

## COMMISSION ON SCHOOL FUNDING

Friday, September 27, 2019

10:00 AM

### Meeting Locations:

Meetings were video conferenced from two locations:

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

### SUMMARY MINUTES OF THE REGULAR MEETING

#### COMMISSION MEMBERS PRESENT:

##### In Las Vegas:

Dusty Casey  
Andrew J. Feuling  
Jason A. Goudie  
Guy Hobbs  
Dr. David Jensen  
Paul Johnson  
Mark Mathers  
Punam Mathur  
R. Karlene McCormick-Lee, Ed.D.  
Jim McIntosh  
Dr. Lisa Morris Hibbler

#### DEPARTMENT STAFF PRESENT:

##### In Las Vegas:

Jhone M. Ebert, Superintendent of Public Instruction  
Felicia Gonzales, Deputy Superintendent for Educator Effectiveness and Family Engagement  
Heidi Haartz, Deputy Superintendent of Business & Support Services  
Jonathan Moore, Ed.D., Deputy Superintendent for Student Achievement  
Jessica Todtman, Chief Strategy Officer  
Gregory Bortolin, Public Information Officer  
Megan Peterson, Management Analyst, Business and Support Services

##### In Carson City:

Sarah Nick, Management Analyst, Office of the Superintendent

**LEGAL STAFF PRESENT:**

**In Las Vegas:**

Greg Ott, Chief Deputy Attorney General

**OTHERS PRESENT:**

**In Las Vegas:**

Jenn Blackhurst, Hope for Nevada

Lindsay Anderson, Washoe County School District (WCSD)

Elizabeth Becker

Vikki Courtney, Clark County Education Association (CCEA)

Chris Daly, Nevada State Education Association (NSEA)

Rebecca Feiden, Nevada State Public Charter School Association (SPCSA)

Senator Moises (Mo) Denis, District 2

Senator Marilyn Dondero Loop, District 8

Adam Drost, Legislative Counsel Bureau, Fiscal Analysis Division (LCB)

Tate Else, Elko County School District (ECSD)

Meredith Freeman, Nevada Teacher's Association; Hope for Nevada

Brent Husson, Nevada Succeeds (NS)

Linda Jones, Clark County Education Association (CCEA)

Carrie Kaufman, Nevada Voice

Brad Keahag, Clark County School District (CCSD)

Russell Klein, Lander County School District

Sylvia Lazos, Nevada Immigrant Coalition

Alexander Marks, Nevada State Education Association (NSEA)

Maria Mariner, Clark County School District (CCSD)

Zhan Okuda-Lim, The Public Education Foundation

Amelia Pak-Harvey, Las Vegas Review Journal

Brenda Pearson, Clark County Education Association (CCEA)

Caryn Shea, Hope for Nevada

Meredith Smith, Nevada Succeeds

Alison Turner, Nevada Parent Teacher Association

John Vellardita, Clark County Education Association (CCEA)

Julie Vigil, Hope for Nevada

Senator Joyce Woodhouse, District 5

**In Carson City:**

Jennifer McMenary, Allison MacKenzie Law Firm

Jim Penrose, R&R Partners

Mary Pierczynski, Nevada Association of School Superintendents

**AGENDA ITEM #1 - CALL TO ORDER; ROLL CALL; PLEDGE OF ALLEGIANCE**

Chair McCormick-Lee called the meeting to order at 10:03 a.m.

Roll call was taken; a quorum was present.

The pledge of allegiance was led by Chair McCormick-Lee.

Chair McCormick-Lee outlined housekeeping information for the audience and members of the Commission.

**AGENDA ITEM #2 - PUBLIC COMMENT #1**

*Public comment will be taken during this agenda item regarding any item appearing on the agenda. No action may be taken on a matter discussed under this item until the matter is included on an agenda as an item on which action may be taken. A time limit of three minutes will be imposed by the Commission Chair in order to afford all members of the public who wish to comment with an opportunity to do so within the timeframe available to the Commission. Public comment #2 will provide an opportunity for public comment on any matter within the Commission's jurisdiction, control, or advisory power.*

**No Public Comment in Carson City**

**Public Comment in Las Vegas:**

**Senator Joyce Woodhouse** shared the history and need for the new K-12 funding formula set forth in Senate Bill 543 (SB 543), which was approved by the legislature and governor during the 80<sup>th</sup> Session of the Nevada Legislature. Senator Woodhouse thanked all who supported the passage of SB 543, which was the first step in addressing the distribution of school funding through a formula that guarantees that education funds flow to schools and students. [See *Attachment 1 for Senator Woodhouse's written comments*]

**Senator Moises (Mo) Denis** commented that, though the Commission was not originally part of the plan for next steps for the funding formula, it will allow for a participatory and open process without having to bring the funding formula to the legislature for tweaks every two years. Establishing the Commission also ensures that we can engage individuals with the right expertise to lead the work. Senator Denis stated that the Commission is a manifestation of the work that's been done to this point, and that there is a long way to go, and he appreciates the Commission's service to the community.

