

**NEVADA DEPARTMENT OF EDUCATION
COMMISSION ON SCHOOL FUNDING
NOVEMBER 13, 2020
9:00 A.M.**

Meeting Location

Due to the circumstances created by the COVID-19 pandemic, the Commission on School Funding met via videoconference. In accordance with Governor Sisolak's State of Emergency Directive 006, Section 1, no physical location was designated for this meeting. The meeting was livestreamed on the Nevada Department of Education's (NDE) website.

SUMMARY MINUTES OF THE COMMISSION MEETING

COMMISSION MEMBERS PRESENT

Via Videoconference

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

DEPARTMENT STAFF PRESENT

In Carson City

Heidi Haartz, Deputy Superintendent of Business and Support Services
Will Jensen, Director of the Office of Inclusive Education
James Kirkpatrick, Administrative Services Officer III
Beau Bennett, Management Analyst IV
Megan Peterson, Management Analyst III

In Las Vegas

Jessica Todtman, Chief Strategy Officer

LEGAL STAFF PRESENT

David Gardner, Senior Deputy Attorney General

PRESENTERS IN ATTENDANCE

Via Videoconference

Mary Peterson, Co-Director, Region 15 Comprehensive Center at WestEd
Dr. Susan Leddick, PKR Inc.
Andy Pechacek, PKR Inc.
Jeffrey Mitchell, Nevada Department of Taxation
Kelly Langley, Nevada Department of Taxation

AUDIENCE IN ATTENDANCE

Via Videoconference

1: CALL TO ORDER; ROLL CALL

Meeting called to order at 9:01 A.M. by Commission Chair R. Karlene McCormick-Lee. Quorum was established.

2: PUBLIC COMMENT #1

The Nevada State Education Association submitted public comment regarding the implementation of the Pupil-Centered Funding Plan. *(A complete copy of the statement is available in Appendix A)*

Amanda Morgan, Executive Director of Educate Nevada Now, submitted public comment regarding the Pupil-Centered Funding Plan. *(A complete copy of the statement is available in Appendix A)*

Ryan D. Russell and Robert M. Salyer of Allison MacKenzie Attorneys & Counselors at Law submitted public comment regarding the implementation of the Pupil-Centered Funding Plan. *(A complete copy of the statement is available in Appendix A)*

3: APPROVAL OF COMMISSION MEETING MINUTES

Member Paul Johnson moved to approve the October 16, 2020 Commission minutes. Member Punam Mathur seconded. Motion passed.

4: NEVADA DEPARTMENT OF EDUCATION UPDATE

Heidi Haartz, Deputy Superintendent of Business and Support Services provided an update to the Commission regarding the work of the Nevada Department of Education (NDE or the Department) since the October Commission meeting.

Deputy Superintendent Haartz reported that the Department was meeting regularly with the Governor's Finance Office to discuss the agency budget and the Governor's recommended budget for the 2022-23 biennium. The Department is also meeting regularly with the Controller's Office and the Governor's Finance Office to discuss how best to establish the Special Revenue Fund to be called the State Education Fund and identify the revenues that would move through that fund. The Department continues to meet with the Chief Financial Officers (CFOs) of school districts and the State Public Charter School Authority (SPCSA) to discuss the development of the business rules specific to Senate Bill (SB) 543, including presenting the recommendations of the subject matter experts and the Commission. As the Department takes the lead to develop the business rules, district CFOs advised that they would like to form targeted workgroups to assist in the work would like drafts sent to districts for additional input. Two Members of the Commission have also volunteered to participate.

The Department presented an alternative definition of At-Risk to the State Board of Education based on the recommendations of the Commission, and the Board adopted an alternative definition for At-Risk at its November meeting. The adopted definition is: in the context of the Pupil-Centered Funding Plan (PCFP) a pupil is At-Risk if the pupil has an economic or academic disadvantage such that they require additional services and assistance to enable them to graduate with their cohort. The term includes without limitation: pupils who are members of economically disadvantaged families, pupils who are at high risk for dropping out of high school, and pupils who do not meet the minimum standards of academic proficiency. The term does not include pupils with a disability or pupils who are English learners.

