

**NEVADA DEPARTMENT OF EDUCATION
COMMISSION ON SCHOOL FUNDING
MAY 20, 2022
9:00 A.M.**

Office	Address	City	Meeting
Department of Education	2080 E. Flamingo	Las Vegas	Room 114
Department of Education	700 E. Fifth St.	Carson	Board Room
Department of Education	Virtual/Livestream	n/a	n/a

SUMMARY MINUTES OF THE COMMISSION MEETING

COMMISSION MEMBERS PRESENT

Dr. Nancy Brune
Dusty Casey
Andrew J. Feuling
Jason Goudie
Guy Hobbs, Chair
Dr. David Jensen
Paul Johnson
Mark Mathers
Punam Mathur
Jim McIntosh, Vice Chair
Joyce Woodhouse

DEPARTMENT STAFF PRESENT

Jhone M. Ebert, Superintendent of Public Instruction
Heidi Haartz, Deputy Superintendent for Student Investment
Jessica Todtman, Deputy Superintendent for Educator Effectiveness and Family Engagement
James Kirkpatrick, State Education Funding Manager, Student Investment Division
Beau Bennett, State Education Funding Specialist, Student Investment Division

LEGAL STAFF PRESENT

Greg Ott, Chief Deputy Attorney General

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

Meeting called to order at 9:06 A.M. by Commission Chair Guy Hobbs. Quorum was established.

2. PUBLIC COMMENT #1

Chris Daly, Nevada State Education Association, provided public comment regarding optimal funding. (*A complete copy of the statement is available in Appendix A.*)

Amanda Morgen, Executive Director, Educate Nevada Now, provided public comment regarding at-risk eligibility. (*A complete copy of the statement is available in Appendix A.*)

3. APPROVAL OF COMMISSION MEETING MINUTES

Member Nancy Brune moved to approve the April 22, 2022 Commission Meeting Minutes. Member Paul Johnson seconded. Motion passed unanimously.

4. NEVADA DEPARTMENT OF EDUCATION UPDATE

Heidi Haartz, Deputy Superintendent for Student Investment, Nevada Department of Education, (NDE or Department) provided an update regarding the work of the Department since the April meeting.

Deputy Superintendent Haartz shared a [Timeline Recommendations for Identified Commission on School Funding Tasks: 2021-2023 Biennium](#).

Deputy Superintendent Haartz noted that, at the June Commission meeting, the Department will bring forward a list of recommendations that the Commission has made during the interim to review and approve so that the Department may forward the recommendations to the Joint Interim Standing Committee on Education.

Deputy Superintendent Haartz provided an update on the solicitation process that the Department has been engaged in to hire subject matter experts to assist with developing additional information to support the Commission's work related to optimal funding. The Department has one contract pending specific to sales tax and one contract pending specific to property tax. As of this morning, the contract is still waiting to be approved in the Governor's Finance Office.

5. INFORMATION AND DISCUSSION REGARDING MESSAGING RELATED TO OPTIMAL FUNDING

Brian Gordon, Principal, Applied Analysis, and Brian Haynes, Senior Manager, Applied Analysis, provided a PowerPoint presentation regarding [Quantifying the Potential Funding Need](#).

Member Dusty Casey asked what inflation factor was used on the growth models annual increases. Mr. Gordon responded that a 2% inflation rate was used. Member Casey asked what inflation factor was used for the pupil growth rate. Mr. Gordon responded that a half-percent to an aggregate of approximately two-and-a-half percent was used.

6. INFORMATION AND DISCUSSION REGARDING THE IMPACT OF OPTIMAL FUNDING ON EDUCATION

Dr. Dave Jensen, Member, Commission on School Funding, and Andrew J. Feuling, Member, Commission on School Funding, provided an update on behalf of their Nevada Association of School Superintendents (NASS) colleagues regarding optimal funding and how it would impact education outcomes in the State.

