

**NEVADA DEPARTMENT OF EDUCATION
COMMISSION ON SCHOOL FUNDING
FORMULA AND DISTRIBUTION WORK GROUP
DECEMBER 20, 2019
9:00 A.M.**

Meeting Location:

Office	Address	City	Meeting Room
Department of Education	2080 E. Flamingo Rd.	Las Vegas	Board Room
Department of Education	700 E Fifth St	Carson City	Board Room

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
Sarah Nick, Management Analyst III
Megan Peterson, Management Analyst III

LEGAL COUNSEL PRESENT

Greg Ott, Chief Deputy Attorney General

SUBJECT MATTER EXPERTS PRESENT

Jeremy Aguero, Applied Analysis
Amanda Brown, APA Consulting
Justin Silverstein, APA Consulting

AUDIENCE IN ATTENDANCE

In Las Vegas

Amanda Morgan, Educate Nevada Now
Chris Daly, Nevada State Education Association
Jenn Blackhurst, HOPE for Nevada
Leonardo Benavides, Clark County School District

In Carson City

Jimmy Lau, Imagine Schools
Julie Waller, Legislative Council Bureau
Tiffany Greenameyer, Governor's Finance Office

1: CALL TO ORDER; ROLL CALL

Meeting called to order by Work Group Lead David Jensen at 9:05 A.M. Quorum established.

2: PUBLIC COMMENT #1

No public comment.

3: APPROVAL OF OCTOBER 11, 2019 MEETING MINUTES

Member Johnson moved to approve the meeting minutes. Member Mathur seconded. Motion passed.

4: RECOMMENDATION REGARDING REVENUE SOURCES AND FUND BALANCES

The Work Group discussed a working definition for “ending fund balance.”

Lead Jensen noted that the Interim Finance Committee had recently proposed language defining “ending fund balance” as “unassigned general fund dollars.”

Deputy Superintendent Haartz added that the Department of Taxation held a public workshop proposing changes to Nevada Administrative Code (NAC) 354.660, incorporating language from Senate Bill (SB) 543. The proposed language dictates that a budget ending fund balance of no more than 16.6% of total budget expenditures for a county school district is required and not subject to negotiation.

Lead Jensen inquired if the Work Group saw any conflict between the Interim Finance Committee’s proposed language and the Department of Taxation’s language.

Member Mark Mathers commented that he believed the Work Group was speaking on the unrestricted fund balance of the general fund, rather than the unassigned general fund dollars. Lead Jensen requested clarification between unrestricted and unassigned.

Funds may be assigned at the discretion of a Chief Financial Officer or Chief Executive Officer from the unrestricted fund balance. The unassigned funding balance is defined as the remaining surplus of net resources in the general fund after funds have been identified into four categories: the assigned funding balance, the committed fund balance, the restricted fund balance, and the non-spendable fund balance.

Restricted funds have statutory or external restrictions that dictate how these funds may be used.

Upon discussion, the Work Group completed discussion about defining “ending fund balance” as “remaining unrestricted fund dollars.”

The Work Group summarized and confirmed the deliverables completed during the November meeting.

The Work Group discussed SB 551 funding within SB 543 revenues.

Deputy Superintendent Haartz noted that SB 551 provides two appropriations to the Nevada Department of Education (NDE). Section 31 included funds for competitive grants for school safety facility improvements; these funds were not included in the legislatively approved budget for SB 543. Section 36.5 created a block grant to assist in the operation of school districts; these funds were included in the approved budget and reported in the revenue sources for SB 543 presented to the Work Group on December 19, 2019, under budget account 2615.

The Work Group discussed Zoom, Victory, and SB 178 funding and the proposal to move this funding to the weights category.

Member Punam Mathur emphasized the importance of investing in English Learners (ELs) and At-Risk students, and suggested these programs be moved to the weighted funding category (Category E).

Member Paul Johnson noted that, as listed in SB 543 and per the Applied Analysis formula iterations, these programs are listed as separate weights. He noted that from a reporting and use perspective, keeping the weights separate and with individual identities simplifies their use.

Jeremy Aguero, Applied Analysis, noted that within the proposed funding model Zoom funds are allocated to EL students, Victory funds to At-Risk students who are near or at the poverty line, and SB 178 funds are split between the two; these categories were included as weights. Mr. Aguero did note that the concept of Zoom and Victory schools would shift to Zoom and Victory services for individual students. He clarified that SB 543 intends to continue providing Zoom and Victory services to students through the funding formula similar to how they have been served through Zoom and Victory schools.

Member Johnson asserted that Zoom and Victory programs do not lose their identity in the proposed funding formula; specifically, sections 8.7 and 8.8 denote that schools that receive this funding must use this funding only to provide Zoom or Victory services.

