators what their state aid would be early in the school year (Hansen, 1975, p. 11).

Nevadans Examine Additional Funding For Public Education

Governor O’ Callahan recognized additional state funding in support of education was essential to maintain programs for the increased student population. He worked diligently to obtain additional funding until his resignation in July 1975. Mr. John R. Gamble was appointed Superintendent of Public Instruction October 16, 1975, and replaced Dr. Kenneth Hansen as Superintendent. Superintendent Gamble continued the efforts of Dr. Hansen, who was devoted to not only obtaining additional funding in support of public education due to the increasing enrollments, but also to reorganizing the Office of the Superintendent. He felt that the reorganization was necessary to create more efficient and effective educational and funding systems. Furthermore, he spent much time working with individuals to develop systems of collecting, evaluating, and monitoring appropriate educational data statewide during his time as Superintendent the 1976-1977 year.

Governor O’ Callahan recognized the importance of collecting appropriate data to make recommendations that would benefit students throughout Nevada. He, like
Superintendent Gamble, supported additional state funding for public education and recommended that policymakers allocate a total of $188.3 million for Nevada schools. He explained that the additional funding would increase per pupil spending from $918 to $1,028 in the first year of the Biennium and to $1,120 in the final year of the Biennium for 1977, bringing the amount closer to the national average.

To meet the needs of the growing student population, policymakers also implemented the Economic Trigger into law for the first time and required all students to take competency tests to demonstrate academic proficiency. Requiring students to take competency tests was significant because it was the first instance in which funding was tied to performance. As a result, educators began focusing on the amount of money provided to students by the Legislature. Educators explained to policymakers that without sufficient funds in support of public education, students could not demonstrate optimum success on competency-based tests.

Nevada Tax Reform

Policymakers debated the issue of tax reform often due to obvious variations that existed with the amount of money that was raised through taxes for public education. Educators proclaimed that without sufficient funding for public education, students could not be held accountable for their academic performance. Consequently, policymakers proposed many tax initiatives to lessen the tax burden, equalize the amount of money provided for education within each district, and to allocate sufficient funding for public education.
Two of the tax initiatives that received considerable attention were Senate Bill 204 and Question No. 6. Senate Bill 204 was introduced to remove sales and related taxes from food and to provide a tax abatement for certain homeowners and renters. In fact, messages written by the Superintendent and Governor to the Legislature confirmed that Senate Bill 204 resulted in much debate amongst policymakers, specifically regarding the constitutionality of the bill. Senator Hemstadt best described the tax debate that existed with Senate Bill 204 and Question 6 and requested that his remarks be entered in the journal as described below:

"Mr. President, I hate to disappoint some of the people who were looking for a fight. I plan to stick with Senate Bill No. 204. I plan to stick with the concept of the bill. I love the concept. It is a Christmas tree. There is something for everything. It is a neat bill conceptually, but I hate the way it was executed. It is, in my opinion unconstitutional as hell. You have a situation where everyone here talks about the homeowners getting a better break. What is a better break other than unequal levels of tax assessment, which is specifically prohibited by the constitution? Apparently the Senate Taxation Committee considered a month ago, but not more recently, the possibility this bill might be ruled unconstitutional. They were hoping to have a court test before we adjourn so that we could fix it. Well, whatever goes through, whether it is Senate Bill No. 204 or the Assembly version, or a compromise, it would be difficult to get a court test, especially if you want to get a June election on the sales tax on food. I would hate to lose the election for the sales tax on food or have the whole thing unseverable as it is, be put aside because it is unconstitutional. Mr. Daykin, and I love Frank, has said many other bills, in his firm opinion, were constitutional, but they were found to be unconstitutional. In this thing he says we are going as far as we can. He is concerned about its constitutionality but still thinks it is constitutional. Well, just by weaseling some words and hoping that because you have the sales tax on food stuck in with it that you are going to club some judges into going along with it because the people voted for it, is irresponsible legislation at its worst. This bill is a naked attempt to bribe renters to vote against Question 6. But let me tell you this, if we adjourn and you get this through and you are proved wrong, you won't have any tax bill! Then you either come back to a special session, which the people love like the plague, or we end up having no tax reduction, which guarantees Question 6. I don't think anyone wants to guarantee Question 6. In its concept, what is trying to be done, to give renters a break, I would buy. I know the landlords aren't going to pass rebates through. If there is some way to execute
it, I would be the first to support that. On the other hand, I promised myself I was going to vote for all the tax reductions because of Question 6. Now I am caught between wanting to vote for this bill because it is a tax reduction, and wanting to vote against it because it is unconstitutional. I am going to vote “not voting” and these are my reasons” (pp. 456-457).

Upon conclusion of the debate, the vote resulted in 17 votes in favor of the question, one against, and Senator Hernstadt’s vote, which did not count because he refused to participate.

Nevada Tax and Funding Public Education

While Robert List, Nevada Governor from 1979 to 1983, considered tax reform crucial to relieve Nevadans of some of the tax burden, Superintendent Theodore Sanders, who served from 1979 to 1984, considered tax reform an opportunity to generate additional funds in support of public education. In order to best understand the proposed tax initiatives that were debated, it is important to recognize that at this time, schools in Nevada were allowed to levy $1.50 on each $100 of assessed value, where assessed value was defined as 35% of market value. Of this $1.50 rate, 70 cents was mandatory, 80 cents was optional. As a result, all Nevada school districts received some revenues from the State Fund (Atkinson, 1979).

Furthermore, revenues from the 80-cent optional tax were not equalized and since most districts made full use of the optional tax, only 47% of the local property tax revenues were equalized. In 1977-1978, the equalized portion of the property tax was $28 million, the unequalized portion was $32.1 million, and the sales tax was $43.4 million. These totals signified that approximately 69% of the “local resources” were equalized (Atkinson, 1979), indicating that variations in revenue existed within Nevada school districts.
In 1978-1979, major funding sources for schools included the Basic Support Guarantee, 1% LSST deducted from state obligation, and a property tax of $1.50 per $100 of assessed value. Of the $1.50, the optional 80 cents of local revenue was not deducted from state responsibility, but the mandatory 70 cents was deducted from state responsibility within the school funding formula. In addition to the LSST, slot tax, interest income, and federal mineral land lease payments deposited in the school fund, Nevada also collected and distributed the state’s share of federal revenue sharing funds to the school districts. The annual slot tax was limited to the credit allowed on the federal slot tax, which was 80% of $250 per machine in 1978 and 95% of $250 in 1979. Moreover, state aid accounted for approximately 40% of local general fund expenditures.

Major Tax Reform: 1979

Nevada was in the midst of a tax reduction movement similar to the tax initiative in California in 1978. In fact, Nevada voters approved Question 6, which was nearly identical to California’s Proposition 13, to create significant tax reform throughout Nevada. Unlike California, however, the process to revise the State Constitution by initiative in Nevada required two consecutive affirmative votes in successive general elections. The proposed amendment included:

1. Establishing a maximum 1% tax rate on the full cash value of property.
2. Defining “full cash value” as that value established for the 1975-76 fiscal year plus a maximum 2% inflationary increase.
3. Requiring a current appraised value to be placed on the property for new construction and sales during the year of construction or sale.
4. Providing a two thirds voting rule for legislative increases in non-property taxes.
5. Providing a two thirds voting rule for local electorate increases in non-property taxes.
Policymakers did not support Question No. 6, and, as a result of the initial approval by the voters, made tax cuts amounting to $244 million over the 1979-81 Biennium to avoid the inequities that existed in the proposed constitution revision. In fact, the 1979 Legislature approved a property tax relief package that reduced the total levy for school districts from $1.50 to $.050 per $100 of assessed valuation and the 1981 Legislature increased the local school support tax from 1.0% to 1.5% of taxable sales. In addition, policymakers reduced the amount of total taxes from $5.00 to $3.64 per $100 of assessed valuation to further encourage voters to reject Question No. 6.

The ratio of assessed value to market value remained at 35%, which reduced the effective tax rate from 1.75% of full cash value to 1.27%. The tax reform package meant that certain personal property was to be exempt from property taxation including business inventory, livestock, and household personal properties. These exemptions limited the amount of revenue provided for public education and was allowed by a constitutional amendment approved by the voters in November 1978 (Atkinson, 1979). Furthermore, a provision requiring landlords to refund a part of their tax savings to tenants was enacted at this time, and the sales tax on food for home consumption was repealed by a popular vote on June 5, 1979. These provisions provided relief for Nevada taxpayers, but provided less funding in support of public education.

The alternative tax package offered by the Legislature in response to Question 6 became effective immediately and was designed to self-destruct if Question 6 was passed a second time. Policymakers explained that the effect of the total tax reform package would have had a substantial impact on the Nevada school finance plan if passed a
second time. Policymakers also explained that the across the board tax rate reduction from $5.00 to $3.64 resulted in the state giving up its claim of 25 cents for the general fund and 11 cents for the State Assistance for the Medically Indigent Fund. The remaining $1.00 reduction reduced the school district's levy of $1.50 per $100 of assessed value to 50 cents and the loss to the school districts had to be made up by the state (Atkinson, 1979).

The Legislature Protects the General Fund

The Legislature protected its General Fund by enacting the trigger mechanism, which restrained state support when relevant state revenues did not increase at the prescribed rate. The relevant taxes were the two-cent sales tax and the tax on gross gaming revenue. If the combined increase in yield in these taxes was 10 to 12%, the state would contribute from the General Fund to the School Distributive Fund the equivalent of the total 30-cent levy, but the combined property tax rate could not exceed $3.64. If the combined increase was only 8 to 9%, for example, the state would only contribute the equivalent of 20 cents, and the combined rate could rise to $3.77, by allowing a school district to levy an optional rate of 67 cents rather than 50 cents. If there was a loss of state funds due to this trigger provision, school districts were allowed to make up the shortfall from their optional tax if there was capacity within the rate limit (Atkinson, 1979). If there was no increase in relevant state revenues, the school rate could reach 80 cents rather than 50 cents, and the maximum combined rate could reach $3.94 rather than $3.64 per $100 of assessed value.
Glen W. Atkinson, Professor of Economics, University of Nevada Reno, explained that the effects of the 1979 tax package were to increase the proportion of state to local funding of schools, but with a probable decrease in equalization of support per pupil. The state would fund the loss of the mandatory 70-cent levy and the loss of the tax on food. In addition, the state would make up for the loss of 30 cents of the optional property tax and allow the school districts to levy the remaining 50 cents within the revenue cap. Unfortunately, all of the increased State aid was returned on the basis of local assessed value or taxable sales. Moreover, the funding of the 30 cents of the optional tax directed more state aid to wealthy districts, creating further disparities between school districts (Atkinson, 1979).

As part of the tax reform plan of 1979, policymakers bought out $1.00 of the existing school property tax levy and reduced the allowable tax rate to 50 cents for fiscal year 1980. The legislature employed revenue caps on school districts for the 1980-81 Biennium, which reduced most local rates to less than 50 cents. The 1979 legislation also included a trigger-detrigger mechanism to either lower or raise the property tax rate in 1981, dependent on the state’s ability to fund its obligations to school districts.

In 1981, the tax rate was detriggered to 60 cents to relieve the state of some of that financial burden. In addition, property tax relief for the 1980-1981 Biennium from the school tax reduction amounted to over $118 million dollars. As a result of the property tax buy-out, the 70 cents property tax deduction within the school formula was eliminated (pp. 6,7), yet federal revenue sharing for the states continued. Furthermore, the federal slot tax of $250 per machine was eliminated, and a state tax of the same
amount was instituted for the benefit of education. The instituted state tax required the state to provide additional funds in support of public education, as opposed to the federal government.

As a result of the 1981 tax shift, which substituted sales tax for property tax, local governments suffered due to the amount of sales tax collected. In response to the revenue shortfall, the 1983 Legislature increased the property tax rate for local school districts from $0.50 to $0.75 per $100 of assessed valuation and placed the extra $.025 in the Nevada Plan formula to offset state general funds.

Property Taxes Before Question 6

Before proceeding with tax reform efforts and their effects on school finance, it is necessary to further describe Nevada's property tax system prior to the changes because of the significance of property tax revenues to funding public education. According to the Nevada Constitution, all real and personal property and possessory interest are to be uniformly and equally assessed, thus limiting changes that can be made. The Constitution limited the combined rates for cities, counties, schools, special districts, and the state to $5.00 per $100 of assessed value. Furthermore, Nevada state statutes limit the maximum local property tax rate to $3.64 per $100 of assessed valuation. In addition, the ratio of assessed value to market value was limited by statute to 35%. This statute mandated that no taxpayer was subject to more than 1.75% rate on full cash value.

To establish an appropriate formula, each taxing jurisdiction estimated their spending needs and how much needed to be financed with property tax revenues at that time. In addition, each taxing jurisdiction determined the necessary rate given their tax
base. If the combined rate exceeded $5.00, the jurisdictions negotiated a reduction to bring the rate within the limit. If the taxing jurisdiction failed to meet the $5.00, the State Tax Commission made the adjustment. Since everyone was subject to the state, county and school district levy, those properties outside of cities and special districts paid less than the $5.00 limit. The state received 25 cents of the $5.00 for the General Fund and the state took 11 cents for the statewide medically indigent program for a total state share of 36 cents (Atkinson, 1979).

The existence and growth of a state surplus, an attempt by the people to deal with inflation, and the ability to take advantage of neighboring California's tax reduction campaign were additional reasons calling for the tax reduction. One of the contributions to the state surplus was the method used to compute the state's share of the Nevada Plan. The State Budget Office was conservative in predicting revenues for each Biennium and consistently underestimated local revenues for schools, including the mandatory 70-cent property tax and the one-cent Local School Support Tax on sales. This underestimation required more to be budgeted for the School Distributive Fund than would be used to meet the minimum per pupil support level. In addition, this underestimation resulted in money being reverted from the School Distributive Fund to the General Fund at the end of each year, which added to the surplus (Atkinson, 1979).

Governor Robert List, who served as Nevada's Governor from 1979-1983, urged policymakers to allocate additional funding in support of public education. He explained that since Nevadans shared a common bond and concern about the quality of education children received, the support and passing of his recommended budget was imperative.
He further explained that his budget proposal reflected the continued emphasis to ensure that children educated in Nevada receive the best possible education at the maximum rate of return for the taxpayers’ dollars (List, 1981). Finally, Governor List proclaimed that policymakers had no other choice than to provide additional funding if educators were to comply with legislative mandates previously adopted. One such mandate mentioned to support Governor List’s statements included the legislative mandate of 1977. The legislative mandate of 1977 required students at certain milestones in school to pass competency tests. Without additional funding, Governor List explained, accomplishing the objectives was not probable.

Legislative Mandates and the Role of the Department of Education

Messages and reports written by Nevada Governors and Superintendents indicated that the Nevada Department of Education was taking an active role in debating public school finance. The Department of Education was the administrative arm of the state board responsible for carrying out the provisions of state statute, administering federal education programs, and implementing board policy (Department of Education, 1978). As a result, the Department of Education became involved with determining state mandates school districts were required to follow, debating the amount of money allocated for public education, and evaluating disbursement methods utilized throughout Nevada.

The Department of Education was administratively reorganized into the Office of the Superintendent, the Office of Educational Accountability, the Office of Technical Assistance, and the Office of Internal Services. Records obtained from the Department
of Education indicated that this reorganization drastically impacted the entire education system and how it was monitored. These changes were established to improve communication between the different entities, while making the system more efficient, effective, and less costly.

The Department of Education administered the Elementary and Secondary Education Act which provided federal funds to all of the 17 local school districts in Nevada and the Nevada Youth Training Center for acquisition of school library resources, instructional materials, equipment, and programs in testing, guidance, and counseling” (Department of Education, 1978). Since each of these duties drastically impacted educational programs provided throughout the state, policymakers took an active role in evaluating and debating actions taken by the Department. Consequently, the decisions made by policymakers and the Department of Education impacted the amount of funding required for public education.

Although the Department was undergoing a number of changes, many of which appeared to be positive as indicated above, educators throughout Nevada still felt that laws relating to the funding of education needed to be recodified. In fact, Superintendent Ralph DiSibio, who served as Superintendent during 1978, considered the laws inappropriate, unconstitutional, and no longer applicable to current conditions. As a result, the 59th Legislature directed the Legislative Commission to conduct a study to

48 In fiscal year 1977, 460 children received supplementary guidance and counseling services and 13 school districts received grants for innovative and exemplary programs. In fiscal year 1978, 14 Nevada school districts, plus the Nevada Youth Training Center, implemented projects, which included services for handicapped and academically talented children (Department of Education, 1978, p. 146).
recodify Nevada's educational laws and to report the results of these studies to the 60th Session of the Legislature. The Legislature also increased the Distributive School Fund, providing additional funds in support of public education throughout the state. During the 1976-1977 school year, the department distributed $76,340,054 from the State Distributive School Fund and the total state enrollment was 137,775 (Department of Education, 1978). In 1977-1978, the enrollment was 140,077 and $84,326,117 was distributed49. "Through the efforts of the board, as well as those of educators, interested citizens and legislators, the 59th Legislature passed the largest amount of basic pupil support in the history of Nevada" (Department of Education, 1978, p. 153), eliminating some of the financial hardship within public schools throughout Nevada. Unfortunately, disparities in funding still existed throughout the state, and the amount of funding allocated only met the basic needs of students enrolled in Nevada public schools.

Changes to the funding of education, as well as the reorganization of certain departments, continued to occur throughout Nevada, and Ted Sanders was appointed Superintendent of Public Instruction, replacing Ralph DiSibio. Ted Sanders served as Superintendent from 1979 to 1984 and focused on public school funding, better accounting measures, and local school accountability.

Upon his appointment, Mr. Sanders immediately implemented change in regard to public school finance. He utilized federal funds to improve the fiscal accounting and

49 School districts also received $616,636 in fiscal year 1977 and $675,000 in fiscal year 1978 from the State Distributive School Fund for support of the High School Diploma Program. In addition, the department distributed $162,715 in fiscal year 1977 and $161,420 in fiscal year 1978 from the Automobile Driver's Education Fund (Department of Education, 1978, p. 150).
reporting capabilities of local school districts and the Department of Education. He also worked diligently to improve accounting systems that were in place. Mr. Sanders planned, implemented, and substantially completed many projects relevant to the educational management information systems. These projects included:

1. A new chart of accounts for accounting for and reporting of fiscal data relating to the public schools of Nevada.

2. The development and delivery of the training, technical assistance and software necessary to enable local school districts to convert to the new system.

3. A new internal automated system that enabled the Department of Education to accept the local school district fiscal information based upon the new system, and to utilize it to satisfy federal and state reporting requirements (Sanders, 1979, p.137).

These major changes to educational and accountability systems, as well as changes to the funding formula and programs utilized, came about by the large increase in aid provided by the major tax reform passed by the 1979 Legislature as previously described. The state added 1.00 (10 mills) of assessed valuation under Senate Bill 204, as part of the guaranteed basic support provided to school districts, and this action resulted in a local levy decrease by the same amount” (Department of Education, 1980, p. 142).

During the 1978-1979 school year, $90,420,521 was distributed from the State Distributive School Fund and $154,791,922 in 1979-1980. Additionally, “increases in aid were experienced in federally funded special education, migrant children, school lunch, and library and learning resources programs, as well as state funded special education and capital improvement programs” (Department of Education, 1980, p. 142). Unfortunately, funding per pupil remained less than the national average and funding
provided for special education programs was not sufficient to meet even the basic requirements for program implementation.

The Amount of Federal Funding Lessened

The year 1981 marked a turning point in American Education because after a steady expansion of federal education programs nationally, both in terms of funding support and diversification, the federal government began to retreat from national needs in education. "The Reagan Administration's pledge to dismantle the Department of Education, which in its first year of existence had demonstrated its value in coordinating federal education efforts and enhancing accountability for programs in its purview" (Sanders, 1979), was seen as perhaps the most significant sign of the retreat. The Committee for Economic Development proclaimed that if trends continued as they had, the scarcity of well educated and well qualified people in the work force would seriously damage the country's competitive position in an increasingly challenging global marketplace (Sanders, 1979, p. 4).

As a result, policymakers became increasing involved and interested in creating immediate change. Traditionally, these areas promoting equality and meeting national needs, both economic and social, had been the key responsibility in education assumed by the federal government (Sanders, 1979, p. 4), yet changes made at this time indicated that individual states were taking a more active role, and that the role of the federal government was diminishing.

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Nevada: Its Disdain for Accepting Federal Funds

Nevada policymakers in particular have expressed disdain when it comes to federal involvement in funding public education throughout history. In fact, according to the Education Research Service (2002), the percentage of funding provided for public education from the federal government to Nevada in 2001-2002 was 5.4 percent, compared to 6.1 percent in Arizona, 7.6 percent in Utah, 10.6 percent in California, and 12.9 percent in New Mexico. Furthermore, decreasing funds in support of public education provided by the federal government have been evident throughout Nevada’s history (Nevada Department of Administration, 1988, p. 195), and declined from 7.3 percent in 1970 to 4.3 percent in 1987.

Federal funds have been obtained for operating expenses in the Clark County School District by Public Law 103-382 primarily (Impact Aid – Formerly PL 81-874). Public Law 103-382 provides federal assistance for operating funds to districts, which have experienced increases in student enrollment and corresponding expenses due to an influx of new residents to work in government connected industries exempt from paying property taxes. Income from federal sources in the Clark County School District for the 2001-2002 fiscal year was estimated at $485,000 (Clark County School District Budget and Statistical Report, 2002).

Nevada Policymakers Recognize Need for Change

Nevada policymakers recognized the need for immediate change and enacted many bills that drastically impacted the funding of education throughout the state. AB 171 (1981) was one such bill that had an immediate impact on educational funding. The
bill made appropriation for a study of the Nevada Plan of financing public education throughout Nevada. The study was conducted to determine whether children throughout the state were being provided services and sufficient funds to provide sufficient educational opportunities. The study was also conducted to review purchasing practices, composition, geographical boundaries, and size of school districts (Department of Education, 1982). The State Department of Education (1982) explained, however, “the primary objective of the study was the achievement of equity in the distribution of funds to local school districts” (p. 128). Data collected from the study resulted in the Legislature reestablishing the mandatory 50-cent property tax levy, drastically impacting the source and amount of revenue designated for education. The state could not continue its level of school support without additional revenue in 1981, and policymakers were unwilling to increase property tax due to opposition. Consequently, the LSST rate was raised from 1% to 1.5% and the state’s share of federal revenue sharing was eliminated.

As a result of data collected from the study, policymakers approved the Education Consolidation and Improvement Act (ECIA) of 1981. The Education Consolidation and Improvement Act appropriated money for the improvement and expansion of local educational programs for educationally disadvantaged students (Department of Education, 1984, p. 130). In addition, 28 former categorical educational programs merged into one educational block grant, including the ESEA Title IV Program. Consequently, 80% of block grant funds were dispersed to local school districts according to an approved formula. Distributions were made based on enrollment, children in public and private schools, numbers of children from low income families,
and numbers of children ages 5 – 17 receiving Aid for Dependent Children payments. This combination of formula elements yielded a weighted enrollment, which combined with the Basic Pupil Support Ratio and translated into an allocation amount for each school district, which went into effect in 1983 (Department of Education, 1984, p. 131).

While 80% of block grant funds were dispersed to local school districts, the remaining 20% of the block grant funds was used to provide teacher training and to revise competency goals in reading and math. The funds were also used to secure contracts with textbook publishers and to fund other general services to school districts (Department of Education, 1984, p. 132).

While the Elementary and Secondary Education Act of 1965 appropriated money for the improvement and expansion of local educational programs for educationally disadvantaged students, amounts dispersed to local school districts were drastically affected by tax reform in 1981 (Department of Education, 1982). Because of declining state revenues and the decline of the LSST related to the national economic in fiscal year 1983, school districts implemented basic support reductions of approximately $5 million. Furthermore, the legislature appropriated approximately $11.7 million to the school fund to meet fiscal year 1983 state obligations to the school districts (Department of Education, 1984, p. 7). The amount of state aid decreased to approximately 51% of local general fund expenditures, negatively impacting the funding of education throughout Nevada.
A Nation at Risk: The Imperative for Education Reform

On August 26, 1981, the National Commission on Excellence in Education was created and directed to present a report on the quality of education in America by April 1983. The commission was created as a result of the Secretary of Education's concern about "the widespread public perception that something is seriously remiss in our education system" (p. 1). The Commission's goal was to help define the problems afflicting American education and to provide solutions. The charter created contained several specific goals which included assessing the quality of teaching and learning, comparing American schools with those of other nations, and studying the relationship between college admissions requirements and student achievement in high school. The chart also was intent on identifying educational programs which result in student success in college, assessing the degree to which major social and educational changes in the last quarter century have affected student achievement, and defining problems which must be faced and overcome to pursue the course of excellence in education (1983, pp. 1,2). The Commission relied primarily on papers commissioned from experts, individuals who testified at six public hearings, two panel discussions, a symposium, and a series of meetings organized by the Department of Education's Regional Offices, existing analyses of problems in education, letters from concerned citizens, and descriptions of notable programs and promising approaches in education.

