

**NEVADA DEPARTMENT OF EDUCATION  
COMMISSION ON SCHOOL FUNDING  
SEPTEMBER 25, 2020  
9:00 A.M.**

**Meeting Location**

**Due to the circumstances created by the COVID-19 pandemic, the Commission on School Funding met via videoconference. In accordance with Governor Sisolak's State of Emergency Directive 006, Section 1, no physical location was designated for this meeting. The meeting was livestreamed on the Nevada Department of Education's (NDE) website.**

**SUMMARY MINUTES OF THE COMMISSION MEETING**

**COMMISSION MEMBERS PRESENT**

**Via Videoconference**

Dusty Casey  
Andrew J. Feuling  
Jason A. Goudie  
Guy Hobbs  
Dr. David Jensen  
Paul Johnson  
Mark Mathers  
Punam Mathur  
Dr. R. Karlene McCormick-Lee  
Jim McIntosh  
Dr. Lisa Morris-Hibbler

**DEPARTMENT STAFF PRESENT**

**In Carson City**

Heidi Haartz, Deputy Superintendent of Business and Support Services  
James Kirkpatrick, Administrative Services Officer III  
Beau Bennett, Management Analyst IV  
Megan Peterson, Management Analyst III

**LEGAL STAFF PRESENT**

Greg Ott, Chief Deputy Attorney General

**SUBJECT MATTER EXPERTS PRESENT**

Felicia Brown, WestEd  
Jason Willis, WestEd

**PRESENTERS IN ATTENDANCE**

**Via Videoconference**

Mary Peterson, Co-Director, Region 15 Comprehensive Center at WestEd  
Dr. Susan Leddick, PKR Inc.  
Andy Pechacek, PKR Inc.  
Alex Jacobson, PKR Inc.

**AUDIENCE IN ATTENDANCE**

**Via Videoconference**

### **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**

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

Dr. Kristen McNeill, Superintendent of the Washoe County School District, submitted public comment regarding funding concerns and the Pupil-Centered Funding Plan. *(A complete copy of the statement is available in Appendix A)*

Ryan D. Russell and Robert M. Salyer of Allison MacKenzie Attorneys & Counselors at Law, submitted public comment regarding the implementation of the Pupil-Centered Funding Plan. *(A complete copy of the statement is available in Appendix A)*

Sylvia Lazos of the Nevada Immigrant Coalition submitted public comment regarding the implementation of the Pupil-Centered Funding Plan and Zoom and Victory funding. *(A complete copy of the statement is available in Appendix A)*

Amanda Morgan, Executive Director of Educate Nevada Now, submitted public comment regarding optimal funding and the Pupil-Centered Funding Plan. *(A complete copy of the statement is available in Appendix A)*

John Vellardita, Executive Director of the Clark County Education Association, submitted public comment regarding funding and the Pupil-Centered Funding Plan. *(A complete copy of the statement is available in Appendix A)(Supplemental document submitted is available in Appendix B)*

### **3: APPROVAL OF COMMISSION MEETING MINUTES**

**Member David Jensen moved to approve the July 13, 2020 Commission minutes. Member Paul Johnson seconded. Motion passed.**

**Member Jim McIntosh moved to approve the August 14, 2020 Commission minutes. Vice Chair Guy Hobbs seconded. Motion passed.**

### **4: NEVADA DEPARTMENT OF EDUCATION UPDATE**

Heidi Haartz, Deputy Superintendent of Business and Support Services provided an update to the Commission regarding the work of the Nevada Department of Education (NDE or the Department) since the August Commission meeting. The Department worked with the Department of Taxation regarding revisions to school district budget templates for fiscal year 2022; Taxation indicated they have a working draft and should have it ready to present to the Committee on Local Government Finance in early November, after which they hope to share it with the Commission.

The Department presented to the State Board of Education during their August meeting regarding the Commission's recommendation to use an alternative definition for At-Risk within the Pupil-Centered Funding Plan (PCFP). The Department will return to the Board in October to provide additional information regarding At-Risk definitions and the Infinite Campus model.

The Department met with representatives of Infinite Campus to better understand the tools they use to identify At-Risk students. Infinite Campus uses learned intelligence based on data outcomes to identify students who may be at risk of not persisting to graduation with their cohort. The five focus areas include attendance, behavior, curricula, stability, and Graduation-Related Analytic Data (GRAD) scores, which include dozens of data points. Due to the complexity of Infinite Campus's algorithms and artificial intelligence, the data cannot be changed to be specific to Nevada but may be filtered to fit specific needs or identify students in other weighted categories. In this instance, students would be identified as At-Risk, but filtered out if already in higher-weighted categories through the PCFP, such as special education or English learners. The data is captured at a state level, as well as district and school levels; it is primarily targeted to assist counselors and social workers in identifying students for intervention and support.

