

**NEVADA DEPARTMENT OF EDUCATION
 COMMISSION ON SCHOOL FUNDING
 FORMULA AND DISTRIBUTION WORK GROUP
 DECEMBER 19, 2019
 1:30 P.M.**

Meeting Location:

Office	Address	City	Meeting Room
Department of Education	2080 E. Flamingo Rd.	Las Vegas	Suite 114
Department of Education	700 E Fifth St	Carson City	Battle Born

SUMMARY MINUTES OF THE WORK GROUP MEETING

WORK GROUP MEMBERS PRESENT

In Las Vegas

Dr. David Jensen
 Guy Hobbs
 Paul Johnson
 Punam Mathur

In Carson City

Mark Mathers

DEPARTMENT STAFF PRESENT

In Las Vegas

Heidi Haartz, Deputy Superintendent of Business and Support Services
 Jessica Todtman, Chief Strategy Officer
 James Kirkpatrick, Administrative Services Officer III

In Carson City

Jhone Ebert, Superintendent of Public Instruction
 Beau Bennett, Management Analyst IV
 Megan Peterson, Management Analyst III
 Sarah Nick, Management Analyst III

SUBJECT MATTER EXPERTS PRESENT

Amanda Brown, APA Consulting
 Justin Silverstein, APA Consulting

AUDIENCE IN ATTENDANCE

In Las Vegas

Alexander Marks, Nevada State Education Association
 Alison Turner, Nevada Parent Teacher Association
 Cecia Alvarado, Mi Familia Vota
 Chris Daly, Nevada State Education Association
 Michael Dang, State Public Charter School Authority
 Minerva Lopez, Parent
 Natalie Lopez, Student, Mater Academy Mountain Vista
 Nicole Rourke, City of Henderson
 Richard Santigate, Mater Academy Mountain Vista
 Sylvia Lazos, Nevada Immigrant Coalition
 Victor Salado, Charter School Association of Nevada

Jim McIntosh, City of Henderson

In Carson City

Adam Drost, Legislative Council Bureau

Andrew J. Feuling, Carson City School District

Chelsea Walburg, Governor's Office of Economic Development

Dusty Casey, Oasis Academy

Jaimarie Ortega, Legislative Council Bureau

Julie Waller, Legislative Council Bureau

Michaela Tonking, Educate Nevada Now

Pat Hickey, Advocates for Charter School Options

Tiffany Greenameyer, Governor's Finance Office

1: CALL TO ORDER

Meeting called to order at 1:30 PM by Formula and Distribution Work Group Lead David Jensen.

2: PUBLIC COMMENT #1

Cecia Alvarado, Mi Familia Vota, spoke regarding the effectiveness of Zoom and Victory schools, and requested that the new funding plan continue to support these programs. Ms. Alvarado encountered technical difficulties with accessing her planned remarks and requested an opportunity to return for public comment.

Sylvia Lazos, Education Committee of the Immigrant Coalition, spoke regarding weights for categories of pupils. Ms. Lazos addressed singular weights: under SB 543, if a student is receiving services for Special Education and English Language Learning (EL), they receive funding for only one of those weights, rather than a combined weight for both programs. Ms. Lazos noted that according to research, no other state within the United States uses a singular weight program, and that such a program is fundamentally inequitable. Ms. Lazos also discussed the Public Education Foundation Equity and Diversity Conference, and the comments made by Jeremy Aguero on the opportunity gaps associated with poverty. Ms. Lazos noted that using Free and Reduced Lunch (FRL) as a single measure for At-Risk students does not consider the nuances of poverty and opportunity gaps. Finally, Ms. Lazos supported grandfathering Zoom and Victory schools.

Chris Daly, Nevada State Education Association, spoke regarding the success of Zoom and Victory schools, citing them as models of equity in Nevada for English Learners and low-income students. Mr. Daly noted that the intention of Senate Bill (SB) 543 is to more equitably serve students, yet it threatens equity programs such as Zoom and Victory. These programs transform school culture and build school communities, improving the outcomes of students. Mr. Daly supported following models such as SB 178 and continuing with the pre-existing programs.

