

Commission on School Funding Recommendations for Successful Implementation of the Pupil Centered Funding Plan SB 543

July 13, 2020

Recommendations to Governor and Legislature: SB 543, Section 76.3

Examine comparisons between current funding and PCFP:

- NDE's distribution of funding using the Nevada Plan (plus) and the PCFP
- School district budgets using the PCFP

Recommend changes needed for the successful implementation of the PCFP

On or before July 15, 2020

- One-time review and recommendation process

Commission on School Funding

Possible Recommendation Topics

Recommendations

(as of 6/12/20)

- Budgetary Timeline
- Reporting Timeline
- True Up (fiscal year end)
- Ending Fund Balance
- Education Stabilization Account

Recommendations Pending

- State Education Fund
- Adjustment Factors
- Pupil Counts
- Weighted Funding
- Hold Harmless
- Implementation Timeline

Possible Recommendation Topic: State Education Fund

- Net Proceeds of Minerals
 - SB 543, Sections 2, and 61: require proceeds to be to be deposited in the State Education Fund
 - SB 543, Section 4.6(a): deems proceeds to be first money appropriated as part of the Adjusted Base Per Pupil Funding Amount and the weighted funding for the applicable school district
 - SB 543, Section 4.6(b): excess proceeds will be transferred to the applicable county school district for expenditure as a continuing appropriations
- Concerns:
 - Ensuring funds earned within a county return to that county

Possible Recommendation Topic: Adjustment Factors

- Cost Adjustment Factors: Nevada Cost of Education Index
 - Should density be addressed?
 - Should staffing be addressed?
- Necessarily Small School Adjustment
- Small District Equity Adjustment

Possible Recommendation Topic: Pupil Counts for Payment Purposes

- Average Daily Enrollment:
 - Reported quarterly and audited annually
 - Continue to be used for payments and end of fiscal year true-up
- Discussion:
 - Should there be a single count day?
- English Learners and At-Risk:
 - Program modification → establish new date of measure
- Special Education and Gifted and Talented
 - Eligibility as of October 1 → count for the next school year

Weighted Funding Multipliers

- Weight: multiplier applied to the statewide base per pupil funding amount
 - May not be less than the multiplier from the previous fiscal year,
 - Unless money in State Education Fund decreases or the increase is insufficient to fund multiplier for each category
- Baseline: FY 2020 State GF ÷ eligible students

Weighted Funding Requirements

- Weighted funding must be accounted for separately:
 - At the district level and distributed directly to the school where the pupil is enrolled
 - At the school level by (each) category
 - Specific accounting criteria for pupils with disabilities and gifted and talented pupils (currently in statute)
- Weighted funding must be used:
 - Supplement adjusted per pupil funding amount received for the pupil
 - Solely for providing additional education programs, services or supports to ensure pupil receives a reasonably equal educational opportunity
- May not be used to:
 - Settle or arbitrate disputes...
 - Adjust district-wide pay schedules for school district employees

Possible Recommendation Topic: Weighted Funding

- Discussion:
 - Do weights include inflationary adjustments for pay raises?
 - Should weights be applied the adjusted base per pupil funding amount, instead of the statewide base per pupil funding amount?

Possible Recommendation Topic: Alternative Definitions of At-Risk

- Alternatives:
 - Infinite Campus
 - Opportunity Gap
 - Bottom Quartile
 - Foster Care
 - Living Below Poverty Line
 - Alternative Factors, such as repeating a grade
- Discussion:
 - Should an alternative be sought from the State Board of Education?
 - If so, what should the alternative be?
 - Does Victory meet the needs of at-risk students using an alternative definition?