Member David Jensen asked about the impact of the recent request to consider 12% budget reductions from the Governor's Finance Office. Deputy Superintendent Haartz clarified that the Governor's Finance Office requested that all State agencies conduct a review considering a 12% budget reduction for the biennium in the event they are needed.

Responding to Chair McCormick-Lee, Deputy Superintendent Haartz clarified that the timeline for developing business rules with CFOs and drafting regulations for At-Risk would be in the Spring of 2021.

5: PRESENTATION OF THE CHANGES TO BUDGET FORMS FOR ANNUAL SCHOOL DISTRICT BUDGETS BASED ON THE ANTICIPATED IMPLEMENTATION OF THE PUPIL-CENTERED FUNDING PLAN IN FISCAL YEAR 2022

Jeffrey Mitchell, Nevada Department of Taxation, and Kelly Langley, Nevada Department of Taxation provided an update regarding the [Budget Forms for Annual School District Budgets](#) based on the anticipated implementation of the PCFP in fiscal year (FY) 2022, doing a walkthrough of the proposed document.

Ms. Langley reported that changes were primarily made to the revenues section of the existing form. Since the document refers to multiple years, some elements would be eliminated as late as FY23, to ensure that reporting is completed for outstanding items no longer generated under the PCFP. After that time, the form will be shorter.

Member Jensen requested a change from “State Education Funding” to “State Education Fund” for continuity. Members Andrew Feuling and Member Johnson made specific notes about category line items, which the Department of Taxation asked to follow up on.

6: DISCUSSION REGARDING OPTIMAL FUNDING

Dr. Susan Leddick, Profound Knowledge and Resources (PKR) Inc. and Andy Pechacek, PKR Inc. facilitated a discussion regarding Optimal Funding, including the presentation of a draft definition of the term optimal funding and a framework intended to assist the Commission in its next steps of acting on that definition.

Dr. Leddick presented two draft definitions for optimal funding, and asked Commission members which definition resonated with the intent of the PCFP:

1. Optimal funding in Nevada is that which enables the State’s schools and districts uniformly to provide key services likely to produce improvement in targeted student outcomes for all students regardless of situation. Optimal funding is a strategic investment to increase the use of best practice recommendations contained in the [State Improvement Plan](#).
2. Optimal funding in Nevada is that which is sufficient for strategic investment in practices and resources that are most likely to lead – for all students – to outcomes that exceed statutory minimums.

Member Jason Goudie raised concern with the use of “improvement” as well as “statutory minimums” as they are not specific measures or measures to aim for; he supported specifying high academic standards/achievement. Member Lisa Morris Hibbler supported the need for language that specified that funding will produce highly prepared students. Responding to Member Mathur, Chair McCormick-Lee clarified that the goal was to define optimal, which is focused on outcomes for children. Adequate is a separate category regarding minimum standards, and adequate may be discussed within the Commission’s work, but is not currently being defined. Member Mathur supported a more declarative definition which also includes equity. Dr. Leddick clarified that the use of “likely” was used as outcomes are not guaranteed. Member Johnson supported making a stronger commitment and declarative statement. Member Dusty Casey agreed that “likely” was not a preferred term and that the outcomes need to be more specifically linked to measurable and high achievement.

Member Morris Hibbler asked if the State standards are adequate or optimal, or if they meet the statutory minimum to understand how standards would fit into this definition. Superintendent Jhone Ebert clarified that State standards are built to prepare students to be college and career ready and are the expectation for what students know and are able to do upon completing their K-12 education. States build standards as the foundation for expectations, but students can exceed those standards in a variety of ways.

