

Agenda Item #5  
Budget Closing Hearings  
related to the implementation of the  
Pupil-Centered Funding Plan

Commission on School Funding

May 14, 2021



# Budget Closing Hearings

- Subcommittees on K-12/Higher Education/CIP
  - April 21, 2021
  - April 27, 2021
  - May 11, 2021
- Full Committee
  - May 5, 2021
  - May 11, 2021
  - May 14, 2021
  - May 15, 2021

# Implementation of the PCFP

- Subcommittees Action (5/11/21):
  - Recommended full implementation beginning in fiscal year 2022

# State General Fund: Special Education Services

- Subcommittees Action (5/11/21):
  - Recommended maintaining General Fund support for pupils with disabilities and providing the funding outside of the PCFP
    - Includes funding for pupils with disabilities who exceed the 13% funding cap
  - Recommended transferring these General Funds to the Contingency Account for Special Education and renaming the account to the “Account for State Special Education Services”

# PCFP Assumptions

- Subcommittees Action (5/11/21):
  - Recommended full implementation beginning in fiscal year 2022

# State Education Fund Revenues

- Subcommittees Action (5/11/21):
  - Recommended transfer of other revenues:
    - Abandoned gift certificates previously allocated to the Educational Trust Account
      - Totals approximately \$148,000 per fiscal year
      - One time transfer of reserves totaling \$408,894
    - Boat registration fees collected by the Department of Wildlife
      - Totals approximately \$729,000 per fiscal year
    - Administrative fines collected by the State Environmental Commission

# State General Fund Revenues

- Subcommittees Action (5/11/21):
  - Recommended transfer of additional State funded (categorical) grants:

## Additional State Funded Grants

- Project GAIN-Geographic Alliance in Nevada
- Education Technology-KLVX Satellite
- Great Teaching and Leading Fund
- Peer Assistance and Review
- Vocational Student Organizations

## Teacher Incentives

- National Board Certification
- New Teacher, Title I
- Transfer Teacher, Title I
- School Library Media Specialist
- Counselor Certification
- Speech Pathologist

# Auxiliary Services

- Subcommittees Action (5/11/21):
  - Recommended funding transportation and food services:
    - based on a 4-year average of reported expenditures
    - with no inflationary adjustment
  - Recommended payment on a monthly basis
  - Recommended including special transportation funding for Native American pupils in the PCFP
    - As separate auxiliary services



# Adjusted Base Per Pupil Funding Amount

- Adjustments applied directly to the statewide base per pupil funding amount
- Review of district size adjustment by attendance area
- Updates made to the Nevada Cost of Education Index (NCEI)

# Nevada Cost of Education Index

- Updates include:
  - Comparable Wage Index (CWI) recalculated based on FY 2020 salary/benefits and operational expenses based on funding sources that will be allocated through the PCFP
    - Including State funded (categorical) grant programs recommended to be allocated through the PCFP
  - Regional Price Parities (RPP) updated using 2019 data
    - Became available in January 2021
  - CWI represents 86.12% and RPP represents 13.88%
    - Previously CWI represented 72% and RPP represented 28%

# Updated NCEI by County

Nevada Cost of Education Index (NCEI) Calculation					
	Comparative Wage Index 86.12%	Regional Price Parities Index 13.88%	Raw NCEI	NCEI with a Floor of 1.0	
Carson City	0.954	1.040	0.966	1.000	
Churchill	1.026	1.036	1.027	1.027	
Clark	1.037	0.990	1.031	1.031	
Douglas	0.954	1.036	0.965	1.000	
Elko	1.026	1.036	1.027	1.027	
Esmeralda	1.026	1.036	1.027	1.027	
Eureka	1.026	1.036	1.027	1.027	
Humboldt	1.026	1.036	1.027	1.027	
Lander	1.026	1.036	1.027	1.027	
Lincoln	1.026	1.036	1.027	1.027	
Lyon	0.954	1.036	0.965	1.000	
Mineral	1.026	1.036	1.027	1.027	
Nye	1.026	1.036	1.027	1.027	
Pershing	1.026	1.036	1.027	1.027	
Storey	0.954	1.036	0.965	1.000	
Washoe	0.984	0.990	0.985	1.000	
White Pine	1.026	1.036	1.027	1.027	
<i>Updated April 28, 2021, to reflect updated distribution using only funding that would be</i>					
<i>provided through the Pupil-Centered Funding Plan and 2019 Regional</i>					
<i>Price Parities Index data.</i>					



# NCEI

- Subcommittees Action (5/11/21):
  - Requested that staff provide models demonstrating:
    - NCEI set at 1.0 for all school districts
    - Raw NCEI for all school districts
  - Deferred until Full Committee Closing (5/15/21)
    - Automatic deferral of decision regarding the utilization of the district size adjustment by attendance area (instead of the small district equity adjustment and the necessarily small school adjustment)

# Weighted Funding

- Subcommittees Action (5/11/21):
  - October 1 Count Day data will be used to allocate funding in the next fiscal year
  - At-Risk will be defined as eligible for free or reduced price lunch
    - Letter of Intent: directing NDE to work with CSF to conduct a review and comparison of students identified as at-risk based on eligibility for free and reduced-price lunch and the revised methodology using data from the Infinite Campus system

