

**NEVADA DEPARTMENT OF EDUCATION
COMMISSION ON SCHOOL FUNDING
JUNE 11, 2021
9:00 A.M.**

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
Department of Education	Virtual/Livestream	n/a	n/a

SUMMARY MINUTES OF THE COMMISSION MEETING

COMMISSION MEMBERS PRESENT

Via Videoconference

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

DEPARTMENT STAFF PRESENT

Heidi Haartz, Deputy Superintendent for Student Investment
Jessica Todtman, Chief Strategy Officer
James Kirkpatrick, Administrative Services Officer III, Student Investment Division
Beau Bennett, Management Analyst IV, Student Investment Division
Megan Peterson, Management Analyst III, Office of District Support
Peter Zutz, Administrator, Assessments, Data, and Accountability Management
Glenn Meyer, IT Manager, Assessments, Data, and Accountability Management

LEGAL STAFF PRESENT

Via Videoconference

Greg Ott, Chief Deputy Attorney General

AUDIENCE IN ATTENDANCE

Las Vegas

John Vellardita, Executive Director, Clark County Education Association
Brenda Pearson, Clark County Education Association

1: CALL TO ORDER; ROLL CALL

Meeting called to order at 9:00 A.M. by Commission Chair R. Karlene McCormick-Lee. Quorum was established.

2: PUBLIC COMMENT #1

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

John Vellardita, Executive Director, Clark County Education Association, provided public comment regarding the PCFP. *(A complete copy of the statement is available in Appendix A)*

3: APPROVAL OF COMMISSION MEETING MINUTES

Member David Jensen moved to approve the May 14, 2021 Commission Meeting Minutes. Member Paul Johnson seconded. Motion passed.

4: NEVADA DEPARTMENT OF EDUCATION UPDATE

Heidi Haartz, Deputy Superintendent for Student Investment, Nevada Department of Education (NDE or Department) provided an update regarding the work of the Department since the May 14 Commission meeting.

Deputy Superintendent Haartz noted that the 81st Legislative Session had concluded and NDE has since been working to update the PCFP and related documents to reflect the statutory changes and budget closing decisions and sharing that information with the Commission on School Funding (Commission) as well as district and charter school superintendents and chief financial officers. This information includes a list of the categorical programs that have been consolidated into the PCFP, and further information related to the federal COVID-19 funding received by the Department and allocated to districts and charters. NDE also developed a [comparison of funding](#) for students who are eligible for English learner (EL) and At-Risk services.

Member Jason Goudie asked how Victory services would be provided to students who are eligible for free-or-reduced-price lunch (FRL), particularly when students may not be identifiable by school administrators due to federal privacy policies. Deputy Superintendent Haartz responded that the Department was working with legal counsel to provide further clarification and would provide an update at the August meeting.

Member Jim McIntosh asked how the Department monitors district compliance in the use of Victory and Zoom funds, when schools have flexibility in how the funds are deployed. Deputy Superintendent Haartz stated that the Department confirms the dollars were invested as intended by statute at the end of each fiscal year and offered to provide more information as a future agenda item. Chair McCormick-Lee noted that this may become an ongoing conversation as the Commission's task includes monitoring the implementation of the PCFP.

Member Johnson asked if a revised definition for At-Risk would extend to matching that definition to data for meaningful analysis. Deputy Superintendent Haartz noted that the Commission and the State Board of Education had decided to proceed with regulations to develop a new definition for At-Risk for the purposes of the PCFP, and there would be further information in a future agenda item.

Member Punam Mathur stated that while there appears to be a \$1.3 million increase in investment for Zoom and Victory, 13 districts would experience reductions in funding. Deputy Superintendent Haartz responded that these reductions in fiscal year (FY) 2022 were due to the application of the hold harmless provision. Member Mathur asked if districts could use American Rescue Plan (ARP) Elementary and Secondary School Emergency Response (ESSER) funds to mitigate those losses. Member Goudie responded that districts are looking at how best to use ESSER funds, but did note that ESSER funds are short-term and must be spent in the next three years.