Vice Chair Guy Hobbs supported quantifiable outcomes for optimal. Member Johnson emphasized the importance of preparing students to be globally prepared and competitive. Member Mathur noted that becoming too aspirational may hinder the work of overcoming deficits.

Dr. Leddick outlined levels and progression for the path to optimal funding which could be considered a framework for action, moving from restored to adequate to optimal. Mr. Pechacek asked the Members to consider if the framework reflected the Commission’s intent and noted that the actions and measures are suggestions.

1. Restore funding to previous baseline level; restore funding to legislatively approved amounts for the 2019-21 biennium; base “restored” funding on the 2019-21 budget; measure “restored” funding by the

total funding per student per year and the baseline performance on student outcomes reported to State and/or federal entities in 2019-20.

2. Adequate funding is funding sufficient for all students to meet State standards and statutory requirements. Adequate funding would require establishing adequate per-pupil base funding with target weights, using the APA studies updated for inflation, and measured by the total funding per student per year and the performance on student outcomes reported annually to State and/or federal entities in 2020 and beyond.
3. Optimal funding is sufficient for strategic investment in practices and resources aligned with the State's five-year renewable strategic plan that leads – for all students – to outcomes that exceed statutory minimums. This would require, with the assistance of the Department, identifying targeted student outcomes beyond statutory minimums and associated practices and resources likely to contribute to improving those outcomes, and calculating funding requirements through the PCFP model. Optimal funding would be based on cost estimates extrapolated from prior studies. Measures would include total funding per student per year, the performance on student outcomes reported annually to State and/or federal entities, performance on targeted student outcomes beyond statutory minimums reported annually, and the implementation status for uniform practices reported annually.

Member Jensen reflected that the restored column indicates already working from deficit and added with the previous discussion regarding 12% budget reductions, the discussion around optimal funding becomes more difficult as reductions compound.

Responding to a question regarding next steps from Member Jim McIntosh, Chair McCormick-Lee clarified that if consensus is reached, the definition of optimal could be adopted, but it does not need to occur today. If adopting the framework of restored, adequate, and optimal, the elements inside the referenced APA study would also be adopted, which may require confirming how the APA studies need to be updated.

Member Mark Mathers and Member Johnson agreed that inflation needed to be more clearly included in the framework. Member Mathers also reflected on enrollment decline and increased costs, as well as the number of years it would take to move from restored to adequate. Member Mathur recommended adjusting from “restored” to “restore” and allowing the flexibility to add to “restore” if there are additional budget reductions in the 2022-23 biennium and after the 2021 Legislative Session. She further asked that adequate specify the weights and the hold harmless provision.

Member Mathur moved to approve a conceptual framework of three stages: restore-adequate-optimal. Vice Chair Hobbs seconded. Member Mathers clarified that he would recommend “restore and maintain” as the first step, which Member Goudie agreed with, and asked that under that item funding be restored to the 2020-21 biennium budget approved during the 2019 Legislative Session.

With amendment, motion passed.

7: DEMONSTRATION OF THE DISTINCTION BETWEEN USING A TARGETED FUNDING METHODOLOGY VERSUS A PROPORTIONAL FUNDING METHODOLOGY TO DIRECT ADDITIONAL FUNDING TO THE WEIGHTED CATEGORIES WITHIN THE PUPIL-CENTERED FUNDING PLAN

Heidi Haartz, Deputy Superintendent for Business and Support Services, and James Kirkpatrick, Administrative Services Officer, provided an overview of targeted funding versus proportional funding in weighted categories for the PCFP.

[Three models](#) were presented: one in which new revenue flowed naturally through the PCFP; the second directing 100% of new revenue to the weights; and the third reviewing fully funding the weights in year one. The information is based on the model shared with the Commission in October and are subject to change based on the Economic Forum projections in December as well as the Governor's final recommended budget. The third scenario showed that \$555.3 million would be needed to fully fund the weights in year one.

