



# UNDERSTANDING THE PUPIL - CENTERED FUNDING PLAN

## What You Need to Know About Nevada's New Education Funding Formula

A new funding formula that puts students first has been adopted in Nevada: The Pupil- Centered Funding Plan (PCFP). Replacing the 54-year old Nevada Plan, the PCFP prioritizes equity by funding students based on their unique needs and circumstances. The plan seeks to provide all students with a base level of resources, and to provide greater support to those who need it. In addition, for first time ever, Nevada's education funding formula accounts for the adjusted costs of providing education in urban and rural and large and small district and school settings across our State. Read on to learn how the new plan works, and what it means for Nevada's students and schools.



### Equity

Giving all students access to the resources needed to succeed



### Transparency

Providing a clear understanding to the public of how resources are allocated and why



### Accountability

Showing how funding is used to improve student outcomes for all



### Flexibility

Allowing students to make targeted decisions about the allocation of resources based on changing demographics and needs

# What is the State Education Fund?

With the passage of SB 543 (2019 Session) the State Education Fund was created. The State Education Fund is a special revenue fund that combines specific local and state revenues to support the operation of public schools in Nevada.

The State Education Fund contains the states operational budgets for both the Pupil-Centered Funding Plan and the Education Stabilization Account.

The State Education Fund retains interest and income earned on the revenue in the fund and any unexpended revenues in the State Education Fund do not revert to the General Fund. Instead, at the end of each odd number fiscal year, all unexpended funds in the Pupil-Centered Funding Plan account transfer to the Education Stabilization Account.





# Finally, An Education Plan for Every Student

Nevada's new education funding formula – the PCFP – is built to provide a solid foundation for our education system so that students continue to receive the support they need regardless of fluctuations in the economy over time. PCFP unobligated revenue will be deposited into the Nevada Education Stabilization Account, which provides reliable funding from year to year.

The following accounts will continue to be distributed as distinct programs rather than through the PCFP:

- Federal grants requiring a maintenance of effort (e.g., Special Education)
- Pre-Kindergarten • Adult Education • TeachNV Scholarship

## FUNDING FORMULA OUTLINE

Nevada's education revenues have traditionally funded over 80 education programs and grants.



To support transparency, the funds are now combined into the State Education Fund and redistributed through the Pupil-Centered Funding Plan

For more details on the components of the PCFP, [click here](#).

### AUXILIARY SERVICES

Allocated to districts for food services, transportation and similar operations deemed to be appropriate by the Legislature.

### LOCAL SPECIAL EDUCATION FUNDING

Ensures each school district maintains funding for each school from the Local Support for Special Education allocations.

### STATEWIDE BASE AND ADJUSTED BASE PER PUPIL FUNDING

Per-pupil funding guaranteed to every student—regardless of what school they attend—distributed equitably on the basis of estimated attendance, zone enrollment, cost of living, labor and geography.

### WEIGHTED FUNDING

Are allocations above and beyond the adjusted per-pupil base to meet the distinct needs of each student identified as an English learner, at-risk, or Gifted and Talented, which is provided to the district, charter or university school of enrollment.

## The Nevada Commission on School Funding: An Overview

The PCFP includes the creation of an 11 member Commission on School Funding. This group provides recommendations to the Governor and legislature for K-12 funding. Its duties include:

- **Recommending cost adjustments** for each county as well as necessarily small districts.
- **Reviewing per-pupil funding** amounts and recommending changes to create an optimal level of funding for public schools in Nevada.
- When recommending a change that would require more money to implement than was appropriated in the prior two years, **identifying methods to fund** the recommendation within ten years.
- **Reviewing laws and regulations related to education** and make recommendations for changes that would improve the of public education in Nevada.
- **Providing guidance, monitoring, and making recommendations** to improve the implementation of the PCFP by the Nevada Department of Education and school districts.
- **Develop and review accountability and achievement metrics** that indicate the academic progress made by pupils in each public school since the implementation of the Pupil-Centered Funding Plan.

The Commission submitted recommendations to the Governor and Legislature for changes determined to be necessary for the successful implementation of the Pupil-Centered Funding Plan. The full **recommendations** can be reviewed on the **Commission's website**, but the most notable recommendations are summarized below:

- **Re-defining at risk students.** The Commission recommended that the State Board of Education update a new definition of “at-risk” students that goes beyond free-or-reduced price lunch eligibility to include a broader set of social and academic factors that hamper student progress toward graduation.
- **Remove special education from the weighted funding.** Due to the federal requirement that State and local education agencies maintain support for each student receiving special education services each year, the Commission recommended insulating State special education funding in a separate account. This will allow local education agencies to appropriately serve students in accordance with their Individualized Education Programs (IEPs).
- **Promote flexibility and alignment in reporting.** The Commission recommended removing specific reporting deadlines and shifting toward flexible terminology (e.g. quarterly, annually) as well as consolidating reports on staffing data to increase transparency, prevent redundancies, and minimize extra effort.
- **The “Hold Harmless” principle.** The Pupil-Centered Funding Plan includes the Legislature’s intent to transition to the PCFP without causing an unexpected loss of revenue to any school district. The Commission recommended that this protection be extended to public charter schools and university schools for profoundly gifted pupils to prevent unexpected hardship for any organization supporting Nevada’s students.





# OPTIMAL FUNDING

Nevada ranks among the bottom of all 50 states when comparing per-pupil funding for education, which results in fewer educational opportunities for our students and hinders student success. Because we know that investing in our children's education is the key to our State's economic future, the Commission on School Funding was charged with recommending a pathway toward an optimal level of funding for public schools in Nevada

The Commission has defined optimal funding in Nevada as that which enables the State's schools and districts to uniformly and equitably provide resources and services designed to produce exemplary student performance on par with the nation's best. Optimal funding is a strategic investment to intensify the use of effective practice recommendations contained in the State Improvement Plan, leading to exceptional achievement for all Nevada students. The Commission sees the progression from current funding levels to optimal funding as follows:

