



EXECUTIVE SUMMARY

COMMISSION ON SCHOOL FUNDING

NOVEMBER 15, 2024

INTRODUCTION

The Commission on School Funding (Commission) was created through the passage of Senate Bill (SB) 543 (2019) and was charged with, among other things, monitoring the implementation of the Pupil-Centered Funding Plan (PCFP) and making recommendations to improve the functioning of the PCFP. Since that time, the Commission on School Funding has been charged with additional tasks via the passage of Assembly Bill (AB) 495 (2021), SB 98 (2023) and AB 400 (2023). Some of these tasks related directly to the PCFP, while others dealt with other aspects of education funding. The legislation required that the Commission file a report detailing its findings and recommendations with the Governor and Legislative Counsel Bureau on or before November 15, 2024. The report has been filed accordingly. As the final report is voluminous and technical, this executive summary is being provided to outline the key findings and recommendations in the final report.

Although all subjects addressed by the Commission are of tremendous importance, there are two that rise to the top in terms of their longer-term impact upon the quality of education in Nevada. The first is the identification of optimal funding for K-12 education and methods to achieve optimal funding, and the second is the development of a framework for reporting that will provide actionable information regarding the changes in performance over time that would allow for an assessment of return on investment.

APPROACH

Due to the quantity and nature of the tasks assigned to the Commission, the Commission elected to divide the tasks into clusters that allowed each area of study to receive direct focus and attention. These clusters were assigned to individual working groups made up of members of the Commission and supported by the staff of the Nevada Department of Education and relevant subject matter experts. A roster of the working groups and their respective areas of focus are summarized below.

Working Group 1:	PCFP Technical Changes
Working Group 2:	Optimal Funding Targets and Strategy
Working Group 3:	Current Reporting and Data
Working Group 4:	Accountability and New Reporting Framework
Working Group 5:	Accountability Outcome and Trends
Working Group 6:	Improved Accessibility within Public Schools
Working Group 7:	Small School District Capital Funding
Working Group 8/9:	Teacher Pipeline / Teacher and Support Staff Compensation
Working Group 9:	Teacher and Support Staff Compensation

In addition to the study areas noted above, the Commission also addressed topics as assigned by Legislative Letters of Intent and has filed responses to each letter.

FINDINGS

For the details related to each of the headings summarized below, the reader is encouraged to access the full Commission report. This will enable the reader to delve deeper into the topics that are summarized in brief, below. In all cases, the content within the full report offers a more complete and thorough evaluation of each topic than could possibly be included in a summary of this length. The full report can be accessed by clicking on the following link: [Commission on School Funding November 2024 Update](#)

PCFP TECHNICAL CHANGES

The key finding was that the PCFP is working well and as intended. A number of issues for ongoing monitoring were identified by the Commission, which, given the magnitude of the changes resulting from migration from the Nevada Plan to the PCFP, is not unexpected. Key among the areas for continued attention are the performance of the weights and future funding issues related to K-12 education. The Commission will continue to monitor and make recommendations to improve the operation of the PCFP.

OPTIMAL FUNDING TARGETS AND STRATEGY

This area of study is a continuation of work that began during the prior interim and focused on identifying optimal funding for K-12 education in Nevada and strategies for funding K-12 education at the optimal level within the ensuing ten years. As of FY 2025, Nevada's level of per-pupil funding is \$13,368, which includes the enhanced appropriations from the 2023 Legislative Session. This compares to the national average funding of \$17,467, and subject matter expert-recommended funding of \$17,609 per student. This gap of \$4,099 to \$4,241 per student represents the shortfall in funding or the amount of additional funding per pupil that would be needed to reach the target funding level. It is notable that the closeness of the national average gap to the subject matter expert gap adds credibility to these shortfall values. This amount, multiplied by annual enrollment, equals the gross dollars needed to achieve the target funding level.

Closing this funding gap will require the equivalent of increased investment in education of \$250 million each year for the next ten years, such that the increase in total appropriations or revenue to the State Education Fund is \$2.6 billion by year 10. As a reminder, this will only bring Nevada's funding for K-12 education to a level that is average among the 50 states. That said, this target level of funding represents a considerable increase in the amount of funding dedicated to education and will require a major commitment on the part of the state.

As is summarized in this section of the report, the Commission recognizes that traditional methods of funding education in Nevada and elsewhere around the country include the use of both property tax and sales tax. Other revenue sources supplement these funding sources, but these are the principal funding methods. Rather than looking for new funding sources, the Commission identified opportunities within both the property and sales tax systems that can materially address the funding shortfall. These opportunities are addressed in detail within the report.

As noted, the recommended funding strategies focus on the property and sales tax systems to generate additional revenue to fully fund K-12 education. While these recommendations have been promulgated for the benefit of education in Nevada, they also speak directly to the need for modernization of both tax systems. These funding sources have become constrained or have suffered a loss of value due to layers of changes in fiscal policy and the economy over the past few decades. Realigning and modernizing the fiscal system to match the realities of the economy and the needs of K-12 education should be a priority.