Member Goudie requested additional time to review the spreadsheets. Member Morris Hibbler asked whether funds had been identified for scenario two or three. Deputy Superintendent Haartz noted that Victory funds have been identified for At-Risk and Zoom funds for English Learners (ELs), as well as the Extended Learning Opportunities fund, Senate Bill (SB) 178, to be split between At-Risk and ELs. Member Mathur confirmed that the numbers presented in October did not include cuts from the 31st Special Session (2020).

Member Casey clarified that targeted weights may serve as equity measurements, which could assist in determining a path forward. He also asked if it was possible to see the base as a weight as it relates to adequate. Member McIntosh expressed concern with disproportionately funding the different weights and supported proportional funding. Member Mathur supported more strongly funding weights to ensure equity. Commission members requested time to further review the models.

[Convenience Break]

8: DISCUSSION REGARDING THE LOCAL MAINTENANCE OF EFFORT FOR SPECIAL EDUCATION AND ITS INCLUSION IN THE PUPIL-CENTERED FUNDING PLAN

Heidi Haartz, Deputy Superintendent for Business and Support Services, and Will Jensen, Director of the Office of Inclusive Education, provided information regarding the local maintenance of effort for Special Education and its inclusion in the PCFP.

As of the presentation, local funds had not been removed from the hold harmless amount for school districts that may be designated for maintenance of effort (MOE) requirements. The Department recommended that local MOE be moved outside of the PCFP and removed from the hold harmless amount for each district. A single tax revenue could be identified to be earmarked to meet the MOE requirements for the districts, treating them similarly to the net proceeds of minerals.

Deputy Superintendent Haartz noted that to meet local MOE requirements, districts must demonstrate that they have used locally generated funds to do so; one way to track that as funds flow through the State Education Fund would be to choose a single tax revenue that is collected in each county and carve off the respective amounts for each district before the funds flow through the PCFP. Member Goudie confirmed that the amount of funds that would be separated out of the model and held separately for Special Education would include the State portion and the amount required to meet local MOE.

Member Goudie asked how funding for Special Education would be supported for growth, and how it relates to discussions regarding adequate and optimal. Director Jensen explained that a district can increase MOE as it desires using the local side of the contribution formula. MOE is calculated using local and State revenue sources that go towards students with disabilities. MOE can be raised at the local level any time and State level increases occur over time. Member Goudie clarified that he would like to know how the State would ensure adequate funding for Special Education.

Member McIntosh clarified that Member Goudie was asking how to ensure that funding for Special Education continues to grow as it is now outside the waterfall and there is no legislation that currently addresses its growth, as it has been removed as a weight. Member Mathers asked if it would be possible to adjust the Special Education fund by inflation or other similar growth methods and expressed concerns with identifying a singular tax revenue source. Deputy Superintendent Haartz responds that the purpose of an identified tax revenue was to identify funds at the county level that were used to meet local MOE; from the base, the identification of the source of particular funds would be lost. Director Jensen responded that this was recommended because of current difficulties in tracking these funds, which has at times led to the return of funds to the U.S. Department of Education. Member Mathers expressed concern that the local tax revenue and the MOE will not match one another and the tax revenue may fall short of the needed MOE.

Member Johnson reflected that he needed to see Special Education included with the other programs to understand how much of the base would go to Special Education. Member Casey questioned whether Special Education was being overcomplicated or whether the Commission can address the adequacy of Special Education once it is removed from the waterfall.

Director Jensen noted that maintenance of fiscal support is at the State level, while maintenance of effort is at the district level; they have differing requirements. Member Mathers asked whether the State fully funding Special Education, removing the need for district contributions and thus removing district maintenance of effort, would be problematic under the requirements for MOE. Director Jensen responded that MOE is calculated from local and State contributions; legally, it is possible that local contributions could be 0 and the State support MOE fully, but

it has not yet been possible in any states to date. Deputy Superintendent Haartz confirmed that MOE is the total amount spent at the district level and total amount budgeted at the State level, which are reported separately.