**Alexander Marks**, Communications Specialist, Nevada State Education Association (NSEA), noted NSEA will be engaging with the Commission, as well as during the 81<sup>st</sup> legislative session, to make sure that the failings of SB 543 for Nevada's education funding are fixed. For instance, the bill did not require any educator representation on the Commission. He commented that, given the chronic underfunding of public education in Nevada, any new funding model will fail without new and additional revenue. [See *Attachment 2 for NSEA's written comments*]

**Chris Daly**, Deputy Executive Director of Government Relations, Nevada State Education Association (NSEA), gave public comment that, with no new revenue included in SB 543, the shift in the funding formula would harm most school districts in the state by freezing their revenues at current levels. Mr. Daly stated the Commission could help fix SB 543 by making recommendations to improve the implementation of the funding formula and adjust the hold harmless provision to include increases for the cost of doing business and student population growth. He commented that SB 543 would eliminate expenditures funding Nevada's successful Zoom and Victory school programs. Mr. Daly also suggested the Commission could help fix SB

543 by recommending against moving dollars from traditional public schools to charter schools, without first ensuring appropriate controls and accountabilities in those schools.

**John Vellardita**, Executive Director of the Clark County Education Association (CCEA), shared that CCEA wants to be as supportive as possible to the Commission. Mr. Vellardita wanted to bring provisions in Section 76 and Section 12 of the bill to the attention of the Commission. Additionally, Mr. Vellardita suggested the Commission receive feedback from educators with regard to the budget and/or fiscal issues tied to instruction then compare the use of funds allocated from SB 543.

**AGENDA ITEM #3 – APPROVAL OF FLEXIBLE AGENDA (FOR POSSIBLE ACTION)**

Chair McCormick-Lee outlined the agenda for the first meeting of the Commission. No formal action was taken.

**AGENDA ITEM #4 - WELCOME & INTRODUCTIONS (INFORMATION AND DISCUSSION)**

*Commission members will introduce themselves and the Commission Chair will review information regarding the operations of Commission meetings.*

Chair McCormick-Lee asked each member of the Commission to introduce themselves, and they shared their current roles as well as relevant work history and community involvement.

**AGENDA ITEM #5 - RULES OF ENGAGEMENT (INFORMATION, DISCUSSION, AND FOR POSSIBLE ACTION)**

*The Commission will review principles and practices that will ensure meetings are courteous and productive.*

Chair McCormick-Lee outlined the Rules of Engagement to Members of the Commission. The Rules were embraced by the Commission members, but no formal action was taken.

**AGENDA ITEM #6 - SUPERINTENDENT’S REPORT (INFORMATION AND DISCUSSION)**

*The State Superintendent of Public Instruction will provide an update to the Commission on the Department of Education’s work related to Senate Bill 543.*

Jhone M. Ebert, Superintendent of Public Instruction, provided an update to the Commission on the Department of Education’s work related to SB 543. Superintendent Ebert stated this work is extremely important to our state, because the Pupil-Centered Funding Plan will lay the foundation for education funding in Nevada for decades to come and provide educational opportunities that can strengthen our future workforce and propel our economy. Superintendent Ebert introduced the Nevada Department of Education’s leadership team and staff.

Superintendent Ebert stated the work to come is important and in the weeks and months and years ahead, it is important to look forward and not in the rear view mirror. She stated the Commission is not starting from scratch, and reflected on prior efforts through Governor Sawyer’s school survey committee, the American Institutes for Research report, the Task Force

on K-12 Public Education Funding, the Augenblick, Palaich and Associates (APA) report, and the work of Applied Analysis during the 80<sup>th</sup> legislative session.

Superintendent Ebert stated that the Department of Education stands ready to assist the Commission in meeting the requirements of SB 543. She added that we need a funding approach that will support every student in the state to meet their goals while also remaining flexible to support our needs well into the future and perhaps for the next 52 years.

**AGENDA ITEM #7 - OPEN MEETING LAW REVIEW (INFORMATION AND DISCUSSION)**

*Chief Deputy Attorney General Greg Ott will provide a brief reminder of important components of Open Meeting Law that the Commission should consider in its operation.*

Chief Deputy Attorney General Greg Ott provided a brief reminder of important components of the Open Meeting Law that the Commission should consider in its operation. Deputy Ott emphasized the need for transparency and public participation and outlined important topics, some of which were clarified in Assembly Bills 70 and 57 (2019), including the use of technology to participate in meetings, serial quorums, the requirements for subcommittees, and public interaction.