Member Jensen noted that on May 5, NASS held a meeting where it was proposed to create a subcommittee of superintendents that include Dr. Dave Jensen, Andrew J. Feuling, Dr. Jesus Jara, Keith Lewis, Wayne

Workman, C.J. Anderson, Rebecca Feiden, and Dr. André Ponder, to start the work on prioritization of requests. The first subcommittee meeting was held on May 18. The primary topic of discussion was the initial recommendations from the NASS group presented at the Commission's March meeting: fund districts and schools to hire and retain high quality staff in the competitive labor market, increase equitable education opportunities by ensuring adequate resources to meet the needs of all students, improve needed supports for students and families, and maintenance of infrastructure and assets. The next step is for the NASS Subcommittee to determine the most important areas to focus on and bring them to NASS to review on June 12.

Member Jensen noted that the discussions within NASS so far have been about increasing funding by \$200 million per year over ten years, totaling \$2 billion. As NASS starts to connect those numbers to priorities, Member Jensen asked if the Commission would like NASS to calculate spending on the national average or the APA figure or both.

Member Punam Mathur asked if the recommendations that the Commission will be advancing in terms of property and sales tax will be split into two sets of recommendations – one for national average and one to the APA figure. Chair Hobbs responded that the APA figure is closer to what the Commission would consider to be optimal and there would be a reason to choose the APA figure if one were referring to meeting the charge of setting forth the path for optimal funding. Chair Hobbs noted that he does not believe there is a problem in demonstrating both the national average and the APA figure, but that the Commission should be advocating for the higher of the two values. Vice Chair Jim McIntosh agreed but expressed concern that the APA report was not just about funding, but how the funding would be utilized so he is unsure if the recommendations made by NASS will align with the number that comes from the APA report. Member Jensen responded that there will probably be some consistency between the NASS prioritization and APA report in some areas and divergence in others.

7. INFORMATION AND DISCUSSION REGARDING QUANTIFYING THE COST TO MEET SPECIFIC NEEDS WITHIN K-12 PUBLIC EDUCATION THROUGH OPTIMAL FUNDING

The Chief Financial Officers (CFOs) serving on the Commission – Members Paul Johnson, Jason Goudie, Andrew J. Fueling, and Mark Mathers – presented information regarding the estimated costs for specific initiatives and programs that could be supported through optimal funding.

Member Johnson reviewed the APA study which includes tables that identify personnel for elementary, middle, and high schools by school and district size in order to meet accountability standards in Nevada. Member Johnson used the data in these tables to develop a spreadsheet to create staffing ratios so that every school district could apply these ratios down to the school level to see the difference between the current staffing verses what the model produces for a prototypical school to meet accountability standards. Member Johnson applied the ratios to school districts as well as to the total of all students including charter schools in Nevada to identify where the State is now and where the model says it should be. Member Johnson noted that this model includes classroom teachers, other teachers, librarians, technology specialists, counselors, nurses, school psychologists, clerical staff, principals, assistant principals, deans, and additional school-specific employees. This data does not include spending outside of the school such as operations and maintenance, because there is no recognized standard of how to spend those kinds of funds.

Member Johnson's models indicated that the State is short 15,950 instructional and support staff. Focusing on teachers only, the model indicates the State is short 8,400. Member Johnson noted that each of the school districts is going to use the model to create a school-level comparison for their local community.

Member Mathur asked if the CFOs could help explain what would occur to the base and the weights as new dollars come in. Member Mathers responded that the CFOs are trying to show the taxpayers and the public

what adequate or optimal funding would accomplish. One is to raise wages of teachers and other staff to have a livable wage, which could result in enhanced recruitment and retention and lower class sizes.

Chair Hobbs asked if the CFO group would continue their efforts. Member Johnson responded that since there is a consensus on the model, the CFOs will fine tune and share it with the 17 school districts and charter school authority so they may apply the model which compares adequacy with the status quo.

8. INFORMATION AND DISCUSSION REGARDING MESSAGING RELATED TO OPTIMAL FUNDING

Member Mathur stated that the messaging workgroup has been preparing for next steps, including stakeholder outreach. They are hopeful that NASS will complete their work by the end of June, Chair Hobbs and the third-party consultants will complete their work with the additional tax revenues by the end of July, and the research done by the Guinn Center will be completed by the end of June. The messaging group anticipates they will be ready to present a draft message by August and begin outreach through the fall.