The Department has been gathering additional information on the In\$ite work done in the State, with the understanding that districts and the Department can provide information to the parent company, EdGate. The contract is administered and paid for by the Legislative Council Bureau, and the Department is working to understand the scope of work included in that contract to determine if there are opportunities to use current data collecting to meet reporting requirements within Senate Bill (SB) 543.

The Department has met with superintendents and chief financial officers of each school district as well as the State Public Charter School Authority to share information on the methodology used to calculate the hold harmless amounts for fiscal year (FY) 2022 and provide an opportunity to walk through the preliminary version of the PCFP model using FY22 data. SB 543 indicates the hold harmless amount is based on FY20 received funds; districts may not know what these numbers are until the Nevada Revised Statute (NRS) 387 Report is submitted to the Department at the end of the year. The Department anticipates they may revise and revisit the hold harmless amounts based on expenditure data; the data was also based in part on enrollment and revenue projections which may shift more than expected due to COVID-19 and the economic recession. During discussions with districts, many were appreciative of the Commission's recommendations regarding district size adjustment and attendance areas, as well as the Nevada Cost of Education Index.

Finally, the Department has updated the PCFP [Fact Sheets](#) and [Flow Chart](#), including new information. These fact sheets work toward the Department and Commission's goals of transparency regarding the PCFP.

## **5: RECOMMENDATIONS FOR MONITORING IMPLEMENTATION AND REPORTING REQUIREMENTS FOR PUPIL-CENTERED FUNDING MODELS**

Felicia Brown, WestEd, and Jason Willis, WestEd, conducted a PowerPoint presentation regarding [Recommendations for Monitoring Implementation and Reporting](#) Requirements for Pupil-Centered Funding Models.

WestEd's first recommendation was to define priority objectives for successful implementation, specifically equity and transparency as the priority objectives of all further SB 543 implementation decisions; defining equity as ensuring that all students throughout the State have access to resources proportional to their needs and comparable to their Nevada peers; and defining transparency as a concerted effort by state and local leaders to provide clear, accessible, and comprehensive information about how much funding has been allocated to serve students in each school and how those allocations were calculated.

Member Jason Goudie expressed concern with the language "comparable to peers" in the equity definition, as levels of need will vary greatly; peers defined as students with similar needs seems clearer.

Member Johnson was cautious regarding including equity and transparency but not including accountability, as monitoring should include equity of dollars, transparency of dollars, and the adequacy of dollars. Member Goudie was concerned that the model itself needed to address equity and transparency, while adequacy was a separate objective. Member Punam Mathur agreed with Member Goudie, and reflected on the original values of SB 543, which include transparency and equity, and asked if there is a way to include pupil-centered in the objective. Vice Chair Hobbs noted that a measure of equity would include whether funding was adequate. Member Johnson added that he wanted to ensure that adequacy was a key component to be addressed at some point.

Mr. Willis responded to Member Goudie regarding the language of "comparable to peers" in that comparable is looking at similar types of students across different schools and districts, to ensure proportional funding.

**Member Mathur moved to approve equity and transparency as priority objectives, so that all implementation of SB 543 moves toward adequate funding; and to approve the definitions of equity and transparency proposed by WestEd, with the addition to the definition of equity that the language of comparable be connected to the comparable needs of students within the same group or with similar needs. Member Goudie seconded. Motion passed.**

WestEd's second recommendation was to establish key success metrics based on priority outcomes, including short-term success metrics after three years of implementation and mid-term success metrics after six years of implementation.

Member Jensen recommended adding a fourth bullet after the short-term and mid-term metrics to include monitoring progress toward optimal funding. Member Goudie agreed, and expressed concern with the second bullet, regarding perception, as it is a highly subjective metric. The Commission asked Deputy Superintendent Haartz about this feedback and how it relates to reporting requirements; she responded that that this metric allowed local educational agency leaders to provide feedback regarding improvement.

Member McIntosh asked about the student outcomes under the first bullet and whether those had been determined; Mr. Willis responded that those were to be decided at a later date.

**Member Mathur moved to approve the key success metrics, both short-term and mid-term, as proposed by WestEd, with the inclusion of a fourth bullet regarding monitoring progress toward optimal funding under both items and removing the language of perception under the third bullet for both items. Member McIntosh seconded. Motion passed.**

WestEd's third recommendation was regarding implementing comprehensive support for initial implementation.