**AGENDA ITEM #8 – ELECTION OF A VICE CHAIR (INFORMATION, DISCUSSION, AND FOR POSSIBLE ACTION)**

*The Commission shall select a Vice Chair from among its membership to serve a three-year term, as described in Section 10 of Senate Bill 543.*

According to SB 543, the Commission was required elect a Vice Chair during its first meeting. Each Commission member was asked to nominate a member of the Commission to serve as the Vice Chair.

Motion: Member McIntosh moved to elect Guy Hobbs as Vice Chair.

Second: Member Mathur seconded the motion.

Motion carried.

**AGENDA ITEM #9 - REVIEW OF RESPONSIBILITIES OF COMMISSION & SENATE BILL 543 (INFORMATION AND DISCUSSION)**

*The Commission will be provided with background and contextual information, as well as important dates and milestones with regard to the responsibilities of the Commission, the Department of Education, districts, schools, and others to support the implementation of Senate Bill 543 and the Pupil-Centered Funding Plan.*

Heidi Haartz, Deputy Superintendent of Business and Support Services, was joined by Megan Peterson, Management Analyst, to provide a summary of SB 543. Deputy Haartz presented a PowerPoint overview of the Pupil-Centered Funding Plan that identified major milestones for the Department of Education and the Commission on School Funding. The presentation also included a timeline aligned to the budget building process for the upcoming biennium and identified major next steps and available resources.

The key information presented included an overview of:

- The Pupil-Centered Funding Plan and allocations to the Department of Education, districts, charter and university schools, and categories of students;
- The revenue sources in the State Education Fund and streams of revenue that are excluded from the Fund;
- The purpose of the Education Stabilization Account;
- The hold-harmless provision in SB 543;
- The roles and responsibilities of the Department, Commission, Legislature, and districts as outlined in SB 543; and
- Significant milestones, deadlines, and reporting requirements defined in SB 543.

### **Questions & Comments**

Member Goudie commented that the requirements of the bill that the Department simultaneously run two funding models will double the Department's workload. He also raised a concern regarding the requirement that school districts with an ending fund balance greater than 16.6% of their actual expenditures for a fiscal year transfer those funds to the Education Stabilization Account.

Member Mathers asked if the intent is to run the new model as a spreadsheet or create new software that would contain the new Pupil-Centered Funding model.

Deputy Haartz responded that the Department is working with the Governor's Finance Office to identify what strategies to meet both the current and the anticipated budgetary and formula expectations. The Department is not aware of any software packages that would automate the development and implementation of the funding plans, so the Department will be working with spreadsheets. Additionally, the Department is working with the Interim Finance Committee to release contingency funds for the implementation of SB 543 to allow the Department to contract with subject-matter experts and consultants.

Member Mathers asked if there was an anticipated date that school districts and the Commission would be able to see a concurrent, parallel run of models.

Deputy Haartz stated that since the Department and the districts have to provide their budget information using both models to the Commission by May 15, 2020, it would be ideal to have the model developed by March or April. Decisions that need to be made regarding the cost adjustment factors before models can be run.

Member Johnson expressed support for increased staff at the Nevada Department of Education and asked if school districts would file separate budgets with the Department of Education and the Department of Taxation.

Deputy Haartz stated that school districts would continue to prepare their annual budgets and submit them to the Department of Taxation as required by current law.

Member Morris Hibbler asked if the new model will incorporate recommendations from Jeremy Aguero with regard to the weights for each of the identified student groups.

Deputy Haartz stated the model will be based on the cost factor adjustments and the weights that are established by the Department in collaboration with the Commission on School Funding.

Member Morris Hibbler asked if the content of the various reports required in SB 543 have been identified or if that is something the Commission will be working on.

Deputy Haartz responded that the law is not very specific on what would be included in the average school report other than to identify, based on the funding available, in either the governor's recommended budget and the legislatively approved budget, the staffing and services anticipated within an average elementary, middle, and high school.

Member Morris Hibbler asked if the state is already operating in a system that is short on funding.

Member Feuling noted that the comparison of the current formula and the new formula is daunting. One of his concerns was regarding what will be considered "base" under the new formula, because the outcomes of the two models look very different.

Member Jensen asked for clarification regarding whether school districts will be submitting two budgets. Dr. Jensen noted that NDE will need a lot of support to administer the current model and establish and test the new model, which creates concern for him regarding the impact on the small rural school districts.

Deputy Haartz stated that providing information using both models is for the benefit of the Commission and to allow for the comparative analysis between the Nevada Plan and the Pupil-Centered Funding Plan. It does not change the way districts currently submit budgets at the district level to the Department of Taxation.