Member Mathur noted that the messaging group identified the most critical audiences that need to hear the message first, including elected officials. In November and December, the messaging group would reach out to community organizations, parent groups, business groups, faith-based organizations, etc. that are known to care deeply about education. At the end of the year, the messaging group would evaluate its progress, consider the feedback, and then retool or modify the plan as the legislative session approaches.

Member Mathur noted that the messaging group believes there are three key points: 1) what could be true for k-12 education if the State is willing to invest; 2) how to reach optimal funding; and 3) the impacts on student achievement of the investments that have been made dating back to 2015. If small and targeted investments yielded benefits in student achievement, imagine what would be achieved if larger investments were made.

Chair Hobbs stated that he would like the opportunity to converse with the consultants at Applied Analysis to work on timelines and milestones on both the property and sales tax pieces. He noted that the Commission will have information and data with regard to the sales tax in June and will need to make some decisions. On the property tax side, parcel data from the entire State will need to be gathered in order to complete the work and there is currently no timetable on when this data will be available.

9. DISCUSSION REGARDING OPTIMAL FUNDING

Chair Hobbs noted that by virtue of discussion around the other agenda items so far, the Commission has touched on topics that would fall under this item.

10. INFORMATION AND DISCUSSION REGARDING THE FUNDING METHODOLOGIES FOR SCHOOL DISTRICTS AND CHARTER SCHOOLS TO PROPOSE BUDGETARY SUPPORT FOR THE ENHANCEMENT OF TRANSPORTATION SERVICES FUNDED THROUGH THE PUPIL-CENTERED FUNDING PLAN AND THE ESTIMATED FISCAL IMPACT OF THE METHODOLOGIES

Member Mathers provided a PowerPoint presentation regarding [Funding of Auxiliary Services](#).

Member Goudie asked if differentiating between operating costs and capital costs is intended to be a means to calculate the amount of transportation funds a school district gets or if it is anticipated to recommend that capital costs be segregated and reserved to only be spent on capital. Member Mathers responded that decision would be up to the Commission's recommendation. Member Goudie requested that once the funds reach the district level, to not segregate the operation costs and capital costs and treat one as a reserve but all the funds placed under the line item of transportation costs.

Vice Chair McIntosh referenced the added language to the Capital Funding Transportation Capital Costs options “contingent on an equivalent increase in funding” and asked if the workgroup is suggesting there needs to be a dedicated source of equivalent increase in funding for bus replacement. Member Mathers responded no; the workgroup is trying to say that they would expect base funding to go up at minimum by the increase in enrolment plus inflation as stated in Senate Bill 543 (2019). As a recommendation of the Commission, the workgroup would like to recognize that increased funding for bus replacement should not be at the expense of the entire State’s base funding.

Vice Chair McIntosh expressed concern that upon approval of these options the Commission will be allowing large school districts, particularly Clark, to be reimbursed out of the pupil-centered funding plan for bus replacements which is approximately \$30 million a year for Clark County alone. Member Mathers responded that it is his understanding that this is already occurring. The difference with these recommended funding options would be a more systematic approach to expand the level of funding for rural districts who right now cannot afford to replace their busses.

Chair Hobbs suggested a discussion with the State Treasurer’s Office about whether the Commission could develop a revolving fund for the acquisition of small capital, such as computer replacements, rolling stock, etc. This would not give a rural district the cash flow to act as a form of security to repay a revolving fund loan, but it gives the ability to finance some of the needs in the rural districts. Member Johnson agreed.

