

**NEVADA DEPARTMENT OF EDUCATION
COMMISSION ON SCHOOL FUNDING
OCTOBER 8, 2021
9:00 A.M.**

Office	Mode	Platform
Department of Education	Teleconference/Livestream	Lifesize, Phone

SUMMARY MINUTES OF THE COMMISSION MEETING

COMMISSION MEMBERS PRESENT

Via Videoconference

Dusty Casey
Andrew J. Feuling
Jason Goudie
Guy Hobbs, Chair
Dr. David Jensen
Paul Johnson
Punam Mathur
Jim McIntosh
Dr. Lisa Morris Hibbler
Joyce Woodhouse

DEPARTMENT STAFF PRESENT

Heidi Haartz, Deputy Superintendent for Student Investment
James Kirkpatrick, Administrative Services Officer III, Student Investment Division
Megan Peterson, Administrative Services Officer III, Student Investment Division
Beau Bennett, Management Analyst IV, Student Investment Division
Jessica Todtman, Chief Strategy Officer

LEGAL STAFF PRESENT

Greg Ott, Chief Deputy Attorney General

AUDIENCE IN ATTENDANCE VIA VIDEOCONFERENCE

Hawah Ahmad, Clark County Education Association

1. CALL TO ORDER; ROLL CALL

Meeting called to order at 9:03 A.M. by Commission Chair Guy Hobbs. Quorum was established.

2. PUBLIC COMMENT #1

Hawah Ahmad, Clark County Education Association, submitted public comment regarding the Pupil-Centered Funding Plan (PCFP). *(A complete copy of the statement is available in Appendix A)*

3. APPROVAL OF COMMISSION MEETING MINUTES

Member Paul Johnson moved to approve the September 17, 2021, Commission Meeting Minutes.

Member Jim McIntosh seconded. Motion passed.

4. ELECTION OF A VICE CHAIR

Chair Hobbs noted that, given his new role as Commission Chair, the Commission must select a new Vice Chair from among its membership to serve for the remainder of the existing three-year term, as described in Nevada Revised Statutes (NRS) 387.1246(6). Chair Hobbs requested that each Member provide a verbal nomination for Vice Chair. Members Dusty Casey and Andrew Feuling nominated Member David Jensen. Members McIntosh and Jason Goudie nominated member Punam Mathur. Chair Hobbs and Members Johnson and Lisa Morris Hibbler nominated Member Joyce Woodhouse. Member Jensen nominated Member Johnson. Members Mathur and Woodhouse nominated Member McIntosh.

Member Jensen declined the nomination in favor of someone more directly involved in the day-to-day operations of the PCFP. Members Mathur, Woodhouse, and Johnson declined nomination in favor of someone not directly involved with a district, and supported Member McIntosh's appointment. Member McIntosh accepted the nomination for Vice Chair.

Member Mathur moved to approve the nomination of Member Jim McIntosh as Commission Vice Chair. Member Johnson seconded. Motion passed.

5. 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 September 17, 2021 Commission meeting.

Deputy Superintendent Haartz reported that the Department has continued work on the implementation of the Pupil-Centered Funding Plan (PCFP). NDE met with representatives from APA Consulting and EKay Consulting to discuss their recommendations and thoughts regarding the Nevada Cost of Education Index (NCEI). Deputy Superintendent Haartz stated that an agenda item will be prepared for the December Commission meeting to provide additional information specific to the outcomes of that conversation.

The Department has continued to meet collaboratively with the Governor's Finance Office (GFO) and the Fiscal Analysis Division of the Legislative Counsel Bureau (LCB) to discuss the methodology for calculating and tracking the ending fund balance for each school district. Ending fund balances over a certain percentage as identified in statute would be transferred to the education stabilization account at the end of each fiscal year. The Department staff leading the PCFP implementation have also begun holding regulations workshops so that regulations may be established specific to the administrative cap included in the PCFP, as well as the attendance area adjustment. Deputy Superintendent Haartz noted that NDE is not currently moving forward with regulations specific to NCEI, pending further recommendations from the Commission.