Deputy Superintendent Haartz reflected that Special Education was originally moved from the PCFP waterfall because a single weight or base amount assumes that the services needed for each student would cost the same amount. In addition, as the base per-pupil amount increased the weights would increase, corresponding with an increase in the MOE for the State as a whole. Chair McCormick-Lee asked if it was possible to increase the funding for Special Education students if the funding was outside of the waterfall. Deputy Superintendent Haartz noted that from a State perspective there is an opportunity to increase MOE budgeted by the State; districts may also contribute additional dollars as needed. Chair McCormick-Lee noted that the amount of the State contribution could be discussed in the future as the Commission moves through the optimal framework. Member Johnson shared that the State has a waiver regarding MOE if facing economic adversity, but districts do not, and that if a State waiver is used, districts will be doubly affected.

Member Goudie moved to approve the recommendation from the Department to move the local MOE funding from the base to be located with the State MOE portion in the Special Education Fund, with the caveat that Special Education be included in conversations regarding optimal funding. Member Mathur seconded.

Member Casey confirmed that the motion does not include the note regarding designating local revenues, it only moved the local funds outside of the waterfall of the PCFP. Ultimately all funds would come from the state via the Special Education Fund as it relates to MOE.

Motion passed; Members Casey and Feuling opposed.

9: DISCUSSION REGARDING PUBLIC-FACING SUMMARY DOCUMENTS

Jessica Todtman, Chief Strategy Officer for the Nevada Department of Education, provided an update regarding public-facing summary documents for the PCFP, including information on [the Commission](#) and [the Pupil-Centered Funding Plan's Waterfall](#).

Ms. Todtman emphasized that the documents strive to be accessible to constituents, and the concepts have been simplified to make is as accessible as possible. The Commission agreed and discussed the goals of the document to be transparent and provide the information constituents need to understand the changes of the PCFP and how funds are being used and summarize the work of the Commission.

10: FUTURE AGENDA ITEMS

- Member Goudie requested a formal discussion regarding progression versus delay for the implementation of the PCFP given the COVID-19 pandemic, which Vice Chair Hobbs supported.
- Member Casey requested an item that examines whether the Commission's definitions of the weights are measures of equity or adequacy, which may help to define the weights in the formula and future recommendations.
- Member Mathers requested an item that further discussed PCFP implementation; Chair McCormick-Lee asked if the business rules being developed by the Department and district CFOs would include that discussion, which Member Mathers said may cover the request in partiality.
- Vice Chair Hobbs requested a discussion regarding the characteristics of revenue sources, such as sufficiency, predictability, stability, etc. as well as questions of equity, methods of taxation, etc., be included in the discussion regarding revenue sources, which Member Mathur supported.
- Future agenda items based on the Commission's prior conversations and the requirements of SB 543 also include optimal funding, revenue sources for funding, administrative caps, an update on the hold harmless provision, the designation of funds for districts and MOE, and the projections of the Economic Forum.

11: PUBLIC COMMENT #2

No public comment.

12: ADJOURNMENT

Meeting adjourned at 1:16 P.M.

Appendix A: Statements Given During Public Comment

1. The Nevada State Education Association submitted public comment regarding the implementation of the Pupil-Centered Funding Plan.
2. Amanda Morgan, Executive Director of Educate Nevada Now, submitted public comment regarding the Pupil-Centered Funding Plan.
3. Ryan D. Russell and Robert M. Salyer of Allison MacKenzie Attorneys & Counselors at Law submitted public comment regarding the implementation of the Pupil-Centered Funding Plan.