5: UPDATE AND DISCUSSION REGARDING THE PUPIL-CENTERED FUNDING PLAN AS APPROVED BY THE 2021 LEGISLATURE

Heidi Haartz, Deputy Superintendent for Student Investment; James Kirkpatrick, Administrative Services Officer III, Student Investment Division (SID); and Beau Bennett, Management Analyst IV, SID, provided a presentation regarding the 2021 legislatively approved budget for the PCFP.

Member Jensen asked how changes in enrollment would affect the hold harmless provision. Deputy Superintendent Haartz stated that districts will be funded based on their adjusted base per-pupil using the average daily enrollment reported quarterly. Member Jensen requested clarification regarding ending fund balances. Deputy Superintendent Haartz noted that an amount of 12-16.6% will be subject to collective bargaining; 16.6% is still the threshold for transfers to the education stabilization account. Ending fund balances as of June 30, 2020 is the starting point for any school district ending fund balance greater than 16.6%. Member Jensen reflected that the Legislature and Commission could have done better by developing an adjustment that would have matched districts to FY20 hold harmless.

Member Dusty Casey asked for clarification regarding special education funding. Deputy Superintendent Haartz stated that school districts may transfer funding out of their adjusted base per-pupil funding to support the maintenance of effort (MOE) requirements for special education. There will be a lag in the methodology, in adapting FY20 funding methodologies to FY22-23, as districts and charters will have to redirect funding from their adjusted base per-pupil funding or another tier to support local contributions, unless they have a qualifying condition allowing them to reduce their level of financial support. For FY24-25, special education funding amounts at the local level will come from the FY22 reports and remain the same.

Member Goudie asked that the Commission continue to review cost adjustment factors and transportation. Member Casey noted that while the Commission recommended that charters be included in the hold harmless provision, the Legislature lumped all charters together and analyzed them for the hold harmless by total funding; while this appeared to provide charters more funds, some charters would lose funds and may experience significant difficulty, which needs to be addressed.

6: DISCUSSION AND DEVELOPMENT OF THE WORK PLAN FOR THE 2021-23 BIENNIUM

Heidi Haartz, Deputy Superintendent for Student Investment, provided an update regarding the work plan for the Commission's work through the 2021-23 biennium. The 2021 Legislative Session passed legislation that limits the Commission's meetings during the interim, from July 1 of each odd numbered year through September 30 of each even numbered year. The Commission cannot meet from October 1, 2022, through June 30, 2023. Since Department budgets are closed by funding committees which establish budget policy and funding, the Commission would best be supported by alternating a virtual one-day meeting one month with a two-day in-person meetings the next.

Deputy Superintendent Haartz noted that NDE is anticipating a Letter of Intent from the Legislature regarding next steps and summarized the work ahead for the Commission and Department as follows:

- The Commission must develop a plan to monitor implementation of the PCFP and may choose different monitoring methodologies across different biennia.
- The Commission must also look at the Nevada Cost of Education Index (NCEI) and develop a plan or timeline to eliminate the floor of 1.0 so that the index may function as intended, and review and compare students identified as At-Risk based on FRL eligibility versus the revised Infinite Campus methodology.
- The Department is tasked with the review of approaches to funding dual enrollment programs and funding recommendations for student participants; NDE is co-chairing a task force with the Nevada System of Higher Education that will address task.

- NDE and the Commission must conduct a review of online schools operated by districts providing distance education to students on a full-time basis, and whether these should be funded on the Statewide base per-pupil funding amount.
- The Commission must review the funding provided for transportation and food services and provide recommendations for revisions related to the allocation of these funds.

Deputy Superintendent Haartz noted that all items described in the anticipated Letter of Intent are expected to be due to the Interim Finance Committee on or before August 31, 2022.

While Assembly Bill (AB) 495 requires the Commission to investigate sources of revenue to fund public education and provide that report to the Governor and Director of the Legislative Counsel Bureau, NDE's recommendation is that the Commission go through the interim Legislative Committee on Education (LCE), which meets from February through July of even-numbered calendar years. Any recommendations the Commission would like to make should be developed early in calendar year 2022 so the Commission may forward these recommendations to the LCE Chair for agenda consideration.

