

**NEVADA DEPARTMENT OF EDUCATION
COMMISSION ON SCHOOL FUNDING
APRIL 16, 2020
1:00 P.M.**

Meeting Location

Due to the circumstances created by the COVID-19 pandemic, the Commission on School Funding met via videoconference. In accordance with Governor Sisolak's State of Emergency Directive 006, Section 1, no physical location was designated for this meeting. The meeting was livestreamed on the Nevada Department of Education's (NDE) website. Public comment was accepted via email and read into the record during the agendaized public comment periods.

SUMMARY MINUTES OF THE COMMISSION MEETING

COMMISSION MEMBERS PRESENT

Via Videoconference

Dusty Casey
Andrew J. Feuling
Jason A. Goudie
Guy Hobbs
Dr. David Jensen
Paul Johnson
Mark Mathers
Dr. R. Karlene McCormick-Lee
Jim McIntosh
Dr. Lisa Morris-Hibbler

COMMISSION MEMBERS EXCUSED

Punam Mathur

DEPARTMENT STAFF PRESENT

In Las Vegas

Jhone Ebert, Superintendent of Public Instruction
Jessica Todtman, Chief Strategy Officer

In Carson City

Heidi Haartz, Deputy Superintendent of Business and Support Services
James Kirkpatrick, Administrative Services Officer III
Beau Bennett, Management Analyst IV
Megan Peterson, Management Analyst III

LEGAL STAFF PRESENT

Greg Ott, Chief Deputy Attorney General

SUBJECT MATTER EXPERTS PRESENT

Jeremy Aguero, Applied Analysis
Amanda Brown, APA Consulting
Justin Silverstein, APA Consulting

AUDIENCE IN ATTENDANCE

In accordance with Governor Sisolak's State of Emergency Directive 006, Section 1, no physical location was designated for this meeting. The meeting was livestreamed on the Nevada Department of Education's (NDE) website.

1: CALL TO ORDER; ROLL CALL

Meeting called to order at 1:00 P.M. by Commission Chair R. Karlene McCormick-Lee. Quorum was established.

2: PUBLIC COMMENT #1

Dr. Kristen McNeill, Superintendent of Washoe County School District, submitted public comment regarding the Nevada Cost of Education Index. *(A complete copy of the statement is available in Appendix A; additional materials are available in Appendix B)*

John Vellardita, Executive Director, Clark County Education Association, submitted public comment regarding the work of the Commission on School Funding. *(A complete copy of the statement is available in Appendix A)*

177 members of the public submitted written testimony as part of a write-in campaign regarding delaying or repealing the July 1, 2021 implementation of the Pupil-Centered Funding Plan. *(A complete copy of the statement is available in Appendix A)*

Sylvia Lazos, Nevada Immigrant Coalition, submitted public comment regarding equity and funding for Zoom and Victory programs. *(A complete copy of the statement is available in Appendix A; additional materials are available in Appendix B)*

The Nevada Association of School Superintendents submitted public comment regarding optimal funding. *(A complete copy of the statement is available in Appendix A)*

3: APPROVAL OF COMMISSION MEETING MINUTES

Member David Jensen moved to approve the meeting minutes of February 20, 2020 and February 21, 2020. Member Paul Johnson seconded. Motion passed.

4: APPROVAL OF WORK GROUP MEETING MINUTES

Member Jason Goudie moved to approve the Reporting and Monitoring work group minutes of February 21, 2020. Member Andrew Feuling seconded. Motion passed.

Vice Chair Guy Hobbs moved to approve the Formula and Distribution work group minutes of February 21, 2020. Member Johnson seconded. Motion passed.

5: RECOMMENDATIONS REGARDING EACH OF THE COST ADJUSTMENTS INCLUDED IN THE PUPIL-CENTERED FUNDING PLAN

[Cost Adjustment Factor]

Justin Silverstein, APA Consulting, conducted a PowerPoint presentation regarding [Regional Cost Adjustments](#).