Item A1, Nevada State Education Association
COMMENTS TO THE COMMISSION ON SCHOOL FUNDING
November 13, 2020

The Nevada State Education Association has been the voice of Nevada educators for over 100 years. We are submitting these comments on item #6, the continuing discussion of optimal funding. NSEA previously submitted comments on optimal funding at your meeting on September 25th and would again encourage the Commission to adopt the work done by the Funding Study Work Group and Augenblick, Palaich and Associates (APA) who completed the Nevada School Finance Study in 2018. The result of this work led to a strong consensus of education stakeholder groups both in terms of student weights and the need to phase in significant funding increases to achieve “full adequacy” in base funding. The rough estimate at the time was Nevada was underfunding public education by about \$1B per year.

When the legislature passed SB543 in 2019, no one could have foreseen the COVID-19 pandemic and the associated economic crisis hitting hardest here in Nevada. The unfortunate new reality is Nevada is falling further away from optimal funding for K-12 education. During the first Special Session this summer, \$156M in painful cuts were made to K-12 education, including total elimination of weighted funding for at-risk students and English learners—the very basis for the new funding formula. And with COVID-19 cases hitting record highs this week, the crisis and the related economic impacts are far from over. Before this week’s meeting of the Economic Forum, the Governor requested 12% reduction proposals from all departments, including NDE, for the next biennium.

NSEA maintains it is completely irresponsible to effectuate a radical shift in the state’s education funding formula in the middle of a global pandemic, as devastating cuts are being made to our schools. The only responsible course of action for the state is to delay the implementation of SB543 until after the pandemic, while education stakeholders are able to develop a revenue plan to get us out of the current economic crisis and on our way to optimal funding.

To this end, NSEA is again asking the Commission on School Funding to adopt a formal position in support of AJR1 from the 32nd Special Session. AJR1 would amend the Constitution to increase the mining tax from 5% of net proceeds to 7.75% of gross proceeds. This would generate \$485 million in new revenue. While AJR1 is only a part of what is needed to deliver a high-quality public education to every Nevada student, we see it as a critical first step toward building a funding plan to achieve optimal funding.

Item A2, Amanda Morgan, Executive Director, Educate Nevada Now

November 13, 2020

Chairwoman, Dr. Karlene McCormick-Lee
Commission on School Funding

Dear Chairwoman McCormick-Lee and members of the Commission,

Thank you for the opportunity to submit testimony on behalf of Educate Nevada Now. We appreciate the hard work of the Commission and its willingness to consider our input.

During the previous Commission meeting, Member Hobbs inquired about potential state constitutional considerations as it relates to developing benchmarks and defining optimal funding. The Commission also discussed what those potential benchmarks might be. Please consider the following:

1. The Commission should consider making recommendations that aid lawmakers in attaining a constitutionally compliant level of education funding.

Though the Nevada Supreme Court has yet to rule on the state's obligation under Article 11 of the Nevada Constitution, other state courts can offer guidance on what may be expected of the legislature in the event of a successful adequacy challenge.

It is important to note that "adequacy" cases typically do not center around funding for specific statutory requirements or mandates. Rather, courts often assess the broader issue of whether students are receiving the essential resources necessary to have the opportunity to meet a state's own standards or requirements. Court decisions center around educational inputs and outcomes.¹

Though not completely determinative, states often rely on cost studies (like those done by APA) during the remedy phase to guide constitutional compliance.² The goal of these studies tracks well with court ordered remedies.

Inputs identified by court orders are consistent with inputs identified in studies like APA's, such as number of qualified teachers, class sizes, school staffing levels, availability of educational supplies and equipment, course offerings, curricula, and district and state comparisons in spending.³

Courts often consider educational outputs as well - typically focusing on student achievement, graduation, college remediation rates, workforce readiness and the ability of students to meaningfully participate in society.⁴ Again, the APA study in Nevada focused on the resources necessary for students to meet state academic standards and requirements, which includes students graduating college, career and community ready. As such, APA's recommendations would likely track closely to the state's constitutional mandate.