While the report was comprehensive in nature, information provided in this dissertation directly relates to the funding of education and rigorous accountability measures that derived from the study. Findings from the study included
recommendations to state and local officials to be responsible for financing and
governing the schools, while incorporating the reforms proposed in educational policy
and fiscal planning (p. 32). The Commission also stated that the “Federal Government,
in cooperation with the States and localities, should help meet the needs of key groups of
students, such as the gifted and talented, the socio-economically disadvantaged, minority
and language minority students, and the handicapped” (p.32).

The Commission also recommended that schools adopt more rigorous and
measurable standards, and higher expectations, for academic performance and student
conduct (p. 27). Moreover, standardized tests of achievement were recommended to
certify each student’s credentials, identify the need for remedial intervention, and to
identify the opportunity for advanced or accelerated work (p.28). The Commission
recommended further that students in high schools be assigned far more homework,
instruction in effective study and work skills be introduced, longer school days and years
be instituted, and that the burden on teachers to maintain discipline be reduced through
the development of firm and fair codes of student conduct (p. 29).

Despite declining state revenues, however, Governor Richard Bryan, who served
from 1983 to 1989, recommended that policymakers at the 62nd Legislative Session
provide additional revenues to support State Government during the 1983-85 Biennium.
He recommended that the increased revenues be utilized to provide funds necessary to
operate state agency programs, the University of Nevada System, and elementary and
secondary education throughout Nevada. In response, policymakers increased the school
property tax from 50 cents to 75 cents in 1983. The additional 25 cents was deducted from state guaranteed support to arrive at state responsibility within the funding formula.

Enrollment Figures and the Cost of Education Continues to Rise

While policymakers slightly increased state funding in support of public education, Superintendent Eugene Paslov, who served from 1985 to 1994, indicated that further changes were needed to accommodate increased enrollment and the rising cost of education. As a result, the 1985 Nevada Legislature adopted Senate Concurrent Resolution 3, which directed the Legislative Commission to study the means by which public elementary and secondary education in Nevada was financed. Public education received extensive national and statewide attention at this time, and significant changes in the method of financing Nevada’s public schools had occurred since 1979.

Although public education was the single largest appropriation approved by the Nevada Legislature each Biennium, policymakers did not discuss whether the amount allocated would provide sufficient funding to cover all of the required costs. Legislators did provide some additional appropriations from the state general fund for all educational programs in 1985 due to the rising cost of education and increased student enrollments, yet the amount did not meet the demand. Policymakers increased the appropriation from 55.2% of the total general fund during the1983-1985 Biennium to 57% for the 1985-1987 Biennium\(^{50}\). Legislators also increased appropriations for Kindergarten through 12\(^{th}\) grade from 35.7% to 36.1% of the total general fund for the same period. The additional funding was provided primarily to maintain existing educational practices and to provide

\(^{50}\) Information obtained from the Department of Administration, 1988.
additional funds for children with special needs. Moreover, federal funding for education had decreased. For example, in 1980, federal government spending for education totaled about 1.2 percent of all federal outlays, but by 1987, however, the share had declined to 0.75 percent. Federal funding in Nevada declined from 7.3 percent in 1970 to just over four percent in 1987. Of the total expenditures in 1987 for public education, local sources contributed 57.3 percent, State sources contributed 38.4 percent, with federal sources contributed only 4.3 percent of the total cost for instruction to Nevada students (Department of Administration, 1988, p. 195).

Furthermore, policymakers approved a temporary "double hold harmless" provision to assist the White Pine County School District due to major changes that were occurring in that area. The White Pine County School District was experiencing an enrollment decline greater than any district had experienced before and did not receive sufficient funds to maintain existing programs. Under the "double hold harmless" provision, the White Pine School District could be paid state aid on the current year's enrollment or either of the two previous year's, provided enrollment had declined at least 5% from the previous year.

Unfortunately, however, the "double hold harmless" provision was scheduled to expire July 1, 1987. Policymakers felt that the "double hold harmless" provision had served its designed purpose and had provided the opportunity for a school district with rapidly declining enrollments, such as White Pine, to make adjustments necessary to provide an educational program with less state aid (p. 11). Due to the obvious benefits, the committee recommended that NRS 387.1233 be amended to extend the "double hold
harmless” to July 1, 1989, and that the State Department of Education and school districts monitor the effects of the “double hold harmless” provisions. Policymakers explained that monitoring the provisions would ensure that undesirable anomalies did not occur, while a more consistent method of protecting districts from rapid enrollment declines could be developed (p.11).

Due to increasing student enrollment, policymakers were urged to provide additional state funding for public education. Nevada had experienced unprecedented growth in school enrollments. From 1980 to 1987, school enrollment increased 12 percent or 18,000 students, growing from 149,500 to 168,350 (Department of Administration, 1988, p. 194). Governor Richard Bryan explained to the Legislature that additional funds were needed and that the clear priority of his budget and the path upon which he believed Nevadans should embark was improving our educational system (Bryan, 1985).

Governor Bryan’s proposed budget contained distinctly increased resources for public schools to add special education programs for children, both extraordinarily gifted and those needing special help. His proposed budget also provided for increased graduation requirements, strengthened career offerings, the lowering of class sizes, and salary increases. He stated that funds for higher salaries were crucial to attract and retain dedicated teaching professionals. State aid was recommended for enrollment increases, inflationary increases, an 11% salary increase in 1986, and an additional 3% in 1987. He
also proposed increased special education units\textsuperscript{51}, and $6 million per year for program improvements\textsuperscript{52}. Furthermore, his budget provided one-time funds in the amount of $10 million for program improvements\textsuperscript{53} and a 5\% incentive payment to school employees.

In addition, policymakers approved the trigger mechanism, which provided $7.4 million for school districts dependent on the general fund balance as of June 30, 1986. On April 21, 1986, the State Board of Examiners determined that the general fund balance exceeded the level required by the trigger mechanism and an additional $7.4 million was distributed to school districts throughout the state, temporarily solving some of the financial problems that existed within school districts.

Additionally, property tax rates were continued at 75 cents and state aid remained steady at about 43\% of the projected local general fund expenditures. Governor Bryan urged policymakers to accept the state's responsibility to provide financial support for the educational needs of Nevada's children with learning disabilities, physical handicaps, mental retardation, and those who were considered to be academically talented. He proposed an additional 23.9\% increase in funding for special education, which was the

\textsuperscript{51} The number of handicapped children, ages 30-21 served in Nevada in 1986-1987 increased from 12,932 to 13,469 during the first year of the biennium and to 13,567 the second year (Nevada, 1986, p. 141).

\textsuperscript{52} The Legislature approved S.B. 514 in 1985, which appropriated $6 million for each year of the current Biennium for program improvements. Specifically authorized under this bill was the use of these funds to reduce class sizes in grades one, two, and three on an optional basis. In addition, the committee recommended that the 1987 Legislature limit actual class size in grades 1 through 3 to 22 students per teacher and that the Department of Education, working with the State Board of Education and the school districts, develop a plan of implementation to be presented to the 1987 legislature for consideration (11-12).

\textsuperscript{53} The one time allocation was mainly utilized for upgrading school equipment
largest percentage proposed in nearly 10 years and the largest dollar increase since the
program was established (Bryan, 1985, p. 22).

As a result, policymakers approved additional funding for education and passed
A.B. 474, which appropriated $70,000 to White Pine to support technology\textsuperscript{54} and A.B.
726\textsuperscript{55} to continue to adjust the wealth factor. This adjustment was established to
eliminate visible disparities in provided funding and resources that existed throughout
Nevada. Furthermore, the Legislature approved a method by which the wealth factor in
the second year of the Biennium could be adjusted to reflect actual valuation results.
These provisions were activated for 1986-1987 state support guarantees to maintain
equalization based on wealth. They also maintained local wealth equalization, while
protecting school district’s relative wealth position. Due to these factors,

\textsuperscript{54} The 1985 Legislature approved A.B. 474, which appropriated $70,000 to the
Department of Education to be allocated to the White Pine County School District to
support program improvements in the educational program at Lund. The purpose of the
appropriation was to provide, as a pilot project, special funding for the Lund school to
provide additional educational opportunities through telelearning and associated
technologies.

\textsuperscript{55} A.B. 726 contained a provision, for the first time, that allowed the Department of
Education to adjust the real property wealth factor for school districts in the second year
of the Biennium. In previous biennia, the wealth factor for each school district was
determined during the legislative session in order to establish the state guaranteed support
levels for each district for each year of the coming Biennium. The wealth factor was an
adjustment to the guaranteed basic support that equalized wealth and was determined by
relative assessed value per student among the school districts. As such, each district’s
wealth factor was contingent upon the assessed value of the district and the number of
students. Finally, previously, the wealth factor for the second year of each Biennium was
determined 12 to 15 months in advance of that fiscal year and was based on assumed
enrollments and a statewide percentage increase in assessed value.
recommendations were made to continue utilizing the provisions of wealth factor for each second year (pp. 16, 17).

In addition, a study of the means of financing public education was approved and conducted by the Legislative Counsel Bureau to conduct an urgent review of the methods used to finance the maintenance, operation, and expansion of the public schools in Nevada. This study determined whether each child received a reasonably equal educational opportunity. Policymakers approved the study and explained that it was imperative that the money received for the support of public school be apportioned and utilized to provide programs of instruction in the most effective manner possible. The Legislative Counsel Bureau determined that the quality of education provided to pupils in Nevada would decline unless adequate financial means were utilized to support the system of public instruction (p. iii).

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Upon concluding the study, the committee made the following recommendations and urged legislators to take immediate action:

1. Amend NRS 387.1233 to extend the "double" hold harmless provision for declining school district enrollment for two more years to July 1, 1989.
2. Legislature must require that actual class sizes for grades 1-3 be reduced to a target size of 22 students per teacher and submit plan for class size reduction over a five-year period.
3. Legislature must also continue to address, on a case-by-case basis, the special needs of rural or isolated schools rather than adopt an artificial formula to increase support.
4. Study the feasibility of telelearning / technology programs for Nevada.
5. Authorize an interim study to review special education and funding practices.
6. Commend question No. 5 (estate pick up tax) and pass.
7. Amend NRS 387.195 and other related sections to require that school districts receive income from the investment of debt service funds.

Interestingly, the Legislative Counsel Bureau determined that no major changes in the basic concept of the Nevada Plan were needed. The Legislative Counsel Bureau reiterated, however, that NRS 387.195 required that each county levy 75 cents per $100 of assessed value for the support of public schools and that out of this tax, 25 cents was to be deducted in the Nevada Plan formula from the state's responsibility. The remaining 50-cent rate, however, provided additional operating funds for the school districts.

The Legislative Counsel Bureau studied funding plans that were utilized in other states for rural and isolated schools\(^{57}\) as well. They recommended that policymakers continue to address the special needs of rural or isolated schools, rather than adopt an artificial formula mechanism for their support. In addition, the Legislative Counsel Bureau acknowledged that additional funding was required to accommodate children

with special needs. Consequently, the committee recommended that the 1987 Legislature authorize an interim study of special education to develop a long range plan, encompassing the availability of special education services and its funding.
CHAPTER SEVEN

ACCOUNTABILITY CONTINUES

Additional Accountability: The Need for Additional Funding

This chapter will begin by providing essential information related to funding education in Nevada from 1987 to the present. Information related to the Price Waterhouse Study, increasing student enrollment and costs of education, and stricter accountability measures are also provided. In addition, a brief timetable is provided below which highlights important events included in this chapter.

Timetable of Key Historical Events: 1987 - Present

1987    Price Waterhouse Study conducted
1989    Additional funding allocated for Class Size Reduction
1993    Section related to accounting for funding distributed to school districts for children with disabilities added to Nevada Plan
1996    Final report regarding the reconfiguration of the structure of Nevada school districts (M.A.P.) submitted
1997    Legislature authorized counties with a population of more than 400,000 to earmark 60 cents of real property transfer tax for school district capital projects.
        Nevada Education Reform Act passed
        Special appropriations approved by 1997 Legislature were not included in the budget. These included Even Start, School to Careers, Remediation, SMART, and education technology
Fiscal Affairs of State and Local Governments in Nevada Studied

On November 18, 1988, Price Waterhouse completed a study that was commissioned by the Legislative Committee to make policy recommendations to guide Nevada fiscal through the next decade. The report, titled *Fiscal affairs of state and local governments in Nevada*, provided a methodical and comprehensive analysis and evaluation of state and local tax and intergovernmental fiscal relationships. The report indicated that the single most important theme that framed the discussion and analysis of Nevada's tax and intergovernmental system was that the system reflected the history and character of Nevada's people (1988, p.1). Individuals who conducted the study stated that the comprehensive discussion was necessary because Nevadans need to take a close look at state and local fiscal arrangements periodically and because it was important to provide policymakers with an analysis that addressed how well the fiscal system was likely to function in the context of the state's demographic and economic trends.

While the entire report is significant in identifying and evaluating Nevada's intergovernmental relationships, this dissertation includes information pertaining to school district finances in Nevada from 1977 to 1988. Between 1977 and 1988, total enrollment in Nevada public schools increased 16 percent, from 140,077 to 162,503 children. In addition, average total expenditures per pupil increased 134 percent, from $1,447 to $3,386. The state government was responsible for financing approximately 42 percent of the total in 1977-1978 and 47 percent in 1987-1988, which was similar to the national average of 50 percent.
The averages, however, reflected large differences across the seventeen school districts in Nevada. For example, in 1988, per pupil expenditures in Eureka were $9,071, while per pupil expenditures in Clark were only $3,225. Furthermore, the share of total expenditures financed by the state differed greatly among the different school districts. In 1988, total expenditures financed by the state ranged from 86 percent in Lincoln to 15% in Eureka. The *Fiscal affairs of state and local governments in Nevada* report described and documented the implementation and effects of the state aid program as it existed in 1988. The report also documented how state aid interacted with local sources of revenue in the various school districts throughout Nevada.

In 1988, as is today, state aid to school districts in Nevada was based on total guaranteed support levels, which were tailored to each district and from which state mandated, but locally generated, resources were subtracted (p. 11.2-5). The difference between total guaranteed support and local resources was state aid and was funded by the State Distributive School Account. The Nevada Plan, system for funding education, allows for differences across school districts in the costs of providing education and in local property wealth and is intended to cover approximately 85 percent of the districts’ general fund needs.

Although many changes have occurred to the state aid program since the inception of the Nevada Plan in 1967, the report described how the school aid programs functioned in 1987-1988. The report concluded that school districts had little discretion in tax revenues outside the guaranteed support and no choice in the imposition of taxes such as the sales tax, the Local School Support Tax, or the ad valorem tax on real estate.
property. The report also indicated that school districts had no choice in the imposition of tax rate levels. The report did note, however, that school districts could generate certain non-tax revenues such as sales and rent, but that these compromised an insignificant portion of the total budgets. Consequently, school districts had little control over tax revenues, but were heavily dependent on state government, which had nearly complete control over the size of the total budget and components of the revenue portion of the budget.

While the total guaranteed support included basic support and special education support, specific data is provided in the table below regarding basic support, to assist the reader in obtaining accurate statistics for the 1987-1988 school year. The figures provided on the following page are budgetary, not actual audited, and are for the General Fund only.
## 1987-1988 Basic Support

<table>
<thead>
<tr>
<th>School District</th>
<th>Enrollment</th>
<th>Basic Support Per Pupil</th>
<th>Basic Support Guarantee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carson</td>
<td>5,416.60</td>
<td>2,769</td>
<td>14,998,565</td>
</tr>
<tr>
<td>Churchill</td>
<td>3,058.80</td>
<td>2,849</td>
<td>8,714,521</td>
</tr>
<tr>
<td>Clark</td>
<td>96,715.40</td>
<td>2,446</td>
<td>236,565,868</td>
</tr>
<tr>
<td>Douglas</td>
<td>4,427.40</td>
<td>2,493</td>
<td>11,037,508</td>
</tr>
<tr>
<td>Elko</td>
<td>5,073.60</td>
<td>2,855</td>
<td>14,485,128</td>
</tr>
<tr>
<td>Esmeralda</td>
<td>160.40</td>
<td>4,250</td>
<td>681,700</td>
</tr>
<tr>
<td>Eureka</td>
<td>225.80</td>
<td>3,606</td>
<td>814,235</td>
</tr>
<tr>
<td>Humboldt</td>
<td>2,325.80</td>
<td>2,799</td>
<td>6,509,914</td>
</tr>
<tr>
<td>Lander</td>
<td>1,054.60</td>
<td>2,967</td>
<td>3,128,998</td>
</tr>
<tr>
<td>Lincoln</td>
<td>888.20</td>
<td>4,442</td>
<td>3,945,384</td>
</tr>
<tr>
<td>Lyon</td>
<td>3,423.20</td>
<td>3,106</td>
<td>10,632,459</td>
</tr>
<tr>
<td>Mineral</td>
<td>1,128.80</td>
<td>3,026</td>
<td>3,415,749</td>
</tr>
<tr>
<td>Nye</td>
<td>2,753.00</td>
<td>2,978</td>
<td>8,198,434</td>
</tr>
<tr>
<td>Pershing</td>
<td>732.40</td>
<td>2,966</td>
<td>2,172,298</td>
</tr>
<tr>
<td>Storey</td>
<td>294.40</td>
<td>4,047</td>
<td>1,191,437</td>
</tr>
<tr>
<td>Washoe</td>
<td>33,429.60</td>
<td>2,331</td>
<td>77,924,398</td>
</tr>
<tr>
<td>White Pine</td>
<td>1,395.00</td>
<td>3,379</td>
<td>4,713,705</td>
</tr>
<tr>
<td>Total:</td>
<td>162,503.00</td>
<td>2,517</td>
<td>409,130,301</td>
</tr>
</tbody>
</table>

It is important to recognize that in 1987-1988, much like today, school districts varied greatly in student enrollment. For example, the Clark County School District, which was and is the largest school district in Nevada, had a weighted enrollment of approximately 97,000 students, while Esmeralda had a weighted enrollment of approximately 160 students. These differences in size are significant for interpreting the findings from the study as they relate to each district within the state.

The statewide average basic support per pupil in 1987-1988 was $2,517, which resulted from the implementation of the Nevada Plan and legislatively determined levels.
of spending. Statistical data provided from the study indicated that only Clark, Douglas, and Washoe County School Districts had basic support per pupil amounts less than the average in 1988. The three school districts that guaranteed the highest levels of basic support were Esmeralda at $4,250, Lincoln at $4,442 and Storey at $4,047. Basic support ratios differed across school districts for several reasons, one of which included, the differences in the cost of education. Each school required an administrative staff of minimum size that included a principal, regardless of the size of the school, and as a result, administrative costs were higher in smaller school districts.

Information provided on the next page indicates the basic support ratios for the 1987-1988 school year by district. Clark and Washoe had the lowest ratios at 0.9590 and 0.9667 respectively. The highest ratios were derived for Eureka and Lincoln at 2.0129 and 1.7100 respectively. This indicated that costs per pupil in Eureka were more than twice as high as costs per pupil in Clark.
### 1987-1988 Support Ratios and Cost-Based Basic Support Per Pupil

<table>
<thead>
<tr>
<th>School District</th>
<th>Basic Support Ratios</th>
<th>Cost-Based Support Per Pupil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carson</td>
<td>1.0870</td>
<td>$2,544</td>
</tr>
<tr>
<td>Churchill</td>
<td>1.0904</td>
<td>$2,551</td>
</tr>
<tr>
<td>Clark</td>
<td>0.9590</td>
<td>$2,244</td>
</tr>
<tr>
<td>Douglas</td>
<td>1.0977</td>
<td>$2,569</td>
</tr>
<tr>
<td>Elko</td>
<td>1.1385</td>
<td>$2,664</td>
</tr>
<tr>
<td>Esmeralda</td>
<td>1.7046</td>
<td>$3,989</td>
</tr>
<tr>
<td>Eureka</td>
<td>2.0129</td>
<td>$4,710</td>
</tr>
<tr>
<td>Humboldt</td>
<td>1.1857</td>
<td>$2,775</td>
</tr>
<tr>
<td>Lander</td>
<td>1.1752</td>
<td>$2,750</td>
</tr>
<tr>
<td>Lincoln</td>
<td>1.7100</td>
<td>$4,001</td>
</tr>
<tr>
<td>Lyon</td>
<td>1.1227</td>
<td>$2,627</td>
</tr>
<tr>
<td>Mineral</td>
<td>1.1679</td>
<td>$2,733</td>
</tr>
<tr>
<td>Nye</td>
<td>1.1766</td>
<td>$2,753</td>
</tr>
<tr>
<td>Pershing</td>
<td>1.1748</td>
<td>$2,749</td>
</tr>
<tr>
<td>Storey</td>
<td>1.6428</td>
<td>$3,844</td>
</tr>
<tr>
<td>Washoe</td>
<td>0.9667</td>
<td>$2,262</td>
</tr>
<tr>
<td>White Pine</td>
<td>1.1736</td>
<td>$2,746</td>
</tr>
</tbody>
</table>

### Support Ratios and Cost-Based Basic Support per Pupil 1987-1988

As noted, the statewide average level of support per pupil was $2,340 in 1988. The cost based basic support per pupil column indicates the average support per pupil multiplied by the basic support ratio for each district. The next chart is provided to assist the reader in identifying statistics related to the three components of the district basic support per pupil, which includes cost-based basic support, transportation adjustment, and wealth adjustment. Since each component is discussed in great detail in the chapter related to the Nevada Plan, only a brief description and specific data are provided. The values for each component and the basic support per pupil for the 1987-1988 school year are displayed.
## Components of 1987-1988 Basic Support per Pupil, Dollars

<table>
<thead>
<tr>
<th>School District</th>
<th>Cost Based</th>
<th>Transportation</th>
<th>Wealth Adjustment</th>
<th>Basic Support Per Pupil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carson</td>
<td>2,544.00</td>
<td>118</td>
<td>71</td>
<td>2,733</td>
</tr>
<tr>
<td>Churchill</td>
<td>2,551.00</td>
<td>215</td>
<td>184</td>
<td>2,950</td>
</tr>
<tr>
<td>Clark</td>
<td>2,244.00</td>
<td>119</td>
<td>47</td>
<td>2,410</td>
</tr>
<tr>
<td>Douglas</td>
<td>2,569.00</td>
<td>231</td>
<td>-292</td>
<td>2,508</td>
</tr>
<tr>
<td>Elko</td>
<td>2,664.00</td>
<td>170</td>
<td>29</td>
<td>2,863</td>
</tr>
<tr>
<td>Esmeralda</td>
<td>3,989.00</td>
<td>987</td>
<td>-605</td>
<td>4,370</td>
</tr>
<tr>
<td>Eureka</td>
<td>4,710.00</td>
<td>823</td>
<td>-1804</td>
<td>3,729</td>
</tr>
<tr>
<td>Humboldt</td>
<td>2,775.00</td>
<td>156</td>
<td>84</td>
<td>3,015</td>
</tr>
<tr>
<td>Lander</td>
<td>2,750.00</td>
<td>154</td>
<td>56</td>
<td>2,960</td>
</tr>
<tr>
<td>Lincoln</td>
<td>4,001.00</td>
<td>247</td>
<td>343</td>
<td>4,591</td>
</tr>
<tr>
<td>Lyon</td>
<td>2,627.00</td>
<td>290</td>
<td>208</td>
<td>3,125</td>
</tr>
<tr>
<td>Mineral</td>
<td>2,733.00</td>
<td>193</td>
<td>-210</td>
<td>2,716</td>
</tr>
<tr>
<td>Nye</td>
<td>2,753.00</td>
<td>235</td>
<td>-86</td>
<td>2,902</td>
</tr>
<tr>
<td>Pershing</td>
<td>2,749.00</td>
<td>241</td>
<td>-66</td>
<td>2,924</td>
</tr>
<tr>
<td>Storey</td>
<td>3,844.00</td>
<td>135</td>
<td>24</td>
<td>4,003</td>
</tr>
<tr>
<td>Washoe</td>
<td>2,262</td>
<td>132</td>
<td>-142</td>
<td>2,252</td>
</tr>
<tr>
<td>White Pine</td>
<td>2,746</td>
<td>324</td>
<td>283</td>
<td>3,353</td>
</tr>
</tbody>
</table>

As indicated, the two school districts with the highest basic support per pupil amounts are Esmeralda and Lincoln, at $4,370 and $4,591, respectively. Oppositely, Clark and Washoe have the lowest basic support per pupil amounts at $2,410 and $2,252 respectively. It is important to note that the values for basic support per pupil displayed differ from the values actually used in determining state aid in 1987-1988 due to adjustments made for special programs and unanticipated deficiencies in the Distributive School Fund.