Member Johnson moved to approve Option B from the Funding of Auxiliary Services presentation that reads “(1) The 4-year average of transportation costs above would remove any capital costs reimbursements (acquisition/replacement). (2) School districts’ capital costs would be funded on a per-pupil basis, which is based on the number of active buses in operation (i.e., the number of routes), total enrollment, a 15-year average life, and a cost of \$150,000 per bus initially. (3) Charter schools without an existing fleet would indicate their desire to begin transportation operations to NDE. They would receive the same amount of per-pupil funding as the district they are located in. Any unspent monies would be returned to the State. (4) The funding of transportation bus replacement and acquisition costs would be contingent on an equivalent increase in funding from the State, so that base funding is not negatively affected by this change.” Member Brune seconded. Motion passed unanimously.

Chair Hobbs suggested bringing the item back to discuss additional language explaining intent, to address the issue of whether this recommendation becomes statute, and to bring clarity to dollar amounts needed.

11. INFORMATION AND DISCUSSION COMPARING THE GROUP OF STUDENTS IDENTIFIED AS AT-RISK BASED ON DIFFERENT ELIGIBILITY STANDARDS

Jhone Ebert, State Superintendent of Public Instruction, began the discussion by noting that she had reached out to the individuals that provided public comment to provide clarity. Superintendent Ebert stated that the goal of At-Risk weighted funding is to identify students that are on a trajectory that will not get them to the culmination of a diploma which then validates their college and career readiness. Eligibility for free-or-reduced-price lunch (FRL) is one piece of a very complex puzzle. What has transpired across the nation is that more and more communities, schools, and even entire districts are identified as at-risk because of the FRL community eligibility provision. Just because a student, school, or district has been identified as FRL does not automatically mean that those children are not on a trajectory for success. Additional pieces of data are needed to determine at-risk such as academics, attendance, behavior, and enrollment stability. FRL is part of the equation but not the only determining factor.

Deputy Superintendent Haartz, and Beau Bennett, State Education Funding Specialist, provided a PowerPoint presentation regarding a [Review of Weighted Funding for Students who are At-Risk](#).

Member Johnson referenced the four basic areas used for calculation of at-risk: academics, attendance, behavior, and stability and noted that poverty is not listed on the slide despite being an indicator and suggested adding it. Deputy Superintendent Haartz responded that the slide that showed the four categories was pulled from a previous presentation, but she appreciates the recommendation to ensure that poverty is noted. Deputy Superintendent Haartz noted that when reviewing the 75 factors that are not summarized in just four categorical areas, homeless status, eligibility for FRL, attending a Title I school, and zip code all tie into those 75 factors.

Member Mathers noted that at previous Commission meetings there was a concern with the calculation cap of the bottom 20% of students qualifying for at-risk funding. Member Mathers stated that a student in the bottom 22% should not be excluded from being classified as at-risk. Member Mathers noted that the APA study that set the weighted factors did use FRL and compared Nevada to other States based on FRL. By multiplying the weighted factor by FRL, APA suggested spending X amount on at-risk students. Now, because of the 20% cap, the total amount of funding for at-risk students has been significantly lowered. Deputy Superintendent Haartz noted that the APA study was an update of a previous study that reviewed successful schools. Deputy Superintendent Haartz acknowledged that there will be changes as the State moves away from the successful schools concept to the pupil-centered funding plan. Deputy Superintendent Haartz reminded the Commission that when it met in 2020 and discussed what the weights should look like as a starting point, it took all funding available for those specific categories of students that would be funded through the pupil-centered funding plan and determined a weight by dividing the funding that was included in the legislatively approved budget by the number of students who were also identified to be served by the available funding. Mr. Bennett noted that the 20% is a budgeted allocation from the count day of the year before, it does not increase or reduce the pie, it is how we cut the pie and distribute it to the districts. The districts then use infinite campus to determine who needs the funds and then allocates them to those students. Member Goudie noted that the only reason that a cap would be problematic is that the State is not fully funding the weights.

12. FUTURE AGENDA ITEMS

Chair Hobbs suggested a subject matter expert update with regard to progress on the sales tax component and status report on progress made on the property tax component. The standing items including messaging related to optimal funding and a NASS Subcommittee update. Member Mathur noted that the Guinn Center will be prepared to present their research findings. Member Mathers suggested an update from NDE regarding the recalculation of the Nevada Cost of Education Index using DETR data.