Richard Santigate, Mater Academy Mountain Vista, spoke regarding charter schools and their place within the Nevada state education system, serving all students alongside other public schools.

Natalie Lopez, Student at Mater Academy Mountain Vista, accompanied by Minerva Lopez, Parent, spoke regarding equal funding to both public and charter public schools.

3: REVENUE SOURCES WITHIN THE PROPOSED STATE EDUCATION FUND AND DISTRIBUTION OF EXPENDITURES WITHIN THE PUPIL-CENTERED FUNDING PLAN

Heidi Haartz, Deputy Superintendent of Business and Support Services, Nevada Department of Education (NDE), and James Kirkpatrick, Administrative Services Officer III, NDE, conducted a PowerPoint presentation on the Allocation of Revenues in the State Education Fund and Allocation of Expenditures in the Pupil-Centered Funding Plan, discussing the distribution of state and local revenues within the State Education Fund as outlined in Senate Bill (SB) 543 and expenditures identified within the Pupil-Centered Funding Plan (PCFP).

Deputy Superintendent Haartz noted that the model will not be built to the district level in January, as cost adjustment factors will still be under evaluation.

Deputy Superintendent Haartz clarified that state and local revenues combined correlate to the legislatively approved budget and the 2019 appropriations report. The summary for the State Education Fund describes only the revenue sources that would fall within it. Member Mark Mathers inquired if funding from SB 551 is included in these revenues; Deputy Superintendent Haartz responded that NDE would investigate further.

Member Mathers clarified that local school districts would show an item such as Special Education funding as a revenue within their budget; however, it would not show on the State Education Fund's local revenues, as that funding is provided by the Distributive School Account (DSA).

Mr. Kirkpatrick described local revenues that would contribute to the State Education Fund in accordance with SB 543. The district budgets used for reference were those submitted in November for the Assembly Bill 387 report.

Deputy Superintendent Haartz cited that the Hold Harmless Provision is a protection feature within the model for the next biennium, however it has no bearing on the development of the PCFP formula.

Member Mathers voiced concern that since grant monies will not be fully dispersed to school districts until May, there is the potential that schools will not have adequate time to build and submit their Fiscal Year 2021 (FY 21) budgets for review by the Commission. Deputy Superintendent Haartz offered estimates of total grant dispersals for each school district.

SB 543 dictates that once the budget model is available, school districts generate their budgets to present a comparison between the Nevada Plan and the PCFP for Fiscal Year 2020 (FY20) and FY21. However, Deputy Superintendent Haartz noted that this may not be possible for FY21, as the Nevada Plan and its distribution of funds are driven by the Equity Allocation Model, which is not available until April or May. However, school district budgets are due to the Commission on May 15th.

Member Paul Johnson emphasized the importance of district reporting for FY21, as they will be hedging their Fiscal Year 2022 allocations as they build their budgets for FY21, and this data will be key for the Commission's work.

At the request of Member Mathers, Deputy Superintendent Haartz clarified that SB 543 requires school districts to prepare FY20 and FY21 budgets as though the PCFP were in place and compare it to FY20 and FY21 budgets under the existing Nevada Plan. Member Mathers expressed concern with the deadlines included in SB 543 for those budgets.

Deputy Superintendent Haartz noted that the intent is to have the calculation model fully developed in February or March to run on the estimates for FY20 and FY21. Concerns about the comparative analysis center around whether school districts will have their final numbers from the State at the time they must submit, as NDE will still be awaiting updated tax revenue information at that time.

Deputy Superintendent Haartz clarified that the Commission may choose to only focus on FY20 comparisons, or to assess modified revenues for FY21 using the Nevada Plan, if the Equity Allocation Model has not been fully completed.