Member McIntosh asked questions regarding the timeline, specifically whether the Commission will have some time to take corrective action after the comparative analysis has been completed.

Deputy Haartz responded that the Commission would be able to do an analysis to compare the two plans and receive feedback to determine which areas require further refinement and improvement. Those recommendations from the Commission are due to the governor and the legislature on or before July 15, 2020.

Member Casey requested clarification on the order of events for the Commission regarding whether they would look at the cost adjustment factors and the weighted factors first.

Deputy Haartz stated that the models must be defined so that the running of the two models is reasonable and logical, and produces an end product that is valid, and can guide future decision making.

Member Morris Hibbler requested that all reports be provided to the Commission and asked if Jeremy Aguero would continue to be involved in the analysis.

Heidi Haartz shared that the Superintendent and Department staff have been speaking with Mr. Aguero who has confirmed that that he is willing to support the Commission.

Vice Chair Hobbs stated that basic structure of the Pupil-Centered Funding Plan has already been laid out and the weights and cost adjustments are the variables. He said it would make sense to define those variables as quickly as possible so the model can be run and compared to the Nevada Plan, and different levels of funding can be tested through that model to see how they address what the individual districts, schools, or programs may be concerned about.

Member Mathur noted that a reference was made with regard to funding to mobilize consultants and subject-matter experts. She asked when we anticipate that would happen.

Deputy Haartz stated that the Department has submitted requests to the Interim Finance Committee (IFC) in August for the funding of two positions, travel for the Commission, and operating expenses. The Department has submitted a second request that will be considered during the October IFC meeting. If the IFC approves the release of these funds, the Department will hire subject-matter experts on a contractual basis.

Deputy Haartz stated that staff at the Governor's Finance Office and the Fiscal Analysis Division of the Legislative Counsel Bureau have been very accommodating of the Department's requests, recognizing that it was difficult to predict what staffing or other support costs might be on a piece of legislation that was modified up to the very last day of session.

Member Mathers concurred with the Vice Chair regarding next steps, starting with defining the variables.

Member Feuling stated concerns with regard to the duplication of budgets and reinforced the need to understand what's included in the base.

Member McIntosh agreed with Mr. Hobbs that there are variables in the framework and, if the formula is run with defined variables, it will be possible to determine the impact for districts. He requested clarification on what the Department of Education meant regarding preparing a budget as a comparison.



Deputy Haartz responded that the bill specifically states, “using such assumptions and data as the Commission deems appropriate, each school district is to present a budget and then submit both budgets to Commission.”

Member Johnson stated that the most important thing that the Commission could do would be to identify a base that is sufficiently funded, to which all of the weights, student services, and programs are tied. He indicated that the Commission needs to clearly define all of the components, programs, and services. He also reminded the group that the level of funding that the current model uses was based on the “successful schools approach” from the Augenblick, Palaich and Associates study, which indicated that a system that is adequately funded is a starting point. Member Johnson wanted to know how the Department envisions the process in which the district-level funding will be determined.

Deputy Haartz stated the department intends to research other states’ models, structures, and recommendations. She also noted that Superintendent Ebert would also be doing her due diligence working with school districts to determine what is reasonable and appropriate.

Member Johnson expressed his hope that school districts and the Department of Education will be working collaboratively.

Chair McCormick-Lee thanked Deputy Haartz for an excellent presentation.

Chair McCormick-Lee recessed the meeting at 12:23.

The meeting reconvened at 1:00 p.m.

**AGENDA ITEM #10 - ORGANIZATION OF WORK (INFORMATION, DISCUSSION, AND FOR POSSIBLE ACTION)**

*The Commission will discuss how to organize its work to most effectively carry out its responsibilities and meet required deadlines.*

Chair McCormick-Lee gave an overview of a handout titled, “Commission on School Funding Work Group Structure.” The Chair outlined the structure of the work groups and stated that the work groups will not be decision-making bodies; their purpose will be to make recommendations to the full Commission for deliberation. The job of each work group will be to explore, examine, analyze, and bring back suggestions to the rest of the Commission.

The Chair stated that the Commission will not be obligated to act on the recommendations of a work group and the Commission may determine it is necessary to proceed in a different direction from a work group’s recommendation. The Chair reminded the group that a majority of the commission constitutes a quorum and a majority of those present must concur in any decision.

Chair McCormick-Lee outlined the composition, work group leads, and responsibilities to of the proposed Formula and Distribution and Monitoring and Reporting work groups. Chair McCormick-Lee asked members to indicate their interest in serving on each work group, with the request that one Chief Financial Officer (CFO) from a district with more than and less than 40,000 pupils serve on each so work groups can benefit from the CFOs' expertise.