13. PUBLIC COMMENT #2

Sylvia Lazos, Nevada Immigration Coalition, provided public comment regarding optimal funding. *(A complete copy of the statement is available in Appendix A).*

Sarah Adler, Hope for Nevada, provided public comment regarding At-Risk. *(A complete copy of the statement is available in Appendix A).*

14. ADJOURNMENT

Meeting was adjourned at 1:18 P.M.

APPENDIX A: STATEMENTS GIVEN DURING PUBLIC COMMENT

1. Chris Daly, Nevada State Education Association, provided public comment regarding optimal funding.
2. Amanda Morgen, Executive Director, Educate Nevada Now, provided public comment regarding at-risk.
3. Sylvia Lazos, Nevada Immigration Coalition, provided public comment regarding optimal funding.
4. Sarah Adler, Hope for Nevada, provided public comment regarding At-Risk.

APPENDIX A, ITEM 1: CHRIS DALY

The Nevada State Education Association has been the voice of Nevada educators for over 120 years. Today's comments are related to your agenda items on optimal funding as it relates to the staffing crisis impacting school operations across the state.

Unfortunately, there is no sugarcoating it. The state of public education is dire. For decades, Nevada has ranked near the bottom of states in education funding and quality. Now with the additional challenges of the last two years, we have an unprecedented shortage of educators to teach our kids and make our schools run. CCSD alone lists over 2100 vacant positions, with over 1400 of those licensed. Nevada needs bold action to address this crisis. It's time to adequately fund public education in Nevada. It's time to respect and retain our experienced educators. It's Time for 20.

Time for 20 calls for a 20% increase in educator pay and at least \$20/hour for the workers who make our school run. Time for 20 aims to reach an average class size of 20 students in core academic subjects.

Let's consider the severity of the situation for Nevada educators.

- The Economic Policy Institute reports public school teachers are paid 19.2% less than similar workers in other occupations.
- According to the National Education Association's Ranking of the States, Nevada public school teachers make nearly \$7500 below the national average and \$27,000 less than neighboring California.
- Nevada has some of the largest class sizes in the country, with some of the highest concentrations of at-risk students and English learners.
- Meanwhile a substitute teacher shortage has left countless classrooms with no teacher at all, forcing remaining staff, or even our Lt. Governor, to cover additional classes.
- A chronic bus driver shortage has caused serious delays, sometimes stranding students for hours. Multiple districts have canceled routes and adjusted schedules to mitigate the issue.
- Thousands of education support professionals across the state earn significantly below a living wage, with starting salaries as low as \$10 to \$11 per hour.
- Inflation data shows prices are climbing at the fastest pace in 40 years, with CPI now at 8.3%. Home and rent prices have skyrocketed across Nevada, with average rents up over 20% over the last year alone.

Time for 20 would address many of the causes of the educator shortage and should be considered in any conversation about optimal funding for public education in Nevada. Educators and our student across the state require bold action.

APPENDIX A, ITEM 2: AMANDA MORGEN

Good morning Chair Hobbs and members of the Commission,

My name is Amanda Morgan, Executive Director of Education Nevada Now. I appreciate my comments being read into the record.

We sincerely value the thoughtful questions and comments from the Commission on the issue of “at-risk” eligibility. We also appreciate the Commission re-examining the at-risk factors and taking into consideration the community’s concern regarding the exclusion of 75% of free and reduced-price lunch (FRL) students under the new Infinite Campus Model.

Rather than repeat our previous public comments, we wanted to offer a solution that addresses the concern that using the current FRL figures may lead to providing an at-risk weight to students who do not need additional resources. FRL figures include all students in the Community Eligibility Provision program, where free meals are provided to every student at certain schools regardless of their FRL eligibility. Students that are neither low-income nor exhibiting other risk factors would be considered eligible for the weight, diluting the funding available.

We believe that including Direct Certification as a factor in the at-risk weight determination may offer a solution to this problem.