Member Guy Hobbs inquired about the budget filing requirement, and the level of detail required in that budget. Member Johnson seconded this inquiry, specifically related to the budgets drafted for the sake of comparison. Lead Jensen noted that the Reporting and Monitoring Work Group would be addressing this issue during their session, and Member Hobbs requested that this item be discussed with the full Commission.

Deputy Superintendent Haartz noted that all early childhood funds would be excluded from the PCFP, as they are not included in the K-12 parameters of SB 543.

Zoom and Victory funds are allocated in categories C and D, as they are allocated by school, rather than by student. Zoom and Victory funds are not included in weighted funding. Member Mathers noted that Zoom and Victory schools serve at-risk and EL students, and by not allocating this to weighted funding, funding is decreased for students considered both at-risk and English Learners.

Lead Jensen voiced a concern that if funds are not directly dedicated, they erode over time; he inquired if there was a mechanism within the PCFP to protect categorical funds for these programs. Deputy Superintendent Haartz noted there was not, to her understanding.

Member Punam Mathur cited her understanding that the intent of creating categorical funding for programs such as Zoom and Victory was to provide the programs time to demonstrate their effectiveness and Zoom and Victory have done so. As such, while their placement in categories C and D for allocation by school makes sense, Member Mathur argued that Zoom and Victory programs belong in category E, weighted funding. She further clarified that Zoom, Victory, and SB 178 funding and policy needed to be discussed with the full Commission.

Member Johnson requested a discussion with the full Commission regarding the issue of special programs, such as Special Education, which are funded through the base. Deputy Superintendent Haartz responded that NDE is mindful of the maintenance of efforts requirements around programs such as Special Education, and they are working to ensure the maintenance of effort is not jeopardized.

Member Johnson noted that the APA Consulting study on adequacy funded by the Nevada Legislature estimated a per-pupil funding amount greater than the amount currently proposed or available under the new funding formula, and addressing this disparity in the weights will be key to address adequacy and equity. However, there is a fundamental deficit between target adequacy and current estimates.

4: REVIEW OF THE NECESSARILY SMALL SCHOOL ADJUSTMENT

Megan Peterson, Management Analyst III, Office of District Support, Nevada Department of Education; Justin Silverstein and Amanda Brown, APA Consulting, conducted a PowerPoint presentation on the [Necessarily Small School Adjustment](#) included in the Pupil-Centered Funding Plan (PCFP) and the [Attendance Area Calculation](#) used in the Equity Allocation Model.

Lead Jensen expressed concern that the proposed model appeared to be more of a district-centered funding model, where the Attendance Area Model had begun to bring the focus to the individual student, particularly in rural counties; he further raised concern regarding teacher allocations.

APA Consulting sought to separate the necessarily small school adjustment from the district size adjustment because regardless of a district's size it may operate small, remote schools. Current teacher allocation ratios are one to twelve, while APA Consulting's model proposes one to seven. They further clarified that the Wyoming Model's threshold was 50 students at the school level, and the current model's threshold was 136 students at the attendance area.

5: REVIEW OF THE SMALL DISTRICT EQUITY ADJUSTMENT

Justin Silverstein and Amanda Brown, APA Consulting, conducted a PowerPoint presentation on the [Small District Equity Adjustment](#) included in the Pupil-Centered Funding Plan.

Member Johnson clarified that the size factor in this formula does not include a density factor and requested additional density data.

It was determined that Slide 10 of the presentation mistakenly misaligned districts with their data.

APA Consulting used adequacy studies completed by APA Consulting over the past decade, across four district sizes and within state standards to develop the curve data presented.

Member Hobbs clarified that regardless of the base number, the formula for calculating the adjustment would remain the same. Member Mathur further clarified that the numbers driving this calculation came from categories C and D. Member Hobbs requested further information on the key differences in statistical data between Nevada and the exemplar states used for comparison.