CURRENT REPORTING AND DATA/ACCOUNTABILITY AND NEW REPORTING FRAMEWORK/ACCOUNTABILITY OUTCOME AND TRENDS

These working group studies have been combined as they each dovetail with the others. The Current Reporting and Data working group focused on the reporting that is now required to be undertaken by each school district and by schools within a school district. The objective of this review was to identify redundancy in reporting requirements that may allow for streamlining of reporting and elimination of reports that are duplicative or no longer germane. Accordingly, the Commission has recommended that a number of reports could be eliminated. The Commission also noted that the different timing on several of these reports leads to data not being current and comparable. The Commission has also made recommendations regarding the timing of some reports.

Another key objective of this effort was to take inventory of the data that is currently available through the filing of the various reports and identify the data that will be essential in the development of a new reporting framework. This new framework will focus on changes in performance over time, including enhanced accountability and the measurement of return on investments made in the education system. The quality and recency of information are the foundation for informed assessments of change in educational performance. Accordingly, the Commission fully supports the creation of a central repository of the data that is generated through the filing of the various reports. This data centralization will better facilitate the extraction of data needed for improved reporting and will streamline the overall data accessibility.

The integrated working groups also developed a basic framework for new reporting that would use the best elements of existing reporting and add new elements to enhance the usefulness of the data. The Commission has recommended a series of individual metrics within the broader categories of student achievement, student attainment, student engagement, staffing, and metrics associated with revenues and expenditures. The assemblage and presentation of these recommended metrics will provide a meaningful and reliable system of measuring change over time. The Commission also made specific recommendations related to metrics that should be excluded from future use.

The next step in this integrated process involved the development of an implementation strategy for the new reporting framework. The Commission recommended that the new reporting vehicle meet the needs of the general public and customers of the school system, district and school administration, elected policymakers, and the Commission. Designing the system to provide salient information to each level of user is deemed essential. As noted, the new reporting system will use the best of the data elements included in the Nevada Report Card while also adding elements of data that will allow for a more meaningful assessment of change over time. The Commission has also set forth a roadmap for the development and implementation of the overall reporting system. Steps in the direction of development of the system are already underway.

IMPROVED ACCESSIBILITY WITH PUBLIC SCHOOLS

This working group focused its efforts on identifying current trends that are emerging and actions that are being taken relative to the question of open zoning and school choice across the country. The objective of this analysis was to provide the elected policymakers with a current view of approaches that are being taken and, where available, the outcomes that are being realized.

SMALL SCHOOL DISTRICT CAPITAL FUNDING

This analysis identifies the source of the problem that has led to smaller school districts lacking the ability to fund or finance capital improvements and provides recommendations to address this critical problem. Due to elements of statewide fiscal policy, smaller school districts are prevented from borrowing funds to repay debt or to raise funding to address critical capital needs. The unintended consequences of some of these fiscal policies – encoded into law – have left many of these school districts in a position where they are simply unable to maintain existing assets or add new facilities. The Commission's report

recommends a framework that can provide a pathway for the State Infrastructure Bank to assist smaller school districts with accessing capital for facility improvements. The State Infrastructure Bank will require an appropriation from the State to enable lending for small district projects, thus serving as a revolving fund for these critical projects. The use of a centralized funding source supports the notion of uniform and equal access to funding.

TEACHER PIPELINE / TEACHER AND SUPPORT STAFF COMPENSATION

This combined working group focused on two primary tasks. The first was the functioning of the teacher pipeline, or the methods by which educators are attracted to the profession and produced by our system of higher education. The second, which clearly complements the first, was the role of compensation in attracting and retaining professional educators. As this work progressed, the Commission's working groups identified work being undertaken by the Nevada State Teacher and Education Support Professional Recruitment and Retention Advisory Task Force (the Task Force) as established by AB 276 (2019) and SB 71 (2023). As the tasks being undertaken by the Commission and the Task Force were closely related, approaching these topics as a cooperative venture would help avoid duplicative efforts.

Areas of alignment identified include the development of a statewide minimum salary schedule, expansion of the employee benefit umbrella to include educators under the Public Employee Benefit Plan, use of Multi-Tiered Systems of Support and related wrap-around services, mentoring programs, and use of a workforce data portal. It is also clear that additional and consistent data is needed to have a reliable data set for further evaluation and that periodic classification and compensation studies should be performed to maintain the timeliness of data. Regarding teacher retention, the implementation of a teacher advancement scholarship program and a loan forgiveness program should be considered.

Finally, given the importance of this endeavor, the Commission recommends that the Task Force be redefined to create a more permanent entity with broader expertise to be responsible for creating a long-term strategy to address the many issues affecting the educator workforce pipeline. Specifics underlying this recommendation are detailed in the full Commission report.