Member Johnson supported a combination of options B, a workgroup of practitioner advisors, and C, a practitioner engagement cycle. Chair McCormick-Lee asked if Member Johnson saw this as a workgroup coming together, then giving people an opportunity to review the workgroup's output, provide feedback within a certain window of time, and then have that guidance be posted and presented. Member Johnson responded that previously, districts would work with the Department to discuss common problems – option B. As issues were identified that needed further work, focus groups were formed that could address those issues further – option C. Then the information would go back to the Department.

Member Goudie agreed with Member Johnson, in that option B is best, but due to workload, a hybrid with option C allows participation and improved time management. Member McIntosh clarified that a recommendation was sought for how the Department would begin the support for initial implementation of SB 543 reporting requirements. Member McIntosh expressed support for option C.

Deputy Superintendent Haartz noted that option B may present a challenge to bringing people together to do the work within an established schedule, while option C may present a challenge to receiving input or feedback. Member Johnson recommended option C, with option B and A available to the Department at their discretion. Member Lisa Morris Hibbler agreed with Member Mathur that options A, B, and C seemed to be processes or methods. Member McIntosh reflected that ultimately this work was with the Department, and as needed, options B and C could be utilized. Ms. Brown noted that this recommendation is designed to respond to initial implementation, when a large body of questions and terms will need to be defined.

Member McIntosh supported approving option A, in which the Department, with the help of the Commission, clarifies requirements in detail, and at their discretion and in conference with the Commission, may choose to use option B or option C as necessary. Member Goudie expressed that the Department has been collaborative with districts, and was hesitant to choose option A, in which the Department would dictate terms contrary to their practices of collaboration and discussion with districts.

**Member Mathur moved that the Department, with the assistance of the Commission, and with feedback and input from districts, clarifies requirements in detail, and with the option to utilize workgroups, solicit feedback, or otherwise gather information, and where appropriate, solicit a moderator. Member Johnson seconded. Motion passed.**

WestEd's next recommendation was to develop a plan to react to local education agency's meeting or not meeting target outcomes after year one.

Member Jensen asked about the level of expectation for an annual tracking and reporting mechanisms for success metrics. Ms. Brown responded that they are to track the success metrics previously approved. Member Mathur asked how long the Commission would be in existence. Deputy Superintendent Haartz responded that there is no end date; Member terms are currently three years, and Members may be reappointed.

**Member Mathur moved to approve WestEd’s recommendations regarding a plan to react to local education agency’s meeting or not meeting target outcomes after year one. Member Jensen seconded.**

**Motion passed.**

WestEd’s next recommendation was to consider how data is collected, analyzed, and validated. Member Johnson asked if adequate support from the Department was included to accomplish the recommendations. Vice Chair Hobbs seconded the inquiry, as the Department was taking on multiple tasks, and it was unclear whether they would be able to fairly manage the tasks due to workload and funding needs. Member Mark Mathers added that burden also falls on districts, who also lack resources, staffing, and funding.

**Member Mathur moved to approve WestEd’s recommendations regarding data collection, analysis, and validation, adding an item regarding ensuring that the Department is adequately capable of providing those supports. Member Johnson seconded. Motion passed.**

## **6: DISCUSSION REGARDING OPTIMAL FUNDING**

Mary Peterson, Co-Director of the Region 15 Comprehensive Center at WestEd; Dr. Susan Leddick, PKR Inc.; and Andy Pechacek, PKR Inc. conducted a PowerPoint presentation and facilitated a discussion regarding [Optimal Funding](#).

Member Andrew Feuling noted that adequate and sufficient funding is typically discussed, and optimal funding, to him, is the step above adequate funding. Member McIntosh shared his belief that adequate and optimal funding is tied to student outcomes. Vice Chair Hobbs agreed with Member McIntosh that the definition of optimal in this instance is largely defined by what the funding is trying to achieve. Member Jensen agreed, and added that achieving outcomes also requires investment in adults, including professional development and the provision of services, including the recruitment of teachers. Member Mathur noted that optimal was the highest aspirational altitude, adequate was the floor, and given the hold harmless, subterranean is the current state of education funding.

Member Johnson reflected on the loose ends of the role of optimal in the larger conversation of the Commission. Member Morris-Hibbler reflected that knowing what students need can assist in knowing what optimal funding would look like. Member Goudie agreed that you cannot start with a dollar amount, but with the metrics for what an effective education system is. Member McIntosh emphasized that there are multiple ways to reach outcomes and innovate solutions.

Chair McCormick-Lee recapped the optimal funding discussion and the various ways it interacts with the education system as a whole, relating to organization, outcomes, and funding, and asked about the role of the State Board of Education in the discussion of optimal funding.