The Department has begun prioritizing work given the time allowed, and ensure they are prepared to support the Commission as they move through this work. Most items for the Commission's review have been presented in a three-meeting format, with agenda items that build on one another: the first meeting provides an overview and context; the second meeting provides additional information; and the third meeting includes an action item for the Commission's potential recommendation. Depending on timelines, the Commission may wish to shorten this to a two-meeting format.

Chair McCormick-Lee summarized three buckets of work: the PCFP formula, including at-risk calculations, NCEI, and special education transportation; monitoring and accountability; and optimal funding. She recommended that the members determine and adopt a process for how these items would be reviewed and moved forward.

7: NEVADA DEPARTMENT OF EDUCATION UPDATE ON THE PRELIMINARY DATA REGARDING STUDENTS WHO ARE AT-RISK OF NOT GRADUATING WITH THEIR COHORT

Peter Zutz, Administrator, Office of Assessment, Data, and Accountability Management (ADAM); and Glenn Meyer, IT Manager, ADAM, provided an update regarding initial data related to students at-risk of not graduating with their cohort.

Infinite Campus (IC) has a system in place which uses existing student data to develop a graduation score, which allows for a calculation used to identify students at-risk of not graduating with their cohort. The score takes into consideration a multitude of criteria. NDE was able to use some of its COVID-19 relief funding to contract with Infinite Campus to implement IC Analytics and identify the students who would have been, based on their graduation score, considered at-risk on October 1, 2020. This process will be repeated on October 1, 2021. Deputy Superintendent Haartz highlighted that this was data readily available and usable by districts and schools. The goal was to use the data to run models, compare models, and assess the funding implications.

Mr. Meyer stated that IC Analytics uses four major factors to determine a grad score: behavior, attendance, grades, and community. These factors contribute to a graduation score from 0-150, scaled from less to most likely to graduate with their cohort. He further specified that grade scores comprise assessments and grade books in Infinite Campus and community scores include factors such as the a student's demographic and socioeconomic characteristics, or their status related to special education, English language proficiency, or Gifted and Talented Education (GATE). The scores can then be disaggregated by indicators to find which would be most beneficial to address to support the student's success.

Member Goudie said he was optimistic but noted that artificial intelligence is not always transparent. He further highlighted that a student may fall in and out of an at-risk category based on different factors throughout the school year, and this was a difficulty encountered with Senate Bill 178. Member Mark Mathers asked if the Legislature had concerns regarding the transparency of the artificial intelligence; Chair McCormick-Lee stated that the Legislature was most concerned with the product not having been examined closely. Member Johnson stated that the data was verifiable and different categories may be added and removed; ultimately, accountability will help to provide clarity and an auditable trail of students and their standing.

8: FUTURE AGENDA ITEMS

Member Jensen requested a written comparison of the Commission's recommendations and the Legislative outcomes of the Session.

Chair McCormick-Lee stated that as of the end of June, she would be stepping down as Chair and retiring from the Commission. Vice Chair Hobbs spoke on behalf of the Commission and thanked Chair McCormick-Lee for her service.

9: PUBLIC COMMENT #2

The Nevada State Education Association submitted public comment regarding the PCFP. *(A complete copy of the statement is available in Appendix A)*

10: ADJOURNMENT

The meeting was adjourned at 11:14 AM.

Appendix A: Statements Given During Public Comment

1. The Nevada State Education Association submitted public comment regarding the PCFP.
2. John Vellardita, Clark County Education Association, submitted public comment regarding the PCFP.
3. The Nevada State Education Association submitted public comment regarding the PCFP.

Item A1, Nevada State Education Association

The Nevada State Education Association has been the voice of Nevada educators for over 120 years. For decades, NSEA has led the charge against chronic underfunding of public education in Nevada, from the instigation of the IP1 room tax in 2008 and qualification of the Education Initiative in 2014 to our 5 major Red for Ed rallies in Carson City in recent years. NSEA's efforts have been a large part of creating a social and political consensus – Nevada needs to invest significantly more in public education.