Vice Chair Hobbs requested clarification regarding the application of factors only at 1.0 and above, as the relationship between factors seemed most meaningful. Mr. Silverstein noted that in a purely economic sense, understanding the cost relationship involved the differences between factors; however, in practical application to the State's implementation of factors such as At-Risk, working from a 1.0 base was most effective.

Member Dusty Casey asked if APA had considered adjusting the lowest factor to 1.0 and increasing the remaining factors proportionally; Amanda Brown, APA Consulting, clarified that they decided to average to the base, as indexing to the lowest point created disproportionate adjustments. Member Jason Goudie echoed concerns with adjusting the lowest factors without addressing the highest; he supported a hybrid approach to cost adjustment factors for Nevada.

Member Jensen emphasized that Comparative Wage Index (CWI) was not reflective of Nevada; the Nevada Cost of Education Index (NCEI) was specific to a Nevada context, but did not necessarily include housing information. Member Jensen suggested that a hedonic model may be adequate but is problematic when not regularly updated. Member Mark Mathers expressed concern with irregular CWI data. Mr. Silverstein emphasized that the data used for the cost adjustment factors must be data that could be regularly updated; all data would have a lag of 1-2

years. Member Johnson expressed similar concerns with indexing adjustments and data and questioned the material impact of these elements on schools. Member Feuling recommended using the factor of 1.0 as a placeholder for the purposes of the model, while further information was analyzed.

Chair McCormick-Lee asked why the NCEI was recommended over the hybrid approach. Mr. Silverstein stated that NCEI attempted to meld the hybrid approach more specifically to a Nevada context, and the initial proposal for the hybrid approach was not favored by the Work Group. Megan Peterson, Management Analyst III, Nevada Department of Education, contextualized that within the equity allocation model there is a floor for the wealth adjustment for districts currently below the statewide average, and these considerations are recurring.

Chair McCormick-Lee confirmed that **the recommendation from APA Consulting was to use NCEI and apply it only when above an index of 1.0; future conversations would include its placement and incorporation in the “waterfall” allocation methodology, as well as updates each biennium and district-level data for refinement.**

Member Johnson suggested approving the recommendation with the understanding that changes could be made later as necessary. He further asked if it would be possible to analyze multiple scenarios of these factors within the Pupil-Centered Funding Plan (PCFP) Blueprint. Jeremy Agüero, Applied Analysis, responded that the analysis had already been done.

Member Hobbs moved to approve the APA Consulting recommendation, with the understanding that adjustments, discussion, or changes may be made in future, and further analysis would be conducted. **Member Johnson seconded.** Member Mathers noted that 38 states do not do a cost adjustment, perhaps due to the issues with data that the Commission faced today. He supported Member Feuling’s recommendation to hold all indices to 1.0. Member Jensen asked if the model needed to be hedonic in order to be a uniquely Nevadan model; Mr. Silverstein responded that for a Nevada-specific model, Nevada-specific data collection was necessary, rather than a particular model. Member Casey expressed discomfort with altering mathematical models, as using 1.0 and greater will create skewed results over time. Member Feuling seconded discomfort with the larger concept and suggested using 1.0 for the purpose of standing up the model.

Chair McCormick-Lee summarized the alternative suggestions provided: Member Mathers suggested no regional cost adjustment; Member Feuling suggested 1.0 across all factors; Member Casey suggested using NCEI but removing 1.0 as a minimum. Chair McCormick-Lee requested a vote for the motion currently on the table to approve the APA Consulting recommendation. **Motion passed; Members Casey, Feuling, and Mathers dissented.**

Chair McCormick-Lee requested that Mr. Agüero share analysis of different cost adjustment factors in the PCFP Blueprint at the Commission meeting scheduled for April 17, 2020.

[Necessarily Small School Adjustment]

Amanda Brown, APA Consulting, conducted a PowerPoint presentation on the [Necessarily Small School Adjustment](#).

Member Jensen inquired if a staffing analysis had been included in the attendance area surveys; Ms. Brown responded that they were not able to obtain staffing information. Member Feuling inquired about the use of the J-curve for the District Size Adjustment, while the Necessarily Small School Adjustment was broken into tiers of students; Ms. Brown noted that the Necessarily Small School Adjustment was built against comparable systems in other states. Member Johnson asked which of the models best reflected the cost differentials of density; Mr. Silverstein responded that it was ultimately in the combination of factors.