Member Mathur asked about the role of the Commission; Deputy Superintendent Haartz noted that the Commission could make recommendations regarding optimal funding in the State; if recommendations are made regarding optimal funding, their recommendation must include how it will be funded within ten years. Member Mathur asked about the key number of the hold harmless provision and the cost adjustment and how they may relate to optimal weights. Member Johnson noted that the Commission must have a starting point and must determine how to fund that starting point.

Member Mathers supported outcome-based orientation, but also supported a benchmark that Nevada should be at the median for per-pupil base funding, rather than last. Member Dusty Casey supported making optimal attainable, and making education a viable industry in Nevada, including competition to make it an attractive industry. Vice Chair Hobbs supported Member Mathers’s suggestion to look at comparative medians when it comes to making concrete steps, and disaggregating outcome goals. Member Feuling supported comments made so far. Member Jensen supported medians and questioned where those revenues are coming from and how they can be made sustainable. Member Johnson supported creating the system of funding that can expand and contract, and is measurable, transparent, and accountable, based on student outcomes, and provide student services that allow them to compete on a global level. Member Goudie emphasized defining goals and accountability. Member Morris-Hibbler supported accountability but emphasized that it is long overdue to fund education. Member McIntosh discussed that growth can be from more than inflation, and while seeking new revenues, there must be absolute accountability for those new revenues. Chair McCormick-Lee discussed the importance of not doing harm when implementing the new formula.

## **7: FUTURE AGENDA ITEMS**

Future agenda items included administrative caps, the 2022-23 budgets, the FAQ sheets; information from the economic forum; and optimal funding. Member Goudie requested an item regarding special education due to the fact that the Commission had recommended removing special education from the weighted categories of pupils; he added that further information about State and local funds is needed.

## **8: PUBLIC COMMENT #2**

Honoring our Public Education (HOPE) for Nevada submitted public comment regarding optimal funding. *(A complete copy of the statement is available in Appendix A)*

Alison Turner, Vice President of the Nevada Parent Teacher Association (PTA), submitted public comment shortly after the adjournment of the meeting, enclosed in good faith, regarding funding concerns and the Pupil-Centered Funding Plan. *(A complete copy of the statement is available in Appendix A)*

## **9: ADJOURNMENT**

Meeting adjourned at 1:15 P.M.

*Appendix A: Statements Given During Public Comment*

1. The Nevada State Education Association submitted public comment regarding funding concerns and the Pupil-Centered Funding Plan.
2. Dr. Kristen McNeill, Superintendent of the Washoe County School District, submitted public comment regarding funding concerns and the Pupil-Centered Funding Plan.
3. Ryan D. Russell and Robert M. Salyer of Allison MacKenzie Attorneys & Counselors at Law submitted public comment regarding the implementation of the Pupil-Centered Funding Plan.
4. Sylvia Lazos of the Nevada Immigrant Coalition submitted public comment regarding the implementation of the Pupil-Centered Funding Plan and Zoom and Victory funding.
5. Amanda Morgan, Executive Director of Educate Nevada Now, submitted public comment regarding optimal funding and the Pupil-Centered Funding Plan.
6. John Vellardita, Executive Director of the Clark County Education Association, submitted public comment regarding funding and the Pupil-Centered Funding Plan.
  - a. Supplemental Document: Guinn Center, [Revisiting Property Taxes in Nevada: A Comparative Analysis](#)
7. Honoring our Public Education (HOPE) for Nevada submitted public comment regarding optimal funding.
8. Alison Turner, Vice President, Nevada Parent Teacher Association submitted public comment shortly after the adjournment of the meeting, enclosed in good faith, regarding funding concerns and the Pupil-Centered Funding Plan.

## **Item A1, Nevada State Education Association**

### **COMMENTS TO THE COMMISSION ON SCHOOL FUNDING**

September 25, 2020

The Nevada State Education Association has been the voice of Nevada educators for over 100 years. NSEA remains concerned about possible implementation of the new funding plan and is profoundly disappointed in the recommendations of this Commission. NSEA has consistently expressed our concern about the well-being of Zoom and Victory Schools, the specter of years-long budget freezes in most school districts, a multi-million dollar giveaway to charter schools, anti-worker end fund balance provisions, and the broken process that has relegated educator voice.

Perhaps most concerning is the ongoing funding crisis in Nevada schools. We all know Nevada ranks near the bottom of states in per-pupil funding. Since March, the COVID-19 global pandemic has ravaged Nevada leading to \$156 million in painful education cuts this summer. This included elimination of \$70M appropriated for student weights related to SB 178. With the possible loss of revenue from the extension of the modified business tax and no additional federal relief for states in sight, the education budget is in a world of hurt. The cold, hard truth is any funding model will fail without new and additional revenue. This is exponentially the case now with the economic and budget impacts of the COVID-19 crisis.