The Work Group formed consensus around moving Zoom, Victory, and SB 178 funds to Category E: Weighted Funding.

5: RECOMMENDATION REGARDING THE NECESSARILY SMALL SCHOOL ADJUSTMENT

The Work Group discussed the 50-student threshold of small schools under the Necessarily Small School Adjustment.

Amanda Brown, APA Consulting, noted that the Wyoming Model takes effect at a threshold of 50 students at the school level; at that level, the ratio is one teacher to seven students, with either an assistant principal or other support role. The previous model was based on attendance zone rather than school size and the threshold was 136.

The Work Group emphasized the importance of choosing a model that best matches Nevada's demographics.

Member Mathers inquired if the threshold differentiated between a K-6 school and a K-12 school; Ms. Brown clarified that it does not.

The Work Group finished discussions about keeping the threshold of 50 for the model for the purposes of moving the work forward, but would pursue further information on this topic at future meetings.

6: RECOMMENDATION REGARDING THE SMALL DISTRICT EQUITY ADJUSTMENT

The Work Group discussed the Small District Equity Adjustment.

Amanda Brown, APA Consulting, noted that APA Consulting recommended a size adjustment factor that does not include a density factor.

Member Johnson inquired if the Small School Adjustment would apply to charter schools; Mr. Silverstein clarified that the necessarily small school adjustment was location-specific rather than school-specific, to prevent unintentionally incenting the creation of schools of a certain size. As such, charter schools would be treated the same as other public schools.

APA Consulting noted three ways to identify challenges: size of district, necessarily small school size, and density. Density factors can be addressed by transportation and food services scale adjustments. The

Small District Equity Adjustment accounts for the size of the district and the Necessarily Small School adjustment accounts for school size. Member Mathur requested further information regarding the relationships between these three factors.

Member Johnson further inquired if there need to be different factors for elementary schools versus secondary schools, as their funding needs are different.

Member Guy Hobbs inquired about the relevance of the Hold Harmless Provision to the adjustments; Lead Jensen clarified that this provision is at the district, rather than school, level.

The Work Group finalized comments about APA Consulting's proposed recommendations for the Necessarily Small School Adjustment and District Size Equity Adjustment.

7: RECOMMENDATION REGARDING THE WEIGHTS FOR STUDENT POPULATIONS

The Work Group discussed the definition of "At-Risk" and its proposed weight.

The definition of At-Risk is currently tied to free-or-reduced-lunch eligibility. Member Johnson noted that, while this is a commonly used definition, there are other risk factors to consider; he added that there are also several schools which are not served by food programs. He recommended that the Student Information System may have data that can be extracted to better define At-Risk. Member Johnson supported a contingency fund to assist schools in cases far outside of the average.

Lead Jensen suggested that the Work Group request further information on alternative approaches to defining At-Risk.

The Work Group formed consensus around APA Consulting's recommended At-Risk weight of 0.3.

The Work Group discussed the proposed weights for other categories of pupils: Special Education, EL, and Gifted and Talented Education.

APA Consulting noted that their model for EL included a three-tier system based on Word-class Instructional Design and Assessment (WIDA) exam performance. They similarly proposed the possibility of a tiered system for Special Education. The Work Group requested further information on the effects of a multi-tiered system. Member Johnson discussed a contingency fund to assist schools in special circumstances and requested further information on best practices.

The Work Group concluded conversations about APA Consulting's recommended EL weight of 0.5, Gifted and Talented Education weight of 0.05, and Special Education weight of 1.1. The Work Group indicated their interest in moving forward with weights at this point to support the development of the funding model, while reserving the right to adjust the weights in the future as more information becomes available, including feedback from public comment.

The Work Group discussed the Comparable Wage Index (CWI) and Cost Adjustment Factors.

APA Consulting noted that they were currently working to establish a Nevada-centric CWI presentation.

Lead Jensen noted that the current model moves all counties up to a factor of 1.0, except Clark County which is factored at 1.03. He expressed concern that if these figures are adopted and later altered, any decreases may be perceived as detrimental. Lead Jensen suggested factoring the entire state at a factor of 1.0.

Member Johnson remarked that the Work Group has agreed with all previous recommendations from APA Consulting, and should consider APA Consulting's recommendations on CWI factor as well.

Member Mathur confirmed that the cost adjustment factor is stipulated in SB 543 as an element of the pupil-centered funding formula; Amanda Brown, APA Consulting, noted that SB 543 does not specify what type of adjustment must be used.

The Work Group formed consensus around a factor of 1.0 for all counties with the exception of Clark, for which they suggested a factor of 1.03.

8: FUTURE AGENDA ITEMS

No additional items discussed.

9: PUBLIC COMMENT #2

No public comment.

10: ADJOURNMENT

Meeting adjourned at 11:30 A.M.