In addition, State Superintendent Jhone Ebert recently sent a memorandum to local education agency leaders (LEA leaders, collectively the school district superintendents and the Executive Director of the State Public Charter School Authority) informing them that the October 1, 2021, statutory reporting associated with the

implementation of the PCFP has been recommended for postponement until January 1, 2022. In collaboration with LEA Chief Financial Officers, NDE finalized business rules and updated the chart of accounts. The model for fiscal year 2023 (FY23) will be updated based on the data derived from the October Count Day data. The only portion of the PCFP that will be adjusted as a result of this updated data will be the number of students for whom additional funding would be provided through the weighted categories.

6. INFORMATION AND DISCUSSION OF THE METHODOLOGY FOR BUDGETING FOR TRANSPORTATION AND FOOD SERVICES THROUGH THE PUPIL-CENTERED FUNDING PLAN

James Kirkpatrick, Administrative Services Officer III, Student Investment Division, provided a PowerPoint presentation regarding Allocation Methodologies for [Transportation and Food Services](#) in the PCFP.

Member Feuling expressed concern with the four-year average, which may be distorted by previous years; for example, FY20 was an anomalous year that saw a decrease in food costs, while FY21 saw an increase in food costs. Member Goudie asked if the fuel data presented included the cost of diesel, as the districts are primarily diesel operations, and diesel does not always coincide with other fuels. Mr. Kirkpatrick responded that diesel fuel was not called out specifically within the categories which is why the line item for all gasoline was used. Member Goudie further stated that the last two years have done damage to a normalized four-year average and districts that rely on the four-year average may be hurt by this methodology. Chair Hobbs noted that the more specific the line items, the more the data will be subject to aberrations over time. Member Mathur supported applying a consistent inflation factor to all items ensuring simplicity and ease of comprehension.

The Commission agreed to revisit this agenda item during its next meeting. Member Johnson requested that district auxiliary services be separated into two indexes during the next presentation, separating salary and wages from consumer goods, as each have different types of inflation indices and escalation factors.

7. DISCUSSION REGARDING OPTIMAL FUNDING

Chair Hobbs provided a PowerPoint presentation regarding [Optimal Funding](#).

Member Goudie expressed that a potential change in tax rate is challenging, and property tax abatement will be critical, especially as Nevada is the only State with depreciation. He stated that the Commission needs to agree on specifics to begin allocating dollars and effort to these categories, including thinking about the constituents this will impact. The Commission's suggestions must be politically, economically, and socially palatable. Vice Chair McIntosh agreed with Member Goudie and stated that constituent education regarding the impacts of various tax revenues or abatements may support efforts. He further suggested that the Commission determine an order of magnitude regarding changes in taxation by determining where the caps are in various counties and explaining how the dollars will be spent. Member Johnson noted that it may be difficult for community members to understand the deficit between where it is and where it needs to be; Nevada currently has only property and sales tax and doubling the education budget over the next ten years would require significant changes in tax policies. Effectively passing these changes will require public engagement and constituent support.

Chair Hobbs stated that 2022 is already in deficit to support their ten-year optimal funding goals. Capping abatements would be a step in the right direction, and local governments would support it, but it does not achieve the revenues needed, and with each passing year the deficit between tax revenues and optimal funding will grow. Chair Hobbs framed the question as the cost of inaction, and whether that cost was acceptable.

Member Mathur supported the need to educate the community regarding the problem and the magnitude of the solution, and if this was the time to begin outreach with organizations and influencers, providing presentations around sufficiency, predictability, stability, competitive equitability, and the key points made in the Commission's [April Report](#). She recommended developing a list of options that may be used as tools to solve

the problem while engaging with communities, eventually making a singular recommendation to legislators after community discussions. Member Woodhouse stated that an all-or-nothing package would likely be rejected and supported the Commission beginning outreach now to pave the way for recommendations at a later date. Member Mathur volunteered to develop a list of individuals and organizations to begin reaching out to and would present a roadmap at a later meeting. Member Johnson requested a future agenda item to craft a targeted message for delivery and suggested a consultant to provide insight regarding the Commission's direction as they begin this work.