#### **OPTIMAL FUNDING**

Today begins the Funding Commission's discussion regarding "optimal funding". NSEA was a vocal and active participant in the development of SB 178 during the 79th Legislative Session in 2017 and participated on the Funding Study Work Group during the interim. The Funding Study Work Group worked with Augenblick, Palaich and Associates (APA) who completed the Nevada School Finance Study in 2018. This study updated a 2012 study by the American Institute of Research (AIR) which focused on the resources needed for at-risk, English learners, and students with disabilities. The APA study took two adequacy approaches, one evidence-based and the other based on professional judgement. During the process of analyzing weights, it was agreed that an assessment of adequate base funding needed to be completed first. The result of this work led to a strong consensus of education stakeholder groups both in terms of student weights and the need to phase in significant funding increases to achieve "full adequacy" in base funding. The rough estimate at the time was Nevada was underfunding public education by about \$1B per year. While numbers from the 2018 Nevada School Finance Study should be updated, more discussion about "optimal funding" is not necessary.

#### **NEW REVENUE**

However, more discussion and action are needed to secure the resources to reach "full adequacy". In recent years, NSEA has been organizing in coalition with Fund Our Future and the Progressive Revenue Coalition for new revenues for Nevada. During this summer's special sessions, NSEA was one of the loudest and consistent voices fighting for revenue. On the first day of the 31st Special Session, hundreds of educators donned red face coverings and lined the street from the legislature to the Capitol, chanting, "Be Brave. Be Bold. New revenue's the way to go!" Together with the Progressive Revenue Coalition, NSEA was successful at lobbying for the passage of AJR1, an increase to the mining tax that would generate nearly half a billion new dollars for the state. We know this is only the beginning. NSEA invites the Commission on School Funding and other education stakeholders to join with us in taking bold action to deliver the resources needed by students across the entire state of Nevada.



**Item A2, Dr. Kristen McNeill, Superintendent, Washoe County School District**

To: Commission on School Funding

From: Dr. Kristen McNeill, Superintendent of the Washoe County School District

The Washoe County School District cannot emphasize enough the importance of developing viable options to generate revenue to meet optimal and adequate per pupil funds for public education in this state. Now, more than ever, schools need more funds to make up for learning losses due to COVID-19 and to give our students supplemental resources to address the physical safety, academic needs and the social and emotional needs that have gone underserved for too long. We look forward to supporting your work.

**Item A3, Ryan Russell & Robert Salyer, Allison Mackenzie, Attorneys & Counselors at Law**

Nevada Commission on School Funding 700 E. Fifth Street  
Carson City, Nevada 89701

Via Email:jtodtman@doe.nv.gov

Madame Chair and Members of the Commission on School Funding:

We represent the following county school districts and their respective superintendents: Elko, Eureka, Storey, Douglas, Pershing, Lander, Mineral, Lyon, Esmeralda, Lincoln, and Carson City. We are, once again, renewing our request for this Commission to make a recommendation to the Nevada Legislative Committee on Education to delay implementation of Senate Bill ("SB") 543 until at least the 2023-2025 Legislative Session. As you know, the aforementioned county school district superintendents have repeatedly made this request which has, each time, been summarily disregarded by the Commission.

Please understand that these county school districts desire to work with the Commission to develop a funding formula that fairly and equitably distributes resources across all school districts and ensures adequate funding for all Nevada students. This should be the common goal for all participants involved in the implementation of the Pupil-Centered Funding Plan ("PCFP"). To that end, the aforementioned school districts are entitled to provide input on the issues discussed and decided by this Commission as its choices substantially affect the districts directly.

The purpose of this Commission is to develop a formula for school funding by working through various scenarios for operating under the framework set forth by the Legislature in SB 543. As such, the input of eleven (11) county school districts should not be taken lightly, or entirely disregarded, by this Commission. To reiterate, the county school districts are offering themselves up as a resource and seeking to open discussions with the Commission about alternatives in navigating implementation of SB 543. Those discussions should not be hastened or rushed, which is a primary reason we are requesting delay of implementation.

The impracticability of implementing an entirely new funding formula during the current Covid-19 budget crisis should receive at least as much attention from the Commission as its duty to fully and cooperatively vet SB 543. When requested by the public to address the Covid-19 crisis, the Commission has simply indicated that it must meet the current statutory deadlines. This is not an appropriate response to the dire consequences that school districts are facing.

