

# **Agenda #9**

## **Legislative Changes to the Pupil-Centered Funding Plan**

**Commission on School Funding**

August 25, 2023

# Legislative Changes to the Commission on School Funding

# Meetings

- SB 98(6)(c): The Commission shall meet at least once a month and hold such meetings as may be necessary to accomplish the tasks assigned to in it the time allowed.
- SB 98(6)(d): Meet in person or, at the discretion of the Chair in consultation with the Superintendent of Public Instruction based on the items on the agenda for a meeting, by use of remote technology system.

# Meetings Continued

- SB 98(10): (a) Between July 1 of an odd-numbered year and ~~September 30~~ *December 31* of the subsequent even-numbered year; *or (b) During any regular or special session of the Legislature, if requested to do so by the chair of the:*
  1. *Senate Standing Committee on Education;*
  2. *Assembly Standing Committee on Education;*
  3. *Senate Standing Committee on Finance;*
  4. *Assembly Standing Committee on Ways and Means; or*
  5. *Interim Finance Committee.*

# Existing Commission Duties

- Monitor and provide guidance to NDE, The Legislative Counsel Bureau and districts on implementation.
- Review the statewide base per pupil funding, the adjusted base per pupil funding of each district, and the multiplier for weighted funding in each category of pupils and recommend revisions.
- Identify a method to fully fund recommendation within 10 years of the date of recommendations.
- Create and revise an optimal level of funding.
- Recommend changes to state laws and regulations to improve efficiency and effectiveness of public education.
- Present the recommendations to the Joint Interim Standing Committee on Education. Consider recommendations from Joint Interim Committee and transmit to the Governor and the Director of the Legislative Counsel Bureau.
- Biennially review and recommend revisions to:
  - NCEI
  - Attendance Area Adjustment
  - Reporting-Financial/Achievement
  - Weights

# Academic Progress Review

- AB400(23)(f) & SB98(4.5)(f): Review the academic progress made by pupils in each public school since the implementation of the Pupil-Centered Funding Plan, including, without limitation, any changes to the academic progress of such pupils as the result of any additional money provided to each school by the Pupil-Centered Funding Plan.

# Achievement Metrics

- I. The rate of graduation of pupils from high school by type of diploma;
- II. The performance of pupils on standardized examinations in math, reading and science;
- III. The number of credentials or other certifications in fields of career and technical education earned by pupils;
- IV. The number of pupils who earn a passing score on an advanced placement examination.
- V. The number of pupils who earn a passing score on an international baccalaureate examination;

# Achievement Metrics Continued

- VI. The percentage of pupils in each school who lack a sufficient number of credits to graduate by the end of their 12<sup>th</sup> grade year;
- VII. The percentage of pupils in each school who drop out;
- VIII. The number of pupils who enroll in higher education upon graduation;
- IX. The number of pupils who enroll in a vocational or technical school or apprenticeship training program;
- X. The attendance rate for pupils;
- XI. The number of violent acts by pupils and disciplinary actions against pupils; and
- XII. Any other metric prescribed by the Commission.**



# Improvement Metrics

- I. The literacy rate for pupils in first, third and fifth grades;
- II. The number of pupils in elementary school who were promoted to the next grade after testing below proficient in reading in the immediately preceding school year, separated by grade level and by level of performance on the relevant test;
- III. The number of schools that employ a licensed teacher designated to serve as a literacy specialist pursuant to NRS 388.159 and the number of schools that fail to employ and designate such a licensed teacher; and
- IV. Any other metric prescribed by the Commission.**

# Hiring and Retaining Staff Metrics

- I. The rate of vacancies in positions for teachers, support staff and administrators;
- II. The attendance rate for teachers;
- III. The retention rate for teachers;
- IV. The number of schools and classrooms within each school in which the number of pupils in attendance exceeds the designated capacity for the school or classroom;
- V. The number of classes taught by a substitute teacher for more than 25 percent of the school year; and
- VI. Any other metric prescribed by the Commission.**

# Expectation Metrics

- I. The results of an annual survey of satisfaction of school employees;
- II. The results of an annual survey of satisfaction of pupils, parents or legal guardians of pupils and graduates, and;
- III. Any other metric prescribed by the Commission.**

# Identify and Review

- Identify the progress made by each school, school district and charter school on improving the literacy of pupils enrolled in elementary school.
- Review and consider strategies to improve the accessibility of existing and new programs for pupils within and between public schools, including, without limitation, open zoning.

# Recommendations

- Make recommendations for strategies to increase the efficacy, efficiency, transparency and accountability of public schools.
- Make recommendations to the Department, school districts and charter schools to improve the reporting, tracking, monitoring, analyzing and dissemination of data relating to pupil achievement and financial accountability, including, without limitation, revisions to the metrics identified.

# Quarterly District and Charter School Report

- Each school district and each charter school shall submit a quarterly report to the Commission that identifies how funding from the Pupil-Centered Funding Plan is being used to improve the academic performance and progress of pupils and includes, without limitation, all data or metrics collected by the school district and charter school to demonstrate such improvement.