Since the creation of the Commission on School Funding two years ago, NSEA expressed numerous policy concerns with the new funding plan, especially regarding the lack of new revenue. In lieu of new funding, this Commission was charged with recommending funding targets and identifying revenues to fully fund the associated cost. On April 23rd, you published your *Preliminary Recommendations Regarding Optimal Funding*. While NSEA opposed SB543, we largely agree with the funding targets set in this document, including your proposal to reach “adequate” funding by increasing education investment by \$2B over the next 10 years. After submission of your recommendations to the legislature, NSEA was by far the most vocal proponent of the document, meeting with legislators and testifying about it in front of the K-12 Budget Subcommittee, the Assembly Committee on Ways and Means, the Senate Committee on Finance, and the Senate and Assembly Committees on Revenue. We were disappointed there was not more visible advocacy of this document from members of this Commission.

In your revenue plan, you primarily focus on property tax and expanding the base of the sales tax. NSEA has been supportive of numerous proposals to address Nevada's property tax, including SJR14 in 2017 and 2019 and SB10 and SB64 this past session. Unfortunately, all of these proposals failed to achieve required support even in legislatures with Democratic majorities.

In May, the Economic Forum brought significant good news for Nevada's budget — a total of \$910M more in better-than-projected state revenue for this fiscal year and the upcoming biennium. This allowed the budget committees to backfill general fund cuts. In response to the momentum created by educators across the state, the legislature backfilled the cuts, adding over \$500M to the Governor's proposed K-12 budget for the next biennium. However, we soon realized these funds were merely restorations, as total per-pupil funding decreased by \$115 from FY21 to FY22.

That's why since last summer, NSEA has worked with our progressive partners on increasing mining tax revenue. In that time, we held three major Red for Ed rallies in Carson City, generated thousands of emails and phone calls to legislators and spent hours upon hours engaging in public comment. In the end, legislators passed AB495, which included a new tax on mining gross revenues to generate an estimated \$85M/year. The bill dedicates these funds along with another \$70M/year in existing net proceeds from mining to the new education funding plan starting in 2023. The mining tax deal generated less revenue than we had hoped. In order to meet your recommendations moving forward, we will need an additional \$600M in revenue for K-12 education each biennium. (This includes \$200M for the first year and \$400M for the out year.) Even with mining taxes dedicated to the new funding plan, Nevada will need to come up with another \$300M next session to keep up with this goal. NSEA stands ready to work with the Funding Commission or other stakeholders to make this goal a reality.

Item A2, John Vellardita

My name is John Vellardita, Executive Director of the Clark County Education Association. I just have a couple of things that I want to raise. First, I want to say on behalf of my organization and the 18,000 educators they represent, thank you for the work that you did leading up to the legislative session. I've been part of the process that you guys have been. It's almost like a thankless job for you to dedicate your time. You get into good policy centric discussions for the good of the State of Nevada and our children in the education system, and your work is meaningful: it does pay off; it does make a difference. We were part of a very active legislative session advocating for additional revenue, as well as a bunch of other stuff, and I'm not going to go through that, and we helped present AB 495 with the Speaker; we were very much part of what is in the content of that legislation. The one thing I would like to point out to you, that we advocated for and is in that legislation, is the work of the Commission needs to continue. And that, what's in that bill now is that the Commission is charged with presenting revenue options for the 2023 Legislative Session to take up. That's not insignificant, that it's in that piece of legislation. It's kind of like a mandate that says that job is not finished. Obviously, with the work that was done in the session was more or less, the way we look at it as a down payment, but a significant advancement and starting to fund this new funding plan. So work - we've been in support of this Commission's work - again on behalf of my organization, I just want to say thank you for the work that you did. It does make a difference and please continue. Thank you.

Item A3, Nevada State Education Association

The Nevada State Education Association has been the voice of Nevada educators for over 120 years. For decades, NSEA has led the charge against chronic underfunding of public education in Nevada, from the instigation of the IP1 room tax in 2008 and qualification of the Education Initiative in 2014 to our 5 major Red for Ed rallies in Carson City in recent years. NSEA's efforts have been a large part of creating a social and political consensus – Nevada needs to invest significantly more in public education.

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