An example of the deleterious effects of Covid-19 can be found in discussions surrounding the calculation and implementation of the hold harmless provision of SB 543. At this time, the Commission is considering hold harmless numbers based on budgets from December 2019. The budgets from December 2019 do not account for current enrollment numbers, which have seen a marked decline due to the Covid-19 pandemic. The December 2019 budgets represent an illusory accounting that does not take into account current enrollment and revenue. They are thus a precarious basis upon which to implement a new funding formula.

In addition to budget deficits, declining enrollment, and the absence of civil immunity for school districts, the PCFP, in its current iteration, suffers from a lack of proper vetting, transparency issues, and an uncertain legislative landscape. There are still many unanswered questions with regard to the PCFP that have not been addressed by this Commission, such as: the aforementioned hold harmless provision; regional cost adjustment factors; the realities of delivery of educational services in rural school districts; and the impact and uncertainty surrounding net proceeds of minerals.

Simply stated, this is an inopportune and unfortunate time to be vetting a new school financing program. We acknowledge the challenges this Commission and the Department of Education are up against however; we do not believe that this Commission has fully considered or addressed the current realities faced by school districts across the State. We extend to the Commission our input in the hope that this letter will spark a larger and more transparent discussion about the PCFP. This discussion will take time and collaboration, and

thus cannot occur in the quickly diminishing window before the scheduled implementation of SB 543. Please recommend that the implementation of SB 543 be delayed.

If any of you would like to discuss our request, or if you would permit an open agenda item to discuss the same, we are at your disposal. We look forward to working with the Commission to create a brighter future for all of Nevada's students.

Sincerely,

Ryan Russell, Esq.      Robert M. Salyer, Esq.

## Item A4, Sylvia Lazos, Nevada Immigrant Coalition

Dear Commission Members:

Thank you for the opportunity to testify on Item 5.

SB 543 states that in the implementation of the school funding formula, the Commission consider issuing guidance to “correct deficiencies.” Today, WESTED suggests as “priority objectives” equity and transparency. We support that proposal.

We also continue to recommend in regards of implementation of SB 543 the Commission to recommend postponing implementation of the SB 543 formula. In our conversations with Legislature, there is wide understanding that the upcoming 2021 Legislative session will require budget cuts, including education. Further, in Special Session 2020, Governor’s executive budget continued to fund two equity categorical programs, zoom and victory, because these programs reach the poorest children living in racial segregation, are efficient, and are highly transparent. We further recommend that the Commission recommendations provide for a transition period that “grandfathers” Zoom and Victory, until the Nevada Legislature can ensure that all students throughout the state have access to equity funding.

Please consider Zoom and Victory implementation as a model for what works in Nevada. Zoom and Victory show the way to transparency and efficiency: 1) funding goes directly to schools and students, 2) state supervises school expenditures, 3) ongoing third-party evaluation identifies efficiency, 4) SBOE metrics identifies what is success and what triggers remediation, and 5) sharing of “best practices” among schools triggers continuous cycle of improvement.

Zoom and victory are efficient because these monies go directly to schools. This funding is not dithered away by large school district bureaucracies or used to appease workers’ unions’ unmet collective bargaining demands. Zoom and victory are protected dollars that go directly to children. Does SB543 formula guarantee Nevada taxpayers that equity dollars will go to children?

Nevada Department of Education and the public, by contrast, have not had assurance that SB178 funding is being used well. There have been no third-party studies, there is no publication of what the individual school allocations are to be used for, there is no follow up as to whether these equity allocations have yielded student results. CCSD Board of Trustees, which is the oversight body for the school district that receives 90% of these funds, has never had a presentation that vets the efficiency of these funds.

WESTED’s recommendation that the Commission should recommend success metrics is spot on, and that is part of the Zoom and Victory implementation model. As per zoom and victory, there should also be student achievement and growth metrics for schools that would be asked to work towards improvement.

The collapse of the Nevada economy due to COVID19 means that the path to adequate or optimal funding will take longer. At the same time, the Commission should ensure that whatever equity funding is provided by the Nevada Legislature actually reaches children, is protected from bad decision making, and makes an impact in students’ lives. Zoom and Victory are successful prototypes of equity funding, and we recommend that you study the work that has gone into implementation of these programs. These equity programs for our poorest children, concentrated in geographical pockets of racial segregation, work because much thought has gone into making sure that the funding is transparent, efficient and has high accountability.