# Quarterly Reports Review and Recommendations

- The Commission shall review the reports submitted [by each district and each charter schools] and transmit the reports , along with any commentary or recommendations relating to the reports, to the Governor, the Director of the Legislative Counsel Bureau, the Joint Interim Standing Committee on Education and the Interim Finance Committee.

# New Commission Duties

- Determine any additional metrics the Commission may need to accomplish the reviews.
- Determine a format in which the public schools can complete the report.
- Determine a beginning date for the quarterly reports.



# Appropriation

- AB 400 Sect. 93(1): There is hereby appropriated from the State General Fund to the Department of Education the sum of \$1,000,000 for the cost of supporting the operations of the Commission on School Funding and completion of reports.
- SB 98 Sect. 6: There is hereby appropriated from the State General Fund to the Commission on School Funding created by NRS 387.1246 the sum of \$500,000 for the cost of conducting the studies required.

# Nevada Legislature Letter of Intent

- The Commission on School Funding shall study the following topics over the 2023-24 Interim:
  - A review of and recommended changes to the Nevada Cost of Education Index so a cost adjustment fact may be applied to the Pupil-Centered Funding Plan in future biennia as specified in Nevada Revised Statutes 387.1215.
  - A review of the effect and development of recommendations on providing school districts receiving FY 2020 baseline funding with the statewide base per pupil funding amount for their online schools.

# Letter of Intent Continued

- A review of the use of the Grad Score for the funding plan and its effectiveness in identifying at-risk pupils.
- A review of the English learner weighted funding to determine if it would be an allowable use of these funds by school districts and charter schools to establish and operate dual language programs or determine the legislative changes necessary to do so.
- A determination of the recommended weight that would be required if a new dual language program weight was to be established for the plan.

# Letter of Intent Due Date

- NDE shall provide a report detailing the findings to the Interim Finance Committee no later than August 1, 2024.

# Miscellaneous

# NRS 387.12468 Report

SB 9 Sect. 1: Changes the date each school district and public school shall create a report that includes a description of the personnel employed and services provided during the immediately preceding school year and any changes anticipated during the current school year.

- The annual due date was changed from October 1 to January 1.

# Auxiliary Services for Charter Schools

- AB 400 Sect. 28.5: The State Public Charter School Authority may award money to a charter school for the transportation of pupils to the extent money has been appropriated for that purpose.
  - Must submit a comprehensive plan detailing how the transportation will materially improve access to education.
  - Plan must be financially viable and not cost more, on a per pupil basis, than the average cost of transportation for public schools in the district the charter is located.

# Cities and Counties May Apply to Sponsor Charters

- AB 400 Sect.1: Includes cities and counties as a potential sponsor of a charter school. Applications must be approved by the State Public Charter School Authority.



# Large District Ending Fund Balance

SB 282 Sect. 1.5(3) requires a local school precinct in a large district that carries forward a balance of more than 5 percent of its actual expenditures to use the money for certain purposes. If the local precinct fails to spend the amount within 24 months after the end of the school year, the excess must be transferred to the Education Stabilization Account.

# Temporary Advances

- New language will be established in Chapter 353 that if the Superintendent of Public Instruction determines money due from the State Education Fund exceeds the money available due to a delay in expected receipts, he or she may request a temporary advance from the State General Fund from the Director of the Office of Finance.
  - *2. Upon receipt of a request made pursuant to subsection 1, the Director of the Office of Finance shall make a recommendation to the Interim Finance Committee to approve the temporary advance in whole or in part or to deny the request. If the Interim Finance Committee approves the request in whole or in part, the Director of the Office of Finance shall notify the State Controller and the Fiscal Analysis Division of the Legislative Counsel Bureau of the amount approved by the Interim Finance Committee, and the State Controller shall draw his or her warrant upon receipt of such a notice of approval. Any money which is temporarily advanced from the State General Fund pursuant to this section must be repaid by August 31 following the end of the fiscal year in which the temporary advance is made.*

# Legislative Changes to the Pupil-Centered Funding Plan

# Changes to Revenue

- SB 124 Sect. 2, revises NRS 387.1212
  - (k) The money required to be ~~paid over to the State Treasurer for deposit~~ **deposited** to the credit of the State Education Fund pursuant to subsection 4 of NRS 362.170;
- SB 523 Sect. 1, revises NRS 387.1212
  - *(y) The amount of any fines required to be remitted to the State Treasurer for deposit to the credit of the State Education Fund pursuant to subsection 1 of NRS 555.470;*
  - *(z) The amount of any claim, together with any dividend, interest or other increment required to be transferred to the State Education Fund pursuant to subsection 2 of NRS 120A.645;*
  - *(aa) The portion of the proceeds of the tax imposed pursuant to subsection 2 of NRS 372A.290 identified in paragraph (b) of subsection 5 of NRS 372A.290;*

# Net Proceeds of Minerals

- SB 124 Section 2.5 added clarifying language to Net Proceeds of Minerals
  - (a) The amount of such money for the county from which the money was collected that does not exceed the total amount of money appropriated pursuant to subsection 2 to the county school district is deemed to be the first money appropriated pursuant to subsection 2 for that county school district **[.]** *and the first money spent by that county school district from the county school district fund during the applicable fiscal year.*

# Changes to Inflation

- AB 523 Sect. 2 revises NRS 387.12455
  - 6. As used in this section, “rate of inflation” means the *average* percentage of increase or decrease in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the United States Department of Labor for the immediately preceding **3** calendar ~~[year]~~ *years* or, if that index ceases to be published by the United States Department of Labor, the published index that most closely resembles that index, as determined by the Governor.