The *Fiscal affairs of state and local governments in Nevada* report also investigated the level of dependency of each school district on the state, and the
contribution of property taxes to school district finance. The report concluded that guaranteed support levels fell short of total revenues available to the school districts. As a result, school districts were required by the state to assess an additional ad valorem tax and in return, the school districts received a portion of the revenues raised under the franchise and motor vehicle privilege tax.

The table provided below illustrates the basic support guarantee, amount of money provided for special education, total aid, and state aid provided to each Nevada school district in 1987-1988. It also indicates that the collective total for the seventeen total guaranteed support levels was $434,930,301 and that the collective corresponding total current receipts were $536,877,652, which was a difference of $101,947,351. The revenue source that contributed most to the difference was the ad valorem tax. These figures indicated that school districts that were relatively property rich raised total revenues that far exceeded their total guaranteed support levels (p.11.2-11). An example included Lincoln County, which was relatively property poor, which had a total guaranteed support level of $4,149,384 and total revenue of $4,388,516, a difference of only 6 percent. Whereas Eureka County, which was relatively property wealthy, had a total guaranteed support level of $862,235 and total revenue of $1,432,774, a difference of 66 percent.
Guaranteed Support and State Aid, Dollars

<table>
<thead>
<tr>
<th>School District</th>
<th>Basic Support Guarantee</th>
<th>Special Education Guarantee</th>
<th>Total Aid</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carson</td>
<td>14,998,565</td>
<td>948,000</td>
<td>15,946,565</td>
<td>9,694,810</td>
</tr>
<tr>
<td>Churchill</td>
<td>8,714,521</td>
<td>504,000</td>
<td>9,218,521</td>
<td>7,444,414</td>
</tr>
<tr>
<td>Clark</td>
<td>236,565,868</td>
<td>15,096,000</td>
<td>251,661,868</td>
<td>144,130,334</td>
</tr>
<tr>
<td>Douglas</td>
<td>11,037,508</td>
<td>708,000</td>
<td>11,745,508</td>
<td>6,543,635</td>
</tr>
<tr>
<td>Elko</td>
<td>14,485,128</td>
<td>744,000</td>
<td>15,229,128</td>
<td>10,808,899</td>
</tr>
<tr>
<td>Esmeralda</td>
<td>681,700</td>
<td>72,000</td>
<td>753,700</td>
<td>606,204</td>
</tr>
<tr>
<td>Eureka</td>
<td>814,235</td>
<td>48,000</td>
<td>862,235</td>
<td>301,056</td>
</tr>
<tr>
<td>Humboldt</td>
<td>6,509,914</td>
<td>336,000</td>
<td>6,845,914</td>
<td>4,987,155</td>
</tr>
<tr>
<td>Lander</td>
<td>3,128,998</td>
<td>180,000</td>
<td>3,308,998</td>
<td>2,647,295</td>
</tr>
<tr>
<td>Lincoln</td>
<td>3,945,384</td>
<td>204,000</td>
<td>4,149,384</td>
<td>3,907,371</td>
</tr>
<tr>
<td>Lyon</td>
<td>10,632,459</td>
<td>576,000</td>
<td>11,208,459</td>
<td>9,668,082</td>
</tr>
<tr>
<td>Mineral</td>
<td>3,415,749</td>
<td>240,000</td>
<td>3,655,749</td>
<td>3,084,529</td>
</tr>
<tr>
<td>Nye</td>
<td>8,198,434</td>
<td>408,000</td>
<td>8,606,434</td>
<td>5,887,451</td>
</tr>
<tr>
<td>Pershing</td>
<td>2,172,298</td>
<td>120,000</td>
<td>2,292,298</td>
<td>1,730,995</td>
</tr>
<tr>
<td>Storey</td>
<td>1,191,437</td>
<td>48,000</td>
<td>1,239,437</td>
<td>971,599</td>
</tr>
<tr>
<td>Washoe</td>
<td>77,924,398</td>
<td>5,304,000</td>
<td>83,228,398</td>
<td>34,564,991</td>
</tr>
<tr>
<td>White Pine</td>
<td>4,713,705</td>
<td>264,000</td>
<td>4,977,705</td>
<td>4,124,461</td>
</tr>
<tr>
<td>Total:</td>
<td>409,130,301</td>
<td>25,800,000</td>
<td>434,930,301</td>
<td>251,103,281</td>
</tr>
</tbody>
</table>

In conclusion, from 1978 to 1988, the reliance of school districts on state aid had increased (p. 11.2-11). In addition, the upward trend in the dependency on the state had not been completely smooth because there had been dramatic changes in the treatment of the property tax under the Nevada Plan (11.2-11). For example, in 1982-1983, ad valorem taxes were not subtracted from the total guaranteed support level to arrive at the state aid. As a result, state aid was thus an extraordinarily large share of total guaranteed support levels. The report also indicated that the share attributable to state aid fell off after 1982-1983.
In 1977-1978, an average of 42 percent of total revenues was attributable to state aid. The district with the highest reliance was Lincoln at 59 percent, while Eureka had the lowest at 14 percent. In 1982-1983, the corresponding numbers were approximately 52 percent, with Lincoln receiving 83 percent and Douglas only 40 percent. These figures indicated the uniqueness of the 1982-1983 program. Furthermore, the average reliance on the state was 47 percent in 1987 with Lincoln having the highest reliance at 85 percent, and Eureka being least dependent at 22 percent. Consequently, school districts were generally more dependent on state aid in 1988 than in 1978, and the degree of reliance across the school districts on the state varied each year.

Along with the school districts’ reliance on state aid were changes in the reliance on local ad valorem property taxes. In 1978 for example, school districts raised an average of 30 percent of the total revenues from property taxes. Eureka had the highest share at 70 percent, while Mineral relied on property taxes for only 15 percent of the total revenues. In 1983, the average reliance on property tax was only 14 percent, with Eureka at 33 percent and Lincoln at only 7 percent. In 1988, however, the average reliance on the property tax was 22 percent. Property tax contributed 99 percent of Eureka’s total revenues, whereas Lincoln raised only 8 percent of total revenues from the property tax. *The Fiscal Affairs of State and Local Governments in Nevada Report* noted that the reason property taxes represented 99 percent of total revenues, while state aid represented 22 percent in Eureka, was that there was a large transfer out of the General Fund into other funds to arrive at total revenues. The report also explained that this was an accounting anomaly that had noticeable effects for Eureka only.
By looking at the assessed property value per pupil as a measure of wealth, it can also be determined that the three wealthiest districts in 1987-1988 were Eureka with $836,059, Esmeralda with $220,116, and Storey at $157,883. The three poorest districts were Lincoln at $52,090, White Pine at $58,189, and Churchill at $62,644, while the average assessed value per pupil in Nevada in 1988 was $95,704.

The school districts that received the most state aid in 1988 were Lincoln with $4,242, Esmeralda with $3,409, and Storey at $3,230. The school districts with the least state aid, however, were Washoe with $1,078, Eureka with $1,339, and Douglas with $1,496. Interestingly, these figures indicated that Lincoln, which was one of the poorest districts, received the most aid, while Eureka, the wealthiest district, was second to last in terms of aid per pupil. This suggests that the aid program could be considered redistributive in nature. However, Esmeralda and Storey were second and third in terms of the amount of aid per pupil, yet they were two of the wealthiest districts. This occurred because the state aid program was designed to accomplish more than simple distribution. More specifically, the formula attempted to control for differences in the costs of education. Furthermore, the report explained that the purpose of giving different amounts of aid to different school districts was to attempt to achieve more equal expenditures per pupil across the districts (p. 11.2-14). In addition, the report explained that the desire to eliminate inequities in educational opportunity, and expenditures per pupil were popular measures of educational opportunity. If cost differences exist, then complete equality of expenditures per pupil would not represent complete equality of opportunity. High cost school districts would be expected to spend more per pupil to
achieve the same level of education as that achieved by low cost school districts (p. 11.2-14).

Finally, the report indicated that state aid, ad valorem, and LSST were the three most important sources of revenue for school districts, contributing 95 percent of total revenues on average, and each was and is controlled by the state (p. 11.2-15). In 1988, state aid contributed almost 50 percent of total revenues on average, but school districts varied in their reliance on state aid. The school districts that relied heavily on state aid raised little revenue under the two local taxes, LSST and ad valorem and the range in total revenues per pupil across the school districts was approximately two to one with Eureka at $6,345 and Clark at $3,167.

From 1977 to 1988, the Nevada Plan resulted in school districts relying less on local property taxes and more on state aid to finance school expenditures. Differences in district wealth were still reflected in total revenues per pupil, but the policy goals embedded in basic support per pupil amounts were successfully reflected in ultimate budget figures (p. 11.2-16). There was evidence to suggest that there had been a very slight decrease in disparity across school districts in expenditures per pupil from 1977 to 1988. It was noted, however, that the state aid program generated desirable differences across school districts based on cost differences, and state aid had not been strongly targeted toward relatively less wealthy districts (p. 11.2-16).

Question No. 5 and its many Implications

The topic of funding education continued to be of utmost importance to Nevada educators and discussion amongst policymakers intensified when Question No. 5 was
introduced to the Legislature. Question 5 was known as the estate pick-up tax.
Policymakers realized that if approved by the voters, Question No. 5 would generate a considerable amount of money for Nevadans. The approval of Question 5 would change the Nevada Constitution to allow the legislature to impose an estate tax to the limit of the allowable federal credit. This pick-up tax would allow the state of Nevada to receive a portion of the current estate tax without increasing the tax burden upon the estate. The state would receive a tax and the amount of the state tax would become a credit against the federal tax. Policymakers indicated that the wording of Question 5 had been tightly crafted to ensure that no additional tax could be levied against an estate and that the state would receive some of the revenue generated. Question 5 also targeted tax revenues earned as a result of the federal estate tax credit for public schools and higher education, creating interest among Nevada educators.

As a result of the benefits to Nevada, Question 5 was approved by the voters and revenues obtained were utilized for educational purposes. In fact, the 1989 Legislature created a Trust Fund for Class-Size Reduction by directing half of the estate tax revenues be placed in a trust fund and used only for class-size reduction for K-12 education. The remaining half of the estate tax revenues was earmarked for higher education and placed in an endowment fund.

Senate Joint Resolution 22 became a topic of much discussion also, and Governor Bryan proclaimed to the Legislature that he still supported the revenue-raising proposal that was agreed upon two years prior. Governor Bryan thought it was best to obtain a slightly larger share of revenue from mining, so that kindergartens could be available to
every Nevada child, particularly in rural counties where kindergarten instruction was not available (Bryan, 1987). Governor Bryan’s proposal received a substantial amount of opposition because if passed, the property tax would no longer be the source from which came police and fire protection, libraries, or parks. His proposal would result, however, “in the greatly reduced property tax being used exclusively for schools, retirement of bonded indebtedness, and support of general and special improvement districts” (Bryan, 1987, p. 33).

While policymakers considered this shift from the traditional reliance of education on property taxes to other forms of revenue able to meet the basic educational needs of children in Nevada, they remained hesitant. Governor Bryan emphasized that “improving education was not a Democratic problem or a Republican problem, but that it was Nevada’s problem” (1987, p. 48). He further explained that citizens throughout the state had a responsibility to fund and provide quality education programs to every child in Nevada.

Governor Bryan explained that the state of Nevada had created opportunities for Nevada’s children and that a better educational system had been developed (Bryan, 1987, p. 29), but that additional funding was needed due to the population growth. The population growth included more children to educate, more people seeking higher education, and more families who needed social services, requiring an enormous amount of additional funding. In 1987 alone, local school districts needed an additional $17.5 million to cover the costs of unexpected enrollment (Bryan, 1987, p. 30), only to maintain current services that were being offered.
As a result of the overwhelming number of individuals moving to Nevada, Governor Bryan recommended Nevada spend $91 million more for education than was approved for the current Biennium, a 16.2% increase. Nevada had experienced unprecedented growth in school enrollments (Department of Administration, 1988, p. 194). From 1980 to 1987, school enrollment increased 12 percent or 18,000 students, growing from 149,500 students to 168,350 (p. 194). The Department of Administration also pointed out that 40 percent of that growth occurred within the 1986 and 1987 school year (p. 194), placing additional pressure on educators in the classroom. In order to assist with the financial burden, Governor Bryan recommended that 57 cents of every state tax dollar be devoted to education to meet the demands. Unfortunately, this amount of funding did not take into consideration the rising cost of education or needed revenue to provide for students with special needs.

A National Problem: The Cost of Education and Increased Enrollment

Since Nevada was not the only state that had to overcome major changes in population growth and an increased cost of education, a Governor's Commission on Educational Excellence was established to evaluate the policy recommendations of several national and educational studies. The Commission investigated how students could benefit and improve achievement levels with additional funding, increased involvement by teachers in the school decision-making process, the merits of a national board of professional teacher standards, and whether an adequate portion of the educational budget was being spent in the classroom (Governor's Commission on Educational Excellence, 1989).
Results of the study brought mixed emotions to Nevada policymakers. While the Commission discovered that Nevada policymakers could do much more to promote education, they did acknowledge that Nevada was doing many positive things to provide quality education programs. One of the most positive factors that was acknowledged was the passing of Question Number 5 to provide additional funds in support of education. The commission commended Nevadans for wisely approving Question Number 5 and explained that the passing of Question Number 5 allowed the state to pick up a portion of the federal estate taxes which was expected to generate $10 million over the next two years, all of which would go directly to education (Bryan, 1987, p. 34). Although this would not eliminate financial hardship throughout Nevada, it did provide additional funds for education, which helped handle the increase in population and in providing programs for students with special needs.

Stricter Accountability Measures Imposed: Additional Reporting Required

Nevada policymakers approved Senate Bill 74 (Chapter 868) in 1989, imposing stricter accountability measures on Nevada educators. Senate Bill 74 required the board of trustees in each school district, in cooperation with associations of licensed educational personnel, to adopt a program providing accountability for the quality of the schools and educational achievement within each school district. The program required the board of trustees to report to the residents annually concerning educational goals and objectives; comparisons between current pupil achievement at each age and grade and that of previous years; pupil/teacher ratios for each grade and other data concerning licensed and unlicensed personnel; and a comparison of the types of classes each teacher was assigned.
to teach along with each teacher's licensure and qualifications. The program also required data regarding total expenditures per pupil from each individual funding source; the curriculum, including any special classes; attendance and advancement records in all grades and graduation rates in high school; and efforts made to increase communication between parents and the district.

The bill also required school district boards of trustees to adopt a program of accountability by July 1, 1990, and to provide a copy and written report of the program to the superintendent of public instruction by February 1, 1991. The Superintendent was required to submit these programs and reports to the 66th session of the Nevada Legislature by March 1, 1991. The 1989 Summary of Education Bills indicated that the measure appropriated $100,000 for fiscal year 1989-1990 and $170,000 for fiscal year 1990-1991 from the state general fund to the state board of education to implement this act. This money was to be allocated to the school districts based on the student enrollment and each school district was authorized to use its funds only for administrative costs, returning any excess funds to the state board for reallocation.

Increased Enrollment and the Responsibilities of Educators Continue

Throughout the 1980s, policymakers increased accountability measures for public school personnel, while insisting that educators address social issues throughout the state. Policymakers felt that by providing programs to solve issues such as teen pregnancy, drug use, suicide, and student drop out rates, academic achievement would flourish. While educators and policymakers agreed that addressing such issues was important, educators were frustrated with the lack of state funding provided and the funding
disparities that existed within school districts throughout the state. In addition, educators were required to accommodate the increasing number of students entering Nevada schools which was anticipated to increase by over 15,000 students over the next Biennium, while funding provided by policymakers remained below the national average.

Governor Bob Miller, who served as Nevada Governor from 1989 to 1999, confirmed such challenges in his letter to the Legislature (1989), stating that the growth experienced by Nevada was truly the most significant challenge facing Nevadans. He further explained that Nevadans had to provide a proper education for the nearly 220,000 school children that were expected in our K-12 system during the 1991-93 Biennium. Moreover, he proclaimed to policymakers that it was the state’s responsibility to foster the development of quality programs at our institutions of higher learning, and that citizens throughout the state must be proactive and involved in the education of Nevada’s youth.

To accommodate demands brought by growth, policymakers were challenged to develop a fair and equitable way to increase revenues quickly, while generating the public’s interest in funding education. While policymakers recognized that there was no perfect solution, Governor Miller felt that providing a broad based business tax was the best solution. He explained that a broad based business tax would provide the needed stability in the tax base to handle population growth and to continue with efforts to reduce class size through second and third grade.

The Class-Size Reduction Act of 1989 established a program designed to systematically reduce the pupil-teacher ratios in the state beginning with the primary
grades. Funding was provided to maintain pupil-teacher ratios of 16 to one in first and second grades and certain kindergarten classes in schools with a high percentage of "at risk" students. The state provided funding through general fund appropriations and estate tax revenue to cover the salaries and benefits of teachers hired to meet the required ratios, but facilities and operating costs were the responsibility of local school districts.

Governor Miller further explained that by instituting a broad based business tax, revenue would be increased so that the state could implement the first phase of the drug education, prevention, treatment and enforcement programs recommended by the State Drug Commission. The added tax would also provide public school teachers, university faculty, and state employees a 4% cost of living raise effective July 1, 1991.

Governor Miller pointed out that statistical data and current trends indicated that the increase in student population would continue, and that more than 25,000 children in grades kindergarten through twelfth over 1990-91 would be enrolling in Nevada schools. He pointed out further that many of new students would be entering schools in Clark County, placing additional funding pressure on local citizens. Growing student enrollment and the rising cost of education required policymakers to review funding allocations once again and to consider the amount of money needed to meet the demands.

School enrollments were projected to increase 6.44% in 1991-1992 and 6.22% in 1992-1993 at a cost of $45.9 million to the General Fund over the Biennium. Governor Miller confirmed such growth and emphasized to policymakers that 25,000 new students would enroll in Nevada public schools over the next Biennium and that the impact of that
growth on the state's budget would be $46 million. He further explained that the $46 million would only accommodate the growth and not one new initiative (Miller, 1993).

As a result, additional money was allocated for public education, but the increase was not sufficient to meet the demands of the increased population and rising cost of education. There was an increase of 3.1% in funding for education from 1989 to 1993 and approximately 61% of all new General Fund appropriations were recommended for education. Furthermore, Governor Miller urged policymakers to take responsibility for meeting the immediate demands of maintaining a progressive educational system, for providing care to those unable to care for themselves, and for housing individuals under the jurisdiction of the criminal justice system. He proposed a bill in 1993 that would appropriate $51 million to public schools to cover the continued revenue deficit and begged legislators to support the bill, emphasizing that the passing of the bill was much needed and would not require further taxation. He explained to legislators in his annual address:

"I need you to support and pass my bill that appropriates $51 million to public schools to cover their continuing revenue deficit. Fortunately, the $51 million is available without new taxes, the result of savings from our hiring freeze and two rounds of budget cuts" (1993, p. 81).

Although other budgets were held at or below present funding levels, Governor Miller recommended that policymakers increase funding in support of public education. He proposed that an additional $96 million be allocated for public education due to the rising costs of education and the increasing number of students enrolling in schools throughout Nevada. The Governor proclaimed that "the increase in funding would only ensure that the costs of existing programs were maintained" (Miller, 1993, pp. 82-83) and
that the cost for further improvements was not included in the proposed budget. Furthermore, he assured Nevada policymakers that his recommended budget did not ignore other programs for children, and that his budget would manage to preserve the basic support guarantee approved by the Legislature for elementary and secondary schools for the current fiscal year. The recommended budget also ensured that schools throughout Nevada would be funded to meet the challenges of over 238,000 school children over the Biennium.

Governor Miller did note that his proposed budget allowed for a modest beginning to an expanded pre-natal program for low-income children and mothers and was balanced without reductions in the payments in the Aid to Dependent Children Program (Miller, 1993). In addition, the proposed budget provided for a 5.1 and 5.5% growth in enrollment in each year of the Biennium respectively and for increases due to inflation in utilities, textbooks, and library books purchased by school districts.

The 1990s: A Time for Additional Funding and Additional Training

Despite the limited amount of funds provided by policymakers for public education, the 1990s was a time of much change and educational program development. The development of a statewide system of measures and standards for occupational programs receiving federal funds was implemented at nine school districts and four community colleges, and the expansion of applied academic courses available to occupational students increased. The special education branch of the Department of Education provided additional training and technical assistance to school personnel and parents, and much attention was given to improving special education services
throughout Nevada. Superintendent Paslov indicated, however, that the focus on additional training required a substantial amount of funding and that no consistent or permanent source of revenue was established.

Significant teacher training activities in mathematics, science, school improvement, library automation, writing and reading, foreign languages, and community action were also implemented to improve educational practices. In addition, committees were formed to integrate national standards for math, science, and language arts into the state courses of study, yet sufficient revenue was not provided by policymakers. Superintendent Paslov further stated that distance-learning projects were also implemented in 30 Nevada schools and the Nevada School Network for linking schools together electronically was initiated (Nevada, 1994, p. 100), reinforcing the need for additional state funding.

The Federal Government Lends Support

The federal government also became involved during the second biennium and provided workshop training sessions to Nevada teachers. They introduced new methods to reach students who were not achieving to their potential. In-service programs were offered in prevention and education for alcohol and substance abuse, awareness of healthy lifestyles, and the prevention of HIV infection. Training was also provided to assist migrant students and students with non-English language skills, for students incarcerated in state institutions, and programs to promote cultural awareness. Moreover, approximately $15 million was disbursed during the 1993-1994 school year through grants to assist in educating the large number of special needs students that were enrolled.
in Nevada public schools. Since state funding was not made available by the Legislature, the majority of the training sessions were provided through one time federal allocations, confirming the tendencies for Nevadans to institute temporary funding solutions, rather than determine permanent sources of revenue for public education.

There was also a rapid growth in participation in child nutrition programs that were operated by the Nutrition Education Program Branch. The number of schools participating in the National School Lunch Program and the School Breakfast Program increased by 22% and 67% respectively since 1990 (p. 102), requiring a considerable amount of revenue. In addition, the Summer Food Service Program operated approximately 80 sites in 1994, which was 63 more than in 1990, indicating a 370% increase in growth, representing a change in the role public schools had in regard to the fundamental needs of children. This change in perception required educators to provide new services for children, while being required to search for sources of revenue to fund them, since sufficient funding was not provided by the state.

Along with requiring additional services, policymakers increased accountability measures for public schools. Policymakers focused on the reporting of student achievement, the appropriateness of certain educational programs, and the importance of monitoring academic progress annually. As a result, NRS 385.347 was revised in 1994 and required educators to report educational performance by site, rather than by district. More attention was also given to other forms of statistical data including indicators of math and science in Nevada schools, ACT/SAT testing results, and reports related to the student assessment programs.
The Goals 2000: Educate America Act was prompted by President Bush and instituted to initiate dialogue and action at the state level, regarding education reform. The purpose of this Act was to provide a framework for meeting National Education Goals established by Title I of this Act by promoting coherent, nationwide, systemic education reform; improving the quality of learning and teaching in the classroom and workplace; and defining appropriate and coherent Federal, State, and local roles and responsibilities for education reform and lifelong learning. Other goals of the Act included the establishment of valid and reliable mechanisms for building consensus on education reform; assisting in development of high quality student standards; assisting in development of opportunity to learn standards; and assisting in development of high quality assessment measures.

The Congress declared that there were eight National Education Goals. The goals were school readiness; school completion; student achievement and citizenship; teacher education and professional development; mathematics and science; adult literacy and lifelong learning; safe disciplined and alcohol-and drug free schools; and parental participation. State and local education systemic improvement goals included developing state improvement plans; formulating strategies for meeting national education goals; improving teaching and learning; and developing state content and student performance standards (p. 3).

Policymakers and Educators Collide

The increased pressure placed on educators by policymakers to demonstrate high achievement without sufficient funding created problems throughout the state.
Policymakers stressed the importance and need for schools to achieve, while educators complained of inadequate funding and increased student enrollment. As a result, educators were forced to make decisions regarding what to teach, based on resources provided, because policymakers did not provide sufficient revenue.

Governor Miller, who served as Nevada’s Governor from 1989 to 1999, explained to policymakers that enrollment growth was projected to be 6.17% and 6.36% for each year of the Biennium, and that an additional 31,247 students were expected. He further explained that, due to the projected growth, an additional 1,524 and 850 licensed, instructional personnel were needed for each year of the Biennium (Miller, 1995, p. 175). He also stated that in addition to the licensed instructional personnel, the total number of all other licensed and unlicensed employees required was recommended to be 1,101 and 614 positions for each year of the Biennium, requiring funding that had not previously been provided by the state.