Member Goudie moved to approve the APA Consulting recommendation to apply the originally recommended District Size Adjustments and updated Necessarily Small Schools adjustment which moves the adjustment up to 149 students. Member Hobbs seconded. Motion passed.

Convenience Break

6: RECOMMENDATIONS REGARDING THE MAXIMUM AMOUNT OF MONEY THAT EACH SCHOOL DISTRICT MAY DEDUCT FOR ITS ADMINISTRATIVE EXPENSES FROM THE ADJUSTED BASE PER PUPIL FUNDING

Amanda Brown, APA Consulting, conducted a PowerPoint presentation regarding [Administrative Expenses](#). Chair McCormick-Lee inquired if this had special impact on Clark County School District (CCSD). Member Goudie noted that NRS 388G requires that schools are 85% funded from unrestricted funds, and further consideration and challenges would need to be evaluated. Chair McCormick-Lee inquired if administrative costs could be further defined or explained. Ms. Brown noted that Senate Bill 543 reflects administrators as they are specifically coded within the accounting system. Ultimately, it should not supersede what is currently required of CCSD.

Member Jim McIntosh requested clarification that administrative costs were being defined by the accounting codes 2300 and 2400, which included school boards, the superintendent's office, legal, school administration, etc. Member Johnson noted that categories for central services, operations and maintenance, and other support services were not clearly funded as administrative costs or base funding. Ms. Brown clarified that only codes 2300 and 2400 were included in administrative costs, and districts may determine the resources needed to support additional services.

Member Johnson clarified that operations and maintenance, or computer technicians, would be funded from the base; Ms. Brown confirmed that was her understanding. Member Johnson expressed concern this would dilute base funding for students and staff to fund administrative costs. Mr. Silverstein noted that this was a checks-and-balances measure, rather than an allocation; Member Mathers agreed that it was a separate issue from base and weighted funding. James Kirkpatrick, Administrative Services Officer III, Nevada Department of Education, clarified that administrative costs would be deducted from the adjusted base or base funding.

Member Johnson inquired if there should be a minimum threshold, in the case of reporting and accountability requirements and staff support. Heidi Haartz, Deputy Superintendent of Business and Support Services, Nevada Department of Education, clarified that the Department may set regulations limiting the maximum amount of money school districts may deduct for administrative expenses; if the Commission would like to set a minimum, Deputy Superintendent Haartz suggested that it be included in the Commission's recommendations to the Governor and Legislature due in July.

Member Goudie expressed that districts may need more time to assess the administrative cap to understand their current relation to it, and an understanding of what the base funding amount would be. He further agreed with the reasoning for Member Johnson's suggestion of a minimum but disagreed with creating law which placed further requirements on districts.

The Commission deferred action on the Administrative Cap, pending the Nevada Department of Education reviewing district's current administrative costs and their relation to the proposed caps.

7: PUBLIC COMMENT #2

Chris Daly, Nevada State Education Association, submitted public comment regarding the impact of COVID-19 on funding measures. *(A complete copy of his statement is available in Appendix A)*

8: ADJOURNMENT

Meeting adjourned at 3:53 P.M.

Appendix A: Statements Given During Public Comment

1. Dr. Kristen McNeill, Interim Superintendent of Washoe County School District, submitted public comment regarding the Nevada Cost of Education Index.
2. John Vellardita, Executive Director, Clark County Education Association, submitted public comment regarding the work of the Commission on School Funding.
3. 177 members of the public submitted written testimony as part of a write-in campaign regarding delaying or repealing the July 1, 2021 implementation of the Pupil-Centered Funding Plan.
4. Sylvia Lazos, Nevada Immigrant Coalition, submitted public comment regarding equity, and funding for Zoom and Victory programs.
5. The Nevada Association of School Superintendents submitted public comment regarding optimal funding.
6. Chris Daly, Nevada State Education Association, submitted public comment regarding the impact of COVID-19 on funding measures.

