

**NEVADA DEPARTMENT OF EDUCATION
COMMISSION ON SCHOOL FUNDING
JANUARY 10, 2020
1:00 P.M.**

Meeting Location:

Office	Address	City	Meeting Room
Department of Education	2080 E. Flamingo Rd.	Las Vegas	Board Room
Department of Education	700 E Fifth St	Carson City	Board Room

SUMMARY MINUTES OF THE COMMISSION MEETING

COMMISSION MEMBERS PRESENT

In Carson City

Dusty Casey
Andrew J. Feuling
Jason A. Goudie
Dr. David Jensen
Paul Johnson
Mark Mathers
Punam Mathur
Dr. R. Karlene McCormick-Lee

In Las Vegas

Guy Hobbs
Dr. Lisa Morris-Hibbler

DEPARTMENT STAFF PRESENT

In Carson City

Jhone Ebert, Superintendent of Public Instruction
Heidi Haartz, Deputy Superintendent of Business and Support Services
Beau Bennett, Management Analyst IV
Megan Peterson, Management Analyst III
James Kirkpatrick, Administrative Services Officer III
Jessica Todtman, Chief Strategy Officer

LEGAL STAFF PRESENT

Greg Ott, Chief Deputy Attorney General

AUDIENCE IN ATTENDANCE

In Las Vegas

Aleksandra Appleton, Las Vegas Review Journal
Andrea Connolly, Clark County School District
Alexander Marks, Nevada State Education Association
Fernando Romero, Hispanics In Politics
Don Soifer, Nevada Action for School Options
Jenn Blackhurst, HOPE for Nevada
Lindsey Dalley, Henderson Community Education Advisory Board
Maria Nieto, Mi Familia Vota
Meredith Freeman, HOPE for Nevada/Nevada PTA
Sylvia Lazos, Nevada Immigrant Coalition
Vikki Courtney, Clark County Education Association

In Carson City

Jim Penrose, R & R Partners

Mary Pierczynski, Nevada Association of School Superintendents

Victor Salcido, Charter School Association of Nevada

1: CALL TO ORDER; ROLL CALL; PLEDGE OF ALLEGIANCE

Meeting called to order at 1:00 P.M. by Commission Chair R. Karlene McCormick-Lee. Quorum was established. Chair McCormick-Lee led the Pledge of Allegiance.

2: PUBLIC COMMENT #1

Sylvia Lazos, Nevada Immigrant Coalition, requested that the Work Group meetings be livestreamed. She additionally addressed comments that weighted funding for English Learners (ELs) would reduce budgets, emphasizing that ELs are a protected class and weights should ensure that districts are in full compliance with the law.

Lindsay Dalley, Henderson Community Education Advisory Board, spoke regarding rural schools within the urban Clark County School District (CCSD). Specifically, the unique issues that rural schools face within an urban district.

Maria Nieto, Mi Familia Vota, spoke regarding Zoom and Victory programs. She emphasized the effectiveness of these programs for ELs and At-Risk students, and spoke regarding concerns that Senate Bill (SB) 543 eliminates funding and puts these programs at risk.

Jenn Blackhurst, HOPE for Nevada, raised concerns regarding the lack of livestream access to the Work Group meetings.

Don Soifer, Nevada Action for School Opportunity, spoke regarding students who experience additional risk factors that require additional funding. He suggested looking at various ways states have defined At-Risk and increased weighted funding. Mr. Soifer submitted written materials, appended to this document.

Fernando Romero, Hispanics In Politics, spoke regarding Zoom, Victory, and other programs that have proven their success, and his dream of having Latino children get the quality education they deserve.

3: APPROVAL OF FLEXIBLE AGENDA

No action was taken; the Commission agenda moved directly from public comment to the approval of meeting minutes.

4: WORK GROUP REPORTS

Dr. David Jensen, Lead, Formula and Distribution (F&D) Work Group, presented an update and report on the progress and work of the (F&D) Work Group.

[Report]

NDE provided a presentation to the F&D Work Group on the Hold Harmless Provision of SB 543. He noted that the Maintenance of Effort is an important consideration. The Work Group has requested further information about the application of the Hold Harmless Provision, as there are annual increases in costs to the districts.