As a result, the Executive Budget in Brief: Highlights in Education (1995) indicated that policymakers provided $76.9 million for the anticipated 6.17% and 6.46% project growth in school enrollment. However, Superintendent Mary Peterson, who served from 1995 to 2000, explained that the additional funding only provided sufficient means for program maintenance, and did not provide for things such as students with special needs or increased facility demands. In addition, Governor Miller pointed out that the growth equaled 31,247 students over the course of the Biennium and, at existing student employee ratios, 4,089 additional employees were required to meet this demand” (p. 15). The number was determined by using the actual Fiscal Year 94 student-
employee ratio for each employee classification. For example, the student-employee ratio for licensed instructional personnel was 19.22. The number of new employees was the difference between the total number required by the ratio less the number required in Fiscal Year 94 (Miller, 1995).

Governor Miller was able to convince policymakers to allocate $20.7 million to reduce third grade class size to a ratio of 16 to 1 and to provide a one time allocation of $29 million to meet locally identified school district needs for classrooms, library, school staffing, operating and equipment expenses. A one time $2.2 million allocation was also distributed to accommodate the increasing number of children with handicaps who could not be served by their resident school district and were placed out of district. This revenue, although temporary, was significant because it helped to alleviate the urgency of meeting the funding demands.

The 1997 Legislature also authorized counties with a population of more than 400,000 to earmark 60 cents of a real property transfer tax for school district capital projects. In addition, the board of trustees of any school district whose population was less than 35,000 could request that the board of county commissioners impose a tax on residential construction to construct, remodel, or make additions to school buildings. If the county commissioners approved the tax, they notified the Nevada Tax Commission and awaited approval. Upon approval of the Tax Commission, the county commissioners could impose the tax, but could not exceed $1,000 per residential unit. These additional sources of revenue provided additional funding for school districts and lessened the financial hardships experienced across the state.
Reconfiguring the Structure of School Districts Explored

The 68th Session of the Legislature adopted Senate Concurrent Resolution No. 30, which directed the Legislative Commission to hire a consultant to conduct a study of the feasibility of reconfiguring the structure of school districts in Nevada. Funding for the consultant was provided under Section 10 of Assembly Bill 224 and a subcommittee was appointed by the Legislative Counsel Bureau to provide oversight (Legislative Counsel Bureau, 1997). Seven meetings were held to review boundary issues involved with school districts statewide, to examine alternatives, and to ensure that the impact of proposals to realign district boundaries, if any, were analyzed appropriately. The consultant, Management Analysis & Planning (MAP) Associates, of Berkeley, California, was retained to collect, analyze, and report information relating to school district boundary issues (Legislative Counsel Bureau, 1997, p. 1). The adoption of the study was significant because it recognized that reconfiguring the structure of school districts could allow the school system to be more responsive to Nevada residents regarding education.

The draft of the final report was delivered and accepted at the July 16, 1996, meeting, and the corrected copy was presented at the August 29, 1996, work session. Members of the subcommittee reviewed the alternatives and findings presented by the consultant in its final report. The subcommittee adopted 8 of 34 recommendations reviewed. Major items adopted included proposals to provide a process for realigning

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59 Chapter 563, Statutes of Nevada 1995, pp. 1940, 1941.
school districts, initiated by a local school district or by voter petition; provide for the establishment of charter schools; provide for a statewide technology plan for education; and establish an interim legislative study to review state participation in the financing of school construction. The other adopted items included the removal of the sunset on Nevada's program for school-based decision making within public schools, urging school district boards of trustees to establish advisory councils; encouraging cooperative agreements among school districts to share resources, as well as agreements for student attendance in adjoining districts, when required; and urging school districts to make use of short-term financing for the purchase of computer equipment (p.2).

The report noted that when the subcommittee's authorizing legislation S.C.R. 30 was first introduced, the original focus was to be the Clark County School District (p. 12). Amendment were adopted later, however, which increased the scope of the study to include all Nevada school districts, with the goal of any proposed change making the school districts themselves more effective, while increasing district administrator responsiveness to parents, students, and teachers.

The report indicated that Nevada's extremes of population sparsity, density, and rate of growth presented intense challenges to any change in the existing school district boundaries (p. 14). The report also concluded that Nevada's arrangements for generating and distributing school operating revenues (the Nevada Plan) were among the most effective in the nation, and acted in concert with existing school district boundary arrangements to create conditions of remarkable interdistrict resource equality (p. 14). Consequently, the consultant proposed that, in the event school district boundary changes
were made, the equalization features of its school finance formula be preserved by collecting sales tax and property tax revenues county-wide and distributing them back to districts on a per-pupil basis.

The committee found, however, that Nevada’s mechanisms for generating and distributing revenues for school facilities construction were particularly problematic (p. 14). They found that the funding of school construction contributed to troublesome inequalities that provided fodder for potentially successful legal challenges. They explained that one option Nevada could adopt was full state assumption of capital funding, which would cost as much as $275 million annually. Another option recommended was to create a state/local partnership in which the local districts’ contribution would be equalized in a manner similar to the way the Nevada Plan equalized operating revenues.

Finally, the committee pointed out that Nevada, especially Clark County, had given insufficient consideration to the consequences of school enrollment size. The weight of empirical research evidence suggested that schools of a medium size; (300 to 400 pupils for elementary schools and 600-900 pupils for secondary schools) were most effective in facilitating student academic achievement and extracurricular participation and that school size appeared to be of particular consequence for students from low-income households (p. 15).

Increased Accountability Continues: N.E.R.A.

As demonstrated by the M.A.P. Study, the late 1990s brought increased attention to accountability, access to technology, and higher academic standards. Governor Miller
confirmed such attention in his State Address to the Assembly (1997), acknowledging that the education program he proposed was the most sweeping in the state’s history, and that its four principle elements were access to technology, higher academic standards, stronger school accountability, and completion of third grade class size reduction” (p. 56). Of the $175 million he proposed, he recommended that $35 million be allocated to Nevada’s surplus funds in this Biennium, and that more than $8 million be utilized from the general fund to train teachers to maximize the benefits of this computerization. The proposed budget, written by Governor Miller on January 23, 1997, for the Biennium, amounted to about $3 billion, did not include any additional taxes, and established priorities in education, early childhood development, and crime prevention (Miller, 1997).

The increased attention to accountability was evident throughout the 1990s, but was most noticeable in the passing of the Nevada Education Reform Act (N.E.R.A.)⁶⁰. The Nevada Education Reform Act required the Department of Education to evaluate the performance of public schools and to place schools on academic probation under certain circumstances. This required the department to establish a panel to supervise the academic probation of a school, revise the provisions relating to the accountability of public schools, and to revise provisions governing the financial reports of school districts. The Nevada Education Reform Act also required the Department of Education to create a

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⁶⁰ Senate Bill 482 adopted the Nevada Education Reform Act, strengthened the school accountability program, established a system for the adoption of statewide standards in academic subjects, and implemented a process for a series of statewide tests linked to standards (Legislative Counsel Bureau, Bill Summary 69th Regular Session of the Nevada State Legislature, 1997).

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commission on educational technology, revise provisions governing the administration of certain examinations to pupils, and to require pupils to participate in remedial programs. Finally, the Department of Education created a council to establish academic standards, required the State Board of Education to adopt the academic standards, and made appropriations to each school. The more demanding academic and performance standards were accomplished through the use of a citizens’ committee designated as the Council to Establish Academic Standards. The Legislature also created the Legislative Bureau of Educational Accountability and Program Evaluation to further ensure compliance with provisions of NERA. Furthermore, the Legislature allocated $3 million in supplemental funds for schools labeled “In need of Improvement” in 1997, and an additional $6.3 million was allocated in 1999 for the Biennium.

The Act was introduced and implemented to ensure that children of Nevada received appropriate educational opportunities that could be measured through standardized tests. N.E.R.A. further required that the Governor, Nevada Legislature, the Department of Education, the State Board of Education, local school districts, educational personnel and parents of the state to develop “a system of instruction in which high expectations were consistently imposed and met,” requiring all individuals to take an active role in education, regardless of whether they had children or not.

This increased focus on accountability brought further cries by Nevada educators for additional funding, however, and educators began to demand that something be done to accommodate the enrollment growth. Educators felt that it was unfair to be categorized as “in need of improvement” or “inadequate” if they had to continuously
manage overcrowded classrooms with limited resources. Policymakers acknowledged that enrollment in the elementary and secondary schools in Nevada were expected to increase by over 33,000 pupils during the Biennium, pushing total enrollment over 300,000. This enrollment growth meant that a significant portion of the state’s resources were required for educational purposes. Statistics indicated that, between the school years of 1990-1991 and 1996-1997, total enrollment in Nevada’s elementary and secondary schools grew by nearly 40%, which was an increase of approximately 77,618 students (Miller, 1997, p. 7), most of which occurred in Clark County. Since the increase in enrollment is greatest in Clark County, a chart is provided below to assist the reader in comprehending the number of students attending Clark County schools and the percentage of new students each year. The provided table indicates public school enrollment from 1992 to 2000 in the Clark County School District based upon the fourth week enrollment. This is the number of students enrolled on the Friday of the fourth week of school. This enrollment figure is unweighted and includes students from other districts receiving an education in the Clark County School District.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Pupil Enrollment</th>
<th>Percentage of Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-1993</td>
<td>136,188</td>
<td>5.38</td>
</tr>
<tr>
<td>1993-1994</td>
<td>145,327</td>
<td>6.71</td>
</tr>
<tr>
<td>1994-1995</td>
<td>156,348</td>
<td>7.58</td>
</tr>
<tr>
<td>1995-1996</td>
<td>166,788</td>
<td>6.68</td>
</tr>
<tr>
<td>1996-1997</td>
<td>178,896</td>
<td>7.26</td>
</tr>
<tr>
<td>1997-1998</td>
<td>190,822</td>
<td>6.67</td>
</tr>
<tr>
<td>1998-1999</td>
<td>203,616</td>
<td>6.70</td>
</tr>
<tr>
<td>1999-2000</td>
<td>217,139</td>
<td>6.44</td>
</tr>
</tbody>
</table>

As a result, Governor Miller recommended additional funding to complete class size reduction in the third grade, providing a sixteen to one ratio in kindergarten through third grade. He also requested an appropriation of $35 million to begin a systematic plan for including computers as teaching tools in every elementary and secondary classroom in Nevada. He explained that the additional funding, together with ongoing funds, would provide necessary training, technical support and maintenance. Sufficient funding was also recommended to strengthen education standards, assessment, and accountability.

According to Governor Miller, highlights in funding education included increases in LSST and General Fund appropriations in the amount of $365,288,300. According to policymakers, these increases provided for the 6.39% projected growth rate in 1998 and the 5.68% in the 1999 for K-12 enrollments. Policymakers also indicated that they increased the basic support per pupil from $3,621 in 1997 to $3,680 in 1998 and $3,783 in 1999. Unfortunately, educators pointed out that the per pupil allocation remained approximately $1,000 below the national average, and that the increasing cost of education and growing student population demands in Nevada were not met. The chart provided on the following page compares funding allocations between Nevada and other western states during the 1998 - 1999 school year:

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<table>
<thead>
<tr>
<th>State</th>
<th>Students</th>
<th>Revenue (In thousands)</th>
<th>Per Pupil Revenue</th>
<th>Per Pupil Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>848,262</td>
<td>4,982,454</td>
<td>5,874</td>
<td>4,643</td>
</tr>
<tr>
<td>California</td>
<td>5,925,964</td>
<td>39,912,340</td>
<td>6,735</td>
<td>5,845</td>
</tr>
<tr>
<td>Idaho</td>
<td>244,722</td>
<td>1,463,800</td>
<td>5,981</td>
<td>4,889</td>
</tr>
<tr>
<td>Nevada</td>
<td>311,061</td>
<td>2,017,118</td>
<td>6,485</td>
<td>5,447</td>
</tr>
<tr>
<td>Oregon</td>
<td>542,809</td>
<td>3,602,000</td>
<td>6,636</td>
<td>6,361</td>
</tr>
<tr>
<td>Utah</td>
<td>481,176</td>
<td>2,353,953</td>
<td>4,892</td>
<td>3,866</td>
</tr>
<tr>
<td>Washington</td>
<td>998,053</td>
<td>7,115,601</td>
<td>7,129</td>
<td>6,049</td>
</tr>
<tr>
<td>Wyoming</td>
<td>95,241</td>
<td>757,998</td>
<td>7,959</td>
<td>7,192</td>
</tr>
<tr>
<td>United States</td>
<td>46,534,687</td>
<td>336,971,906</td>
<td>7,241</td>
<td>6,408</td>
</tr>
</tbody>
</table>

Governor Miller acknowledged that in 1999 Nevada faced some of the greatest challenges of its 135-year history (Miller, 1999). He encouraged policymakers to keep pace and honor its commitment to provide basic services to schoolchildren, public safety, and to those families and our elderly who were less fortunate and in need of social services. Budget recommendations placed education and public safety as the highest priorities of the Governor’s administration, but Nevada’s demands were greatly exceeding its means. The recommended budget was based on nearly $300 million less in new revenue than the previous biennial budget, and the state had grown by nearly 200,000 new residents.

Highlights in the funding of education included increases in LSST, property tax, motor vehicle privilege tax, and General Fund appropriations that provided for 4.9% and 4.8% (2001-2002) projected growth in K-12 enrollments. The growth included 29,739 more students during the Biennium and required the hiring of 1,340.1 additional employees, including licensed classroom teachers. In addition, the basic support per pupil was increased from $3,812 in 1999 to $4,285 in 2000 and $4,291 in 2001 – 2002.
Unfortunately, however, the increase in per pupil spending remained well below the national average, while education costs and student enrollment continued to increase rapidly. The chart provided below represents the basic support guarantee per pupil for each Nevada school district in 1999-2000:

<table>
<thead>
<tr>
<th>County School District</th>
<th>Support Guarantee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carson City</td>
<td>$4,266</td>
</tr>
<tr>
<td>Churchill</td>
<td>$4,675</td>
</tr>
<tr>
<td>Clark</td>
<td>$3,632</td>
</tr>
<tr>
<td>Douglas</td>
<td>$4,129</td>
</tr>
<tr>
<td>Elko</td>
<td>$4,559</td>
</tr>
<tr>
<td>Esmeralda</td>
<td>$7,419</td>
</tr>
<tr>
<td>Eureka</td>
<td>$1,956</td>
</tr>
<tr>
<td>Humboldt</td>
<td>$4,454</td>
</tr>
<tr>
<td>Lander</td>
<td>$4,225</td>
</tr>
<tr>
<td>Lincoln</td>
<td>$7,037</td>
</tr>
<tr>
<td>Lyon</td>
<td>$4,880</td>
</tr>
<tr>
<td>Mineral</td>
<td>$5,041</td>
</tr>
<tr>
<td>Nye</td>
<td>$4,910</td>
</tr>
<tr>
<td>Pershing</td>
<td>$5,291</td>
</tr>
<tr>
<td>Storey</td>
<td>$5,809</td>
</tr>
<tr>
<td>Washoe</td>
<td>$3,663</td>
</tr>
<tr>
<td>White Pine</td>
<td>$5,198</td>
</tr>
<tr>
<td>Statewide Average</td>
<td>$3,806</td>
</tr>
</tbody>
</table>

Messages written by the Superintendent and Governor indicated that categorical funding for special education, class size reduction, and elementary school counselors being consolidated with the Distributive School Account, were also topics of debate at this time. According to policymakers, this consolidation was accommodated by an additional $16 million in General Fund support and provided maximum flexibility for
allocating resources across school districts, identifying the "true" basic support provided by the State for K-12 programs" (Miller, 1999, p. 5).

Educators noted, however, that special appropriations approved by the 1997 Legislature were not specifically included in the budget. These programs included Even Start, School to Careers, Remediation, SMART, and education technology. Furthermore, policymakers adopted several bills at the 1997 Legislative Session that affected school finance, including a bill that allowed local boards to apply to the State Treasurer for a guarantee agreement. The agreement permitted money in the permanent school fund to be used to guarantee school district debt service obligations.\(^{63}\)

The 1997 and 1999 Legislative Sessions resulted in significant changes regarding capital outlay issues. The Legislature (1997) authorized school districts located in counties with a population over 100,000 to seek authorization from voters to allow school districts to maintain their present tax rate until June 2008. The Legislature’s intent was to produce a continuing source for capital development through the retirement of present debt and the issuance of new debt. The 1999 Legislature, however, departed from the practice of refraining from using state sources to fund capital development projects in school districts. Two rural small enrollment school districts, without sufficient assessed value to support replacement of inadequate capital facilities, were provided an allocation designed to support the construction and rehabilitation of several schools.

\(^{63}\) Chapter 558 Stats. (1997) Provisions of the agreement are outlined in the law. The law also specifies procedures to be employed if a district defaults on debt obligations.
The Funding of Public Education: The Debate Continues

As additional funding and increased student achievement became topics of much debate throughout the state and Legislature, the funding of education continued to cause controversy. Discussions of what resources should be provided in support of public education, as well as how much money and where it should come from, have failed to result in the development of one single funding formula that meets the needs of all Nevada children. Reports written by Superintendents of Public Instruction indicate that educators feel pressure from policymakers to achieve at certain rates, while being forced to contend with insufficient funding, overcrowded classrooms, limited supplies, increasing enrollments, and below average salaries.

Equity and Adequacy: Can We Have Both?

As a result, one topic that continues to be debated is whether one single funding formula or educational program can adequately meet the needs of all children. While experts such as Odden, Picus, and Augenblick agree that one can effectively address either equity or adequacy, it has been extremely difficult for educators and policymakers to successfully develop a program in which all State Legislators and educators agree meets the needs of all student populations. In the *WestEd Policy Brief* (2000), Allen Odden and John Augenblick emphasized that issues of how to fund schools can no longer be treated separately from how to make things better. They explained that the current finance debates are not about to slow down anytime soon, and that the focus has recently shifted from equity to adequacy. “Funding debates and legal challenges that have long
centered on "equity," or how to fairly distribute available money, must also tackle the more basic question of "adequacy" or how much is enough to educate a child" (p. 1).

While very few experts disagree with the current trend toward adequacy, many have different thoughts on why this shift has occurred. According to Odden and Augenblick, this shift has taken place primarily because accountability movements have made expectations for schools clearer than ever before. They explained further that due to the increasingly clear expectations, it is easier to seek legal assistance when states fail to provide the funding that would be "adequate" for meeting the expectations (2000). Consequently, as policymakers continue to stress accountability, and as educators continue to complain of insufficient funds, legal challenges are sure to arise.

Legal Challenges: What Must Be Considered?

In states where legal challenges have recently been made such as in New Jersey, New York, Kentucky, and Arizona in regard to not having adequate resources, courts have generally mandated that Legislatures restructure school-funding formulas accordingly. In Wyoming, the State Supreme Court stated in *Campbell v. State* (1995), "because education is one of the State’s most important functions...all other financial considerations must yield until education is funded." The court went on to require that the Legislature determine what constituted a "proper educational package" for all Wyoming students and to determine how much it would cost and to fully fund it.

The shift from equity to adequacy continues to expose the differences between what revenue and resources schools currently receive and what they require to help students meet educational expectations. The adequacy approach to school finance that is
driven by new standards, increased accountability, and litigation is gaining an audience because of its common sense appeal (Odden and Augenblick 2000). Consequently, policymakers are being challenged to determine exactly what type and amount of resources are needed to provide an educational program to all students that will allow them to meet current expectations. Furthermore, policymakers must first define educational expectations to determine the amount of funding and types of resources required.

Finally, funding practices and adequacy formulas expose the gap between what school districts currently receive and what they really need. Reports written by Nevada Governors to the Legislature indicate that policymakers have consistently considered allocations provided for public education sufficient due to the percentage of the overall budget allocated, while educators have often disagreed. In contrast, historical data consistently reported that allocations provided by the state have failed to keep up with inflation and increases in student population. One such report written in 2002, *Analysis of Fiscal Policy in Nevada Governor’s Task Force on Tax Policy*, indicated that although education programs are the single largest beneficiary of state general fund appropriations, inflation adjusted salaries per pupil have declined from $3,560 in fiscal year 1990-1991 to the $3,360 budgeted for fiscal year 2002-2003, more than $200 less than the average reported over the previous 12 years (pp. 4-24). The Task Force explained further that “while this funding mechanism may serve to stabilize funding from year to year, it ultimately results in a deteriorating level of per pupil allocation and magnifies structural and cyclical deficits” (pp. 4-26, 4-27). As a result, it is particularly important to evaluate...
how states allocate money to large school districts such as the Clark County School District, that are being forced to educate large numbers of students with special needs, while receiving limited resources, increasing enrollment, and increased pressure to achieve on standardized tests.
CHAPTER EIGHT

SUMMARY AND CONCLUSIONS

Summary of Findings: Answers to the Research Questions

1. On what underlying themes and beliefs was the Education Article of the Nevada Constitution developed?

The Nevada Constitution was framed by a convention of delegates, chosen by the people that met at Carson City on July 4, 1864, and adjourned on July 28, 1864. On the first Wednesday of September 1864, the constitution was approved by the vote of the people. On October 31, 1864, President Lincoln proclaimed the State of Nevada admitted into the Union.

On July 18, 1864, a committee of seven on education was appointed by the President, with instructions to report as soon as practicable (Marsh, 1864, p. 447). The President explained that the committee was very important and that matters of the greatest importance would come under its supervision.

Mr. Collins, one of the seven delegates chosen, explained that he was moved to present the resolution to meet as a committee on account of the change in the Constitutional provision regarding taxation. The Article on Education in the old Constitution was based upon the idea of the general taxation of the mines

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64 Messrs, Collins, Hawley, Crawford, Crosman, McClinton, and Folsom were named to the Committee.
and changes were essential. In addition, delegates felt that various provisions in the public land system also proved that the article required a good deal of alteration. As a result, the Committee on Education was challenged to develop an Education Article that could establish a foundation, consistent with the present Constitution.

The Education Clause, Article 11 of the Constitution, was developed predominantly at the first constitutional convention in 1863, but was rejected due primarily to taxation. Delegates at the second convention used the proposed constitution from the first convention as the basis for the second. The constitution was broken down into the following sections:

1. Legislature to encourage education; appointment, term and duties of superintendent of public instruction.
2. Uniform system of common schools.
3. Pledge of certain public lands and money for educational purposes; apportionment and use of interest; investment of principal.
4. Establishment of state university; control by board of regents.
5. Establishment of normal schools and grades of schools; oath of teachers and professors.
6. Support of university and common schools by direct legislative appropriation.
7. Board of Regents; Election and Duties.
8. Immediate organization and maintenance of state university.
9. Sectarian instruction prohibited in common schools and university.
10. No public money to be used for sectarian instruction.

While each of these sections is important to the education of children in Nevada, only sections two, three, five, six, nine, and ten are thoroughly discussed in this dissertation. The remaining sections relate to topics that are not relevant to this historical analysis.
Original Attempts to Develop the Constitution

The United States Senate passed the bill creating the Territory of Nevada on February 26, 1861. The House of Representatives approved it on March 1, 1861, by a vote of 91-52. President Buchanan signed the measure into law as one of the last acts of his administration on March 2, 1861. “The organization of the new territory was left to his successor, President Lincoln” (Bushnell and Driggs, 1984, p. 13).

On March 22, 1861, President Lincoln commissioned James W. Nye of New York as Governor of the new territory and Orion Clemens of Iowa as secretary. Governor Nye arrived in Carson City on July 8, 1861. Soon after, he issued his proclamation organizing the Territory of Nevada, announcing appointments of the various officers, and summoning the territorial legislature to meet in Carson City (Bushnell and Driggs, 1984). Nevada’s first official legislative body, Orion Clemens presiding, met at Abe Curry’s Warm Springs Hotel in 1861 to begin the lawmaking process for the newly created Territory of Nevada, at which education became a topic of discussion.

Unfortunately, the original transcripts from this meeting were not preserved, but the proposed constitution was recorded, and served as a foundation for the first and second constitutional conventions. Myron Angel confirmed in History of Nevada (1881), that data for the compositions of the beginning of school history were scarce and hard to collect because the chief reliance for the information was the “oldest inhabitant,” and that most pioneers had better memories for events more startling than for the affairs of
rudimentary education (Angel, 1973, p. 219). He further explained that from 1859 to 1864, when all of Nevada was a county of Utah Territory, nothing definite could be known with regard to the condition of education (Angel, 1973).

The Original Delegates

In order to fully understand the Education Article, it is important to recognize delegates who were involved in the original discussions regarding public education. Many individuals who participated in the development of the Nevada Constitution, specifically, the Education Article, including Governor Nye and Orion Clemens, had a major impact on the state of Nevada in later years. One of the members was William Steward, who served in the first constitutional convention in 1863 and later represented Nevada in the United States Senate for 28 years (Bushnell and Driggs, 1984). Other prominent members of the first territorial legislature included: Samuel Young, M. N. Mitchell, and Edward C. Ing, who were members of the first constitutional convention; James Sturtevant, who served in the second constitutional convention in 1864; and Isaac Roop, who had earlier been elected provisional governor of the proposed Nevada Territory (Bushnell and Driggs, 1984).

