

**NEVADA DEPARTMENT OF EDUCATION
COMMISSION ON SCHOOL FUNDING
APRIL 17, 2020
9:00 A.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
Beau Bennett, Management Analyst IV
Megan Peterson, Management Analyst III
James Kirkpatrick, Administrative Services Officer 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 9:00 A.M. by Commission Chair R. Karlene McCormick-Lee. Quorum was established.

2: PUBLIC COMMENT #1

Nine additional members of the public submitted written testimony, in line with the 177 submitted during the Commission's April 16, 2020 meeting, 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 their statement is available in Appendix A)*

3: RECOMMENDATIONS REGARDING WEIGHTS FOR THE CATEGORIES OF PUPILS IDENTIFIED IN SENATE BILL 543

Heidi Haartz, Deputy Superintendent of Business and Support Services, Nevada Department of Education, conducted a PowerPoint presentation regarding [Recommended Weights for Categories of Pupils](#).

[Gifted and Talented]

Member Jason Goudie requested clarification regarding how the reduced target weight of 0.05 would be reached given the requirement that weights are equal to or greater than the prior years' funding. Deputy Superintendent Haartz noted that the Commission could recommend to the Governor and Legislature that the currently existing weight be reduced. Chair McCormick Lee confirmed three multiplier options of 0.05, 0.14, and 0.36. She inquired if the multiplier of 0.36, drawn from a combination of State and local funds, would set a precedent of mixed funding and if the Commission wanted to maintain recommendations based on State funding only.

Member Paul Johnson noted that the weight for any category of pupils would affect the weights for any other category; he requested that various multipliers be analyzed via the Pupil-Centered Funding Plan (PCFP) Blueprint. Amanda Brown, APA Consulting, remarked that previous APA Consulting guidance regarding Gifted and Talented had not been as thorough due to limitations, so they were comfortable with movement away from the recommended multiplier. She added that thinking of the weights in context to one another is relevant, as the At-Risk weight is currently at 0.25, and Gifted and Talented is under consideration at 0.36.

Jeremy Aguero, Applied Analysis, clarified that Senate Bill 543 required that the base be no lower than the base from the prior year, which for the purposes of the Blueprint was 2020, and the weights must be no less than the prior years. The base must be increased by no less than inflation plus enrollment; funds beyond this amount are allocated to the weighted categories based in a proportion determined by the Commission: the aspirational weights.

Chair McCormick-Lee confirmed that the starting weight was what remained to be determined and requested clarification regarding whether the starting weight would be from State funds only, or a mixture of State and local funds. Member David Jensen expressed concern with selecting a weight using a mixture of State and local funds, as individual districts use local funds to provide additional support within their unique and timely contexts. Member Mark Mathers agreed with Member Jensen's comment. Chair McCormick-Lee clarified the use of the term "local funds" as base funding used by districts to supplement State restricted funding.

Member Mathers moved to approve the Gifted and Talented multiplier of 0.05. The motion did not received a second.

Member Jensen moved to approve the Gifted and Talented multiplier of 0.14. Member Jim McIntosh seconded.

Member Goudie clarified that the weight of 0.14 was the mathematically derived weight associated with the requirement that weights be no less than the prior year.

Deputy Superintendent Haartz clarified that when the PCFP is implemented, funds will be comingled in a way which may alter the current practice of individual districts adding “local funds” to programs and weights, and the adjusted weights in those districts may decrease to 0.14.

Member Goudie asked if the Commission could approve the weight for Gifted and Talented at the calculated weight for the base year, per the requirement that weights be no less than the prior year, rather than a defined number. Deputy Superintendent Haartz responded that the Commission may compose their own motions but requested that the base year of calculation be stated in the motion for clarity’s sake. Fiscal Year (FY) 2020 is being used as the base budget for budget building purposes and will serve as the base for FY 2022 implementation.

Member Mathers noted that Gifted and Talented funding is unique among the other weights, in that the APA recommendation had been below the current weight. He stated that other weights required an aspirational weight, while Gifted and Talented needed a starting weight. Member McIntosh agreed and supported the weight of 0.14.

Member Johnson requested the option to make further changes as needed after the model has been assembled.

Member Jensen restated his motion to approve the Gifted and Talented base and target multiplier of 0.14, with the understanding that further changes may be made in future. Member McIntosh seconded. Motion passed.

[Special Education]

Deputy Superintendent Haartz clarified that the recommendation would not change any programmatic or legal requirements applying to students with Individualized Education Plans or 504 plans; it only changes the way that funding is addressed. The recommendation addresses issues with structures of service provision and maintenance of effort requirements. It provides further flexibility in funding students with varying needs.

Member Andrew Feuling noted that if Special Education funds are differentiated, English Learners (EL) and At-Risk students may also need the same treatment in order to serve all categories of pupils. Deputy Superintendent Haartz clarified that Special Education could be distinguished into a separate fund as it is funded primarily from federal funds, with State and local revenues added to meet maintenance of effort requirements, which EL and At-Risk do not have. Member Feuling requested that a recommendation from the Commission on this matter include additional language regarding what is reasonable, and the extent of detail required.

Member Johnson noted that there may be a funding decrease in FY 2021 which would not affect Special Education due to fixed maintenance of effort. Chair McCormick-Lee clarified that there would not be a Special Education weight; instead, there would be a separate account earlier in the waterfall that allocates Special Education funding. Deputy Superintendent Haartz confirmed that Special Education funding would be treated as federal funding with a required match and maintenance of effort, with no multiplier within Tier E. This would align Special Education funding with the treatment of federal funds and general fund matches which are excluded from the PCFP per Senate Bill (SB) 543.