6: REVIEW OF WEIGHTS FOR STUDENT POPULATIONS

Justin Silverstein and Amanda Brown, APA Consulting, conducted a PowerPoint presentation on [Student Weights](#), discussing proposed weights for categories of pupils including At-Risk, English Learners (EL), Gifted and Talented, and Special Education under the Pupil-Centered Funding Plan. Their presentation also provided a comparison to funding for categories of pupils under the current Nevada Plan.

Lead Jensen inquired if, under a tiered weight system, the average EL recommended weight would still be 0.5. Mr. Silverstein clarified that the measure would be close to 0.5, with some variation across districts. While discussing national trends, Mr. Silverstein noted that many states have discussed a tiered system, and some have created differentiation, but to date tiered systems have not been adopted.

Lead Jensen inquired as to how the funds needed to match weighted categories would be resourced above and beyond the base. Mr. Silverstein noted that the Commission would have to determine whether to establish a robust base and later have weighted categories “catch up” or to generate a base and have all new dollars dispersed proportionally to the base.

Member Mathur noted that calculated weights presented to the legislature for ELs were approximately 0.23, and APA recommends an EL weight of 0.5. Calculated weights presented to the legislature for At-Risk was 0.4, and APA recommends an At-Risk weight of 0.3. Member Mathur noted that current numbers were far from achieving adequacy, and while attempting to fund in a state of inadequacy, money would always be pulled from one budget to fund another. Member Mathur further emphasized the importance of moving Zoom and Victory funding to category E.

Member Johnson inquired if the full adequacy estimate included administrative costs, which Ms. Brown affirmed.

Member Johnson supported removing the 13% Special Education cap and further noted that the process to receive funding for At-Risk students is laborious to the extent of being ineffective.

Member Mathers voiced concern with the use of one weight for students receiving Special Education, rather than creating multiple weights that would address students’ distinct needs for services based on their ability.

7: OVERVIEW OF THE COMPARABLE WAGE INDEX AND OTHER COST ADJUSTMENT FACTORS

Justin Silverstein, APA Consulting, and Amanda Brown, APA Consulting, conducted a PowerPoint presentation on the [Comparable Wage Index](#) (CWI) and other cost adjustment factors relevant to the Pupil-Centered Funding Plan (PCFP).

Lead Jensen expressed concern that the CWI calculation benefits a single district. Member Mathers requested further discussion on cost of living indices as a comparison to the comparable wage index. Ms. Brown noted that this presentation would be provided at a future meeting and that APA Consulting is gathering information on how other states have assessed the potential use of methods other than a wage index.

Member Mathers noted that the U.S. Bureau of Economic Analysis has cost of living data available that is more current than 2013 figures; specifically, he noted that Nevada has struggled with the cost of housing and the effect it has had on Nevada. Ms. Brown assured the Members that APA Consulting would be updating the CWI to 2017 figures and would include a cost of living comparison in their next presentation on the subject.

Member Johnson commented that his community has struggled to find employees in support services and that average wages in his community were significantly less than the state average when the mining

industry left, and significantly above when it returned. He expressed concern that the current factors do not reflect rural regions and that rural regions may not be able to provide statistically valid pools for calculation.

Member Mathur asked APA Consulting which recommendations APA felt most comfortable making. Mr. Silverstein noted that they felt confident in their weighted measures and the shape of the size adjustment. They did note that the small school adjustment and the CWI need further data. Ms. Brown further noted that the Commission may like to discuss tiered weights within Special Education at a later date.

Member Mathur emphasized the importance of standing up a formula to work from, which Member Johnson seconded. Lead Jensen further supported this sentiment.

8: FUTURE AGENDA ITEMS

No items discussed.

9: PUBLIC COMMENT #2

Dusty Casey, Oasis Academy, spoke regarding the ongoing need for communication between Work Groups.

Lead Jensen, responding to Mr. Casey, noted that any questions from another Work Group can be routed through their Work Group Lead and the Commission Chair to be directed for response.

10: ADJOURNMENT

Meeting adjourned at 5:15 P.M.