

FINANCIAL IMPACT OF THE SAVE OUR SCHOOLS WITH ADDITIONAL FUNDING FOR SALARIES AND STUDENT ACHIEVEMENT INITIATIVE

The Save Our Schools With Additional Funding For Salaries and Student Achievement Initiative (Initiative) proposes to amend Section 6 of Article 11 of Nevada's Constitution to establish a new license fee on gross gaming revenue to provide additional funding to Nevada's school districts and charter schools. The additional funding would be used for the payment of salaries of employees, other than administrative employees, of the school district or charter school and to improve the achievement of students.

The new gaming license fee is 3 percent of gross gaming revenue exceeding \$1,000,000 per calendar month, effective December 1, 2010. The \$1,000,000 monthly gaming revenue threshold must be adjusted for inflation each fiscal year beginning Fiscal Year 2011-2012.

The proceeds from the new gaming license fee must be distributed quarterly to each school district or charter school based on the school district or charter school's enrollment in proportion to the total number of students enrolled in the state. The distributions start in the fiscal year beginning July 1, 2011 (Fiscal Year 2011-2012) with the first distribution to occur on February 1, 2012.

The Fiscal Analysis Division has determined that the Initiative will have a positive financial impact on the school districts based on the additional revenue generated from the new gaming license fee, if approved by the voters.

The Fiscal Analysis Division has not completed the analysis required to estimate the amount of additional funding that may be generated from the new gaming license fee. A fiscal note that includes an explanation of the financial impact will be provided to the Secretary of State when completed for posting on their Internet website, pursuant to NRS 295.015.

Prepared by the Fiscal Analysis Division of the Legislative Counsel Bureau – February 20, 2008