Direct certification is a process conducted by state and local educational agencies to certify eligible children for free meals through participation in programs such as Medicaid, SNAP and TANF, without the need for household applications. It involves an electronic data-matching process that ensures children from low-income families receive free meals. This is a direct measure of poverty and is not skewed by the Community Eligibility Provision.

We believe qualification through direct certification should be one of the primary factors included in the at-risk model. To our knowledge, this information is supplied to all school districts in a consistent format and uploaded directly into their student information systems. A student’s record identifies if they qualify through direct certification, so this information is readily available. This can operate as a measure of poverty and can be one of the many other factors identified in the Infinite Campus Model.

Excluding a poverty factor ignores the State’s own definition of at-risk.

The State defines an at-risk pupil as one who has “an economic or academic disadvantage” and includes those from “economically disadvantaged families.” (See Appendix I.)

However, this definition does not seem to be reflected in the model. We have included a list of the Infinite Campus Risk Factors, which appear to exclude factors such as FRL eligibility, homelessness, and other relevant factors. (See Appendix II.) We have concerns that despite the State’s adopted definition, economic disadvantage is not central to the risk factors identified.

Several years ago, the Nevada K-12 Education Task Force identified poverty as a highly regarded benchmark for determining if a student is at-risk. The American Institute for Research came to the same conclusion.

Students growing up in poverty have several cards stacked against them, which makes the conditions for success fragile and unpredictable. To leave those students out would defy the intent of the PupilCentered Funding Plan and the vision to support all students with unique needs.

We agree with the inclusion of factors beyond poverty but disagree that poverty should not be a factor at all. We recommend including Direct Certification as a factor in the model to capture students that are verifiably low-income while avoiding the inclusion of non-FRL students.

Thank you for your time and consideration.

Best regards,
Amanda Morgan, Executive Director

APPENDIX A, ITEM 3: SYLVIA LAZOS

Dear members on Commission on School Funding:

Governor Sisolak has invited this Commission to submit a funding formula proposal (which you have called optimal funding) that has the capacity to support the needs of Nevada students. The formula that this Commission puts forward should be not just a technical result of complex Excel sheets and previous compromises. Rather, the recommendation should represent a fair response to the mandate of the Nevada Constitution that the Nevada Legislature appropriate “sufficient” funds to finance a system of common schools. (Art. VI, sec. 6). The political issue will not be “messaging” but whether the public views the Commission’s recommendations as fair and equitable for ALL children and ALL districts.

We ask that you consider the following

1. Students who qualify for more than one category of weighted funding are to receive only funding for one category. This is a departure from the practice of any other state (See Lazos memo to Commission Dec 19, 2019). This approach also does not fully fund the needs of students. It simply is not fair to disregard the unmet needs of students, eg special education students who are ELL students have TWO learning needs, not one.
2. The Commission’s approach to students “at risk” represents a radical change in how Nevada has conceptualized this category. It’s so radical that it is estimated by Educated Nevada Now that 75% of students who are now so categorized under the traditional FRL measure would no longer be considered “at risk.” Geography, or zip code, is a major determinant of life opportunities, as the work of Raj Chetty has shown. A funding formula that disregards the deep disparities of high poverty areas versus more affluent communities cannot be regarded as equitable, when geography is the most significant factor in the quality of education to which a child has access. The Commission should not ignore Nevada’s systemic racist legacy that impacts the education of children in a reservation school, or a Prime 6 school located in previously Jim Crow segregated community.

Respectfully submitted, Sylvia Lazos, Education Committee

APPENDIX A, ITEM 4: SARAH ADLER

This is Sarah Adler, on behalf of Mariposa Academy Charter School and I appreciate the agenda item and discussion on the At Risk definition.

Our concern is with the 75 factors. They definitely provide that older students, middle and high school students, are more likely to be identified as at risk because it measures, for example, enrollment status in the previous 5 years. Mariposa's contention is that providing adequate funding in a student's early years, such as for literacy instruction, as an example, prevents the educational weaknesses later in a student's life that cause them to be at risk.

Mariposa has other concerns about whether all schools utilize infinite campus in the same way and will have equal access to the identification of At Risk students.

Thank you.

Sarah