

## Nevada School Funding Core Constructs

<p style="text-align: center;">Modernizing Nevada’s K12 Education Funding System Applied Analysis (2019)</p>	<p style="text-align: center;">Nevada School Finance Study Augenblick, Palaich, and Associates (2018)</p>	<p style="text-align: center;">Study of a New Method of Funding for Public Schools in Nevada American Institutes for Research (2012)</p>
<ul style="list-style-type: none"> <li>• <b>Transparency</b> - It should be clear how much money Nevada is spending on education, where those dollars come from, and how they are ultimately spent.</li> <li>• <b>Student-centered</b> - The cost to educate students is not uniform. Special education students, English learners, children living near or below the poverty line, and gifted students require additional resources. Nevada’s funding plan should recognize these differences and ensure funds are allocated consistent with the needs of students.</li> <li>• <b>Geographic diversity</b> - Nevada is home to school districts that are among the nation’s largest and smallest. The State’s funding plan must recognize cost differentials between urban and rural school districts.</li> <li>• <b>Hold harmless</b> - Changes in the funding formula should do no harm to students nor school districts that serve them. Shifts in funding should focus on the allocation of incremental (new) revenue and should minimize the reallocation of resources in favor of one group of students at the expense of another.</li> <li>• <b>Funds are most effective when directed to the classroom</b> - Primary resource allocations should support classroom instruction and programming. Funds that are not allocated directly to improving</li> </ul>	<p>Stakeholders rated current funding system against several key principles of school finance:</p> <ul style="list-style-type: none"> <li>• <b>Equitable</b> - Equitably distributes resources to school districts</li> <li>• <b>Responsiveness</b> -               <ul style="list-style-type: none"> <li>○ Responds to <b>student need</b> (differentiates funding based on at-risk, English Learners, or special education students)</li> <li>○ Responds to <b>district characteristics</b> (differentiates funding based on district size, location, etc.)</li> </ul> </li> <li>• <b>Transparency</b> - Allocates resources in clear and <b>understandable</b> manner</li> <li>• <b>Flexibility</b> - Allows flexibility in how resources are used</li> </ul>	<p><i>Criterion for an optimal funding allocation NOT met by the Nevada Plan:</i></p> <ul style="list-style-type: none"> <li>• <b>Equitable on both horizontal/vertical dimensions</b> – The system must be horizontally and vertically equitable, that is, distribute funds to serve students with like needs in a like manner and serve students with different needs in systematically different ways.</li> <li>• <b>Transparent, understandable, and accessible</b> – The system must be clear to all stakeholders, straightforward, and based on publicly available data</li> <li>• <b>Cost based</b> – The formula must carefully enumerate and justify the differential costs of providing programs to diverse student populations in different settings</li> <li>• <b>Capable of minimizing incentives</b> – The funding formula should guard against distortion caused by overidentification or misreporting of students in need, enrollment sizes, and so on</li> <li>• <b>Reasonable in its administrative costs</b> – Administrative costs should be minimal at both local and state levels and the system should not be overburdened by excessive data and reporting requirements</li> <li>• <b>Predictable, stable, and timely</b> – The system should be robust and stable enough to allow policymakers to project future needs and to plan to allocate resources properly and systematically in advance</li> <li>• <b>Accountable for learning outcomes and spending</b> – The state should monitor that resources are being used effectively and progress toward the educational goal is being realized, which will require an appropriate accountability structure in place that can support data-driven decision making. The system should also provide wide latitude to schools that are producing favorable results.</li> </ul>