# FY 2020 Baseline (Revenues Received)

- Updates include:
  - Methodology:
    - Revenue received through the Nevada Plan
    - State funded (categorical) grant award amounts
    - Revenue received by each school district (and charter school)
  - Additions:
    - Revenues received updated to match State funded (categorical) grant programs recommended for allocation through the PCFP

# Application of the Hold Harmless Provision

- Subcommittees Action (5/11/21):
  - Recommended inclusion of charter schools and university schools for profoundly gifted pupils
  - Recommended applying the hold harmless provision on a per pupil basis based on
    - FY 2020 revenues received and
    - FY 2020 annual average daily enrollment
  - Recommended not applying an inflationary increase to the FY 2020 baseline amount

# Education Stabilization Account

- Subcommittees Action (5/11/21):
  - Recommended revisions to NRS 387.1213 to allow unexpended funds in the State Education Fund to be transferred to the Account at the end of each biennium (rather than the end of each fiscal year)
  - Recommended providing the Account with a General Fund loan totaling \$50 million; this loan could be repaid in annual installments equal to future amounts transferred into the Account



# Letter of Intent (LOI) for NDE

- Subcommittees Action (5/11/21):
  - Recommended a Letter of Intent
  - Requiring NDE and the CSF to study various topics
  - Report to IFC no later than August 31, 2022
  - Study various topics:
    - Review and comparison of students identified as at-risk based on eligibility for free and reduced-price lunch and the revised methodology using data from the Infinite Campus system

# LOI: Topics (continued)

## – Study various topics:

- Review of high school dual enrollment programs and any recommendations for the funding provided to students who participate in these programs
- Review of online schools operated by school districts to determine if the funding provided to full-time students at those schools should align with the funding provided to online charter schools, which receive the statewide base per pupil funding amount
- Review the funding provided for transportation and food services and any recommendations for revisions to how this funding is budgeted and allocated

# Senate Bill 439: State Education Fund

- Adds additional revenue sources
- Excludes interest and income earned on GF appropriations
- Removes Superintendent's authority to create accounts within the Fund

# Senate Bill 439: Tier Levels

- Tier A: removes SBE and NDE administration and oversight budgets from the PCFP
- Tier E: removes the allocation of additional weighted funding for students with disabilities from the PCFP
  - Creates a statewide multiplier for the allocation of State (GF) special education funding
  - Paid from the “Account for State Special Education Services”

# Senate Bill 439: Adjustment Factors

- Repeals the necessarily small school adjustment
- Revises the district equity size adjustment

# Senate Bill 439: Ending Fund Balance

- Revises Section 77 of SB 543 (2019 Session) to apply this provision to the total actual expenditures for a school district, rather than budgeted expenditures
  - Consistent with NRS 387.1213

# Senate Bill 439: Reporting Requirements

- Eliminates the “average school” reporting requirement for NDE
  - Based on Governor’s recommended budget
  - And Legislatively approved budget
- Requires the Minimum Expenditure Report for textbooks and devises to be posted to the NDE website

# Senate Bill 439: Minimum Expenditure Recommendations

- Revises the timing of the recommendations
  - Calculated once each for each fiscal year of the biennium
  - Determination of amount: by August 1
  - Notification to school districts and charter schools: by August 15
- Requires the Minimum Expenditure Report for textbooks and devices to be posted to the NDE website



# Senate Bill 439: Transition to PCFP

- Removes requirements specific to the Nevada Plan
- Eliminates certain accounts, such as
  - Teacher School Supplies Assistance Account
  - Account for the New Nevada Education Funding Plan
  - Bullying Prevention Account
  - Account for Instruction in Financial Literacy
- Provides direction for unexpended balances at the end of FY 2021 for certain accounts

# Senate Bill 439: Miscellaneous

- Allows the existing Education Gift Fund to earn interest and income on the money in the fund and to balance forward unexpended funds from one fiscal year to the next
- Transfers the National School Lunch (match) Program to the Department of Agriculture

# Senate Bill 439: Amendment

- Amendment No. 524
  - Unexpended balance in the State Education Fund transfers to the Education Stabilization Account at the end of each biennium
  - Allows NDE to request IFC approval to transfer funding from the Education Stabilization Account if actual enrollment growth exceeds the projected enrollment included in the legislatively approved budget

# Commission on School Funding Meetings and Travel

- Full Committee Action (5/5/21):
  - Senate: Approve \$30,000 in FY 2022 and \$7,500 in FY 2023 for 2-day, in-person meetings, from July 1, 2021 through September 30, 2022.
  - Assembly: Approve \$15,000 in FY 2022 and \$5,000 in FY 2023 for 2-day, in-person meetings, every other month, July 2021 through September 2022.

# Next Steps:

- **Legislature:**
  - Full Committees close remaining NDE budgets
  - Introduction and passage of the K-12 Funding Bill
- **Governor:**
  - Consideration of of K-12 Funding Bill
- **NDE:**
  - Update the PCFP model and FY 2022 allocations
  - Finalize Implementation Guidance
  - Process FY 2022 payments by August 1, 2021

Thank you