Respectfully submitted,

Sylvia R Lazos  
Education subcommittee

cc Cecilia Alvarado, Mi Familia Vota

**Item A5, Amanda Morgan, Executive Director, Educate Nevada Now**

Dear Chairwoman McCormick-Lee and members of the Commission,

Thank you for the opportunity to submit testimony on behalf of Educate Nevada Now. We appreciate the hard work of the Commission and its willingness to consider our input.

At the last Commission meeting, we were encouraged to hear several members indicate their desire to utilize existing adequacy studies in the process of defining “optimal funding.” These State commissioned studies, such as the most recent from Augenblick in 2018, are invaluable tools in determining what essential resources are necessary for Nevada students to have the opportunity to succeed as well as the cost of providing those resources.

ENN has heard loud and clear from community members the strong desire to avoid another costly and time-consuming study. As Member Goudie indicated during the previous meeting, these studies have been consistent in their conclusions. We believe this established work will help expedite the important task of developing a plan to reach optimal funding.

Further, a definition of optimal funding should take special care to consider the costs of mandates and requirements that take time or resources to implement. This will lead to a close examination of state, federal and regulatory mandates that may have directly or indirectly impacted district and school budgets. This will also encourage ongoing candid discussions regarding the budgetary impact of new policies. If policymakers feel a new initiative or law is critical to the success of students, those resource needs should be reflected in the definition of optimal funding.

Ultimately, a definition of optimal funding should include a cost accounting of programs, curriculum, services, instruction, classroom and school organizational needs that are necessary for students to succeed in our State. Success is already well-defined by our state’s own expectations - each student meeting or exceeding State Academic Content Standards and graduating college and career ready.

We look forward to this first step and what is to come. This process is critical to the success of the Pupil-Centered Funding Plan and we thank you on behalf of all our students for your thoughtful deliberation.

Sincerely,  
Amanda Morgan, Executive Director Educate Nevada Now

## **A6, John Vellardita, Executive Director, Clark County Education Association**

Re: Public Comment #1 for September 25, 2020 SB543 Commission Meeting

SB 543 Commission Members:

As the Commission on School Funding makes recommendations on the implementation of the new funding plan, part of your charge is to "recommend any revisions the Commission determines to be appropriate to create an optimal level of funding for the public schools in the State." Additionally, the Commission "shall also identify a method to fully fund the recommendation within 10 years after the date of recommendation." CCEA believes it is essential to fully fund education with a dedicated and stable source of revenue. Revising Nevada's property tax system has been a discussion for over a decade with stakeholders and in the halls of the Legislature. Schools are the largest beneficiary of property tax dollars, in FY 2018 40 percent of all property tax money statewide was distributed to school districts. Any discussion on education funding should include a focus on property tax revenue.

CCEA commissioned the Guinn Center to provide a report on Revisiting Property Taxes in Nevada: A Comparative Analysis (I understand members of the Commission have received a copy but a copy has been attached). The report provides an overview of the relationship between property taxes and K-12 Education Funding, structural limitations in Nevada's property tax system, examines whether property taxes are a comparatively limited revenue source for Nevada with other states that do not collect individual income taxes, comparison of other states reliance on property taxes, and recent efforts to effect legislative change in Nevada as well as other states.

### **Limitations of Nevada's Complex Property Tax System**

Section III, pages 3, 4, and 5 of the report provide an overview of the property tax limitations in Nevada and highlights the complex structure of our system. Nevada is the only state to use the depreciation factor in determining taxable value of property. "While the annual amount of revenue forgone to depreciation in Nevada is unknown, a study showed that, were depreciation to reset upon sale or transfer of real property, an additional \$240.9 million in property tax revenue would have been collected statewide in FY 2019."

### **Comparison of Nevada's Property Tax Structure and Revenue with other states**

- Section IV, page 9 compares Nevada property tax system to other states.
- Section V, page 13 reviews general fund revenue in Nevada versus specific states.
- Section VI, page 20 highlights prospects for property tax reform with page 21 focusing on partial abatements and depreciation and page 22 focuses on property tax reform in other states.

### **Possible Solutions for Fixing Nevada's Complex Property Tax System**

- Table 1. On pages 25 and 26 summarizes the components of Nevada's Property Tax System and list seven different areas where reform could be directed.

### **SJR 14 - 2017 Legislative Session**

Most recently the Nevada Legislature took up the issue during the 2017 Legislative Session with SJR 14. The proposed constitutional amendment would have changed the application of the depreciation factor after the sale or transfer of real property. The measure passed in 2017 and would have needed to pass in 2019 and then referred to the ballot in 2020.