Special Education

- Funded through Federal and State and Local General Funds
- Maintenance of Effort requirement
 - Nevada Department of Education
 - Each school district
- Concerns:
 - Because money follows the pupil to their school, it limits districts and schools ability to reallocate funding based on cost of service
 - Central Service Models
 - Using a single multiplier for all districts may impact MOE

Special Education: FY 2020 MOE

Current Funding Methodology				Pupil Centered Funding Plan (BETA 20.35)		
School Districts	FY2019 State & Local Funded Special Education Expenditures	FY2020 Special Education Enrollment	FY2020 Per Pupil Amount	School Districts	Special Education Enrollment	Baseline FY2020 Weighted Funding
Carson City	\$ 12,175,333	1,216	\$ 10,013	Carson City	1,157	\$ 9,649
Churchill	\$ 4,787,966	553	\$ 8,658	Churchill	525	\$ 9,649
Clark	\$ 455,820,315	42,304	\$ 10,775	Clark	40,018	\$ 9,649
Douglas	\$ 7,573,758	803	\$ 9,432	Douglas	784	\$ 9,649
Elko	\$ 9,565,421	1,316	\$ 7,269	Elko	1,266	\$ 9,649
Esmeralda	\$ 92,405	10	\$ 9,241	Esmeralda	7	\$ 9,649
Eureka	\$ 634,489	45	\$ 14,100	Eureka	42	\$ 9,649
Humboldt	\$ 4,058,194	518	\$ 7,834	Humboldt	506	\$ 9,649
Lander	\$ 798,685	128	\$ 6,240	Lander	133	\$ 9,649
Lincoln	\$ 1,288,408	154	\$ 8,366	Lincoln	151	\$ 9,649
Lyon	\$ 12,228,851	1,255	\$ 9,744	Lyon	1,250	\$ 9,649
Mineral	\$ 545,031	86	\$ 6,338	Mineral	94	\$ 9,649
Nye	\$ 10,474,754	813	\$ 12,884	Nye	752	\$ 9,649
Pershing	\$ 1,292,715	125	\$ 10,342	Pershing	112	\$ 9,649
SPCSA	\$ 13,743,423	4,690	\$ 2,930	SPCSA	3,811	\$ 9,649
Storey	\$ 506,091	53	\$ 9,549	Storey	64	\$ 9,649
Washoe	\$ 74,101,921	9,546	\$ 7,763	Washoe	9,107	\$ 9,649
White Pine	\$ 1,623,089	203	\$ 7,996	White Pine	248	\$ 9,649
Total	\$ 611,310,849	63,818	\$ 9,579	Total	60,027	\$ 9,649

Possible Recommendation Topic: Special Education

- Alternatives:
 - Establish an Account for Special Education, in accordance with SB 543, Section 2.5, and remove weighted funding for Special Education from the PCFP
- Discussion:
 - Should the Commission recommend creating a separate account for Special Education, to maintain each school district's current MOE and to create flexibility for the funding of services?

Gifted and Talented

- Summary:
 - NAC 435: pupils must receive not less than 150 minutes of differentiated educational activities each week, during the school year
 - Current weight, based on State General Fund, is 0.38
 - Target weight, recommended by CSF, is 0.05
- SB 543, Section 4.5(a):
 - *“It is the intent of the Legislature that, to the extent practicable, the multiplier for each category...not be less than the multiplier for the immediately preceding fiscal year...”*
- Discussion:
 - Does the CSF wish to confirm its previous recommendation to reduce the multiplier for Gifted and Talented, understating there currently is no multiplier for the preceding fiscal year?

Hold Harmless

Legislative Intent:

- Transition to the Pupil Centered Funding Plan without causing an unexpected loss of revenue to any school district which may receive less money under the Plan than the district received during FY 20.
 - Exception: decline in enrollment for 2 or more years
- If a school district would receive less money under the PCFP than it received in FY 20, then the school district will:
 - receive the level of funding received in FY 20
 - given flexibility to reapportion money between its adjusted base per pupil funding and the weighted funding
 - In a manner similar to the FY 20 apportionment

Possible Recommendation Topic: Hold Harmless

- Discussion:
 - Impact of FY 2020 State General Fund Reductions?
 - How is COLA accommodated in Hold Harmless?
 - Should Hold Harmless amount (FY 2020) be increased to accommodate hyperinflation:
 - COLA?
 - inflation?
 - Should Hold Harmless or a modified version of Hold Harmless extend to charter schools?

Possible Recommendation Topic: Implementation Timeline

- Legislative Intent:
 - Implementation: July 1, 2021 (FY 2022)
- Concerns:
 - Impact of recession on state revenues
 - Improbability of increased funding for K-12 in 2021-2023 biennium
 - Inconsistent district and charter school data may skew impact
- Discussion:

Other Recommendation Topics for future consideration?