Member Mathers remarked that the starting point for Special Education is 0.57; he suggested the next step should be to approve the appropriate target weight, and then consider a separate motion regarding a separate account for Special Education funds. Member Johnson suggested an aspirational weight and a separate account for Special Education until funding is able to meet that aspirational weight. Member Dusty Casey expressed concern with altering SB 543 as currently written. Member Goudie supported APA Consulting's recommended 1.1 target weight. Vice Chair Guy Hobbs indicated his agreement with the statements made by Members Casey and Goudie.

Vice Chair Hobbs moved to approve the Special Education multiplier of 1.1. Member Goudie seconded. Motion passed.

[At-Risk]

Member Mathers expressed concern that the multiplier is not based on the total number of free-or-reduced-price lunch eligible (FRL) students, as only some districts received Victory funding, and the multiplier may be calculated on an artificially low base. However, he supported the increase from the current weight of 0.05 to a target weight of 0.30.

Member Johnson moved to approve the At-Risk multiplier of 0.30, while the Department continues to evaluate the definition of At-Risk. Member Mathers seconded. Motion seconded.

[English Learners]

Member Mathers asked if there would be a separate motion or item regarding how to reach aspirational weights. Chair McCormick-Lee responded that the Reporting and Monitoring Work Group had been evaluating this matter; in February, WestEd provided a number of options, including all new dollars funding the base.

Member Johnson moved to approve the English Learner multiplier of 0.50, with the understanding that it may be altered in future. Member Goudie seconded. Motion passed.

Convenience Break

4: NEVADA DEPARTMENT OF EDUCATION UPDATE

Heidi Haartz, Deputy Superintendent of Business and Support Services, Nevada Department of Education (NDE), provided an [Update](#) to the Commission regarding the work of the Department.

NDE has worked with school district chief financial officers to update the budget template schools will use for the PCFP. Schools have begun populating the template with their FY 2020 expenditures. Budgets are due May 1, so NDE will be able to provide a report to the Commission at their May meeting. The State Public Charter School Authority is also working to provide these budgets. The Department is working with Applied Analysis to update revenue projections and revise data.

NDE's request for funds to hire a consultant to assist with optimal funding was moved from the April to the June Interim Finance Committee agenda; as a result, a consultant to discuss optimal funding will likely not be available until Fall. Based on direction from the Governor's Finance Office, NDE created budget reduction scenarios pending guidance for reductions in FY 2020 and FY 2021. At this time, work for the Commission is being completed according to current FY 2020 budget information.

NDE has drafted fact sheets providing concise information on the PCFP, designed with a broad population in mind and available on NDE's website. NDE staff have also begun drafting business rules outlining the administration of the PCFP and its reporting requirements, but are awaiting further data from WestEd before proceeding.

The May Commission agenda will include a review of the comparisons of budgets under the Nevada Plan and Pupil-Centered Funding Plan and discuss At-Risk definitions. The June Commission agenda will include reporting requirements, the hold harmless provision of SB 543, and the Commission's recommendations for the Governor and Legislature, which are due no later July 15, 2020.

5: UPDATE AND DISCUSSION REGARDING THE DEVELOPMENT OF THE PUPIL-CENTERED FUNDING PLAN USING FISCAL YEAR 2020 FINANCIAL INFORMATION

Jeremy Aguero, Applied Analysis, provided an Update on the development of the Pupil-Centered Funding Plan Blueprint.

Calculation schedules are included in the Blueprint, and Applied Analysis has been working to update allocations for cost adjustment factors and regional adjustment factors discussed during the April 16, 2020 Commission meeting. Mr. Aguero indicated that there have been some difficulties gathering the necessary information from the current Nevada Plan, but those issues should be resolved soon.

Vice Chair Hobbs asked if it was possible to view the materiality of the topics addressed in cost adjustment factors. Mr. Aguero responded that he would highlight changes made to the Blueprint since it was presented to the Commission in February, pausing in the relevant areas to respond to Vice Chair Hobbs's question.

Nevada Revised Statutes references were added to the Blueprint and funding allocations were updated. Allocations are specific to federal, State matching, non-program, and "other" funds. The Blueprint includes a comparison of different funding plans district by district; some excess revenue currently shows due to difficulties with Nevada Plan data. Enrollment figures have been integrated, and per pupil data, including weighted data, has been added. The summary includes each district and statistical elements and adjustments. Under comparable wage index (CWI), there are multiple scenarios the Commission can review. Hold harmless calculations and scenarios have also been added.

Responding to Vice Chair Hobbs, Mr. Aguero noted that neither the base nor the weights take precedence, but are equal parts of the whole. The base must be preserved, but not at the expense of the weights and vice versa.

6: FUTURE AGENDA ITEMS

No future agenda items.

7: PUBLIC COMMENT #2

No public comment.

8: ADJOURNMENT

Meeting adjourned at 12:19 P.M.

Appendix A: Statements Given During Public Comment

1. Nine additional members of the public submitted written testimony, in line with the 177 submitted during the Commission's April 16, 2020 meeting, as part of a write-in campaign regarding delaying or repealing the July 1, 2021 implementation of the Pupil-Centered Funding Plan.

Item A1, Submitted Testimony from Nine Members of the Public

Dear Senator Mo Denis and Senator Joyce Woodhouse,

Please cancel or at the least delay the implementation of the new funding formula, as the plan has become even more unworkable. With the Governor's request that agencies begin to review their budgets for areas to cut, we are afraid that the economic impacts of this crisis will be devastating and long-lasting. Your job is to use the current year's budget to make recommendations, however with our new economic realities, we believe it would be irresponsible to make recommendations based on those numbers.

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.