Chair McCormick-Lee requested a motion to approve the Formula and Distribution working group with Dr. David Jensen as the lead, and Vice Chair Hobbs and members Paul Johnson, Mark Mathers, and Punam Mathur.

Motion: Member Paul Johnson motioned to approve.

Second: Member Jason Goudie seconded the motion.

Motion carried.

Chair McCormick-Lee requested a motion to approve the Monitoring and Reporting working group with Jim McIntosh as the lead and members Dusty Casey, A.J. Feuling, Jason Goudie, and Lisa Morris Hibbler.

Motion: Vice Chair Hobbs motioned to approve.

Second: Member Lisa Morris Hibbler second the motion.

Motion carried.

#### **AGENDA ITEM #11 - FUTURE AGENDA ITEMS (INFORMATION AND DISCUSSION)**

Chair McCormick Lee stated that she would collaborate with the work group leads to prepare for their first work group meetings to be held on October 11, 2019. Agendas for the first meetings would likely address structuring their work, considering the idea of co-leads, identifying responsibilities, and establishing a high-level project plan for the work group.

Chair McCormick-Lee requested thoughts or suggestions on additional future agenda items.

Member Mathers indicated a need for a SB 543 "101" session so that all members operate on the same level of understanding regarding what is base funding or how the stabilization account gets funded.

Vice Chair Hobbs asked for a "myth versus fact" presentation regarding the Commission's scope.

Member Goudie asked if Jeremy Aguero would be available to assist in reviewing his theoretical model and running models and simulations.

Chair McCormick-Lee indicated that she would work with Department of Education staff and subject-matter experts to address these requests at future meetings.

## **AGENDA ITEM #12 – PUBLIC COMMENT #2**

*Public comment will be taken during this agenda item on any matter within the Commission’s jurisdiction, control, or advisory power. No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which action may be taken. A time limit of three minutes will be imposed by the Commission Chair in order to afford all members of the public who wish to comment with an opportunity to do so within the timeframe available to the Commission.*

### **No Public Comment in Carson City**

#### **Public Comment in Las Vegas:**

**Don Soifer** from Nevada Action for School Opportunity Actions thanked the Commission for doing this crucial and historic work. He asked the Commission to consider two priorities or principles to guide their recommendations: equitable education opportunity for all Nevadans and weighted funding for at-risk students. He offered to provide research on what other states have been using as their risk factors. [See Attachment 3 for Mr. Soifer’s written comments]

**Sylvia Lazos**, a UNLV Law Professor, shared that she spent most of the legislative session in Carson City to monitor two education priorities: maintaining categorical funding, including Zoom and Victory, and ensuring that the funding formula was going to address the equity needs of our poorest children. She also noted that the work of the Commission will be watched and is going to be about maintaining the gains that our children have made through some very tough sessions: 2011, 2013, 2015, and 2017. She added that there are weights that have been recommended already with the Augenblick report.

**Chris Daly**, Nevada State Education Association, noted that the Commission mentioned seeking help from external experts, which would likely include Jeremy Aguero from Applied Analysis given his role in the development of SB 543. Mr. Daly indicated his hope that, if the Commission engages with outside experts, it will be done in a public and transparent manner so there is no concern that third-party interests are influencing the work.

Chair McCormick-Lee asked if there were any comments from the Commission members before adjournment.

Member Mathur commented that part of what is going to make the work challenging is a conflation between equity and a formula, and adequacy. The Commission has no ability to make a direct impact on adequacy. Member Mathur added she was hopeful that the Commission will create a formula that they can all feel proud of, so that they can then go to the citizens of this state having implemented school reforms that they know will work. She shared that the state has a formula that we know needs to be modernized and contemporized, physical and understandable, so that “we’ve got a fighting shot.”

Vice Chair Hobbs thanked Chair McCormick-Lee for getting the Commission off and running. He shared that he was encouraged and would leave the meeting with confidence in the members everybody and the passion that exists within the State and the staff toward education.

Jim McIntosh thanked Chair McCormick-Lee and the Department of Education for the professional manner in which the whole committee has been run. He noted that at the end of the day, the Commission will make recommendations to the legislature and the governor, who will make final decisions. He also shared that he sees the Commission in some cases deferring to the Department of Education.

Chair McCormick-Lee thanked everyone for their passion and engagement in the work.

**AGENDA ITEM #13 – ADJOURNMENT**

The meeting adjourned at 1:52 p.m.

***ATTACHMENTS:***

1. Written Comments from Senator Joyce Woodhouse
2. Written Comments from the Nevada State Education Association
3. Written Comments from Mr. Don Soifer, Nevada Action for School Options

### *Attachment 1 – Written Comments from Senator Joyce Woodhouse*

Good morning, Madam Chair and Commission Members. I am Joyce Woodhouse, representing Senate District 5 in southern Nevada. I am so very pleased to see you all here today to begin the work set forth in Senate Bill 543, which provides for Nevada's schools and students through a new K-12 funding formula.