Early Attempts to Develop the Education Article

Despite original transcripts not being persevered, enough documentation was recorded to indicate that delegates at the first territorial meeting in 1859 were able to establish a constitutional convention to meet, at which time they discussed the funding of public education. Documentation also confirms that delegates authorized an irreducible and indivisible school fund for the support of public education, gave authority to the
county commissioners in each county to set apart money for the hiring of teachers, and approved taxes that would help support public education.

Sections of the constitution, relating to education, developed by delegates of the Territory of Nevada, served as the basis for the first education system in Nevada and were debated in the constitutional conventions of 1863 and 1864. The proposed constitution of 1863 required that all of the offices created by it be filled at the time when the constitution was submitted to the people. Having the offices filled at the same time was a serious mistake. "Delegates who were disappointed with the individuals getting nominations for the positions they desired became hostile to its adoption" (Angel, p. 84). In fact, it is written in *History of Nevada* that because of the hostility, eight of the delegates walked out of the convention declaring their intentions to oppose its nominations.

Despite the hostility, the election held in September 1863, resulted in more than four times as many citizens voting for the formation of a state government. The constitution drafted in the first convention was defeated, however, by nearly as great a majority of votes due to the issue of taxation. Records of the deliberations from the first convention reveal that there were many arguments among the delegates on issues confronting them, but that the critical issue was the taxing of mines (Legislative Counsel Bureau, 1972).

A Constitution at Last

Immediately following the defeat of the first constitution, delegates convened another constituent body. The second convention drafted the constitution that still serves
Nevada today. The second constitutional convention was called to order on July 4, 1864, and thirty-nine delegates had been elected, determined by apportionment among the counties to reflect the population.

Of the thirty-five men who attended, ten had participated in the first convention. All but two delegates had come to Nevada from California. The two exceptions were George A. Nourse from Minnesota, and W. W. Belden from Wisconsin. All of the delegates were relatively new to the territory. Nineteen of the thirty-five had been residents for less than four years, two arrived the year the convention was held, and the delegate with the longest residency had been in Nevada only seven years (Bushnell and Driggs, 1984).

Because thirty-three of the thirty-five attending delegates had come from California, references to that state’s practices were the most common throughout the debates. Consequently, many of the references were made about “California’s ruinous taxation and the widespread corruption” that several delegates had allegedly observed in that state (Bushnell and Driggs, 1984, p. 26). In fact, a delegate recommended the California Constitution serve as the base of discussion at the second convention because the first Nevada Constitution owed much of its substance to the California Constitution (Bushnell and Driggs, 1984).

Delegates agreed, however, to base deliberations in the second constitutional convention upon modifications of the first constitution. As a result, issues such as problems associated with the Civil War, taxation, railroad subsidy, and, most relevant to this dissertation, education were debated. While many topics relating to education were
debated, the topics of most controversy were: sectarian instruction in public schools, the
sharing of public funds, compulsory education, providing adequate revenue, and the
establishment of a state university.

Expectations Held by Founding Fathers

The expectations of the founding fathers are summarized below due to the impact
they had on laying the educational foundation for Nevada. While each delegate
expressed different views about education, there were several expectations that were
universally held. Based on the debates, the most prevalent expectations involved
providing a formal system of education to all children free of charge, developing a
constitution that would create a foundation for a general educational system, and
affording every child a sufficient amount of instruction to enable it to go creditably
through life (Marsh, 1866). These expectations provide the reader an opportunity to
examine how the original expectations impacted the development of the education clause.
Furthermore, the expectations allow today's policymakers and educators to determine
how expectations have changed throughout history.

Mr. Collins, one of the original seven delegates chosen to be on the Committee on
Education, explained that the Legislature, in drafting a school law under the constitution,
would not frame it in exact accordance with the present system, but in harmony with the
requirements of the Constitution. He further explained the importance of developing a
solid foundation, so that legislators could use the outline to provide an education system
for all Nevada children. Mr. Collins proclaimed:
“Almost any man, if disposed to be critical, might point out difficulties likely to arise in the workings of any new system, which could be devised, but that all delegates could do, or ought to attempt to do, was to lay down the outlines of a general system, presuming that the Legislature would be as much interested, and have as deeply at heart the cause of common schools, as the members of the Convention (Marsh, 1864, p. 576).

Moreover, Mr. Collins emphasized that policymakers would have to “exercise their best judgment in devising the means of carrying out in detail these general provisions and that legislators would undoubtedly frame their law with a view to meet any and all such difficulties as that which had been suggested” (Marsh, 1864, p. 576).

The object of developing a solid foundation was to stimulate the support of the public schools. Delegates encouraged policymakers to offer a premium for offering school terms of six months, as opposed to three or four months, which were common throughout Nevada. Delegates explained that offering a premium would encourage citizens to contribute necessary funding, together with the public money, to carry on the schools for at least six months. Furthermore, by providing longer school terms, Nevadans would secure the advantage of the state aid and were enabled to educate their children. Finally, Mr. Collins pointed out that Nevada would not be the only state doing so and that the experience of all other states had shown the great advantages of such a system (Marsh, 1866). Mr. Hawley explained that what delegates really wanted was a basis upon which to build the educational superstructure. He proclaimed that the educational foundation should provide an opportunity for all Nevadans to afford every child a sufficient amount of instruction to enable it to go creditably through life (Marsh, 1866). He further explained that delegates wished to make the people understand that, with the limited resources of the state and with the heavy expenses necessary to support
the schools as they should be supported, they would be required to put their own shoulders to the wheel (Marsh, 1866). Delegates further indicated that providing a solid education program required the support of all Nevadans and that through such support, Nevada would flourish. The founding fathers expressed the importance of education throughout the debates, most specifically, through discussions about sectarian instruction, compulsory attendance, and the funding of education.

Expectations Regarding Sectarian Instruction:

The founding fathers immediately debated the topic of sectarian instruction and were concerned that sectarian instruction would find its way into public schools. As a result, provisions were written in the Nevada Constitution to prevent sectarian beliefs from being taught in public schools. Sections 2, 9, and 10 of Article XI were developed based on the beliefs of the founding fathers and have changed little throughout history. Section 2, which was modified in 1938, contains an injunction that any public school, in which instruction of a sectarian character is permitted, may be deprived of its share of public funds. Section 9 states that no sectarian instruction be tolerated in any school or university that may be established under this Constitution. Finally, Section 10 was added to the constitution in 1880, which reads, “No public funds of any kind or character whatever, State, county, or municipal, shall be used for sectarian purposes.” These few changes, as well as a continued focus on sectarian instruction, confirm that ideas held by the founding fathers were relevant, appropriate, and sustainable throughout history.
Expectations Regarding Compulsory Attendance

Compulsory attendance was another issue of much debate throughout the second constitutional convention. Delegates expressed feelings both for and against compulsory attendance throughout the debates. Upon conclusion of the debates, the majority of the delegates agreed that Nevada policymakers had a responsibility to provide schools. Delegates also concluded that parents had a responsibility to ensure their children were educated, children had a responsibility to attend school, and that all Nevadans had a responsibility to lend financial support (Maestretti & Hicks, 1947; Marsh, 1864).

Although delegates were able to agree on many issues related to compulsory attendance, opposing viewpoints existed. Delegates opposed to compulsory attendance cited the distance individuals had to travel to get to school as a problem. Delegates felt that it was unfair to require parents to bring their children such long distances. In fact, Mr. Dunne, one of the delegates, explained that he believed that the only objection of any considerable weight to compulsory attendance was the distance children needed to travel. The constitution made no distinction between children whose parents resided in populous places where there were abundant facilities for sending them to the public schools, and those residing in out of the way places where it would be very difficult and sometimes impossible (Marsh, 1866).

Other delegates opposed compulsory attendance because it appeared "dictatorial and undemocratic." Mr. Warwick explained his opposition, stating "there were some subjects that were justly and properly objects of legislation" (Marsh, 1864, p. 571). Among them and one of the most worthy was education. He cautioned delegates,
however, stating that while delegates were legislating on that subject, they should not forget that they were living in a Republic, that a man’s house was his castle, and that in it every man should have a perfect right to exercise full authority and control over his children. He further explained that every citizen should have the right to decide whether to send their child to school or to keep them at home, just as he pleased. He concluded by proclaiming that the very character of free institutions forbade proposed interference with the private rights of each citizen.

The majority of the delegates encouraged compulsory attendance on the basis that a democracy required people who could read and write, and that all citizens needed some education to make intelligent choices when voting (Maestretti & Hicks, 1947). Mr. Dunne explained that he did not feel that any American citizen should be permitted to exercise the elective franchise unless he was able to read and write (Miller, 1972). Bushnell and Driggs, authors of Nevada: Origins and Growth, confirmed that the majority of the delegates felt that because a democracy presupposed an educated citizenry, the “only way to ensure such a citizenry was to make school attendance compulsory” (Bushnell and Driggs, 1984, p. 33).

Upon conclusion of the debate, delegates changed provisions that were recommended at the first constitutional convention slightly regarding compulsory attendance. The Constitution framed at the first constitutional convention declared that all children should be required to attend school at least three months in each year. Delegates removed the provision and proposed that policymakers be given permission to make laws providing for and encouraging a general attendance at school.
Delegates agreed that it was the duty of the state to furnish the children the means of a quality education and that it was the duty of the children to attend the schools provided (Marsh, 1866). Delegate Collins asked other delegates whether education or imprisonment was the better investment for the state, creating a general belief that education was the better option. Delegate Frizell further supported the compulsory attendance provision, proclaiming to the other delegates that establishing any system that would either induce or compel parents to educate their children, would do much towards preventing crime and consequently would be a good thing for the state (Marsh, 1866). Finally, Mr. Hawley explained that the most practicable method of securing attendance would be to pass a law requiring attendance to obtain funding. He suggested that policymakers require a certain proportion of the children in each district to attend school to obtain its proportion of the interest on the school money. The result of that, stated Mr. Hawley, would be that parents would feel more interest in having a full attendance and would take it upon themselves to visit those who were less careful and urge them to send their children (Marsh, 1866).

Upon conclusion of the compulsory attendance debate, Delegate Collins summarized the general sentiment amongst the delegates by stating that there was something sufficiently elastic to cover everything in the provision. The provision was developed to meet every changing condition of public feeling on the subject of education. He further explained that if policymakers wanted to enforce the attendance of all children at a certain age, it had the power to do so. Delegate Collins also pointed out that if policymakers felt it was impracticable to make a general enactment of that kind, but
policymakers representing a certain county, asked for the advantages of such a law, the Legislature had the power to grant the request and confer the privileges solicited. He reiterated that the provision was "elastic and comprehensive, and could be adapted to any want of any particular portion of the community, or any condition of progress of the public mind" (Marsh, 1864, pp. 573,574). As a result, delegates agreed that compulsory attendance was worthy of inclusion in the Education Article of the constitution. Delegates stated in Section 2 of Article XI that the Legislature had the opportunity to pass laws that tended "to secure a general attendance of the children in each school district upon said public schools."

Expectations Regarding the Funding of Education:

While the above-mentioned problems were discussed extensively throughout the debates, discussions continually reverted back to the topic of funding public education. Major topics included where revenue should come from, the amount of taxes to be levied, and how much state revenue was to be allocated for public education. Delegates expressed opposing viewpoints about funding education throughout the debates, but were able to develop sections in the constitution that provided a basic system for funding public schools.

Although delegates agreed that education was important to Nevada's overall ability to flourish as a state, not all delegates agreed to how education should be funded. Mr. Chapin, a delegate who served on the Committee of Education, felt that taxes should not automatically be levied for the support of public education, and recommended changing the wording of the proposed section to the constitution. He suggested changing
the wording, relating to a special school tax, from “shall provide” to “may in its
discretion provide,” which had been previously agreed upon by the delegates. Delegate
Collins opposed, however, and explained that the Board of Regents would have great
difficulty in obtaining funds in support of education due to the change.

Delegate Frizell agreed to the change, but explained that there was no doubt that
if funds were needed for education, they would be provided by State Legislators. He
proclaimed that there would be American citizens in the Legislature, and if the money
was needed, and they may in there discretion appropriate it, the Legislature would vote
the required amount of money for the support of education. Delegate Chapin further
explained that every gentleman knew that the hearts of the people were set on the
common schools and that funding would always be provided.

Delegate Collins opposed, however, stating that he did not believe that the
Legislature was likely to be as earnest in this matter of education as delegates appeared to
anticipate. He pointed out that the Legislature of the previous winter demonstrated that it
did not possess the degree of earnestness on the subject, and recommended that a special
tax to support public education be mandatory.

References to California’s system for funding education were used to indicate that
mandatory tax should be included in the constitution for the support of public schools.
Delegate Hawley explained that California’s Thirteenth Annual Report emphasized the
difficulty with which the Legislature of California had been prevailed upon to make
sufficient appropriations for educational purposes. He pointed out that petitions were in
circulation throughout California to encourage policymakers to impose upon all taxable
property, a tax of five mills on the dollar for educational purposes, instead of one-half of one mill, as was proposed in the Nevada section of the constitution. Delegates in support of the special tax proclaimed that if California could afford to pay a tax of five mills, Nevada could afford to pay one-half of one mill.

The founding fathers acknowledged that they were responsible for developing an educational foundation from which future policymakers could build. They further indicated that it was their responsibility to provide and fund education sufficiently, so children in Nevada would not have to suffer. Delegate Collins summarized the need to provide and fund education best as he stated:

"We are engaged in laying the foundations of a great and mighty State. Do not let us be niggardly in such a matter, and by want of a comprehensive foresight on our part in regard to the great wants of the future, force our children to leave the state to acquire education."

The expectation to provide and fund education sufficiently was significant because it confirmed that education was to be provided by and funded sufficiently by the state. As a result, delegates adopted a provision to provide for a special tax of one-half mill on the dollar on all taxable property to be used for public schools by a vote of 23 to 0.65

Expectations Regarding the Funding of Education in 1864 versus Today

The debates of 1864 revealed many of the same obstacles that we face today regarding the funding of public education. Although opposing viewpoints existed

65 Individuals who voted were: Messrs, Banks, Belden, Brosnan, Chapin, Collins, Crawford, Crosman, DeLong, Dunne, Frizell, Folsom, Gibson, Hawley, Kennedy, Kinkead, Lockwood, Mason, Murdock, Nourse, Parker, Tagliabue, and Wetherill.
amongst the founding fathers, the following sections of the Constitution were developed and adopted, serving as the basis for educational systems in Nevada. These sections, although written in 1864, have not changed dramatically over time, indicating that the original sections relating to public education did provide a solid foundation from which policymakers have built. Provided below are sections 2, 3, 5, 6, and 10 as they appeared in 1864 and currently, to provide the reader an opportunity to examine changes that have occurred.

Sections Related to the Funding of Education: 1864

Section 2: The Legislature shall provide for a uniform system of common schools, by which a school shall be established and maintained in each school district, at least six months in every year; and any school district neglecting to establish and maintain such a school or therein, may be deprived of its proportion of the interest of the public school fund during such neglect or infraction, and the Legislature may pass such laws as will tend to secure a general attendance of the children in each school district upon said public schools.

Section 3: All lands, including the 500,000 acres of land granted to the new states under an Act of Congress distributing the proceeds of the public lands among the several States of the Union, approved A.D. 1841; the sixteenth and thirty-second sections in every township, donated for the benefit of public schools, set forth in the Act of the thirty-eighth Congress, to enable the people of Nevada Territory to form a State Government; the thirty thousand acres of public lands granted by an Act of Congress, and approved July 2, 1862 for each Senator and Representative in Congress; and all lands and parcels of lands that have been or may hereafter be granted or appropriated by the United States to this State; all estates that may escheat to the State; all of such percent, as may be granted by Congress on the sale of land; all fines collected under the penal laws of the State; all property given or bequeathed to the State for educational purposes; and all proceeds derived from any or all of said sources, shall be, and the same are hereby solemnly pledged for educational purposes, and shall not be transferred to any other fund for other uses; and the interest thereon shall, from time to time, be apportioned among the several counties, in proportion to the ascertained numbers of the persons between the ages of six and eighteen years in the different counties. 

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Legislature shall provide for the sale of floating land-warrants to cover the aforesaid lands, and for the investment of all proceeds derived from any of the above-mentioned sources in United States bonds or the bonds of this State; provided, that the interest only of the aforesaid proceeds shall be used for educational purposes, and any surplus interest shall be added to the principal sum; and provided further, that such portion of said interest as may be necessary, may be appropriated for the support of the State University.

Section 5: The Legislature shall have power to establish Normal Schools, and such different grades of schools, from the primary department to the University, as in their discretion they may see fit.

Section 6: The Legislature shall provide a special tax of one-half of one mill on the dollar of all taxable property in the State in addition to the other means provided for the support and maintenance of said university and common schools; provided that at the end of ten years they may reduce said tax to one quarter of one mill on each dollar of taxable property.

Sections Related to the Funding of Education: Presently

Section 2: Uniform system of common schools. The legislature shall provide for a uniform system of common schools, by which a school shall be established and maintained in each school district at least six months in every year, and any school district which shall allow instruction of a sectarian character therein may be deprived of its proportion of the interest of the public school fund during such neglect or infraction, and the legislature may pass such laws as will tend to secure a general attendance of the children in each school district upon said public schools.

*Amended in 1938. Proposed and passed by the 1935 legislature; agreed to and passed by the 1937 legislature; and approved and ratified by the people at the 1938 general election (Constitution of the State of Nevada; Legislative Counsel Bureau; Carson City, Nevada. 1987-1988).

Section 3: Pledge of certain public lands and money for educational purposes; apportionment and use of interest; investment of principal. All lands, including the sixteenth and thirty-sixth sections in any township donated for the benefit of public schools in the act of the Thirty-eighth Congress, to enable the people of Nevada Territory to form a state government, the thirty thousand acres of public lands granted by an act of Congress, approved July second, A.D. eighteen hundred and sixty-two, for each senator and representative in Congress, and all proceeds of lands that have been or may hereafter be granted or appropriated by the United States to this state, and also the five hundred thousand acres of land granted to the new states under the act of Congress distributing the proceeds of the
public lands among the several states of the union, approved A.D. eighteen hundred and forty-one; provided, that Congress make provision for or authorize such diversion to be made for the purpose herein contained; all estates that may escheat to the state; all of such per centum as may be granted by Congress on the sale of lands; all fines collected under the penal laws of the state; all property given or bequeathed to the state for educational purposes, and all proceeds derived from any or all of said sources shall be and the same are hereby solemnly pledged for educational purposes, and shall not be transferred to any other funds for other uses; and the interest thereon shall, from time to time, be apportioned among the several counties as the legislature may provide by law; and the legislature shall provide for the sale of floating land warrants to cover the aforesaid lands, and for the investment of all proceeds derived from any of the above-mentioned sources; provided that the interest only of the aforesaid proceeds shall be used for educational purposes, and any surplus interest shall be added to the principal sum; and provided further, that such portion of said interest as may be necessary may be appropriated for the support of the state university.

*Amended in 1886, 1889, 1912, 1916, and 1980*.

Section 5: Establishment of normal schools and grades of schools; oath of teachers and professors. The Legislature shall have power to establish Normal schools, and such different grades of schools, from the primary department to the University, as in their discretion they may deem necessary, and all Professors in said University, or Teachers in said Schools of whatever grade, shall be required to take and subscribe to the oath as prescribed in

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66 The first amendment was approved and ratified by the people at the 1886 general election, but no entry of the proposed amendment had been made upon the journal of either house of the legislature, and such omission was fatal to the adoption of the amendment. See State ex rel. Stevenson v. Tufly, 19 Nev. 391 (1887). The second amendment was proposed and passed by the 1885 legislature; agreed to and passed by the 1887 legislature; and approved and ratified by the people at a special election held February 11, 1889. The third amendment was proposed and passed by the 1909 legislature; agreed to and passed by the 1911 legislature; and approved and ratified by the people at the 1912 general election. The fourth amendment was proposed and passed by the 1913 legislature; agreed to and passed by the 1915 legislature; and approved and ratified by the people at the 1916 general election. The fifth amendment was proposed and passed by the 1977 legislature; agreed to and passed by the 1979 legislature; and approved and ratified by the people at the 1980 general election. The sixth amendment was proposed and passed by the 1985 legislature; agreed to and passed by the 1987 legislature; and approved and ratified by the people at the 1988 general election.
Article Fifteenth of this Constitution. NO Professor or Teacher who fails to comply with the provisions of any law framed in accordance with the provisions of this Section, shall be entitled to receive any portion of the public monies set apart for school purposes.

Section 6: Support of university and common schools by direct legislative appropriation. In addition to other means provided for the support and maintenance of said university and common schools, the legislature shall provide for their support and maintenance by direct legislative appropriation from the general fund, upon the presentation of budgets in the manner required by law.

*Amended in 1889, 1938, and 1954. The first amendment was proposed and passed by the 1885 legislature; agreed to and passed by the 1887 legislature; and approved and ratified by the people at a special election held February 11, 1889.

Section 10: No public money to be used for sectarian purposes. No public funds of any kind or character whatever, State, County or Municipal, shall be used for sectarian purpose.

*Added in 1880. Proposed and passed by the 1877 legislature; agreed to and passed by the 1879 legislature; and approved and ratified by the people at the 1880 general election.

Summary

The educational clause of the Nevada Constitution was developed by a convention of delegates, chosen by the people, who met at Carson City on July 4, 1864, and adjourned on July 28, 1864. The constitution was approved on the first Wednesday of September 1864, by the vote of the people. On October 31, 1864, Nevada was admitted into the Union.

The founding fathers debated issues related to education such as funding, compulsory attendance, taxation, and sectarian instruction wholeheartedly. As a result, the educational clause of the constitution provided a solid foundation, from which future policymakers have built. Delegates who participated in the constitutional conventions considered education to be a priority, and felt responsible for providing a foundation that
outlined educational expectancies and provided a system for funding schools throughout Nevada.

While most citizens want the best educational programs possible for children throughout Nevada, disagreements about how to raise revenue and how to determine what amounts of revenue should be allocated in support of public education have consistently existed throughout history.

2. In what manner has the funding of public education in Nevada changed over time?

The Original System for Funding Public Education

Nevada educators have experienced great change in the funding of education since the establishment of the Territory of Nevada in 1861. Originally, public schools were funded based upon census numbers. This led to much dishonesty in census reporting and was extremely difficult due to extreme variations in population throughout Nevada. Many state superintendents acknowledged the dishonesty used in census reporting to obtain funds for the support of education in their biennial reports to the Nevada Legislature. Superintendent Orvis Ring (1901) summarized the dishonesty best by explaining that reports he received annually from county superintendents confirmed that the school census law was constantly violated (p.7). Children were included in the school census of some places who had never lived in the district or state, individuals who had once lived in a district, but had been away for eight or ten years were still included in the census, and double and some triple enumerations were not infrequent (p.7). Superintendent Ring acknowledged, however, that there were districts in which an
It was only after 1910 that the use of income, and later, sales and excise taxes, assisted local units in financing education. The Legislature had not been successful, however, in providing a measure to carry the provision of the Constitution into effect which declared that there be a “uniform and equal rate of assessment and taxation” and a “just valuation of all property, real, personal and possessory” (Oddie, 1913, pp. 7, 8).

The failure to provide a uniform system of taxation negatively affected educators due to the variations in revenue raised through taxes in support of public education between different counties. Governor Oddie confirmed the failure to establish a uniform system of taxation in his report to the Legislature (1913), explaining that the State Board of Assessors Act had not solved the problem, and that the burden of taxation was unequally distributed, falling proportionally heaviest upon the small freeholder (p. 8). He further explained that the heaviest burden was placed on individuals whose property was obvious, and least upon certain kinds of property the existence or valuation of which was not so obvious (p. 8). As a result, he urged policymakers to address the lack of uniformity and proclaimed that equalizing the burden of taxation would provide relief to Nevada citizens who paid an undue proportion of the cost of maintaining government (Oddie, 1913).

How Schools Were Funded

In 1911, all but county high schools were funded by money supplied from the state and county school funds, apportioned to the various school districts by the
superintendent. When the money supplied was insufficient, “any district could, by the action of its trustees or by vote of its electors, impose a direct tax on the property of the district sufficient for its needs” (Bray, 1913, p. 13). The choice to impose additional taxes placed much of the responsibility for funding public education on the residents in each county, creating disparity in available funding within Nevada school districts.

In 1911, Nevada had over $2,000,000 in its Irreducible State School Fund and invested the revenue in Nevada and United States bonds. Interest obtained from the investment was distributed to the schools semiannually. In addition, an annual state school tax of six cents on the $100 was distributed in the same manner. The 1911 Legislature increased the state school tax to ten cents to provide additional funds for public education. While some of the counties assessed and paid this tax, however, reports written by Superintendent Bray indicated that others assessed, paid only the old rate of six cents (Bray, 1913, p. 13), creating further disparities between districts.