As noted by Joseph Henchman of the Tax Foundation discussing their report commissioned by the Las Vegas Metro Chamber of Commerce in 2015, "Nevada is so different from every other state. You have cost replacement instead of market value, which taxpayers do not understand. The split roll of property tax cap takes a page of equations to explain and has had some harmful effects because of the unintended ratchet effect. You're the only state in the country with a depreciation factor in the property tax. There are obviously some winners under this tax system - but most taxpayers lost out with a system that unfair, unpredictable and probably unconstitutional.

In a 2019 study commissioned by the Nevada Legislative Counsel Bureau on Revenue Impacts of SJR 14 conducted by Applied Analysis, determined that allowing the property tax depreciation factor to reset on sale

would generate an additional \$ 13.2 billion in property taxes statewide over the first 12 years of implementation. The analysis used 2018 fiscal year property data and, for the purpose of its estimations, ran its numbers as if the measure had gone into effect that year. The 12-year economic impact for Clark County schools was estimated at \$ 4.6 billion. "These additional dollars would be a good start to fully funding the weights and base in the newly proposed education funding formula outlined in Senate Bill 543," said CCSD spokeswoman Kirsten Searer in an email during the 2019 Legislative Session regarding SJR 14. Clearly fixing the depreciation factor would generate significant funding for our schools.

SJR 14 is not the only solution and Table 1. of the report provides a menu of options to reform Nevada's property tax system. CCEA believes that it is important for the Commission to include property tax reform as a part of the permanent funding stream to implement SB 543 and move toward providing appropriate funding levels for education. CCEA looks forward to partnering with the Commission, the Nevada Legislature and other stakeholders in furthering the discussion on property tax reform to address and stabilize the revenue stream and provide predictability to a complex system where significant revenue is lost every year.

Thank you,

John Vellardita, Executive Director  
Clark County Education Association

**Item A7, HOPE for Nevada**

Good Afternoon, Chair McCormick Lee and members of the committee,

We at HOPE For Nevada wanted to take the opportunity to commend your work thus far on this new Student Center Funding Plan. We are particularly pleased by the conversation today that brought the need for optimal funding to the forefront of the implementation and monitoring of this new plan.

As we listened to your discussion around agenda item #6, we would like to ask you to consider the following as we determine the definition of “optimal”. We don’t think any definition of optimal would be complete unless it is grounded in the actual costs to provide the resources Nevada has determined their students need to achieve success.

It has long been recognized that the large number of Nevada’s students who require extra funding to achieve success have been severely neglected. This is as glaring as ever with the newest cuts made to weighted funding, GATE and other areas in the recent Special Session. We appreciate your attention to this crisis and how this can translate into recommendations made to our Leadership, and ultimately, hopefully, how it will affect the children and educators in the classroom.

We express our strong support of the sentiment expressed by Member Johnson that we need to have an urgency in increasing funding now while we work on a long term definition of optimal.

We appreciate your commitment to this enormous amount of work and will continue to support your efforts moving into this next legislative session and beyond.



**A8, Alison Turner, Vice President, Nevada PTA**

Chair McCormick-Lee and Members of the Commission:

For the record, Alison Turner on behalf of the Nevada Parent Teacher Association.

Nevada PTA is deeply appreciative of the work of the Commission, which has been long and increasingly arduous as the global COVID-19 pandemic has rolled on. While we agree that equitable, adequate, optimized use of current funding is vital, we also believe the State of Nevada is desperately in need of the North Star goal – optimal not optimized funding to provide every student and all students the opportunity to succeed in school and in life. Optimal is defined as best or most favorable.

We ask that you bear in mind that Nevada entered the 2019 Legislative Session with a 16.7% hole in education funding – 7th worst in the nation according to the Center on Budget and Policy Priorities – based on cuts made during the previous recession that were never restored. With school districts doing all they could at the time to protect dollars in the classroom, the greatest problems remain in terms of physical plant, deferred maintenance, and the largest class sizes in the United States. None of this is optimal.

Of course, as we are in another profound recession, millions more have had to be cut. While we understand that anything with a fiscal note is a likely non-starter for the 2021 Legislative Session, now more than ever Nevada must understand what is needed to make our public education successfully serve students, families, schools, communities, and our state.

Nevada PTA does not believe that we need additional studies – the taxpayers of Nevada have already paid for multiple studies that all come to the same main conclusion: education is under-funded. Those studies have included looks at adequacy as well as more optimal funding levels. Adequate has not been sufficient nor acceptable, and we have yet to fund even at that level, much less to restore what has been cut in prior sessions.

We cannot aspire to be adequate – we must aspire to excellence, which will require optimal funding. Yes, it may be ambitious to look at optimal funding over even a ten-year-plan. And yet if we never start, we'll never succeed.

Respectfully submitted,

Alison J. Turner  
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