It was five years ago when my colleague and friend, Senator Denis, chaired a legislative study committee on the Nevada Plan, and I chaired the technical advisory committee that studied the weights that could and should be assigned to our English Language students, our students who live at the poverty level or below, and our special education students. This technical committee made its recommendations to Senator Denis' full committee and thus to the Nevada Legislature. Time passed, and another study was commissioned to be done by APA, affectionately called the Augenblick report. That report was completed in 2018, and Senator Denis and I made a pact with each other that we WOULD get the work done this session to accomplish this much needed goal.

As we all know, and I especially know since I was a first grade teacher in my first year of teaching when the Nevada Plan was adopted, that our student population no longer looks like it did in 1967. Of course, the student population has grown in significant numbers, but more importantly, the educational needs of the students have changed dramatically; and the Nevada Plan did not address those needs any longer.

Senator Denis and I worked with school district CFOs, Superintendents, the Nevada Department of Education Superintendents, our colleagues in the Nevada Senate and Assembly, our Nevada Legislative Council Bureau fiscal and legal staffs, educators, the business community, parents, and so many other advocates that saw the need for a revamped school funding formula.

With so many people working together on such an important project, we did accomplish our goal of bringing Senate Bill 543 to a vote of both houses of the 80<sup>th</sup> session of the Nevada Legislature and received the signature of the Governor! From the bottom of my heart, I thank ALL who supported this momentous accomplishment!

The passage of SB 543 was the FIRST step, and the right first step, in addressing the distribution of school funding through a formula that guarantees that the funds follow our students! Now, the work is in the hands of this Commission to monitor the performance of this formula, provide guidance to school districts and the Nevada Department of Education, review and provide recommendations on improving the calculations of the formula, and providing recommendations to the Governor and the Nevada Legislature.

I am confident that you are up to the challenge that you have undertaken, and I am so proud that YOU will be leading this next very important step in ensuring that our students receive the best educational experiences. They deserve it! Thank you so very much for your service.

## *Attachment 2 – Written Comments from the Nevada State Education Association*

The Nevada State Education Association represents teachers and education support professionals across the state. NSEA strongly believes the Nevada Plan needs to be updated to reflect the changing needs of Nevada. NSEA has consistently advocated greater equity in education, ensuring all school districts have the resources necessary to provide a high-quality education for every Nevada student. We agree our school funding system should be transparent and based on the needs of our student and communities. We also believe it is only fair for all education stakeholders to be included in any serious effort to improve our state's public schools. NSEA will be engaging the new Commission on School Funding, as well as the 81st Session of the Nevada Legislature, to make sure the failings of SB543 and Nevada's education funding are fixed.

NSEA opposed SB543 at the legislature due to serious policy concerns, including no new revenue for schools, a rural "freeze and squeeze", watering down of Zoom and Victory Schools, a multi-million-dollar charter school giveaway, anti-union end fund balance provisions, exclusion of educator voice on the Commission on School Funding, and a fundamentally flawed legislative process.

NSEA is now calling on the Commission on School Funding to use its powers to address these issues and help fix 543.

### **NO NEW SCHOOL FUNDING**

Given the chronic underfunding of public education in Nevada, any new funding model will fail without new and additional revenue.

In February and again in May, hundreds of educators from across Nevada rallied in Carson City under the banner of Red for Ed to draw attention to chronic underfunding of public education. Despite many efforts to address under-funding, Nevada continues to rank near the bottom of states in most metrics. In the 2019 Quality Counts report from Education Week, Nevada ranked 47th in per-pupil funding and dead last in the overall "Chance for Success" report card.

After a 2019 legislative session with "historic" appropriations of education funding, school districts across the state continue to struggle with budget cuts. While NSEA's bargaining units were able to negotiate raises for educators in most districts, some districts have balked, saying they can't afford the raises. This has left thousands of educators frozen while CPI increased by 2.6% over the last 12 months. Meanwhile, most districts have warned of freezes or cuts in future years. An analysis released earlier this week from Educate Nevada Now shows most districts across the state with even less base funding from the state than last year. The ENN analysis correctly points out that base funding will increase by even less next year, leaving our schools further behind. Unless bold action is taken to raise significant new revenue, Nevada schools will remain chronically underfunded.

This Commission can help fix 543 by taking leadership on this defining issue and propose new revenue streams with benchmarks for reaching funding adequacy.