Additional funds from interest on deferred payments on state school land contracts and from state library funds were also distributed to schools annually. The money derived from all of the sources approximated $600,000 annually, varying with valuations, rates, and district needs, was used to educate approximately 13,000 students (Bray, 1913, p. 14). Moreover, there were 11 Nevada county high schools supported entirely by a county high school tax. “Counties maintained the high schools liberally and

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67 At a special session of 1912, the Legislature repealed the 10-cent tax as an economy measure.
schools were said to be of great educational value to those who attended them” (Bray, 1913, p. 14).

A New System of Apportionment: 1911

The Legislative Session of 1911 enacted a new system of apportionment of state school moneys that allowed for a more accurate distribution of funds. Funds were dispersed based on the percentage of money for districts and on census, rather than census numbers alone. The new system made the amount of funds dispersed more non-discriminatory. Superintendent Bray acknowledged that under the former system, the distribution of state school money was grossly unequal and unfair in the different counties (1913). He stated that the new system treated the districts impartially and gave the smaller districts throughout the state, better average support (Bray, 1913).

A new system of taxation and apportionment was needed because three fourths of the districts in the state had never raised any money locally for the support of their schools (Bray, 1913). County school funds were used for repairing buildings, supplies, and for janitor services (Bray, 1913). Conversely, the larger and more progressive districts raised yearly by special tax an amount far in excess of all these expenses, leaving all state and county funds exclusively for the payment of teachers' salaries. In addition, public school funding was paid on a State Flat Grant basis in 1915. An amount of $2,000 per teacher and $40.00 per student was allocated and no adjustments for wealthy or poverty stricken school districts were made, resulting in further disparity amongst school districts, particularly in rural areas.
As a result, school districts throughout Nevada had received insufficient funds from the regular sources of income to pay proper salaries and maintain schools. Consequently, an increase in the state school tax and an additional tax levy to establish and support high schools on a countywide basis was recommended. Therefore, the Apportionment Act of 1917 was proposed and approved, “providing additional funds for public education on a more equitable basis and providing an annual minimum for even the smallest school districts68” (Hunting, 1921, p. 5).

In 1919, the apportionment law went into full effect. A minimum of $805 and a per capita increase for the larger schools was allocated and the actual amounts were considerably above the minimum in most cases (Hunting, 1921). A larger increase than any other single year took place and the budget law enabled schools to present their funding needs. As a result, county tax rates and special district tax rates could be fixed to provide a larger income (Hunting, 1921).

Interestingly, expenditures were unusually low, and the total amount furnished by the state was 38.7%, while the amounts furnished by the local districts were approximately 61.3% (1913). This indicated that the majority of the responsibility for providing funds for public education belonged to local school districts, which went against the constitution. Moreover, by 1923, the state’s share had fallen to 23.2% and the share of the local units had risen to 76.8%, “making the increase in ten years by the local

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68 As a first step, even the small school of five census children was provided an annual minimum of $775, which was generally nearer $800 to $850 per school, while larger schools drew proportionately larger amounts on the per capita basis (Hunting, 1921, p. 5).
units, more than five times the increase by the state” (Hunting, 1925, p. 10). Superintendent Hunting’s Biennial Report further indicated that the highest average valuation per census child was $32,902. This average valuation was more than 11 times that of the county having the lowest average valuation per census child, which was $2,811. Moreover, this indicated that a tax of ten cents in the most fortunate county would yield the same relative school support that a tax of $1.10 would in the least fortunate county.

1925: A Year of Further Change

In 1925, the apportionment method was changed from census to average daily attendance, making the method more equitable. Apportionments to schools were made on the basis of $9.00 per pupil and $137.50 per teacher. Despite a change in apportionment method, however, a shortage of $44,736.87 still existed in 1926 due to $36,939.40 that had been paid from the State Distributive Fund to meet the delayed payment. As a result, a balance of $159,263.13 existed when an actual amount of $204,000 was needed to meet the State’s expense (Anderson, 1927, p. 17). Rather than develop a plan to generate additional revenue for the support of public education, legislators reduced the rate per child from $9.00 to $8.50, which remained that way for quite some time.

Due to insufficient funds, policymakers provided a temporary fund of $40,000 to equalize educational opportunities throughout the state. School districts experiencing financial difficulties applied for the additional funds. Funds were distributed based on financial need. State records indicated that because the number of schools applying for relief from this fund was so large, however, before another year had passed, the fund had
to be prorated and the apportionment had to be taken from the State Distributive School Fund by an Act of Legislation (Nevada Education Bulletin, September 1927 (1929), p. 3).

The 1930s: Funding Disparities Exist

Prior to the 1930s, school districts were forced to raise more than 80% of their income locally, resulting in varying efforts to provide funds for public education. County Superintendents recognized that despite previous efforts made to equalize funding, equal educational opportunities were not being offered to Nevada children. Some school districts in the state, “where a special tax of 25 cents was established, brought in less than $5, while other school districts that instituted a similar tax, brought in thousands” (Anderson, 1931, pp.11, 12). These variations in available revenue led to shorter terms of school in poorer districts, poor equipment, little or no library facilities, and in some instances, a teacher who was poorly paid and often unprepared to do her work (Anderson, 1931, p.12). As a result, children in poorer districts received less of an education and were placed in position to fail.

At this time, the State Distributive School Fund was made up from eleven twentieths of the two mill tax, the interest from the State Permanent School Fund, one-half of the corporation filing fees from the Secretary of State’s office after the State

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69 Special school support ranged from $692.17 in Lander County to $62,950.25 in Clark County during the school year 1928-1929 (Anderson, 1931, p. 90).

70 Two schools had school term less than 81 days, 3 had school terms between 81 to 100 days, 5 schools had terms from 101 to 120 days, 11 schools had terms between 121 to 140 days, 88 schools had terms between 141 to 160 days, 181 schools had terms between 161 to 180 days, and 9 schools had terms 181 days or more (Anderson, 1931, Table No. 3, p. 77).
Library expense had been paid, and the interest from land contracts (Anderson, 1931). This fund was used to pay the state’s portion of the elementary school expense. The fund was also used to pay a small amount to relieve two or three of the counties for their high schools, not to exceed $15,000 annually. The state’s portion of education was about 18%, compared to 10-15% local, and 60-70% county.

Due to a large increase in population in Nevada, specifically Clark County, due to the building of Hoover Dam, Superintendent Anderson proclaimed to Governor Balzar that, “something had to be done to provide additional funds in support of education” (Anderson, 1933, p. 14). He explained that under the current conditions, and unless some of the tax problems were settled prior to January 1933, “school funds would not be sufficient to meet even the teacher apportionment as required by law” (Anderson, 1933, pp. 14, 15). The county rate per pupil was approximately 50 cents for elementary schools and $1.24 for high schools in Educational School District No. 2 and had been decreasing rapidly. The Controllers Report (Anderson, 1933) indicated that while the total amount of state money spent for education in 1930 equaled 22.78% of the total state expenditures, the total amount of state money spent for education only equaled 12.55% of the total state expenditures in the current fiscal year. The lack of state funding for public education confirmed that school expenditures were not increasing in comparison with other state costs. In fact, the decreased percentage figures for education amounted to approximately 45% for the previous two and one half years (Anderson, 1933, p. 15).

All sources of income for the State Distributive School Fund decreased significantly during the Biennium, and the total taxable valuation of the state had
decreased by several million dollars (Anderson, NEB Nov-Dec, 1934, p. 8). A steady
decrease in interest on the State Permanent School Fund also existed. The primary
reason for the decrease was defaulted interest payments on some of the Permanent Fund
bonds and other sources of income for the fund, such as income from filing fees and
interest on school land contracts (Nevada Education Bulletin, 1934).

Temporary Funding Relief Provided by the State

Temporary relief for funding education came in 1935 as a law was enacted that
placed a tax on liquor sales. Proceeds from this source were approximately $200,000 per
year, of which $100,000 was allocated to the State Distributive School Fund for Nevada
elementary schools (Smith, 1937). The additional revenue helped to make up such losses
in revenue, sustained during the depression. The losses were a result of the falling off in
the assessed valuation of taxable property, the lower receipts on corporation fees in the
Secretary of State’s office, “the low income from the state land contracts, and the
lessened yield of interest on the Permanent School Fund” (Smith, 1937, p. 13).

Superintendent Chauncey Smith was concerned, however, because the Nevada
Constitution had a tax limitation for education of 20 cents on the hundred dollars of
assessed valuations. Of the 20 cents, public schools received 11 cents and the
university received nine cents (Smith, 1937). He explained in his Biennial Report (1937)
“modern school finance philosophy required that in order to assure equality of
opportunity to all the children of the state, which was a goal established by the original

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71 Education was the only element of the state government that was limited in taxation by
the constitution and the constitutional limitation for education was reached in 1921
(Smith, 1937, pp. 14, 15).
framers of the constitution, there had to be equality of school maintenance” (Smith, 1937, p. 14). He further explained that no equality of opportunity was provided under the constitutional limit because one school district paid a special school tax as high as $1.80, while another paid only 15 cents on the hundred dollars of assessed valuation. As a result, he urged policymakers to amend the constitution as it related to the funding of education. He proclaimed that “everybody knew the sad spectacle of the condition of the public schools when, during the depression, the state, even with its relatively small total contribution, was many months in debts in the very minimum support provided by statutes” (Smith, 1937, p. 15).

1939: Changes With Funding Nevada High Schools

Major changes were made to the funding of Nevada high schools during the 1939 Legislature Session. Policymakers differentiated between district high schools in counties, which did and did not have a county high school, for the first time in Nevada history. The 1939 Statute required that if the district high school was located in a county that had a county high school, support allocated for the district was to equal $140 per pupil per year. In addition, each county was required to pay 100% of the transportation costs if 25% of the registered voters so specified (Bray, 1941).

In 1941, policymakers attending the 40th Session of the Legislature further changed the funding of education. Policymakers approved an increase in the state tax levy from 11 to 13 cents for the State Distributive School Fund (Bray, 1943). This increase eliminated the necessity of appropriating moneys to that fund from the State
General Fund. The increase also provided the amount of revenue sought by Governor Carville in the budget of the State Department of Education for the Biennium 1941-1943.

Elementary schools and the university system were provided funding by the state, but high schools were excluded. Educators such as Superintendent Mildred Bray and R. Guild Gray noted (1943; 1948) that, in certain counties such as Clark, the sources of new tax revenue were inadequate to fund public education. As a result, policymakers were urged to change the policy, so that Nevada could tax where the property valuation was, and distribute the funds where the needs existed. In addition, the Nevada Education Bulletin confirmed that inequalities still existed between town schools and rural schools due to the variations in tax. In fact, 12 to 13% of the school children in Nevada attended schools with only one teacher, often resulting in less resources, limited facilities, and often-poorer instruction.

State Funding Priorities: Legislators versus Educators

Interestingly, as educators sought more funding for the support of public schools, legislators allocated a considerable sum of money in 1941 to the state prison, rather than to public schools. While the majority of policymakers favored spending additional money for the state prison, one legislator, Mr. Fred Phillips, explained that it would have been better to spend more money on the schools than on the state prison. He further explained that by doing so, “there might be fewer convicts to be cared for in the prison.” His sentiments were important because the idea of limiting criminal behavior by providing education was consistent throughout history, and discussed during the Second Constitutional Convention, which resulted in the adoption of the Nevada State
Constitution. In fact, Mr. Collins, an original member of the Committee on Education, challenged delegates at the Second Constitutional Convention to determine whether funding education or state prisons was more beneficial, and to act accordingly.

Policymakers Seek Equalized Funding

The 1943 Legislative Session resulted in further change to the funding of public education. Policymakers increased the tax levy of the State Distributive School Fund from 13 to 21 cents, increasing funds for public education. Policymakers also provided a small amount of additional state aid for rural schools to equalize educational opportunities. Policymakers provided additional funds to rural districts that assumed their part of school maintenance, by levying the 25-cent special district tax. In addition, the Liquor License Tax Act was revised, eliminating revenue to the State Distributive School Fund.

Superintendent Mildred Bray supported the increased tax levy and explained that by increasing the state tax, policymakers demonstrated its competence in public education (Bray, 1945). The increased tax for the State Distributive School Fund ensured that in January and July of each year, there would be adequate funds to pay the regular state teacher and state pupil apportionment, as required by law. Unfortunately however, Superintendent Bray indicated that despite the increase, revenue had not been sufficient to make both teacher and pupil state apportionment available in January and July. As a result, apportionments had to be made within the half-year period, covered by the semiannual apportionment (Bray, 1945).
1949: Funding Problems Continued

As a result of insufficient funds, a study of Nevada school finance was conducted. The Study of Nevada School Finance (1949) indicated that most of Nevada's 223 school districts were of insufficient size. Furthermore, the study confirmed that the majority of the school districts were of such low taxable wealth, that they could not support education by themselves. In fact, "Nevada school districts contained property valuations that ranged from $7,000 to over $50,000" (p. 72), creating extreme disparity between school districts. In addition, approximately half of Nevada school districts had an average daily attendance of fewer than ten pupils, and only 12.5% of the districts were large enough, according to standards that had been developed, to operate efficiently.

Consequently, Superintendents Mildred Bray and Glen Duncan continued to urge policymakers to allocate additional state funding in support of public education. As a result, Legislators appropriated additional funding in support of public education. Superintendent Duncan (1955) acknowledged that substantial gains for education, through the legislative approval of increased state aid to both pupils and teachers, were achieved in the previous Biennium (Duncan, 1955). The Special Session of the Legislature permitted state apportionments to be made on a current average daily attendance record, replacing that of the previous years average daily attendance. Consequently, the method of providing apportionments, based on current attendance, resulted in a more appropriate allocation to schools throughout the state. The new system recognized the actual number of students who required educational services, making the appropriation more accurate.
A Time for Immediate Change: 1954

Despite apportionments being made on current average daily attendance, continued increases in student population made funding education difficult. Consequently, Governor Charles Russell followed the recommendations of the State Department of Education, the Nevada Congress of Parents and Teachers, and professional education associations to proceed with an investigation of the needs and conditions of Nevada schools in 1954. As a result, policymakers who attended a Special Session of the Legislature appropriated $30,000 for the use of the Governor’s School Survey Committee to secure the services of a survey team to study the funding of education. The study included a close evaluation of the way public education was funded, as well as an evaluation of different educational practices in Nevada. The study, known as the “Peabody Study,” resulted in dramatic changes to the funding of education throughout Nevada. In fact, policymakers enacted legislation based upon the recommendation of the Governor and the Governor’s School Survey Committee at the 1955 Legislative Session.

The Peabody Committee found that 180 Nevada school districts were not funded evenly, and that property was not assessed equitably throughout Nevada, resulting in extreme disparities. As a result of the findings, the Committee made many recommendations to policymakers that included such things as allocating money per teacher, providing money for students in attendance, funding transportation, and making counties co-terminous. They also encouraged policymakers to allow each school district to have more flexibility with assessing additional taxes in support of education.
The method for funding public education, resulting from the Peabody Study, "increased appropriations and made possible the operation of the schools on a more adequate financial basis" (Stetler, 1959, p.12). Superintendent Stetler cautioned legislators, however, by explaining that the formula was developed and predicated upon the then current dollar value, which had since changed. He stated that "whenever that situation exists in an era of inflationary tendencies, sooner or later, the former dollar values would become unrealistic" (p. 12), forcing legislators to make further adjustments to the funding formula.

1959: Did the Peabody Study Result in Appropriate Funding Changes

To make appropriate adjustments to the funding of education, policymakers enacted legislation in the 1959 Legislative Session, authorizing the Governor to appoint a school survey committee to study problems pertaining to Nevada schools. The Governor's School Survey Committee contracted with the University of Wyoming to make a fact-finding study of Nevada schools. Areas of finance, personnel, business management, and curriculum were studied. The areas of study were chosen to determine whether the apportionment formula, with respect to the state distributive fund, was proper concerning county school district needs. The committee also attempted to determine whether the moneys received by the county school districts were sufficient, and whether there was waste or mismanagement of funds and equipment (Stetler, 1961).

Due to insufficient funds in support of public education, policymakers enacted an emergency distributive school fund during the 1959 Legislative Session. The fund was established to provide an additional sum of $300 per certified employee and $26 per child
in average daily attendance in grades 1-12. The fund also provided $13 for each kindergarten pupil to better meet the educational needs of children throughout the state. This emergency provision was established for only one year. The Biennial Report, written by Byron Stetler, indicated, however, that policymakers attending the following Session of the Legislature reenacted the same statute on the same one-year basis (Stetler, 1961, 12), providing temporary relief for Nevada schools.

Schools were funded based on the formula for the appropriation of state aid as established under the Governor’s School Survey Committee report, which resulted in the 1956 School Code. The provisions provided, as part of the minimum yearly requirements, $4,000 per certified employee, $80 per child in average daily attendance in grades 1-12, and $40 per kindergarten pupil in average daily attendance (Stetler, 1961, p. 12). The amount of the combined apportionments was $4300 per certified employee, $106 per pupil in grades 1 to 12, and $53 per kindergarten pupil.

As a result, Superintendent Stetler informed policymakers that “schools could not operate satisfactorily with less than these amounts, and that most districts could not finance their educational programs with the amount of money received” (Stetler, 1961, p. 12). Consequently, he recommended that Nevada policymakers utilize the Wyoming Plan. Superintendent Stetler explained that the formula based upon the weighted classroom unit would remove many of the inequities that existed under the funding formula used at that time. He further explained that the Wyoming Plan would provide adequate funds for those school districts that were experiencing financial hardship. Moreover, he explained that the Wyoming plan made it possible to release some of the
tax rate to the counties or cities in other districts, providing relief to overburdened taxpayers.

The Legislators did not approve the new apportionment plan, however, and continued to have the state aid education on the basis of the formula that provided $96 per student and $4800 for each certified personnel. Superintendent Stetler, as well as Governor Sawyer, did acknowledge that some of the schools, notably schools in Clark County, had experienced financial difficulty (Sawyer, 1963). The difficulties existed primarily because school districts were unable to obtain the full allotment of certified personnel and did not receive this portion of state aid.

Funding Per Pupil: Then and Now

Unlike more recent times, Nevada ranked 4th in the nation on the basis of money spent per pupil in 1963 (Sawyer, 1963), and the percentage of revenue of the local school districts received from the state was relatively high. Nevada provided 54.6% of the revenue of the school boards and 54% of the total general fund appropriations. The national average of state contribution to school districts was 40.2% compared to Nevada’s 54.6%, and the percentage of revenue the schools received from local governments was 37.6%. This percentage in funding provided by the state in support of education resulted in positive relations between both Superintendent Stetler and Governor Grant Sawyer.

Population Growth and Funding Inequities Continued to Exist

The increasing student enrollment and continued inequities that existed with the distribution of state moneys continued to present problems for Nevada school districts.
As a result, Superintendent Stetler urged policymakers to study ways to adequately apportion the State Distributive School Fund (Stetler, 1965). He explained to educators that a subcommittee of the Legislative Commission on Distribution of State Aid to Schools was working with the Department of Education to develop a method of distribution called the Nevada Plan (Stetler, 1965, p. 18). The plan was being formulated to provide adequate revenue for public education and to provide more permanency in funding public education throughout Nevada.

In 1966-1967, Nevada public schools received a total of $187,490,031.26 from state, federal, school district, and county sources. Of that amount, 60.77% was received from the county, 32.84% from the state, and 5.41% from federal sources. This distribution indicated that state funding had decreased, and that counties were the main source for public education funding. This reliance on county funding went against the expectations set forth by Nevada’s founding fathers, which stated that education was primarily the state’s responsibility.

The Nevada Plan

The Nevada Plan was adopted by the state legislature in 1967 and is the current method for funding public education throughout Nevada. The Nevada Plan is a minimum foundation program that provides money per pupil, and has a guaranteed base amount per pupil for each district. The Nevada Plan was designed to account for variations in educational costs and local district wealth, while placing the responsibility of education on both state and local entities.
Throughout history, many adjustments have been made to alter the amount of revenue in support of public education to better meet the needs of unique student populations in each of the 17 school districts in Nevada. These changes include: additional funding for special education being allocated in 1973, an approved property tax relief package that reduced the total levy for school districts in 1979\textsuperscript{72} from $1.50 to $.50 per $100 of assessed valuation, and an increased property tax rate for local school districts to offset state general funds in 1983. Additional changes include money being allocated for class size reduction in elementary grades kindergarten through three in 1989 and an increased local school support tax being placed on taxable sales in 1991.

In addition, the 1981 Legislature increased the local school support tax from 1.0% to 1.5% of all taxable sales. Consequently, the tax shift, which substituted sales tax for property tax, resulted in local governments suffering due to lower than expected revenue and the national recession. To make up for the shortfall, the 1983 Legislature increased the property tax rate for local school districts from $.50 to $.75 per $100 of assessed valuation and placed the extra $.25 in the Nevada Plan to compensate the state general fund. Furthermore, in 1991, policymakers increased the reliance of local school districts on the sales tax by increasing the local school support tax from 1.5% to 2.25% on taxable sales, beginning October 1, 1991.

\textsuperscript{72} The large increase in aid came about primarily through major tax reform legislation passed by the 1979 Legislature. Under Senate Bill 204, the state added $1.00 (10 mills) of assessed valuation as part of the guaranteed basic support provided to school districts. This action resulted in a local levy decrease by the same amount (Biennial Report of Nevada State Agencies, 1980, p. 142).
The additional funding allocated for class size reduction was provided to maintain student-teacher ratios in the primary grades. Unfortunately, the general fund and estate tax revenue only covered the salaries and benefits of the teachers hired to meet the required student-teacher ratios. The general fund and estate tax did not cover such things as the cost of the classrooms, operating costs, or needed supplies. This failure to adequately fund programs demonstrates the will of policymakers to mandate programs without providing sufficient revenue.

The Nevada Plan has been relatively successful in Nevada because it makes available a basic per-pupil guarantee that provides for variations in educational costs and local wealth in every district. This limits the number of disparities among the basic amount of funding received by each school district. The law establishes the basic support guarantee amount for each district in Nevada and Nevada Revised Statute determines the calculation of basic support. Nevada determines the basic support guarantee by determining the basic support ratio, calculating the wealth equalization factor, calculating the transportation allocation, and determining the basic support per pupil dollar amount.

Criticisms of Education in Nevada and the Nevada Plan

While the Nevada Plan was considered to be relatively equitable, the increasing number of students enrolling in Nevada schools, especially students with special needs, as well as per pupil spending below the national average initiated legislative action. The 68th Session of the Legislature adopted Senate Concurrent Resolution Number 30,\(^73\),

which directed the Legislative Commission to hire a consultant to conduct a study of the feasibility of reconfiguring the structure of school districts in Nevada.

Seven meetings were held to review boundary issues involved with school districts statewide, examine alternatives, and ensure that the impact of proposals to realign district boundaries, if any, were analyzed appropriately. The consultant, Management Analysis & Planning (MAP) Associates, of Berkeley, California, was retained to collect, analyze, and report information relating to school district boundary issues (Legislative Counsel Bureau, 1997, p. 1). The adoption of the study was significant because it recognized that reconfiguring the structure of school districts could allow the school system to be more responsive to Nevada residents regarding education.

The subcommittee adopted 8 of 34 recommendations reviewed. Major items adopted included proposals to provide a process for realigning school districts, initiated by a local school district or by voter petition; provide for the establishment of charter schools; provide for a statewide technology plan for education; and establish an interim legislative study to review state participation in the financing of school construction. The other adopted items included the removal of the sunset on Nevada’s program for school-based decision making within public schools, urging school district boards of trustees to establish advisory councils; encouraging cooperative agreements among school districts to share resources, as well as agreements for student attendance in adjoining districts, when required; and urging school districts to make use of short-term financing for the purchase of computer equipment (p.2).
The report indicated that Nevada’s extremes of population sparsity, density, and rate of growth present intense challenges to any change in existing school district boundaries (p. 14). The report also concluded that Nevada’s current arrangements for generating and distributing school operating revenues (the Nevada Plan) were among the most effective in the nation, and acted in concert with existing school district boundary arrangements to create conditions of remarkable interdistrict resource equality. The consultant proposed that, in the event school district boundary changes were made, the equalization features of its school finance formula be preserved by collecting sales tax and property tax revenues county-wide and distributing them back to districts on a per-pupil basis.

The committee found, however, that Nevada’s mechanisms for generating and distributing revenues for school facilities construction were particularly problematic (p.14). They found that the funding of school construction contributed to troublesome inequalities that provided fodder for potentially successful legal challenges. The explained that one option Nevada could adopt was full state assumption of capital funding, which would cost as much as $275 million annually. Another option recommended was to create a state/local partnership in which the local districts’ contribution would be equalized in a manner similar to the way the Nevada Plan equalized operating revenues.

