

**NEVADA DEPARTMENT OF EDUCATION  
COMMISSION ON SCHOOL FUNDING  
FEBRUARY 21, 2020  
9:15 A.M.**

**Meeting Location:**

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

**SUMMARY MINUTES OF THE COMMISSION MEETING**

**COMMISSION MEMBERS PRESENT**

**In Carson City**

Dusty Casey  
Dr. David Jensen

**In Las Vegas**

Andrew J. Feuling  
Jason A. Goudie  
Guy Hobbs  
Paul Johnson  
Mark Mathers  
Punam Mathur  
Dr. R. Karlene McCormick-Lee  
Jim McIntosh

**DEPARTMENT STAFF PRESENT**

**In Las Vegas**

Jhone Ebert, Superintendent of Public Instruction  
Heidi Haartz, Deputy Superintendent of Business and Support Services  
Jessica Todtman, Chief Strategy Officer  
Beau Bennett, Management Analyst IV  
Megan Peterson, Management Analyst III  
James Kirkpatrick, Administrative Services Officer III

**LEGAL STAFF PRESENT**

David Gardner, Deputy Attorney General

**SUBJECT MATTER EXPERTS PRESENT**

Jeremy Aguero, Applied Analysis

**AUDIENCE IN ATTENDANCE**

**In Las Vegas**

Alex Marks, Nevada State Education Association  
Chaz Fernandez, ACE  
Chris Daly, Nevada State Education Association  
Kristin Marshall, Nye County School District  
Meredith Freeman, HOPE for Nevada  
Mike Dang, State Public Charter School Authority  
Ray Ritchie, Nye County School District  
Senator Joyce Woodhouse, Nevada State Senate  
Senator Marilyn Dondero Loop, Nevada State Senate  
Senator Mo Denis, Nevada State Senate  
Stephen Augspurger, Clark County Association of School Administrators  
Viny Tarquinio, Clark County Education Association

**In Carson City**

Jeff Zant, Eureka County School District

Jennifer McMenemy, Allison Mackenzie

Jim Penrose, R&R Partners

Lindsay Anderson, Washoe County School District

Mary Pierczynski, Nevada Association of School Superintendents

Victor Salcido, Charter School Association of Nevada

**1: CALL TO ORDER; ROLL CALL; PLEDGE OF ALLEGIANCE**

Meeting called to order at 9:15 A.M. by Commission Chair R. Karlene McCormick-Lee. Quorum was established. Chair McCormick-Lee led the Pledge of Allegiance.

**2: PUBLIC COMMENT #1**

Chris Daly, Nevada State Education Alliance, spoke regarding teacher salaries, and the freeze and squeeze on school districts. *(A complete copy of his statement is available in Appendix A)*

**3: APPROVAL OF FLEXIBLE AGENDA**

*No action was taken; the Commission agenda moved directly from public comment to the approval of meeting minutes.*

**4: NEVADA DEPARTMENT OF EDUCATION UPDATE**

Heidi Haartz, Deputy Superintendent of Business and Support Services, Nevada Department of Education (NDE or Department), provided an update to the Commission regarding the progress made on various projects by NDE since the last Commission meeting.

[Report]

Deputy Supt. Haartz shared that the Legislative Committee on Education (LCE) has requested regular updates on the progress of the Commission for the remainder of the fiscal year.

NDE has worked with school districts to verify the data extricated from their budgets in alignment with the development of the blueprint being designed by Applied Analysis. While working with school districts, the Department has validated the methodology used to interpret each district’s budget, and acquired any and all amended final budgets; however the Department believes that the information shared with Applied Analysis is accurate at this point in time.

NDE met with the Department of Taxation (Taxation) to discuss the information that NDE will need from Taxation in order to gather the various revenue sources included in the State Education Fund. Together, the agencies established how that information should be provided in order to match the funding sources of Senate Bill (SB) 543. Taxation will share when revenues are received to support NDE in validating funds. Also, NDE discussed revising the budget templates that districts use when submitting their budgets to Taxation and NDE each year. Taxation will need approval from the Committee on Local Government Finance to alter the templates but are currently assessing changes to be made to the template. NDE will meet with Taxation again in March.

The Department prepared a document identifying the state categorical grants moved into categories C and D as part of base funding moving forward.

Finally, the Department has begun creating summary documents that describe the elements of the PCFP and its components and the decisions that have been made to date.

[Discussion]

Member Jim McIntosh confirmed that school districts had validated their budgetary data.

Chair McCormick-Lee inquired about the revision on the budget templates. Deputy Supt. Haartz noted that the Department of Taxation uses a budget template which provides three years of data needed for their reporting. They are currently investigating how a new template could provide the data needed under the current methodology and under the PCFP.

Chair McCormick-Lee asked for clarification regarding the timeline for May and June Commission work.

Deputy Supt. Haartz outlined that the March meeting would include an update on the blueprint from Applied Analysis, including details on how the Commission would like to proceed with the comparative analysis of NDE and district budgets. March would also include recommendations on the administrative cap, and further insight on weights, efforts on reporting requirements, and benchmarks for monitoring implementation.

The April Commission meeting, hosted in Elko, would focus on the comparative analysis of NDE budgets under the funding models. The May Commission meeting would provide an opportunity to do the comparative analysis of school district budgets under the two funding models and the business rules or guidance available for school districts as implementation approaches.