# At-risk Definition

- SB 503, Sect. 16, codified in law a new definition for pupils who are At-risk and revises NRS 387.1211
  - 1. “At-risk pupil” means a pupil who is ~~[eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq., or an alternative measure]~~ *within the quintile of pupils determined to be most in need of additional services and assistance to graduate based on one or more measures prescribed by the State Board [.] , which may include, without limitation, consideration of whether a pupil:*
    - *(a) Is economically disadvantaged;*
    - *(b) Is at risk of dropping out of high school; or*
    - *(c) Fails to meet minimum standards of academic proficiency.*

# Legislative Changes to Ending Fund Balance



# Ending Fund Balance Changes

- SB 124 Sect. 2.3, revised NRS 387.1213
  - 1. The Education Stabilization Account is hereby created in the State Education Fund. Except as otherwise provided in subsections 3, ~~{and}~~ 4 ~~{,}~~ and 5, each year after the close of the previous fiscal year and before the issuance of the State Controller's annual report, each county school district shall transfer from the county school district fund to the Education Stabilization Account any amount by which the ~~{budgeted}~~ **actual** ending fund balance of the county school district fund exceeds 16.6 percent of the total ~~{budgeted}~~ **actual** expenditures for the fund. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.

# Ending Fund Balance Continued

- *5. When determining the actual ending fund balance for the purposes of subsection 1, each county school district shall exclude:*
- *(a) Any money deposited in the county school district fund on or before June 30, 2020;*
- *(b) Any money apportioned to the county school district for capital projects or debt service pursuant to subsection 2 of NRS 362.170 and deposited in the county school district fund when authorized by law; and*
- *(c) Any money transferred to the county school district and authorized for expenditure as a continuing appropriation pursuant to paragraph (b) of subsection 6 of NRS 387.1214.*

# Legislative Changes to the Education Stabilization Account

# Education Stabilization Account

- SB 98 Sect. 3.5, revises NRS 387.1213
  - *(c) Upon submission of a request from the Department, any amount of money which was deposited in the State Education Fund is found by an audit to have been deposited in error; or*
  - *(d) Upon submission of a request from the Department, any error in the application of the Pupil-Centered Funding Plan by the Department has created a shortfall in the State Education Fund,*
- SB 124 Sect. 2.3, revises NRS 387.1213
  - 1. The Education Stabilization Account is hereby created in the State Education Fund. Except as otherwise provided in subsections 3 , ~~and~~ 4 ~~and~~ 5, each year after the close of the previous fiscal year and before the issuance of the State Controller’s annual report, each county school district shall transfer from the county school district fund to the Education Stabilization Account any amount by which the ~~budgeted~~ **actual** ending fund balance of the county school district fund exceeds 16.6 percent of the total ~~budgeted~~ **actual** expenditures for the fund. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.

# Education Stabilization Account Continued

- AB 523 Sect. 5, revised
  - 3. The balance in the Education Stabilization Account must not exceed ~~{15}~~ 20 percent of the total of all appropriations and authorizations from the State Education Fund, excluding the Education Stabilization Account, for the immediately preceding fiscal year. Any money transferred to the Education Stabilization Account which exceeds this amount must instead be transferred to the State Education Fund.
  - (b) The collection of revenue in any fiscal year will result in the State Education Fund receiving ~~{97 percent or}~~ less ~~{of the}~~ money *than* authorized for expenditure from the State Education Fund, the Committee shall by resolution establish an amount of money to transfer from the Education Stabilization Account to the State Education Fund and direct the State Controller to transfer that amount to the State Education Fund. The State Controller shall thereupon make the transfer.“

# Education Stabilization Account

## AB 523 Continued

- AB 523 Sect. 5, revised
  - *6. If the Superintendent of Public Instruction determines that the money due from the State Education Fund to a county school district, charter school or university school for profoundly gifted pupils pursuant to NRS 387.185 exceeds the amount of money available in the State Education Fund because of a delay in expected receipts, he or she may request from the Director of the Office of Finance a temporary advance from the Education Stabilization Account for the payment of such money due. Upon receipt of such a request, the Director of the Office of Finance shall make a recommendation to the Interim Finance Committee to approve the temporary advance in whole or in part or to deny the request. If the Interim Finance Committee approves the request in whole or in part, the Director of the Office of Finance shall notify the State Controller and the Fiscal Analysis Division of the Legislative Counsel Bureau of the amount approved by the Interim Finance Committee, and the State Controller shall draw his or her warrant upon receipt of such a notice of approval. Any money which is temporarily advanced from the Education Stabilization Account pursuant to this subsection must be repaid by August 31 following the end of the fiscal year in which the temporary advance is made.*

Thank you