The committee pointed out that Nevada, especially Clark County, had given insufficient consideration to the consequences of school enrollment size. The weight of empirical research evidence suggested that schools of a medium size; (300 to 400 pupils
for elementary schools and 600-900 pupils for secondary schools) were most effective in facilitating student academic achievement and extracurricular participation. School size appeared to be of particular consequence for students from low-income households.

Special Education Funding Insufficient

While the Nevada Plan makes available a basic per-pupil guarantee that provides for variations in educational costs and local wealth in every district, the lack of sufficient funds allocated for special education programs has become a problem. The number of "special education units" allocated to school districts each year from the State has not met district requirements. The amount allocated for each special education unit falls short of actual costs of salaries and benefits for special education teachers. As a result, school districts are required to use money from the local general fund to pay the difference between the amount funded by the state and the actual cost of providing special education services. The Legislative Counsel Bureau indicated that some money was available from federal sources and grants, but that it had historically been extremely small (2000, p. 34). Actually, Congress planned to fund 15 percent of the total cost in 2000, which was the most it had ever contributed.

In school districts such as Clark County, the lack of required units requires considerable funds from the general operating budget. According to the Clark County School District Special Education Financing General/Special Education Fund Revenues and Expenditures Fiscal Year 2001-2002 Actuals Report, $30,576 was provided by the State for each special education unit, while the actual cost per unit was $56,139, costing the district $25,563 per unit. Moreover, the state allocated 1,519 Special Education Units...
to Clark County in 2002-2003, when 2475 units were required to educate the number of
special needs children enrolled. As a result, the additional 956 units required cost the
Clark County School District $53,669,189.92.

The maximum number of units and amount of basic support for special education
units within each of the school districts, before any reallocation pursuant to NRS 387.1221, for fiscal years 2001-2002 and 2002-2003 are as follows:

<table>
<thead>
<tr>
<th>District</th>
<th>2001-2002 Units</th>
<th>Amount</th>
<th>2002-2003 Units</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carson City</td>
<td>78</td>
<td>2,338,206</td>
<td>80</td>
<td>2,446,080</td>
</tr>
<tr>
<td>Churchill</td>
<td>43</td>
<td>1,289,011</td>
<td>44</td>
<td>1,345,344</td>
</tr>
<tr>
<td>Clark</td>
<td>1,437</td>
<td>43,076,949</td>
<td>1,519</td>
<td>46,444,944</td>
</tr>
<tr>
<td>Douglas</td>
<td>61</td>
<td>1,828,597</td>
<td>62</td>
<td>1,895,712</td>
</tr>
<tr>
<td>Elko</td>
<td>80</td>
<td>2,398,160</td>
<td>81</td>
<td>2,476,656</td>
</tr>
<tr>
<td>Esmeralda</td>
<td>3</td>
<td>89,931</td>
<td>3</td>
<td>91,728</td>
</tr>
<tr>
<td>Eureka</td>
<td>4</td>
<td>119,908</td>
<td>4</td>
<td>122,304</td>
</tr>
<tr>
<td>Humboldt</td>
<td>29</td>
<td>869,333</td>
<td>29</td>
<td>886,704</td>
</tr>
<tr>
<td>Lander</td>
<td>14</td>
<td>419,678</td>
<td>14</td>
<td>428,064</td>
</tr>
<tr>
<td>Lincoln</td>
<td>17</td>
<td>509,609</td>
<td>17</td>
<td>519,792</td>
</tr>
<tr>
<td>Lyon</td>
<td>52</td>
<td>1,558,804</td>
<td>54</td>
<td>1,651,104</td>
</tr>
<tr>
<td>Mineral</td>
<td>10</td>
<td>299,770</td>
<td>11</td>
<td>336,336</td>
</tr>
<tr>
<td>Nye</td>
<td>42</td>
<td>1,259,034</td>
<td>44</td>
<td>1,345,344</td>
</tr>
<tr>
<td>Pershing</td>
<td>14</td>
<td>419,678</td>
<td>14</td>
<td>428,064</td>
</tr>
<tr>
<td>Storey</td>
<td>8</td>
<td>239,816</td>
<td>8</td>
<td>244,608</td>
</tr>
<tr>
<td>Washoe</td>
<td>451</td>
<td>13,519,627</td>
<td>471</td>
<td>14,401,296</td>
</tr>
<tr>
<td>White Pine</td>
<td>19</td>
<td>569,563</td>
<td>19</td>
<td>580,944</td>
</tr>
<tr>
<td>Subtotal</td>
<td>2,362</td>
<td>70,805,674</td>
<td>2,474</td>
<td>75,645,024</td>
</tr>
<tr>
<td>Reserved by the Board of Education</td>
<td>40</td>
<td>1,199,080</td>
<td>40</td>
<td>1,223,040</td>
</tr>
<tr>
<td>Total</td>
<td>2,402</td>
<td>72,004,754</td>
<td>2,514</td>
<td>76,868,064</td>
</tr>
</tbody>
</table>

Furthermore, the Legislative Counsel Bureau (1992) indicated that the special
education population in Nevada had grown at an annual rate of over six percent over the

72 Data obtained from the Nevada Department of Education, Senate Bill 585.
last five years and had increased at a faster rate, since 1992, than the general student population. Students with special needs comprised about 9.5 percent of the total school population in 2000 (ages 6 – 17), which was lower than the nationwide average of 11.1 percent.

Finally, the average cost, statewide, for educating a disabled student in Nevada, is $10,528 per year. This includes the expenses for general education classes, special education programs, and related services. The total cost for the 1999-2000 school year to educate students with disabilities in Nevada, was $346 million, paid from a combination of federal, state, and local dollars.

Summary

The funding of education in Nevada has changed drastically throughout history. Policymakers have implemented a number of funding and apportionment methods based on both census and attendance numbers, and have attempted to provide sufficient funding for Nevada schools. Data collected from Biennial Reports written by Superintendents, however, indicate that prisons, the improvement of roads, and healthcare have taken precedence, receiving additional funding before public education (Young, 1885). Superintendent Young reported to policymakers, as early as 1885 in his Biennial Report to the Legislature, that sufficient funding was not provided for public education. He explained that since Nevada became a State, there had been $803,536.52 expended for the Legislative Department, $1,006,394.54 expended for the Executive Department, and

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75 The percentage of special education students in Nevada from ages 3 through 21 is approximately 11 percent (Legislative Counsel Bureau, 2000, p. 33).
only $641,657.64 for the support of schools. He also proclaimed "within the previous twenty years, the support of the State Prison had cost the State $519,514.33 more than the schools" (Young, 1885, p. 50).

Despite funding education through federal, state, and local sources, educators have been forced to educate an increasing number of students, while being provided per pupil funding allocations below the national average. State policymakers have provided temporary funding to assist in times of financial hardship throughout history, including such things as one-time moneys for technology, library materials, and equipment, and revenues from Liquor and Estate Taxes.

Policymakers approved the Nevada Plan in 1967, which has met the basic requirements for funding public education in Nevada. A number of changes have been made to the formula, but the basic foundation has not changed drastically. The formula provides a basic per pupil guarantee, while recognizing variations in educational costs and local district wealth. Despite successfully addressing the horizontal equity issue, the Nevada Plan does not adequately address vertical equity. For example, the Nevada Plan does not provide sufficient funds for students with special needs or take into consideration the concept of vertical equity. Differences in the amount of money required to provide for students with special needs is not considered. Consequently, local school districts are burdened with the financial hardship. Furthermore, policymakers have tried to make the case that money allocated for public education is sufficient due to the percentage of the State Budget that is distributed. Thus, policymakers have failed to
determine whether the amount of funding allocated for public education meets the needs of all Nevada children, particularly in light of state accountability statutes.

3. What social, economic and legislative events have affected the funding of public education in Nevada to result in our current practices?

The original laws and systems relating to public schools in Nevada have changed drastically throughout history. In fact, the majority of the changes were made as a result of significant events that occurred throughout the state and nation. Changes to Nevada’s educational systems mirror significant events such as World Wars I and II, the Great Depression, the building of Hoover Dam, the Peabody Report, and the Nevada Education Reform Act of 1997.

World War I and Its Affects on Funding Public Education in Nevada

World War I, organized propaganda to cut school support, and the increasing costs of education in 1925, negatively impacted the funding of public education in Nevada. One of the largest challenges, based on reports written by both Governor Boyle and Superintendent Hunting, was the willingness of citizens and taxpayers to invest larger and larger amounts of money in the support of public schools (Hunting, 1925, 7), during the war.

Economic disturbances caused by World War I had drastically affected the funding of public schools throughout Nevada. Expenditures were unusually low during World War I due to the delayed building program and war prices, which lasted for several years following the close of the war. By 1923, expenditures had become unusually heavy in attempting to catch up on building needs, “in caring for which thee had been a prolonged delay” (Hunting, 1925, p. 9). Furthermore, the amount of funding provided by
local school districts and the State, had changed dramatically due to the war. Financial reports indicated that in 1914, the state’s contribution for public education was 38.7%, while the counties and local districts contributed approximately 61.3%. “In 1923, the state’s share had fallen from 38.7% to 23.2 %, and the share of the local units had risen from 61.3% to 76.8%” (Hunting, 1925, p. 10). This dramatic change meant that the ten-year increase by the local units for general support and maintenance was more than five times the increase by the state.

The effect of the increased pressure on the counties and districts was reflected in the unequal county school tax rates (Hunting, 1925). Statistics taken from the Superintendent’s Report (1925) indicated that the highest average valuation per census child was $32,902. This amount was more than eleven times that of the county having the lowest average valuation per census child, a cost of $2,811 (Hunting, 1925). Furthermore, statistics indicated that a tax of 10 cents in the most fortunate county yielded the same relative school support that a tax of $1.10 yielded in the least fortunate county, creating wide disparities in revenue.

Furthermore, because the state’s share in school support and maintenance had fallen in relation to the total needs, counties and districts were forced to assume the added financial burdens to sufficiently fund public education, despite varying financial ability. The disparities between assessed valuations per census child and school tax rates at this time were so significant due to the war that a range of almost ten to one in financial ability was indicated on assessed valuations per child. In addition, Superintendent
Hunting stated that while the school tax rate ranged from 34 cents to 90 cents, the total county tax rate ranged from 93 cents to $2.98 (Hunting, 1925, p. 11).

The Great Depression

After educational programs had been in place in Nevada for approximately seventy years, the economic depression and industrial unemployment in the 1930s made necessary an analysis of the existing conditions within school districts. Nevada's social and economic welfare had been greatly disturbed by the depression. Superintendent Smith acknowledged further that the homes and the schools had borne the greatest burdens, and that as a result, many of the teachers went for months without salaries. In addition, the Superintendent's Biennial Report indicated that class enrollments were increased, many subjects were dropped from the curriculum, and school terms were shortened due to the depression (Smith, 1935, p. 21).

Accordingly, the depression resulted in a more critical public attitude toward schools, complicating efforts for obtaining additional revenue in support of public education. Superintendent Walter Anderson recommended that educators provide more extensive services to aid in the economic and social adjustment of the students. He further encouraged educators to provide services for both children and adults (Nevada Education Bulletin, Nov-Dec, 1934, 1935, p. 4). The need for these services resulted in the establishment of various federal emergency agencies as a part of relief programs. Consequently, policymakers were required to increase state aid during the years following the depression.
The Building of Hoover Dam

The building of Hoover Dam drastically affected the funding of education throughout Nevada also, particularly in Clark County. In fact, Superintendent Anderson noted that the “situation in Clark County had been acute due to the influx of people looking for work on the Hoover Dam” (Anderson, 1933, p. 14). Schools in Las Vegas were extremely overcrowded and the increase in school population in Clark County alone was approximately twice what would have been expected in normal years, creating a funding shortage. Schools had not been provided in Boulder City, and as a result, children were sent to Las Vegas to attend school. The situation was so horrific that Superintendent Anderson wrote that “his attitude toward the situation had been that children residing within the so-called reservation area needed to be considered nonresidents under the census law and thus excluded from benefits of the school funds provided by Nevada taxpayers for the benefit of Nevada schools and Nevada children” (Anderson, 1933, p. 14). Moreover, no state tax money or financial support had been given for the support of schools in that area. As a result, the Superintendent was furious with the lack of funding for public education. He proclaimed that, “Federal authorities had been very liberal in supplying swimming tanks, theaters, paved streets, water and fire protection for the project, though the education of children coming from all parts of the United States had been neglected (Anderson, 1933, p.14).

World War II: A Time of Financial Hardship

The period covered by the Superintendent of Public Instruction’s Report that was published in 1943 had been “marked successively by the growing realization that our
country could not remain safe and aloof in a world torn by war, by our precipitate entry after Pearl Harbor into the second world war, and by our quick adjustment to changed conditions" (Bray, 1943, p. 9). Teachers were asked to conduct the first nationwide registration for sugar rationing, volunteer for civilian defense work, and to buy war bonds and stamps. Furthermore, Superintendent Bray acknowledged that teachers “gave of their leisure to attend first-aid or home-nursing programs, studied how best to protect pupils during air raids, and were forced to consider what services they might render if the Pacific Coast were bombed and evacuees in large numbers came to Nevada” (Bray, 1943, p. 9).

To adjust to the many changes that were occurring in Nevada in the 1940s, many legislative efforts were approved to assist Nevadans with funding public education. Legislative efforts included the Lanham Act, which authorized federal aid to local governments for construction, maintenance, and the operation of facilities. Additional federal efforts such as Public Law 849, Public Law 137, and H.R. 4545 were also implemented to provide additional financial support for public education. Public Law 849 expedited the provision of housing in connection with national defense and education, and set aside an amount, not to exceed three percent, for schools. In addition, Public Law 137 provided additional classrooms and facilities, and H.R. 4545 provided for the acquisition and equipment of public works, made necessary by the defense program. Federal aid was channeled to communities with populations, swollen by

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76 H.R. 4545 defined “public work” to mean any facility useful or necessary for carrying on community life and stated that the activities authorized under this title should be
increased military personnel and defense workers, providing some temporary relief for Nevada school districts.

The Peabody Study

Problems continued after the close of World War II with funding education in the state of Nevada. As a result, a Special Session of the Legislature was called in 1954. During the legislative session, policymakers appropriated $30,000 for the use of the Governor’s School Survey Committee to secure the services of a survey team to carry out an extensive study of Nevada schools. Upon completion, the Governor’s School Survey Committee evaluated the findings, and submitted them to Governor Charles Russell. The 1955 Session of the Legislature enacted legislation based upon the recommendations of the Governor and the Governor’s School Survey Committee. The legislation enacted resulted in revolutionary changes to Nevada schools, both in terms of funding public education and instruction.

As a result of the 1955 legislative efforts, policymakers consolidated the 207 local school districts into 17 county school districts. Furthermore, new school districts received additional state funding support, and new methods for funding and apportioning revenue in support of public education were established. New school districts received $4,000 per certified employee, $80 per pupil, and $40 per kindergarten pupil. In

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devoted primarily to schools, water works, works for the treatment and purification of water, sewers, hospitals etc… (NEB, Jan, 1942 (1943 Vol. 2), p. 28).
addition, one half the cost of transportation during the previous year\textsuperscript{77} was provided and $200 per handicapped child\textsuperscript{78} was allocated to school districts.

By 1960, almost every state had adopted major aid programs, yet funding struggles still existed in Nevada. Enrollment continued to increase dramatically and policymakers were intent on developing a more sufficient funding formula. Policymakers recognized the need to develop a method for funding public education to eliminate continuous deficit, and to accommodate the increased population and differences in wealth.

Increased Accountability: A Nation at Risk, Goals 2000, and N.E.R.A.

On August 26, 1981, the National Commission on Excellence in Education was created and directed to present a report on the quality of education in America. The Commission’s goal was to help define the problems afflicting American education and to provide solutions. The charter created contained several specific goals which included assessing the quality of teaching and learning, comparing American schools with those of other nations, and studying the relationship between college admissions requirements and student achievement in high school. The Commission was also intent on identifying educational programs which result in student success in college, assessing the degree to which major social and educational changes in the last quarter century have affected student achievement, and defining problems which must be faced and overcome to pursue the course of excellence in education (1983, pp. 1,2).

\textsuperscript{77} This was computed in a manner prescribed by the State Board of Education, but which computation should not include the cost of the purchase of new school buses.

\textsuperscript{78} Section 108.01.
As a result of the study, recommendations were made to state and local officials to be responsible for financing and governing the schools, while incorporating the reforms proposed in educational policy and fiscal planning (p. 32). The Commission also encouraged the "Federal Government, in cooperation with the States and localities, to help meet the needs of key groups of students, such as the gifted and talented, the socio-economically disadvantaged, minority and language minority students, and the handicapped" (p.32).

The Commission recommended that schools adopt more rigorous and measurable standards, and higher expectations, for academic performance and student conduct. Standardized tests of achievement were also suggested to certify each student’s credentials, identify the need for remedial intervention, and to identify the opportunity for advanced or accelerated work. The Commission recommended further that students in high schools be assigned far more homework, instruction in effective study and work skills be introduced, longer school days and years be instituted, and that the burden on teachers to maintain discipline be reduced through the development of firm and fair codes of student conduct.

Six years later, Nevada policymakers responded to federal initiatives by approving Senate Bill 74 (Chapter 868), imposing stricter accountability measures on Nevada educators. Senate Bill 74 required the board of trustees in each school district, in cooperation with associations of licensed educational personnel, to adopt a program providing accountability for the quality of the schools and educational achievement within each school district. The program required the board of trustees to report to the
residents annually concerning educational goals and objectives; comparisons between current pupil achievement at each age and grade and that of previous years; pupil/teacher ratios for each grade and other data concerning licensed and unlicensed personnel; and a comparison of the types of classes each teacher was assigned to teach along with each teacher's licensure and qualifications. The program also required data regarding total expenditures per pupil from each individual funding source; the curriculum, including any special classes; attendance and advancement records in all grades and graduation rates in high school; and efforts made to increase communication between parents and the district.

The bill also required school district boards of trustees to adopt a program of accountability by July 1, 1990, and to provide a copy and written report of the program to the superintendent of public instruction by February 1, 1991. The superintendent was required to submit these programs and reports to the 66th session of the Nevada legislature by March 1, 1991.

Due to continued concern about education systems throughout the nation, President Bush initiated the Goals 2000: Educate America Act in 1994 to create dialogue at the state level and to improve education throughout the nation. The purpose of this Act was to provide a framework for meeting National Education Goals by promoting coherent, nationwide, systemic education reform; improving the quality of learning and teaching in the classroom and workplace; and defining appropriate and coherent Federal, State, and local roles and responsibilities for education reform and lifelong learning. The Act was also developed to establish valid and reliable mechanisms for building consensus
on education reform; assisting in development of high quality student standards; assisting in development of opportunity to learn standards; and assisting in development of high quality assessment measures.

The Congress declared that there were eight National Education Goals. The goals were school readiness; school completion; student achievement and citizenship; teacher education and professional development; mathematics and science; adult literacy and lifelong learning; safe disciplined and alcohol-and drug free schools; and parental participation. State and local education systemic improvement goals included developing state improvement plans; formulating strategies for meeting national education goals; improving teaching and learning; and developing state content and student performance standards (p. 3).

As a result of A Nation at Risk, S.B. 74, and Goals 2000, Nevada policymakers approved the Nevada Education Reform Act (N.E.R.A.), which greatly impacted education in the state of Nevada. N.E.R.A. was approved in 1997 and resulted in immediate tension between Nevada's educators and policymakers. N.E.R.A. required the Department of Education to evaluate the performance of public schools, placing a school on academic probation, under certain circumstances, based upon its evaluation. N.E.R.A. also required the Department of Education to establish a panel to supervise the academic probation of a school, revise the provisions relating to the accountability of public schools, and to revise provisions governing the financial reports of school districts. The Department also created a commission on educational technology, revised provisions
governing the administration of certain examinations to pupils, required pupils to participate in remedial programs, and created a council to establish academic standards.

The Act was introduced and implemented to ensure that Nevada children received appropriate educational opportunities that could be measured through Nevada standardized tests. It further indicated that the Governor, Nevada Legislature, the Department of Education, the State Board of Education, local school districts, educational personnel, and Nevada parents needed to work collaboratively to develop a system of instruction in which high expectations were consistently imposed and met. This required all individuals to take an active role in education, regardless of whether they had children attending Nevada public schools.

This increased focus on accountability brought further cries for additional funding from educators. Educators demanded that something be done to accommodate the increased enrollment of students attending schools throughout the state. Furthermore, educators felt that it was unfair to be categorized as "in need of improvement" or "inadequate" if they had to continuously deal with overcrowded classrooms and limited resources. Moreover, since enrollment in Nevada schools was expected to increase by over 33,000 children during the Biennium, educators explained that providing for the increased demands required a significant portion of the state's resources for funding public education.

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79 Between the school years of 1990-91 and 1996-97, total enrollment in Nevada's elementary and secondary schools grew by nearly 40%, which was an increase of approximately 77,618 students (State of Nevada Executive Budget 97/98 & 98/99, p. 7).
Summary

The original laws and systems relating to public schools in Nevada have changed dramatically throughout history. In addition, significant events that have occurred throughout time have impacted the funding of education in Nevada. Significant events, recognized by Nevada Superintendents and Governors, as having drastically impacted education throughout the state, include World Wars I and II, the Great Depression, the building of Hoover Dam, the Peabody Report, and the Nevada Education Reform Act of 1997.

While State Policymakers and Superintendents have indicated consistently that education must be a priority for Nevada to flourish, differences in philosophies have existed, and, consequently, have resulted in strained relations between them. Furthermore, the differences in philosophies have resulted in temporary funding solutions being allocated for education, below per pupil funding allocations, and additional revenue provided for state agencies, other than education. As a result, the Biennial Reports and Legislative Addresses prepared by Nevada Governors and Superintendents have indicated that the relations between the Nevada Governors and Superintendents have been most strained during times that mirror the above-mentioned events.

4. Have the expectations of policymakers for our funding system changed since becoming a territory?

Expectations: The Development of Nevada’s Constitution

The original framers of our state constitution wisely consulted the constitutions and funding formulas utilized in surrounding states, when developing the Nevada State Constitution. Consequently, existing constitutions were used as a template to develop
Nevada's Constitution. Thirty-three of the thirty-five attending delegates to the second constitutional convention had come from California. As a result, references to that state's practices, reflecting expectations held by the delegates, were the most common throughout the debates (Bushnell and Driggs, 1984).

The defeated constitution that was developed at the first convention was chosen as a basis for discussion at the second. The primary reason was because delegates agreed that the majority of the proposed constitution was appropriate. In addition, ten of the thirty-five men who attended the second constitutional convention, participated in the first, facilitating much of the debate.

Basic Expectations

Although each delegate held firm beliefs regarding education, delegates were able to develop basic expectations that were commonly agreed upon. These common expectations included being able to furnish every Nevada child an opportunity to acquire the elements of an English education at no expense. Delegates also agreed that children should attend school for at least six months of the year in every neighborhood.

Due to disparities in population and the amount of funding provided for education, however, discrepancies within educational programs existed throughout the state. In 1871 for example, within the thirteen counties that existed in Nevada, Storey

80 Nathaniel Ball, Cornelius Brosnan, Samuel Chapin, John Collins, George Gibson, James Haines, George Hudson, J. Neely Johnson, Francis Kennedy, and John Kinkead attended the first convention.

81 Churchill, Douglas, Elko, Esmeralda, Humboldt, Lander, Lincoln, Lyon, Nye, Ormsby, Storey, Washoe, and White Pine were the 13 counties that existed in 1872 (Fisher, 1873, p. 38).
County was the only county that had a high school and 12 schools maintained school terms that were less than six months. In addition, expenditures spent for school purposes ranged from $232.00 in Churchill County to $26,246.00 in Storey County.

Furthermore, the total number of children attending public school varied dramatically also, effecting the expectations held by policymakers in different counties. Student enrollment ranged from 12 children in Churchill County to as many as 842 in Storey County (pp. 27-42). Despite these disparities, basic educational services were provided free of charge for Nevada children due to the expectations expressed by the founding fathers.

In addition, the original delegates expressed that upon graduating from school, children would have been provided the opportunity to learn the skills that would make them good citizens. These skills included being able to make good decisions, demonstrated through voting, that would ultimately benefit their communities and state.

Nevada’s First Education System

The original education system in Nevada reflected the basic expectations held by the founding fathers. Moreover, Biennial Reports and Legislative Messages throughout history consistently indicated that policymakers and educators agreed the constitution provided a solid foundation for education in Nevada. In fact, Governor Blasdel (1867) acknowledged his appreciation for the public education system in his letter to the Legislature dated January 10, 1867. He stated that:

"It was truly gratifying that so thorough a system of education had been inaugurated throughout the state; that in all places where a sufficient number of pupils were found, free schools were in successful operation; that the average
attendance thereon was commendably large, and that the great cause (education) was in an advanced and prosperous condition” (p. 14).