Item A1, Dr. Kristen McNeill

I strongly request that you do NOT adopt the proposed so-called “Nevada Cost of Education” index as proposed at your last meeting and recommended again today, despite the Commission asking for changes.

While we appreciate the work done to address the flaws in the original CWI concept, we do not believe an appropriate conclusion has been reached that is rooted in being transparent and fair.

There are several reasons. First and foremost, NCE doesn't pass the sniff test. The idea that only Washoe, Carson, Lyon, Douglas and Storey Counties have a lower cost of wages, living or delivering education is clearly and demonstrably false. This is the area of the state experiencing not only population growth related to major projects like Tesla, Panasonic, Blockchains but also a serious lack of affordable housing. Housing costs, the single largest factor in cost of living, have skyrocketed in these communities. A one-bedroom apartment in Reno is more than 11% more expensive than in Las Vegas. Why would they be left out of a cost adjustment? We do not understand the claim from the vendor that “housing may overly influence Cost of Living Adjustments.” Housing is the major cost of living factor for our 8,000 employees and their families.

In a regional comparison report produced by our own Governor's Office of Economic Development as recently as March, Washoe County shows having higher wages in the private sector and higher per capita personal income as well as a higher cost of living. We have included that documentation with our written comments for your consideration.

The measure being recommended also does not meet the intent to make this formula “transparent” and easy to understand. The secondary calculations to split the impact of housing versus goods adds another layer of confusion. The Commission hasn't had the opportunity to review those calculations.

The Washoe County School District wants and strives to be solutions oriented. We know the commission is under intense time pressure. We have two alternatives that could be adopted today. The first is simply using the Cost of Living Index based on the Bureau of Economic Analysis regional price parities as presented by APA at the last meeting. It is easy to update, understandable and doesn't require secondary mathematics to calculate and explain. But, if you review that recommendation, obviously Washoe County School District is the sole beneficiary of that factor. So, being cognizant of this, we recommend making the regional cost factor 1.0 across the board. This recommendation is supported by the fact that different factors are showing different data points and essentially our economic teams cannot determine the regional differences at this time. If and when we are better equipped to determine these regional differences, the Commission can consider making these adjustments. But in the absence of reliable data that reflects current regional differences, we should not negatively impact appropriations for certain segments of students in one region of the state experiencing as much increasing wage and cost of living as anywhere else in the state of Nevada. We thank you for your time today in making sure our New Nevada is also an equitable Nevada.

Item A2, John Vellardita

SB 543 Commission Members:

The Clark County Education Association (CCEA) urges the Commission to proceed with its charge and be prepared to issue a report to the Nevada Legislature and Governor for the 2021 Legislative Session. We understand we are in trying times with the coronavirus pandemic, however it is critical for this work to move forward.

As the largest educator union in Nevada representing over 18,000 licensed professionals in Clark County School District (CCSD) we have consistently been in support of overhauling the outdated Nevada Plan and transitioning to a pupil centered funding model that adequately addresses the needs of our student population and our front line educators. Anything short of fulfilling the Commission's charge as directed by the Nevada Legislature would be viewed as a serious step back in advancing Nevada's public education delivery system.

Item A3, Submitted Testimony from 177 Members of the Public

Dear Senator and Commissioner,

Please cancel or at the least delay the implementation of the new funding formula, as the plan has become even more unworkable. The plan hurts and takes from the most vulnerable populations and gives to those that already enjoy many more benefits than their counterparts.

The only responsible action the Commission can take is to document these current economic conditions and recommend to indefinitely delay, or completely repeal the July 1, 2021 implementation.

Thank you.

Item A4, Sylvia Lazos

Dear Commission Members:

First and foremost, wishing that you and your families are safe and healthy.

The COVID-19 crisis has exposed existing inequalities in Nevada's education system. CCSD has acknowledged that many students will not be able to access remote learning during school closures. Rural school districts are struggling with broad band access. Estimates from Guinn Center are that 26,000 students may be being left behind due to lack of access to broadband. Additionally 17% of households, mostly concentrated in Clark County's inner city, do not have access to a laptop or desktop computer.