### RURAL FREEZE AND SQUEEZE

With no new revenue included in SB543, the shift in funding formula would harm most school districts in the state by freezing their revenues at current levels, creating new winners and losers. This freeze would start on July 1, 2021 and continue for a various number of years, depending on the district. Data included in the committee presentation made by Jeremy Aguero on SB543 (along with assumed average revenue increases from 2020 onward) was used to complete the chart to the right. While budgets in Clark, Mineral, and Washoe would not be frozen, all other school district budgets are estimated to be frozen for an average of over 10 years.

While the sponsors of SB543 called this a “hold-harmless” mechanism, saying no district revenues would be reduced, a great deal of harm will be inflicted on these districts. During the freezes, SB543 contemplates no revenue increases to cover increases in cost of doing business or increases in enrollment. This would squeeze many rural school districts and leave them to wither on the vine.

Take, for example, the Nye County School District. Under SB543, the NCS D budget would be frozen from July 1, 2021 and would not receive an increase until 2027. Nye County is not only the fastest growing county in Nevada, it is also one of the poorest. Nearly 2/3 of students in NCS D qualify for free and reduced lunch. The Nye County School District is one of the districts in the state that had a reduction in force in their last budget. A budget freeze for 6 or more years would decimate this district.

This Commission can help fix 543 by making recommendations to improve

the implementation of the funding formula by adjusting the “hold harmless” provision to include increases for cost of doing business and student population growth.

### SUCCESSFUL ZOOM AND VICTORY SCHOOLS COMPROMISED

SB543 will eliminate current “categorical” expenditures, including those funding Nevada’s successful Zoom and Victory School programs. Instead funding will flow through the State Education Fund and then a portion will go to address the additional education needs of English learners and at-risk pupils. While a menu of services related to current Zoom and Victory programs are to be made available to all English learners and at-risk students, it seems unlikely that existing Zoom and Victory Schools will be able to maintain the current level of services for these students to continue their success. With reduced funding, the current model will be watered-down and compromised.

SB543 threatens Nevada’s two most important education equity programs that have been proven effective through state evaluations. By shifting funds away from our schools to a “pupil-centered” approach, Zoom and Victory schools lose significant momentum on school climate

School District	Estimated Freeze (Years)
Carson	4.09
Churchill	0.18
Clark	0.00
Douglas	6.03
Elko	8.30
Esmeralda	21.44
Eureka	61.76
Humboldt	7.03
Lander	3.44
Lincoln	5.84
Lyon	0.92
Mineral	0.00
Nye	6.92
Pershing	4.09
Storey	9.52
Washoe	0.00
White Pine	13.03

and culture, jeopardizing the gains they have made in our most impacted schools. Meanwhile, language in SB543 limiting the application of student weights to an either/or approach runs counter to educational best practice that recognizes our most impacted students fall into multiple categories of weights and require much greater investment than provided by any single weight in SB543. This need is greater for students in communities that are beset with serious, intractable social and economic issues. We would hope that Commissioners would consider the successes at Nevada Zoom and Victory schools.

This Commission can help fix 543 by reviewing student weights and make recommendations to ensure we don't go backward on education equity for Nevada students currently in Zoom and Victory Schools.

### **MULTI-MILLION-DOLLAR GIVEAWAY TO CHARTER SCHOOLS**

One of the biggest projected beneficiaries of SB543 are Nevada's charter schools. According to data included in Mr. Aguero's presentation to NSEA on May 6 on SB543, charter schools would be the recipients of a multi-million-dollar giveaway, receiving a projected \$28M increase when the new funding formula is activated. This is an even larger increase than would be received by the much-larger Washoe County School District. While freezing funding for most Nevada school districts, the windfall for charter schools in this plan is movement of precious resources from traditional public schools to charter schools.

Charter schools were initially promoted by educators who sought to innovate within the local public school system to better meet the needs of their students. Over the last 22 years, charter schools have grown dramatically to include large numbers of charters that are privately managed, largely unaccountable, and not transparent as to their operations or performance. Many charter schools have devolved far from the original concept as small incubators of education innovation.

The explosive growth of charters has been driven, in part, by deliberate and well-funded efforts to ensure that charters are exempt from the basic safeguards and standards that apply to public schools. This growth has undermined local public schools and communities, without producing any overall increase in student learning and growth. It is important to note, that most recent studies have shown that public schools outperform charter schools when accounting for student demographics, and public schools educate every student, including English learners, students in poverty, and students with individualized education plans. While charters are prohibited from discriminating, they serve far fewer students in poverty, English language learners, and students with disabilities.

During the past session, there was a great deal of focus on the lack of accountability of charter schools in the state. AB462 was introduced as a moratorium on charter school expansion but was amended to require the State Public Charter School Authority to develop and implement a 5-year growth plan for charter schools.

This Commission can help fix 543 by recommending against moving precious dollars from traditional public schools to charter schools, especially without first ensuring appropriate controls and accountability are in place.



