

Commission on School Funding Recommendations

Auxiliary Services

The Commission developed multiple recommendations related to auxiliary services.

CSF Recommendation: Auxiliary services, consisting of food services and transportation costs, should be based on a four-year average of actual expenditures. Additionally, a hold harmless adjustment, similar to that used for payments based on quarterly Average Daily Enrollment data, should be applied in the event expenditures decrease compared to the previous fiscal year.

CSF Recommendation: Charter schools and university schools for profoundly gifted pupils should be included in the Auxiliary Services calculation of the Pupil-Centered Finding Plan ("PCFP"), using the same funding methodology established for school districts.

CSF Recommendation: If charter schools or university schools for profoundly gifted pupils have not incurred expenditures for Auxiliary Services for a total of four years, the average should be based on the number of years for which expenditure data is available.

CSF Recommendation: The PCFP should include an inflationary adjustment for Auxiliary Services that mirrors the inflationary factor for the Plan.

CSF Recommendation: Allow charter schools to develop a line-item budget projection based on projected needs that would be submitted with an application.

CSF Recommendation: The 4-year average of transportation costs would remove any capital cost reimbursements and a districts' capital costs would be funded on a per-pupil bases, which is based on the number of active buses in operation, total enrollment, a 15-year average life, and a cost of \$150,000 per bus initially. The funding of a district's bus replacements and acquisition costs would be contingent on an equivalent increase in funding so that base funding is not negatively impacted. Charter schools without an existing fleet would indicate their desire to begin transportation operations to NDE. They would receive the same amount of per-pupil funding as the district they are located in. Any unspent monies would be returned to the State.

Background: The PCFP funds auxiliary services, consisting of food services and transportation, in its own tier prior to funding the Statewide Base. Currently, the funding provided through the auxiliary services tier is based on a district's four-year average of actual expenses with no inflation adjustment. The Commission recommends a hold-harmless adjustment akin to the one used for payments based on quarterly average daily enrollment should be applied to sooth the volatility of expenses that a district could occur from year to year.

Charter schools and university schools for the profoundly gifted are currently not able to receive auxiliary service funding. The Commission made a series of recommendations aimed at treating charter schools and districts equitably in auxiliary service funding. Accordingly, the Commission recommends that charter schools and university schools for the profound gifted should be included in the auxiliary

services calculation. Additionally, since the initial expense for providing auxiliary services can require a large capital outpour, the Commission recommends that the payment for charters and university schools offering auxiliary services for the first time and who thus not incurred expenditures for the four years, should still receive payment based on the number of years for expenditure data is available rather than waiting four years to receive any funding. Charter and university schools planning to introduce auxiliary services for the first time should submit a line-item budget to be submitted with an application to provide auxiliary services.

Additionally, it was noted that while charter schools and university schools would be allowed to begin providing auxiliary services, there are some districts that are prohibited from providing the services or replacing necessary equipment as they do not have the necessary initial capital or the ability to bond like the larger districts possess. The Commission concluded that these districts should have to same ability to provide auxiliary services as the charter and university schools would receive under the Commission's recommendations.

The Commission also recommends removing the capital costs from the four-year average and funding acquisition and replacement of buses on a per-pupil bases using the number of buses, total enrollment, a 15-year average life, and a cost of \$150,000 per bus. Charter schools looking to provide transportation services would receive the same amount of per-pupil funding as the district they are located in receives. The per-pupil capital cost funding is contingent upon an equivalent increase in state funding so that per-pupil base funding amounts are not reduced as a result of bus acquisitions and replacements.

Inflation

CSF Recommendation: The Consumer Price Index (CPI) for all Urban Consumers, Western Region currently included in the Nevada Revised Statute should be replaced with a Nevada-specific CPI.

Background: NRS 387.12455(6) defines the "rate of inflation" to be applied to the PCFP as the percentage of increase or decreases in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the United States Department of Labor. The Commission recommends applying a Nevada CPI rather than using the western region index.

At-Risk

CSF Recommendation: Affirmed the updated At-Risk definition as defined by the State Board of Education.

Background: In July of 2020, the Commission recommended that the State Board review and adopt a new definition of at-risk that does not solely consist of Free and Reduced-Price Lunch eligibility. In November of 2020, the State Board adopted a new definition for "at-risk" as it applies to the PCFP. Under the new definition, a pupil is at-risk of the pupil has an economic or academic disadvantage such that they require additional services and assistance to enable them to graduate with their cohorts. The term includes, without limitation, pupils who are members of economically disadvantaged families,

pupils who are at risk of dropping out of high school, and pupils who do not meet minimum standards of academic proficiency. The Commission reviewed at-risk data using both Free and Reduced-Price Lunch and the State Board definition of at-risk and reaffirmed their support for the State Board adopted definition.

Nevada Cost of Education Index

CSF Recommendation: Remove the 1.0 floor on the Nevada Cost of Education Index for the upcoming biennium.

Background: During the previous legislative session, a floor of 1.0 was placed on the Nevada Cost of Education Index to guarantee that school districts would not lose money via the adjustment. However, the Nevada Cost of Education Index is intended to show relationship amounts between all the districts and it loses statistical integrity when a floor is artificially implemented that changes the relationship of values. The Commission voted to remove the floor and allow NCEI to function as originally intended.

Virtual Schools

CSF Recommendation: Fund district and charter schools at the Statewide base amount.

Background: As currently written, fulltime online charters schools are funded at the Statewide base amount while fulltime online district schools are funded as the Adjusted base amount. The Commission reviewed statistics and responses received from district and charter virtual schools and recommended that both be funded at the Statewide base amount to receive equitable funding.