(<https://guinncenter.org/wpcontent/uploads/2020/04/Guinn-Center-Digital-Divide-2020.pdf>) Recent analysis from the *Review Journal* reports that 67,000 students in CCSD had no access to remote learning during the first week of school closures. (CCSD Unable to Contact 67K students after Shutdown, April 8, 2020)

Community groups, such as the ones that Nevada Immigrant Coalition represents, have been clamoring for more detailed demographic and neighborhood data as to which students are suffering the most; unfortunately, it may be the case that our large local education agencies lack the capacity to monitor who is learning and who is falling further behind. (We hope to be mistaken.) Feedback from our communities, however, is that students who are being left behind are children from low income neighborhoods, ELL students, and children with IEPs.

Would SB543 funding formula have provided the infrastructure to withstand emergency school closures and support remote learning where every Nevada student has an ongoing opportunity to learn (as required by law)? This is a sobering perspective that the Commission should engage.

From what we have observed on the ground, our answer is "no." The "pupil centered" funding plan guiding SB543 does not address the structural, rural and inner city neighborhood inequality/inequities that has become visible during this pandemic. The pupil-centered plan, as currently conceived, does not properly take into account the vast gaps in poverty. Parents from our communities report that they have to suddenly move (in spite of the Governor's eviction moratorium), can't get a family member tested, have to file for unemployment, need to go to the foodbank, and are afraid to go to a clinic or hospital. The parents under the most economic pressure do not have the capacity to figure out how to access laptops, navigate websites, or monitor remote learning. Teachers in these impacted neighborhoods report that they can only reach 5-10% of their students.

Senators Woodhouse and Denis, who are the sponsors of SB543, admonished the Committee that it is their duty to "determine.. an optimal level of funding for public schools." (Remarks to Commission on School Funding Provided By Senator Woodhouse and Senator Denis, Feb. 20, 2020). What the pandemic has made clear is that to calculate optimal school finance numbers, the Commission would need to analyze existing inequalities/inequities --neighborhood by neighborhood and rural vs urban. In technical terms, this is the "at risk" weight under the SB543 proposal. The "at risk" weight proposed by Arguero spread sheets is based on available current funding under categorical programs, not what these students actually need. Moreover, the Commission should have the opportunity to incorporate the lessons of the Pandemic.

Nevada Immigrant Coalition has advocated grandfathering Zoom and Victory schools. Zoom and Victory are relatively small categorical programs addressing neighborhood inequity, and for this reason, it is true that there are many students who don't benefit from these efforts given Nevada needs. We don't agree that because these programs are not sufficiently well funded that they should be eliminated. Rather, we believe that because these programs work for the most impacted kids, as documented by NDE research, they should be grandfathered. During this pandemic, we have witnessed that because many Zoom and Victory schools invested in 1:1 chrome books (we are still gathering data), they avoided the digital device scarcity problem. Zoom and Victory are EQUITY focused and channel more dollars to the most impacted schools, children and neighborhoods. We

believe that the Commission should keep this EQUITY commitment in place for those schools that have been successful.

Senators Woodhouse and Denis state in their February letter that, because SB543 directs schools to invest in Zoom and Victory services, it follows that SB543 would preserve Zoom and Victory performance. We attach our own spreadsheets, based on Arguero spreadsheet weights that he submitted during 2019 legislative session, that show that current Zoom and Victory schools would receive substantially less monies under the SB543 plan. First, we have spoken to principals of successful Zoom and Victory schools and no principal believes that they can continue success with the SB543 “zoom services” and “victory services” allocations.

Second, Zoom and Victory were not about per pupil weights (an equality approach), but about introducing systems that would be successful for students in poverty and ELL. Remember that CCSD, school district with over 60,000 ELLs had failed to institute research-based ELL instruction for across the board student success (there were individual bright spots). Zoom is a system that shows that investments can move the achievement needle in a very high risk population (“at-risk” ELLs), by changing culture and implementing with fidelity research-based instruction and curriculum. These are blueprints to expand upon and to follow (for example, ELLs under Castaneda v. Pickard). Switching to per pupil “services” allocations miscasts what Zoom and Victory has attained. We respectfully submit that “optimal” weights for ELLs and “at risk” students should track Zoom and Victory current weights.

