

# Agenda Item #6

## Nevada Cost of Education Index

Commission on School Funding

January 14, 2022



# Review of the Nevada Cost of Education Index (NCEI): Nevada Revised Statutes

- NRS 387.1215: NDE shall:
  - Establish by regulation cost adjustment factors ...
  - Review and determine if revisions are necessary to the cost adjustment factors and present those findings at a meeting of the Legislative Committee on Education
    - No later than May 1 of each even numbered year

# Review of the NCEI: Nevada Revised Statutes (continued)

- NRS 387.12463(1)e
  - Commission shall
    - Review and recommend to the Nevada Department of Education (NDE) revisions to the cost adjustment factors for each county established pursuant to NRS 387.1215 ...

# Review of the NCEI: Letter of Intent

- Letter of Intent (2021 Session)
  - NDE will work with the Commission on School Funding...
    - Review the NCEI, including a plan and a timeline to eliminate the floor of 1.0 for the index, so it may function as intended by redistributing funding from those counties that are below 1.0 on the index

# 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 that were incorporated into 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 88.12%	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	
Updated April 28, 2021, to reflect updated distribution using only funding that would be provided through the Pupil-Centered Funding Plan and 2019 Regional Price Parities Index data.					

# Impact of Updates to NCEI

	RAW NCEI (NDE presentation 2/16/21)	NCEI (GO1 and recommended by CSF)	Raw LO1 NCEI	Final NCEI (Applied Only Above 1.0)
Carson City	0.98	1.000	0.966	1.000
Churchill	1.03	1.030	1.027	1.027
Clark	1.03	1.031	1.031	1.031
Douglas	0.98	1.000	0.965	1.000
Elko	1.03	1.030	1.027	1.027
Esmeralda	1.03	1.030	1.027	1.027
Eureka	1.03	1.030	1.027	1.027
Humboldt	1.03	1.030	1.027	1.027
Lander	1.03	1.030	1.027	1.027
Lincoln	1.03	1.030	1.027	1.027
Lyon	0.98	1.000	0.965	1.000
Mineral	1.03	1.030	1.027	1.027
Nye	1.03	1.030	1.027	1.027
Pershing	1.03	1.030	1.027	1.027
Storey	0.98	1.000	0.965	1.000
Washoe	0.99	1.000	0.985	1.000
White Pine	1.03	1.030	1.027	1.027

# Next Steps

- NDE: establish regulation for NCEI
- CSF: complete its review of the NCEI and provide recommendations to NDE
- NDE: report to LCE by May 1
  - Biennial review of the NCEI
  - Identify anticipated revisions to the NCEI
- CSF and NDE: respond to Letter of Intent by August 31, 2022
  - With a plan and timeline to eliminate the floor of 1.0 for the NCEI



Thank you