This is one reason why ENN urges the Commission to set adequacy (as defined in the APA study) as the optimal funding target. It would be informative and useful to both lawmakers and the public. The Commission could take steps now to put the state on a path to constitutional compliance, with the benefit of a recent APA

¹ Regina R. Umpstead, *Determining Adequacy: How Courts Are Redefining State Responsibility for Educational Finance, Goals, and Accountability*, 2007 *BYU Educ. & L.J.* 281, 288 (2007) (noting "[t]he foundation of the educational adequacy argument is the idea that the individual state constitutions require the state government to establish, maintain, and sufficiently fund a quality public education system so that students can meet specific educational outcomes or standards.").

² See, e.g., *Arkansas lawmakers utilizing adequacy study by Picus and Odden to comply with Lake View decision*; *Kansas lawmakers utilizing Augenblick and Meyer study to comply with orders in Gannon*.

³ See, e.g., *Lake View Sch. Dist. No. 25 v. Huckabee*, 91 S.W. 3d 472, 488-489 (Ark. 2002); *McDuffy v. Sec'y of the Executive Office of Educ.*, 615 N.E.2d 516, 553 (Mass 1993); *Campaign for Fiscal Equity v. State (Campaign III)*, 801 N.E.2d 326, 333 (N.Y. 2003); *Rose v. Council for Better Educ.* 790 S.W.2d 186, 197 (Ky. 1989); *Campbell County Sch. Dist. v. State*, 907 P.2d 1238, 1253-55 (Wyo. 1995).

⁴ See, e.g., *Gannon v. State*, 319 P.3d 1196, 1234-35, 37-38 (Kan. 2014); *Lake View*, 91 S.W.3d at 488-89; *Rose*, 790 S.W.2d at 197; *Campaign III*, 801 N.E.2d at 336-37, 339-40; *Hoke County Bd. of Educ. v. State*, 599 S.E.2d 365, 384-86 (N.C. 2004).

study. Further, it would be in line with common standards and practices in developing education funding goals and would not require another costly and time-consuming study.

2. The Commission should consider benchmarks and goals that are attainable within a ten-year period, per the language of SB 543.

SB 543 requires the Commission to develop a ten-year implementation plan for achieving its optimal funding target, which may include making recommendations on revenue. ENN agrees with the Commission's suggestion of developing incremental benchmarks toward the goal of "optimal funding" and detailing what might be tangibly gained with each benchmark.

ENN suggests the restoration of funding from the Special Session as an initial benchmark. Much of the \$160 million eliminated during the session was expected to aid in the transition to the PCFP. Specifically, \$70 million in SB 178 dollars was to transition into weighted funding for at-risk students. The effective at-risk weight was already abysmal prior to the elimination of SB 178, but the loss of these dollars makes transitioning into weights even more challenging.

ENN suggests that the remaining benchmarks be incremental steps towards adequacy as defined by the APA study (as this likely reflects the constitutional minimum). As Member Johnson noted, Nevada lawmakers had created a similar incremental plan to reach adequacy following the 2006 APA study. Lawmakers made good on this plan with a 13% increase immediately following the study, but the plan was abandoned due to the Great Recession.

Each incremental funding benchmark should be accompanied by a report detailing the resources a model school could purchase with the available funds - giving better transparency to the public and therefore greater accountability on the path to adequacy. This "model school" calculation could be similar to accountability measures already required pursuant to Section 12 of SB 543.⁵

Achieving adequacy in a ten-year time frame is already an ambitious undertaking, as adequate funding is estimated at more than a billion additional dollars. However, some on the Commission have expressed a desire to define "optimal" as more than "adequacy" as defined by the APA study. However, many of the resources that members might consider as part of the optimal funding calculation may already be reflected in APA's work, so we highly recommend the Commission ask APA to present on their process and findings prior to determining that adequacy is not a good reflection of optimal.

That said, this commission will be supervising the formula for years to come and can choose to reassess the definition of optimal funding down the road. This is not unprecedented.