### **ANTI-UNION END FUND BALANCE PROVISIONS**

During this legislative session, there was significant contemplation of how to treat end fund balance that is not subject to collective bargaining. Currently, this is set for school districts in the Nevada Administrative Code at not more than 8.3%. Senate Bill 26 would have put this language in the NRS, however it was killed in the Senate Committee on Government Affairs. Meanwhile, Senate Bill 111 passed into law clarifying that any monies from the state intended for salary or benefits for the employees of the school district is subject to negotiations with an employee organization.

Language in SB543 that sets the end fund balance for school districts not subject to collective bargaining at 16.6% is a gross departure from current practice, policy, and direction of the last legislative session. Further, this is an anti-union and anti-collective bargaining provision that could unfairly wall off as much as \$740M from collective bargaining processes with school districts in FY21.

This Commission can help fix 543 by recommending that this provision be lowered or removed in its entirety.

### **CURRENT EDUCATOR VOICE?**

A significant role NSEA plays is to elevate the voice of educators from around the state in decisions impacting schools and the education profession. SB543 created this Commission and gave it significant powers and responsibilities. Unfortunately, SB543 did not require any educator representation on this Commission and no active teacher or education support professional now serves on the Commission. Those most impacted by the deliberations of this Commission have been relegated to the cheap seats. This should give all who follow public education in our state pause and heightens the responsibility of those who are on the Commission.

This Commission can help fix 543 by recommending inclusion of active educator voice on this Commission, as we are the trusted professions best equipped to make decisions to ensure student success.

### **A FUNDAMENTALLY FLAWED LEGISLATIVE PROCESS**

NSEA was a vocal and active participant in the development of SB178 during the 79th Legislative Session. We participated on the Funding Study Work Group during the last interim. Despite frequent entreaties, NSEA and most other education stakeholders were shut out of the process to develop SB543 for over 6 months, from November through the first week of May. On May 6th, NSEA received an overview presentation of the bill from Jeremy Aguero. On May 13, the 99th day of the session, NSEA finally got our first chance to review the massive overhaul of Nevada's school funding formula and the language in SB543. What was called "the most important legislation" of the session received a single hearing. The final language of SB543, which was movement in the wrong direction, wasn't unveiled until late in the evening on Sine Die, with the legislation passing at the very end. This legislative process was fundamentally flawed and resulted in a funding formula riddled with problems.

This Commission can help fix 543 by being mindful of how we ended up with such a flawed plan.

**MOVING FORWARD TOGETHER**

NSEA opposed SB543, but we are hopeful that promising components of the plan can be maintained while fixing the problems, oversights, and unintended consequences. New revenue will ease the transition to any new funding formula, and NSEA continues to be optimistic in our fight for additional school resources, so all students and schools can succeed.

We are confident that by working together during the interim, we can return to the next session to pass and implement a new funding formula that benefits all Nevada students.

*Attachment 3 – Written Comments from Mr. Don Soifer, Nevada Action for School Options*

Thank you to this distinguished commission of experts for taking time from your busy lives and careers to lead this historic and vitally important undertaking.

As you move this legislatively-directed process forward, I would encourage you to consider two guiding priorities in your work.

First, that equitable educational opportunity for all of Nevada’s learners serve as a guiding principle for your recommendations. Families, and households, fortunate to have choices of schools to meet their learners’ educational needs, do so for diverse reasons – so the diversity of high-quality schools serving our elementary and secondary students reflects these different priorities. In Nevada, we have schools of right – traditional district-run schools with defined geographic attendance zones, and schools of choice, where students apply to attend and lotteries generally determine placement when demand exceeds number of available seats. These learners are all Nevadans, and deserve equitable educational opportunities, and equitable school funding.

Second, that your school funding recommendations include weighted funding for student risk factors that pay for the increased, real costs associated with risk factors. Currently, Nevada law recognizes only one of a learner’s status as an English Learner, a child with identified special needs, a gifted and talented learner, or an at-risk learner, defined as a one who is eligible for free or reduced-price meals under the National School Lunch Program, meaning their household income is up to 185% of federal poverty levels. But the law grants flexibility to modify this definition.

I look forward to providing this Commission with up-to-date research about the specific factors other states utilize for their at-risk learner funding designations. Today these include designating different weights for free lunch eligibility versus reduced-price lunch eligibility, status as a homeless or foster youth, over-age and under-accredited high-school learners, pattern of unsatisfactory performance on state standardized assessments, and eligibility for the federal Temporary Assistance for Needy Families and Supplemental Nutrition Assistance Program programs.

Evidence shows consistently that it costs schools more to serve these groups of students with equity and fidelity, and I hope that Nevada’s school funding model will address this disparity.

Thank you for your admirable service.