8. DISCUSSION REGARDING EXTERNAL SUBJECT MATTER EXPERT SUPPORT

Chair Hobbs opened the discussion by stating that the Commission has previously held contracts with APA Consulting, WestEd, and Applied Analysis, all of whom have completed the tasks they were contracted to do; the Commission does not currently have additional funding to contract with subject matter experts (SMEs). While NDE also lacks funding to contract with SMEs, the Commission may still want to discuss avenues through which to solicit the support of contractors. Chair Hobbs noted that there is a need to develop concepts and policies, as well as third-party validations as suggested by Member Johnson may also save time when approaching elected officials. This agenda item serves as an opportunity to identify specific tasks that require additional assistance and ways to go about requesting and securing funds to complete those tasks, such as developing models around changing abatement, depreciation, evaluations standards, caps, and revenue neutral reductions of property tax rates to absorb accrued abatements.

Member Feuling asked for a cross-state comparison for exemplars of funding and student success, including their activities, staffing, and district- versus school-level actions. The Commission may benefit from input from someone with an instructional, academic, and curriculum background from a state with high student achievement to discuss what they do differently from Nevada. Being able to map what the Commission would like to see happen in Nevada as far as implementing programs that have been proven to improve student success and achievement may also affect community engagement. Member Johnson emphasized that education in Nevada has been so constrained by resources that constituents may not know what is possible, and an external consultant could illustrate what further funding can do and how to target that funding for greatest impact. A specialist in financial and tax policy would also support determining how much money will be needed and how to utilize it.

Member Goudie agreed and stated that there is nearly a \$3 billion deficit between current revenues and adequate funding, and hundreds of thousands of dollars of expertise are needed to justify and generate \$3 billion. He also suggested a third party to assist with NCEI. Member Woodhouse stated that a request for external support funding should be made to the Executive Branch and Interim Finance Committee, as well as State Treasurer Zach Conine. Chair Hobbs agreed to draft a written request from the Commission regarding this topic.

9. FUTURE AGENDA ITEMS

Future agenda items included NCEI; inflation indices for auxiliary services; crafting messaging for community engagement; external SME support; sales tax; auxiliary services for charter schools; and reporting and accountability measures.

Member Morris Hibbler noted that she would be resigning her appointment to the Commission effective at the conclusion of the October meeting. She thanked Senators Woodhouse and Denis for their tenacity to pass the bill that led to the PCFP and the creation of the Commission. She noted that she thoroughly enjoyed her time on the Commission and appreciated her fellow Members who are willing to do whatever it takes to achieve optimal educational funding for Nevada's children. She noted that she remains committed to the mission and will support the work however she can.

Chair Hobbs thanked Member Morris Hibbler for her service.

10. PUBLIC COMMENT #2

No public comment.

11. ADJOURNMENT

The meeting was adjourned at 11:29 A.M.

Appendix A: Statements Given During Public Comment

1. Hawah Ahmad, Clark County Education Association, submitted public comment regarding the PCFP.

Item A1, Hawah Ahmad

Good morning, Chair Hobbes and Commission members,

My name is Hawah Ahmad, and I represent the Clark County Education Association (CCEA). CCEA bargains for over 18,000 licensed educators in the Clark County School District and is the largest independent teacher union in the country.

Over the last legislative session, CCEA was able to bring together stakeholders to make an unprecedented investment in K-12, but we must keep the momentum going. It is imperative that the state of Nevada support this commission's recommendations not only to recruit and retain Nevadans into the education profession but to give our students every opportunity to succeed.

For too long the state of Nevada has been siloed, preventing collaboration and alignment between our K-20 education delivery system and existing and emerging industries. It is long past due that we, as Nevadans, come together to not just build back better, but to build a better Nevada where our students will have the opportunity to thrive. Our educators have been hard at work to make sure every student has the tools to succeed, now we must create the external environment that will allow them to do so.

We appreciate the hard work of this commission, especially the April 23rd recommendations that gave the state insight on where we can take Nevada to be able to provide the services we so desperately need. The pupil centered funding plan and these discussions on how to enforce implementation are crucial. CCEA stands ready with the entirety of bargaining unit to fight to make sure that your vision for optimal funding is reached because we cannot have economic diversification and development without workforce development, and we cannot have workforce development without a top-notch K-20 education delivery system.

CCEA thanks each of you for your hard work, and we look forward to working together to obtain optimal funding for education in Nevada to support our educators and students.

Respectfully,
Hawah Ahmad
Clark County Education Association, Lobbyist