The EXCEL PDF spreadsheets are attached.

Item A5, Nevada Association of School Superintendents

The Nevada Association of School Superintendents (NASS) wishes to make abundantly clear their position on public education funding for the advancement of academic, social and emotional learning of all children in the State of Nevada.

NASS genuinely appreciates the efforts of the 2019 Nevada Legislature in recognizing the archaic education funding model under which we currently operate. We are grateful for the passage of SB 543 that creates a Pupil-Centered Funding Plan and a Commission on School Funding which will subsequently make recommendations on how best to implement the plan.

However, NASS must vehemently express significant concern regarding the implementation of any plan that fails to address optimal levels of educational funding, but merely creates the illusion of improvement by simply redistributing inadequate resources. This redistribution will cause significant harm to Nevada's children as it fails to address the real issue; optimal funding levels for education. If no new revenue streams are created, Nevada will perpetually remain at or near the bottom of all public education lists from across the country when compared to other states.

As a result, NASS desires to publicly declare the following recommendations to all law and decision makers in the State of Nevada:

- 1) Fund the base at optimal levels for all students as outlined in the 2006 & 2018 APA Nevada School Finance Studies, while providing additional financial supports for Nevada's most at-risk children.
- 2) Increase state spending on public education by creating new revenue streams to support the Pupil-Centered Funding Plan.
- 3) Provide more stable funding for public education by enacting protections to the new Pupil-Centered Funding Plan, which account for inflation and alleviate the erosion of resources.

NASS unequivocally desires to achieve their mission of providing the highest quality education to all children in the great State of Nevada. If we are to fulfill this mission, there must be an optimal and reliable revenue stream on which we can rely. We stand ready to partner with all decision makers in solving this most difficult issue as the future of our most precious resource, even our children are relying on our actions right now.

Item A6, Chris Daly

Commissioners. Chris Daly, Nevada State Education Association, the voice of Nevada educators for over 100 years.

Watching the Funding Commission from home, as teachers have transitioned to distance learning and food service workers continue their front-line work of feeding district families, is quite surreal.

Educators across our State are working hard to adapt to their new and unique situation given the COVID-19 pandemic. We are disappointed to see the Commission did not adapt similarly for a topic that directly impacts them.

While Governor Sisolak made the right call to protect Nevadan's safety, the financial impacts of this required response to the global COVID-19 pandemic are and will continue to be severe and undeniable.

Last week, the Governor asked all state departments for recommended cuts of 4% in the current fiscal year and 6-14% in FY21. Not even accounting for loss of local revenue, these general fund cuts alone could mean the loss of hundreds of millions of dollars for Nevada schools. Nobody yet knows what a return to school could look like, but Nevadans understand that sending students back to overcrowded classrooms doesn't work with our new practice of social distancing.

The impact of the current crisis on Nevada schools eclipses anything else that has happened in recent memory. Yet today, the Commission is wrangling with details like administrative caps, small school adjustments, and regional cost differences, that more likely than not, have been turned on their heads in just the last 4 weeks. But for the video format, anyone watching today's meeting would have no idea Nevada is facing economic uncertainty and upheaval.

The details being discussed by the Commission today may have been of great importance a couple months ago. However, everything now has changed. That is not hyperbole. Now is the time to address the big picture and take leadership on this crucial issue. Moving forward with old timelines and deliverables, as if nothing has changed is irresponsible and only serves to harm Nevada educators and students. It's time for the Funding Commission to study current economic impacts on our schools, report these findings, and recommend a delay in the implementation in 543. Thank you.

Appendix B: Documents Submitted for Commission Review in Addition to Public Comment

1. Cost of Living Index comparison, submitted by Dr. Kristen McNeill
2. Zoom Clark County School District impact table, submitted by Sylvia Lazos
3. Victory impact table, submitted by Sylvia Lazos