The June Commission meeting would be an opportunity to identify the recommendations that the Commission would like to make to the Legislature and the Governor, due July 15, 2020. The July Commission meeting, depending on its scheduled date, may be an opportunity to continue the discussion regarding recommendations, or begin discussing optimal funding. Within the July and August timeframe, there should also be greater opportunity to discuss the Hold Harmless provisions as, at that time, NDE will have adequately identified the fiscal year (FY) 2020 appropriations for each school district. The Department also hopes to have the model running projections for funding amounts in FY22 and FY23 for the school districts.

## **5: UPDATE REGARDING THE DEVELOPMENT OF THE PUPIL-CENTERED FUNDING PLAN**

Jeremy Aguero, Applied Analysis, provided an [Update on the Development of the Blueprint](#) [available upon request] to distribute funds through the Pupil-Centered Funding Plan using FY 20 financial and enrollment data.

[Report]

The objective of the blueprint is to allow the Commission to test assumptions, check the order of magnitude, and understand the flow of funds; it is not intended to be a budget model or the final model that the Department will use.

There are three component parts; the first are the comp sets, which are designed to reflect that sources and uses between the Nevada Plan and the Pupil-Centered Funding Plan (PCFP) are equal. These provide an evaluation on a district-by-district level of the allocation of funds in each type of funding category, and base versus weights for each district as well as the state overall. The PCFP model is contained in section two, and part three includes the source documents for the blueprint.

[Discussion]

Member Guy Hobbs inquired about effective weights, and whether it was the dollars or the weights from year-to-year which needed to be maintained for the base going into the next year, as the computation of effective weights have significant impacts. Mr. Aguero noted that to his understanding, it was on a dollars basis, as it related to the total revenues and the multiplier. Member Hobbs raised concerns regarding the effective weights and the aspirational weights and their funding and calculations over time, which Member Jason Goudie seconded, and with which Mr. Aguero agreed. Member Goudie requested further simulations to better understand the flow of funds and raised concerns regarding the base funding.

Member Mark Mathers noted that the presented model was inclusive of State and local funding dollars for weighted categories. He raised concerns with effective weight calculations and their relationship to base funding. Member Hobbs requested further clarification on regulations and obligations relating to the flow of funds.

Member Paul Johnson requested references to revenue sources by statutory code listed next to the revenue category. Member Goudie noted that future discussion would need to include the voluntary additional funding of weights above the state component. Member Andrew J. Feuling emphasized the importance of understanding the flexibility of the hold harmless provision.

Member Johnson noted that districts do not utilize the same accountability measures and, as the model progresses, district reporting may need to be more consistent across the state, which Member McIntosh seconded.

Deputy Superintendent Haartz noted that district reporting measures would be addressed by two measures; first, the template being drafted by the Department of Taxation, and second, SB 543 provides funding for the Department to develop an electronic financial monitoring system.

**6: PUBLIC COMMENT #2**

No public comment.

**7: ADJOURNMENT**

Meeting adjourned at 11:02 A.M.

*Appendix A: Statements Given During Public Comment*

1. Chris Daly, Nevada State Education Association, spoke regarding teacher salaries.

**Item A1, Chris Daly**

Thank you, Madame Chair, Chris Daly, Nevada State Education Association, the voice of Nevada Educators for over 100 years. I appreciate the commissioner's attention in providing public comment yesterday, I thought that the testimony was overwhelming and compelling. This morning though, I did want to have the opportunity to briefly review a comment submitted to you from the sponsors of SB 543. I just wanted to address a couple of points from the letter where they may be continuing disagreement. The first is over this issue of whether or not there is a budget freeze and squeeze on most school districts in the state, and especially rural school districts in the state. Given that there are rural school district CFOs and superintendents on this commission, I would defer and say that you know your budgets better than I know your budgets. But I will say that for our members in Douglas county, and for a superintendent that is not on this commission but I believe is on the Board of Education, they are one of the counties where educators there have not received a pay increase.

Most school districts in most counties across the state have heard Governor Sisolak's exclamation that there shall be 3% or thereabout raises for educators across the state. I think that while we believe that this funding plan and the shift in funding formula is one of the more important things done in the last legislative session, the one issue which dominated the discourse of the last legislative session, if you were in Carson during the '19 session, was the issue of educator pay and this raise. From the governor's State of the State address through to the final adoption of the budgets, there was a lot of scrounging, a lot of several bills that were introduced, leadership bills, in order to deliver this raise. But what we hear from Douglas County School District is that because of this freeze and squeeze, it would be irresponsible of them to issue the raises. Now we have our members in Douglas county who have appeared before you, have taken issue with this. But I think the fact that there's a school district that is saying that there is something on the horizon that is going to be very problematic for us, so that we can't do this thing that the governor and the legislature spent the entire session working on. That's significant, and that's real. So when the sponsors of 543 say there's no freeze and squeeze, check your school district budgets, check your projections, and check Mr. Aguero's slides from May to see if that's real or that's not, because we fear that it's real, and it's a very big problem. And the political play to inflict pain on some to try and maybe fix something in the future, that's not fair to those kids in those districts, and it's not fair to the educators in the communities of those districts who haven't blocked tax measures before the state. So let's do no harm first, and then let's fix what's wrong. Thank you.