

Commission on School Funding Recommendations to the Governor and the Legislature

On July 15, 2020, a letter containing the recommendations developed by the Commission on School Funding was sent to the Governor and the Legislature, in accordance with NRS 387.12463(1)(b). The Commission made additional recommendations between October 2020 and March 2021.

The following recommendations were included in the Governor's recommended budget for the 2021-2023 biennium:

- The Small District Equity Adjustment should be revised on the attendance area level and the Necessarily Small School Adjustment should be eliminated from SB 543.
- State Maintenance of Effort (MOE) and federal funding for Special Education should be transferred to a separate account within the State Education Fund and the requirement for determining a per pupil amount in the weighted funding portion of the Pupil Centered Funding Plan should be removed from statute.

The following recommendations were approved during the 2021 Legislative Session:

- The Small District Equity Adjustment should be revised on the attendance area level and the Necessarily Small School Adjustment should be eliminated from SB 543.
- State Maintenance of Effort (MOE) and federal funding for Special Education should be transferred to a separate account within the State Education Fund and the requirement for determining a per pupil amount in the weighted funding portion of the Pupil Centered Funding Plan should be removed from statute.
- Reporting regarding professional development should be revised to report the amount of funding expended on professional development and the source of the funding by school district on an annual basis.
- The Hold Harmless provision should be amended to include charter schools and university schools for profoundly gifted pupils.
- The Nevada Department of Education continue to have the ability to access additional revenue, if needed, to distribute the applicable base per pupil funding amount for each eligible pupil during a fiscal year, until such time as the Education Stabilization Account has sufficient revenue to support additional costs associated with an unanticipated increase in enrollment or an unexpected decrease in revenue in the State Education Fund.
- Encouraged the implementation of Senate Bill 543 effective July 1, 2021.
- Local MOE funding for Special Education services should be funded outside of the Adjusted Based Per Pupil Funding tier of the Pupil-Centered Funding Plan and placed before the weighted funding.

The following recommendations were not implemented, as recommended:

- An alternative measure should be prescribed by the State Board of Education to define At-Risk pupils, who are eligible for additional services and supports funded through the weighted funding for At-Risk pupils.
- Applicable statutes should be revised to remove specific reporting deadlines and be replaced with flexible terminology, such as “quarterly”, “annually,” or “biennially.” Additionally, the Nevada Department of Education, in consultation with local education agencies (LEA), including the State Public Charter School Authority, should align specific report submission dates with the availability of final data.
- Reports collecting staffing data from school districts and the State Public Charter School Authority, including staff counts and categories, should be consolidated by NDE, in consultation with the LEAs. Additionally, it is recommended that reports strive to eliminate reporting at the sub-category level.
- The definition of “ending fund balance” used in SB 543 should be revised to clarify that the ending fund balance is “the unrestricted General Fund balance for the school district, excluding the net proceeds of minerals.”

The 2021 Legislature issued a letter of intent to the Department of Education requesting that the department and the Commission on School Funding continue to study and report back on the following:

- A review the Nevada Cost of Education Index, including a plan and timeline to eliminate the floor of 1.0 so the index may function as intended by redistributing funding;
- A review and comparison of students identified as at-risk based on eligibility for free or reduced-priced lunch and the revised methodology using data from the Infinite Campus system. This comparison should also consider the effect this change would have on the unduplicated counts for these students who may also belong to another weighted category;
- A review of high school dual enrollment programs and any recommendations for the funding provided to students who participate in those programs;
- A review of online schools operated by school districts to determine if the funding provided to full-time students at those schools should align with the funding provided to online charter schools, which only receive the statewide base per pupil funding amount; and
- A review of the funding provided for transportation and food services and any recommendations for revisions to how this funding is budgeted and allocated.