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April 23, 2021

The Honorable Nicole J. Cannizzaro
Majority Leader of the Nevada State Senate
c/o Nevada Senate
401 S. Carson Street
Carson City, NV 89701

Re: SB 543, Preliminary Recommendations Regarding Optimal Funding

Dear Majority Leader Cannizzaro,

The Commission on School Funding (Commission) has been meeting since September 27, 2019. Per Section 11.1(c) of Senate Bill 543 (2019), the Commission's responsibilities include recommending revisions to the Pupil-Centered Funding Plan (PCFP) to create an optimal level of funding for public schools in Nevada and identifying methods to fully fund costs associated with such recommendations within ten years of the date the recommendation was made.

I am pleased to share the attached *Preliminary Recommendations Regarding Optimal Funding*, which were approved unanimously by the Commission at our April 9, 2021 meeting. We developed consensus-driven recommendations reflecting extensive public input, information from subject matter experts, and the core PCFP implementation principles of equity, transparency, accountability, and flexibility. These principles are the foundation for the optimal funding progression reflected in this document, including the definition, measures, and funding levels for restoration, adequate, and optimal.

With regard to potential revenue sources for optimal funding, the Commission identified priority characteristics of sufficiency, predictability, competitiveness, and equity. These principles were in the forefront of consideration as a variety of funding alternatives were introduced. Via thorough and lengthy deliberations, the Commission is recommending a nearer-term focus on existing revenue sources including a broader-based property tax and sales/use tax systems. Over the course of the 2021-22 biennium, the Commission will continue to examine the details regarding the property and sales tax base and exemptions in order to make more refined and specific recommendations for optimal funding revenue generation.

The individual members of the Commission continue to undertake their duties with zeal, passion, dedication, and the knowledge this work will impact Nevada education for decades to come. It is an honor to serve the students across this great State.

Respectfully,

R. Karlene McCormick-Lee, Esq.

R. Karlene McCormick-Lee
Chair, Commission on School Funding

Attachment(s): Preliminary Recommendations Regarding Optimal Funding

cc: Brenda Erdoes, Director, Nevada Legislative Counsel Bureau