These expectations were significant because they affected the types of programs taught in schools, resources that needed to be made available, and the amount of funding required to educate Nevada children.

Topics of Increased Concern

Topics such as increased student enrollment, stricter accountability measures, and the rising cost of education, have received more attention by policymakers as time passed. Despite increased attention, however, expectations regarding the public education system have remained fairly unchanged in their principal features. Policymakers have debated expectations regarding public education extensively throughout history and such debates are noticeable in the Biennial Reports and Legislative Messages, written by Nevada Superintendents and Governors. According to the Biennial Reports and Legislative Messages, the most common debates have involved sectarian instruction in public schools, the sharing of public funds, compulsory education, and providing adequate revenue in support of funding public education.

Expectations Regarding Sectarian Instruction

Policymakers have expressed concern about religious instruction in public schools since Nevada became a state. In fact, delegates at the second constitutional convention vigorously debated religious instruction, resulting in the issue being included in the original constitution, and added upon in later years. Sections 2, 9, and 10 reflect expectations held by policymakers regarding the inclusion of religious instruction in public schools.
Article XI, Section 2, of the constitution, which was modified in 1938, contains an injunction that any public school, in which instruction of a sectarian character is permitted, be deprived of its share of public funds. Section 9 states that “No sectarian instruction shall be imparted or tolerated in any school or university that may be established under this Constitution.” Finally, Section 10 indicates “No public funds of any kind or character whatever, State, county, or municipal, shall be used for sectarian purposes.”

Consequently, the topic of sectarian instruction has remained an issue of much debate throughout time. It has resulted in a consistently held belief that not only should sectarian instruction be left out of the public schools, but also that public schools be required to do without state funding, if they chose to include sectarian instruction.

Expectations Regarding Compulsory Attendance

Expectations regarding compulsory attendance have also remained fairly unchanged since the development of the constitution. While policymakers indicated in the original debates that opposition to compulsory attendance existed, the majority of the delegates felt strongly that children be required to attend school. Reasons for the opposition to compulsory attendance included the distances between schools throughout the state and that compulsory attendance could be viewed as “dictatorial and undemocratic.” Delegates in opposition explained that the distance individuals had to travel to get to school was too great and that it was unfair to require parents to bring their children such long distances. Other delegates proclaimed that requiring children to
attend school was both “dictatorial and undemocratic,” while invading upon the rights of every citizen.

The majority of the delegates favored compulsory attendance, however, on the basis of democracy. They explained that democracy required people who could read and write, and that all citizens needed education to make intelligent choices when voting. In fact, several delegates argued that because a democracy presupposed an educated citizenry, the only way to ensure such a citizenry, was to make school attendance compulsory (Bushnell and Driggs, 1984). As a result, delegates agreed that the Legislature could pass laws that tended to secure a general attendance of the children in each school district, and that doing so, would benefit society.

The expectations regarding compulsory attendance held by the founding fathers have remained consistent throughout history, and are similar to those held by policymakers today. Policymakers have approved legislation that requires attendance for funding allocations, adopted laws to issue police citations for students truant from school more than three times, and supported students losing high school credit after missing a certain amount of instruction time. As a result, students have been, and will continue to be, required to attend school, so that they will have the opportunity to be productive citizens, making Nevada a better place to live.

Expectations Regarding the Funding of Education

While issues such as sectarian instruction and compulsory attendance were discussed extensively throughout the debates, expectations regarding public education have constantly reverted back to the topic of funding. More specifically, delegates
debated the topic of where revenue should come from and how much revenue was to be allocated for the support of public education. After much debate, delegates agreed to provide for a special tax of one-half mill on the dollar on all taxable property to be used for public education.

Biennial Reports and Legislative Messages, written by Nevada Superintendents and Governors, confirm that expectations regarding the funding of education have remained fairly consistent throughout history. Most individuals want the best educational programs possible for their children, yet often disagree about how to raise sufficient revenue and how to determine what amounts of revenue should be allocated from each source.

Summary of Expectations

Expectations held by our founding fathers in 1864 mirror expectations expressed by today’s policymakers. Students, both then and now, have been expected to be offered a free education that provides them a basic education program. The education provided is to assist them in obtaining skills that will make them competitive in the job market, while teaching them to be productive citizens.

Furthermore, the expectation that the state government has a responsibility to guarantee certain fundamental rights, including education, has been consistent, yet often not funded sufficiently. The founding fathers expressed their desires to establish a free education system for all children to ensure that they would be educated enough to be able to make good decisions, measured through the voting process. Delegates today express similar desires as confirmed through Governor addresses and reports to the Legislature.
Governor Miller confirmed the state’s responsibility in the *Executive Budget in Brief: Critical Issues Summary* (1994), stating that it was “the responsibility of the Nevada government to enable, encourage, and inspire communities, neighborhoods and families to guarantee certain fundamental rights to Nevada’s children (education)… and that the primary means by which Nevada government can begin to meet its responsibilities to its families and children, was through its educational systems” (p. 29).

5. What does a look at the past help reveal or offer in refining educational finance policy in Nevada?

A look at the past reveals that Nevada is a state of much transition that has had little time to “catch up” with society’s demands. Nevada educators have had to handle increasing student enrollment, insufficient funds in support of public education, stricter accountability measures, and a population that was both diverse and spread throughout the state.

While policymakers have provided additional funding in support of education, additional funds have often been temporary, and not proportionate to population increases, inflation, or the rising cost of education. Superintendents of Public Instruction have expressed concern over the lack of funding in support of public education throughout history, and have continued to request additional revenue from policymakers. Unfortunately, policymakers have often responded by proclaiming that the majority of the state budget is designated for education, indicative that the amount of revenue, in their opinion, is more than sufficient.

While Superintendents have complained of insufficient funds and urged policymakers to allocate additional funding for public education throughout history,
Superintendent Walter Anderson best summarized the urgency for additional revenue in 1933. He explained to Governor Balzar that when his budget was filed, prior to the meeting of the Legislature in 1931, it indicated a shortage of $94,261 for the period from July 1, 1931 to June 30, 1933. He further stated that despite the shortage, the Legislature took no steps to meet the deficiency. He also explained that, according to the minimum amount required under the apportionment statute, the apportionment for the previous July was deficient $47,992 (Anderson, 1933), complicating matters for educations throughout the state.

In addition, school expenditures were not increasing in comparison with other state costs. In fact, the decrease in the percentage figures for education from 1931 to 1933 amounted to approximately 45% (Anderson, 1933). Furthermore, the Controller’s Report (1933) indicated that the total amount of state money spent for education in 1930 equaled 22.78% of the total state expenditures, but for the fiscal year 1931-1932, educational spending only equaled 12.55%. As a result, Superintendent Anderson told Legislators in his Biennial Report that if the laws provide for the filing of budgets and indicate the amounts of school money school trustees may expect per apportionment teacher and the amount for each child in daily average attendance, the Legislature should be responsible for supplying sufficient funds for the minimum state apportionment.

Insufficient state funding in support of public education has also been described in Nevada Education Bulletins throughout history. In September 1932, for example, it was written that Nevadans were spending more than six times as much for pleasure automobiles as for education. Nevadans were also spending more than three times as
much for luxuries such as chewing gum, cosmetics, shows and tobacco. The Bulletin further indicated that it was not the cost of education that had given our financial structure such a wrench, for funds were available, just not allocated for educational purposes by the state (Nevada Education Bulletin, September, 1932). In fact, the State Treasury Report confirmed that Nevada finances were in excellent condition and that the condition of the Treasury was better than at any time since 1919, excepting 1931.

Despite the financial condition of the state, education did not receive sufficient funds to meet increasing student enrollments and rising educational costs. Superintendent Anderson confirmed that his budget of estimated expenses, submitted to Governor Balzar prior to the previous session of the Legislature, estimated that the State Distributive School Fund would be short $214,000 for the Biennium that closed June 30, 1934. Most importantly, he stated that either through an oversight or due to lack of information, no action was taken by the Legislature to make up the deficit (Anderson, 1935).

Furthermore, Superintendent Anderson explained that he had devoted considerable space to the State Permanent School Fund and the State Distributive Fund in his previous Biennial Reports, yet Legislators did not respond. Despite his cries for additional funding, however, there was a constantly increasing deficit in the Distributive School Fund, and sufficient funds in support of public education were not allocated. In fact, statistics indicated that in 1935, the deficit had reached approximately $350,000 and only a portion of the July apportionment was made (Anderson, 1935, pp. 18,19). As a result, Superintendent Anderson confirmed that the Legislature needed to take the necessary steps to see that the money in the State Distributive Fund was sufficient to
meet the minimum state apportionment as required by law. He also explained that under the existing conditions, it was no longer possible for school boards to submit a budget and have any assurance that the state would carry out its part of the program as set forth in the statutes (Anderson, 1935).

Increased Accountability

A look at the past also indicates that Nevada educators have been forced to continually implement higher achievement standards, rigorous statewide exams, and greater accountability measures, with per pupil funding below the national average. Examples of such measures include mandatory state competency testing in 1977, mandates enforced by the approval of Senate Bill 74, and passing of the Nevada Education Reform Act. While limited funds have been provided for such things as technology and the implementation of accountability measures, they were not added into the Nevada Plan formula. These measures have strained the relationships between both educators and policymakers, and have been reflected in messages and reports written by Nevada Governors and Superintendents.

In addition to stricter accountability measures, educators have experienced drastic increases in student population, while being allocated below average funding per pupil by the state. Demographic data regarding public school enrollment from 1990 to 2000 is provided on the next page.
DEMOGRAPHIC DATA – NEVADA POPULATION, STUDENTS, AND EDUCATIONAL PERSONNEL

ENROLLMENT

NEVADA PUBLIC SCHOOL ENROLLMENTS:
1990-91 to 1999-00

PERCENT CHANGE IN STATEWIDE ENROLLMENT

<table>
<thead>
<tr>
<th>School Year</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
<th>93-94</th>
<th>94-95</th>
<th>95-96</th>
<th>96-97</th>
<th>97-98</th>
<th>98-99</th>
<th>99-00</th>
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<tr>
<td></td>
<td>7.7%</td>
<td>5.2%</td>
<td>5.2%</td>
<td>5.8%</td>
<td>6.3%</td>
<td>5.7%</td>
<td>6.4%</td>
<td>5.1%</td>
<td>4.9%</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

NOTE: The data reflected in the chart and table contains total (full) enrollment figures. Enrollment used for apportionment purposes (paid enrollment) weights each kindergartener as a 0.6 pupil and is, therefore, a slightly lower number.

Source: Nevada Department of Education

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As indicated by the Nevada Department of Education (2002), Nevada’s student growth rate has maintained an annual average increase of between six and eight percent for the last decade and a half, far surpassing national growth rates. In addition, while many districts saw a decrease in students over the past year, Nevada rates were still a high 4.7 percent. Accompanying this growth was a two-dollar per pupil decline in basic guaranteed support from 1999-2000 to 2000-2001 (Digest of Education Statistics, 1999). This tremendous growth includes large increases in racial/ethnic minority student populations, with a growth rate of over 500 percent in the last decade. In FY99, for example, there were 34,202 students with limited English proficiency served by local school districts in the state.

Consequently, stricter accountability measures and insufficient state funding have forced educators to make choices regarding education. Educators have been forced to decide what to teach, what programs to offer, what benchmarks to promote, and what resources to provide. As a result, disparities exist within school districts throughout the state regarding instruction and available resources.

History and the Funding of Special Education

History further indicates that Nevada educators have struggled to provide appropriate services to students with special needs. The amount allocated for each unit has consistently fallen short of actual costs of salaries and benefits for special education teachers. As a result, school districts have used money from the local general fund to pay the difference between the amount funded by the state and the actual cost of providing special education services. In the Clark County School District, for example, (Special
Education Financing General/Special Education Fund Revenues and Expenditures Fiscal Year Actuals Report, 2002), $30,576 was provided by the state for each special education unit, while the actual cost per unit was $56,139, costing the district $25,563 per unit. Moreover, the state allocated 1,519 Special Education Units to Clark County in 2002-2003, when 2,475 units were required to educate the number of special needs children enrolled. As a result, the additional 956 units required cost the Clark County School District $53,669,189.92.

The Committee for Economic Development (1987) stated further that the needs of special populations could not be addressed simply by reallocating funds and by using current resources more efficiently. They proclaimed that any plan for improving the education of disadvantaged youth is doomed to failure, if it does not recognize the need for additional resources over a sustained period.

Summary

A look at the past reveals that Nevada's founding fathers have established a solid foundation for education in the state of Nevada, but that Nevadans have had little time to "catch up" with society's demands. Increasing student enrollment, insufficient funds in support of public education, stricter accountability measures, and a population that is both diverse and spread throughout the state, have made funding education complicated.

While policymakers have often times provided additional funding in support of education, sources of revenue have often been temporary, and not proportionate to population increases, inflation, or the rising cost of education. Educators have expressed concern over the lack of funding for public education throughout history, and have
continued to request additional revenue from policymakers. Unfortunately, policymakers have often responded by proclaiming that the majority of the state budget is designated for education, indicative that the amount of revenue, in their opinion, is more than sufficient. Consequently, policymakers have viewed the amount of the state budget allocated for education as sufficient, but failed to determine whether the amount allocated met educational needs throughout the state. Policymakers have recognized that a large percentage of the budget has been allocated for public education, but proclaim that the amount does not provide for the continuous increase in student population, cost of education, and inflation. As a result, funding education in the state of Nevada continues to be debated every Legislative Session.

Recommendations for Further Study

This historical analysis indicates that the funding of public education is a complicated issue that requires further investigation. Facets that should be investigated further include ways to provide additional revenue, the role of the federal government as it relates to funding public education throughout Nevada’s history, and ways to ensure the allocation of funds for the differentiated needs of students. While these are not the only areas that require additional study, they will be increasingly important due to stricter accountability measures, increased student enrollment, and the lack of sufficient funds for students with special needs.

This historical study examined the current school funding formula in Nevada and evaluated how the funding formula developed, since the State Constitution was adopted. Records obtained from reports and messages written by Nevada Superintendents and
Governors to the Legislature were evaluated to determine what historical events most affected the funding of public education. In addition, records indicated that the fundamental expectations held by the original framers of the constitution for the public education system in Nevada have not changed dramatically over time.

Analyzed reports and messages, written by the Superintendents and Governors of Nevada, further indicated that Nevada provides a basic education program for children throughout the state with current funding provided, but fails to provide sufficient funds to accommodate children with special needs. Furthermore, educators continue to struggle with building enough schools in certain counties, such as Clark, to accommodate the number of children moving to Nevada. Despite educators consistently urging policymakers to allocate additional permanent revenue in support of public education, policymakers continue to provide funds that are well below the national average in per pupil spending. Throughout the Governors’ Messages, policymakers appear content with the appropriation allocated for public education, indicating that because the majority of the budget is allocated for education, funding is appropriate. As a result, inflation, the increased cost of education, increase in student enrollment, and lack of qualified teachers are often not considered when determining the amount of revenue to be distributed.

Consequently, educators have consistently experienced increased enrollments, higher education costs, and stricter accountability measures, but have not received sufficient funding from policymakers. Records obtained indicate that educators have consistently pleaded for additional revenue from policymakers, a more stable tax structure, and adequate facilities, yet policymakers have only provided temporary funding
solutions. Examples of temporary solutions provided by policymakers include the establishment of emergency funds, the allocation of temporary funds, derived from a special liquor tax, additional revenue being provided from the estate tax, and the allocation of one time moneys for such things as library resources, technology services, and distance learning.

Historical records also indicated that as Nevada educators continue to face increasing enrollments, stricter accountability measures, rigorous testing, and limited funding, questions about the adequacy of the current funding formula will persist. In addition, as more new families move into the state, especially in Clark County, the need for additional services and funding become apparent. Not only are new schools needed, but also, so are more teachers, additional clerical help, administrators, buses, textbooks, educational resources, and services such as police, rescue and fire personnel. If additional money is not provided by the state, educators will be required to seek additional sources from federal grants or business partnerships, or to cut instructional programs.

Generally, school districts throughout Nevada, particularly in Clark County, are facing increased enrollments with school buildings and resources that cannot accommodate the growth appropriately. As a result, educators are forced to manage overcrowded classrooms, increased accountability measures, low salaries, and an increase in student diversity, without additional funding. These challenges, while nothing new throughout history within the state, must be dealt with and overcome, if educators are to provide appropriate services to children throughout the state. The need to address such
issues is especially important now, as enrollment continues to increase, the cost of education continues to rise, accountability measures become more rigorous, and global partnerships become more prevalent, thus, impacting the overall success of our children.

Answers to the research questions explain how the funding of education has changed throughout history and what specific changes have been made to the funding of education in Nevada. Information obtained from the records and messages to the Legislature, written by Superintendents and Governors of Nevada, also provide a foundation from which to work, for current policymakers, to resolve current educational funding obstacles within Nevada.

Concluding Remarks

Throughout history, the funding of education has received more attention than any other topic related to education. Continuous budget cuts, World Wars, the Building of Hoover Dam, and increased student enrollments have occasionally taken attention away from educating Nevada’s children. Despite such issues, policymakers have provided sufficient funding to provide a “basic” education program for children without special needs.

Due to increasing student enrollments and the rising cost of education, Nevada policymakers must explore ways to increase funding for education, particularly for students with special needs. One alternative that policymakers must consider is the development of a broader tax base throughout the state. The establishment of a broader economic base could be utilized to provide additional funding in support of public education. Furthermore, issues such as students with special needs, below per pupil allocations, the rising cost of education, and increased student enrollment must be considered more carefully, when determining funding allocations.
While the funding of education and educational practices have changed dramatically throughout time within the state of Nevada, many similarities can be seen throughout this historical analysis. Policymakers, beginning with the first constitutional convention to present day, have been encouraged to make the funding of education a state priority. Furthermore, policymakers have been advised to allocate additional state funds in support of public education, realizing that it is an investment in society. The Committee for Economic Development (1987) estimated that each year’s class of dropouts will cost the nation $240 billion in lost earnings and foregone taxes over their lifetime. This projection does not include the billions more spent for crime control, welfare, health care, and other social services required by this under-educated group (Jordan & Lyons, 1992, p. 6). Consequently, policymakers have no real choice, but to make the funding of education a priority.

While public school finance continues to be a major source of debate throughout the nation, Nevada policymakers must recognize past practices and changes that have occurred to funding public education, not only to maintain current services, but also to prepare for the future.
APPENDIX A

Status of School Finance Constitutional Litigation

**Plaintiffs Won at State Supreme Court Level**

<table>
<thead>
<tr>
<th>State</th>
<th>Case Description</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>Horton v. Meskill</td>
<td>1977</td>
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<tr>
<td></td>
<td>Sheff v. O’Neill</td>
<td>1992</td>
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<tr>
<td>Idaho</td>
<td>Thompson v. Engelking</td>
<td>1975</td>
</tr>
<tr>
<td>Kentucky</td>
<td>Rose v. The Council</td>
<td>1989</td>
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<tr>
<td>Massachusetts</td>
<td>McDuffy v. Secretary of Education</td>
<td>1993</td>
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<tr>
<td>Tennessee</td>
<td>Small School Systems v. McWherter</td>
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<tr>
<td>Texas</td>
<td>San Antonio v. Rodriguez</td>
<td>1973</td>
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<td>Edgewood v. Kirby</td>
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<td>Edgewood v. Kirby</td>
<td>1995</td>
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<td>Seattle v. Washington</td>
<td>1978</td>
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**Plaintiffs Won at the State Supreme Court Level; Further Compliance Litigation Also Filed**

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<th>Case Description</th>
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<tr>
<td>Arkansas</td>
<td>Dupree v. Alma School District</td>
<td>1983</td>
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<td>Lake View v. Arkansas</td>
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<td>California</td>
<td>Serrano v. Priest</td>
<td>1971</td>
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<td>1977</td>
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<tr>
<td>Idaho</td>
<td>Idaho Schools for Equal Educational Opportunity v. Idaho State Board of Education</td>
<td>1993</td>
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<tr>
<td></td>
<td>Helena School District v. Montana</td>
<td>1993</td>
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<td></td>
<td>Montana Rural Ed. Assoc. v. Montana</td>
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Plaintiffs Lost At Supreme Court; No Further Complaints Filed or Further Complaint Lost

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<th>State</th>
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<td>Arizona</td>
<td>Shofstall v. Hollins</td>
<td>1973</td>
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<tr>
<td>Colorado</td>
<td>Lujan v. State Board of Education</td>
<td>1982</td>
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<td>Georgia</td>
<td>McDaniel v. Thomas</td>
<td>1981</td>
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<td>Idaho</td>
<td>Frazier et al. v. Idaho</td>
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<td>Idaho</td>
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<td>Illinois</td>
<td>Committee v. Edgar</td>
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<td>Maine</td>
<td>School Administrative District v. Commissioner</td>
<td>1995</td>
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<tr>
<td>Michigan</td>
<td>Milliken v. Green</td>
<td>1973</td>
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<td>Michigan</td>
<td>East Jackson Public School v. State</td>
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<td>Minnesota</td>
<td>Skeen v. Minnesota</td>
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<td>Nebraska</td>
<td>Gould v. Orr</td>
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<td>North Dakota</td>
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<td>Oklahoma</td>
<td>Fair School Finance Council v. State</td>
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<td>Oregon</td>
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<td>Virginia</td>
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<td>Virginia</td>
<td>(Withdrawn 1991)</td>
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<td>Virginia</td>
<td>Scott v. Commonwealth of Virginia</td>
<td>1994</td>
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Wisconsin
Kukor v. Grover 1989
Scott v. Virginia 1994

Plaintiffs Lost at Supreme Court Level: Further Complaints Filed

Alaska
Matanuska-Susitna Borough v. Alaska 1989
Matanuska-Susitna Borough v. Alaska 1997

Maryland
Hornbeck v. Somerset County 1983
Bradford v. Maryland State Board of Education 1994

New York
Board of Education v. Nyquist 1982
Board of Education v. Nyquist 1987
Reform Education Financing Inequities Today v. Cuomo 1991

North Carolina
Britt v. State Board 1987
Leandro v. State 1994

Ohio
Board of Education v. Walter 1979
Howard v. Walter 1991
DeRolph v. State 1992

Pennsylvania
Dansen v. Casey 1979
Dansen v. Casey 1987
Pennsylvania Association of Rural and Small Schools v. Casey 1991

South Carolina
Richland v. Campbell 1988
Lee County v. Carolina 1993

Litigation Present; No Supreme Court Decision Rendered

Alabama
Alabama Coalition for Equity v. Hunt 1990

Florida
Coalition v. Childs 1995

Illinois
The Committee v. Edgar 1980

Louisiana
Charlet v. Legislature of State of Louisiana 1992

Maine
M.S.A.D. #1 v. Leo Martin 1992

Missouri
The Committee v. Missouri 1994

New Mexico

Rhode Island
City of Pawtucket v. Sundlun 1992
## APPENDIX B

Enrollment and Expenditure Data through the Peabody Report

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Districts</th>
<th>Number of Sites</th>
<th>Total Pupil Enrollment</th>
<th>Total Expenditures</th>
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<tbody>
<tr>
<td>1862</td>
<td>10</td>
<td>3</td>
<td>200</td>
<td>1,945</td>
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<tr>
<td>1863</td>
<td>22</td>
<td>9</td>
<td>655</td>
<td>7,893</td>
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<tr>
<td>1864</td>
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377

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APPENDIX C

Nevada State Superintendents and Governors

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APPENDIX D

Nevada Public Schools: Enrollment

SPECIAL EDUCATION

FUNDING

NEVADA PUBLIC SCHOOLS: ENROLLMENT
REGULAR EDUCATION VS SPECIAL EDUCATION - SYs 1991 - 2000

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*Includes early childhood special education students
Source: Nevada Department of Education
APPENDIX E

Nevada: Special Education Funding

SPECIAL EDUCATION FUNDING

NEVADA: SPECIAL EDUCATION FUNDING
STATE VS. LOCAL RESOURCES

Special Education Funding: State VS. Local Resources FYs 1996 - 2000

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>State Resources</th>
<th>Local Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2000</td>
<td>$60,007,167</td>
<td>$143,861,090</td>
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<tr>
<td>FY 1999</td>
<td>$56,347,359</td>
<td>$132,014,493</td>
</tr>
<tr>
<td>FY 1998</td>
<td>$52,095,184</td>
<td>$116,198,395</td>
</tr>
<tr>
<td>FY 1997</td>
<td>$48,117,392</td>
<td>$104,903,155</td>
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<tr>
<td>FY 1996</td>
<td>$44,419,153</td>
<td>$93,542,689</td>
</tr>
</tbody>
</table>

Source: Nevada Department of Education
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