Maryland's Kirwan Commission provides a blueprint for moving beyond adequacy when the time is right. After many years of pushing towards more adequate and equitable funding, a commission consisting of several stakeholders⁶ developed a plan to compete globally - engaging in a multi-year effort that closely examined state standards, funding studies and reports, sources of achievement gaps and several education policy issues. Massachusetts engaged in a similar process after achieving some of the highest rankings in both funding and student outcomes in the country - committing to even more rigorous standards to compete internationally.

It should be noted that these are some of the highest K-12 funded states in the country and this was an undertaking that was decades in the making, whereas Nevada finds itself near the bottom in funding and with about half its students considered non-proficient. We suggest the Commission consider this blueprint when the state begins to approach adequacy and potentially revisit the definition of optimal funding at that time.

⁵ See, e.g., SB 543 §12(1) (NDE must report a "description of the personnel and services that [NDE] reasonably believes an average elementary school, middle school and high school in this State could employ and provide using the amount of money for public education contained in the proposed executive budget submitted by the Governor to the Legislature [...] when combined with all other money expected to be available for public education and submit the report to the Commission for review.").

⁶ Stakeholders included several lawmakers, agency heads, district officials, the Maryland State Education Association, Maryland PTA, and others.

Thank you for considering our input and your hard work on behalf of Nevada students.

Sincerely,

Amanda Morgan, Executive Director
amorgan@educatenevadanow.com

Item A3, Ryan Russell & Robert Salyer, Allison Mackenzie, Attorneys & Counselors at Law

Nevada Commission on School Funding

700 E. Fifth Street

Carson City, Nevada 89701

Via Email:jtodtman@doe.nv.gov

Madam Chair and Members of the Commission on School Funding:

We represent the following county school districts and their respective superintendents: Elko, Eureka, Storey, Douglas, Pershing, Lander, Lyon, Esmeralda, Lincoln, and Carson City. Once again, as we have done for the past several Commission meetings, we are requesting that the Commission make a recommendation to the Nevada Legislative Committee on Education to delay implementation of Senate Bill ("SB") 543 until at least the 2023-2025 Legislative Session.

While the Commission has made several strides toward vetting the Pupil-Centered Funding Plan ("PCFP") over the past several months, there are still vital aspects of the PCFP that have yet to be determined. At this time, with the imminent commencement of the 2021 Legislative Session, the Commission has run out of time to properly vet the PCFP in order to make it fully functional by the statutory deadline 2021.

First and foremost, the hold harmless provision still remains unfunded. Funding the hold harmless provision is vital to many school districts to ensure success during the ongoing budget crisis caused by the Covid-19 pandemic. As you know, Governor Sisolak has requested that school districts propose a twelve percent (12%) budget cut for the 2021-2023 biennium. This significant cut, combined with an unfunded SB 543 hold harmless provision, would result in dire financial consequences for many, if not all, school districts. We implore you to understand and address the seriousness of the fiscal position in which many school districts find themselves.

The Commission has failed to address many other issues including: the decline in enrollment, the perceived lack of PCFP transparency, the concerns with the cost-wage index, the cost of education in rural school districts, an uncertain legislative landscape for school district civil immunity, and net proceeds of minerals. Those weighty issues render the PCFP unripe for implementation.

The school districts greatly appreciate the opportunity to work with the Commission and to discuss some of the aforementioned issues during the upcoming public comment meeting. While the districts welcome the ability to speak candidly about these issues on November 19th, we would still like to renew our request that the Commission recommend a delay in implementation to the Nevada State Legislative Committee on Education. The districts are firm in their belief that there is no successful path forward in the short amount of time left prior to the Legislative Session and the deadlines imposed in SB 543.

As always, we appreciate the time and attention of the Commission and seek to work toward a better, brighter and more equitable future for all of Nevada's students.

Sincerely,

Ryan Russell, Esq. Robert M. Salyer, Esq.