APA Consulting provided a presentation to the F&D Work Group on the Comparable Wage Index (CWI) and other cost adjustment factors. There was discussion around regional cost adjustments to consider reproducibility and if such adjustments can be updated on a regular basis. Three types of cost adjustments were reviewed and various states and districts were examined in comparison to Nevada. He noted that the F&D Work Group is currently in favor of a base of 1.0, and a Regional Price Parity (RPP) system.

APA Consulting provided a presentation to the F&D Work Group on the Small District Equity Adjustment.

The F&D Work Group discussed both the Necessarily Small School Adjustment and the weights for categories of pupils.

APA Consulting provided a presentation to the F&D Work Group on their Work Plan for Maximum Administrative Expenses for School Districts. This would set aside a maximum amount that districts can use for administrative costs; they do not believe that a percentage applied to all districts would be equitable. Instead, they suggested a sliding scale, which requires further research prior to making a recommendation. They further requested information regarding the Chart of Accounts under General Services and Central Services.

Jim McIntosh, Lead, Reporting and Monitoring Work Group, presented an update and report on the progress and work of the Reporting and Monitoring Work Group.

[Report]

WestEd provided a presentation to the Reporting and Monitoring (R&M) Work Group on Exemplars of Pupil-Centered Funding Models. WestEd sought exemplars that Nevada could emulate, seeking equitability, accountability, and who was responsible for implementation. The Work Group noted that the reporting needs to be streamlined and there were concerns about the districts' ability to meet the October 1st deadline, especially as financial audits are not required until October 31st. The Work Group sought to understand the purpose of this reporting and the expectation of the data. There was also interest in discussing centralized data reporting, including providing raw data to the state, for which Denver, CO uses Infinite Campus. Further reports on exemplars are forthcoming.

WestEd provided a presentation to the R&M Work Group on their Work Plan to Determine the Anticipated Level of Effort and Impact on Schools and Districts. Members of the Work Group who serve as district Chief Financial Officers voiced concern about the effort it would take for districts to meet reporting requirements.

WestEd provided a presentation to the R&M Work Group on their Work Plan to Provide Guidance to School Districts to Support the Implementation of the Pupil-Centered Funding Plan.

NDE provided a presentation on the Format of School District Budgets. The Work Group is trying to balance the expense and time it takes for districts to put together a full budget packet while meeting the reporting requirements defined in SB 543.

The R&M Work Group discussed Key Elements to Monitor the Implementation of the Pupil-Centered Funding Plan, which they determined required further discussion.

5: RECOMMENDATIONS OF THE FORMULA AND DISTRIBUTION WORK GROUP REGARDING COMPONENTS OF THE PUPIL-CENTERED FUNDING PLAN

This agenda item passed without comment.

6: RECOMMENDATIONS OF THE REPORTING AND MONITORING WORK GROUP REGARDING THE PARAMETERS FOR DISTRICT BUDGET PROJECTIONS

The R&M Work Group shared the outcome of their conversations regarding the requirements of section 76.2 of SB 543 with the full Commission. They suggested that, due to the difficulty of forecasting for fiscal year (FY) 2021 while preparing new budgets, the district budget projections provided to the Commission should only be between currently prepared budgets and projections under the Pupil-Centered Funding Plan (PCFP) for FY 2020.

In addition, based on the presentation of the forms used to prepare and submit budgets, the Work Group suggested that districts use two schedules for the purposes of this comparison: the All Revenue Schedule (BB5) and All Expense Schedule (AA1), both of which provide a high-level overview of the revenue (federal, local, and state) and expenses (broken out by program) of a district. Using adjusted versions of BB5 and AA1 for the PCFP would be ideal as districts have already filled these out for FY 2020.

Member McIntosh made a motion to **only consider FY 2020 for budget comparison projections between the current funding formula and the proposed funding formula. Member Lisa Morris-Hibbler seconded. Motion passed.**

Member McIntosh made a motion to **use the All Expense Schedule (AA1) and All Revenue Schedule (BB5), as provided by the Department of Taxation including any future adjustments made by the Commission and/or NDE to the expense breakdowns, for FY 2020 for the comparison of funding.**

Member Dusty Casey noted that charter school may not use the same forms, and asked if an adjustment will be made to ensure that they could complete these forms; Member McIntosh clarified that this requirement only applied to school districts.

Members of the Commission reflected on the pressures of the May 15th deadline and noted the limitations of completing their analysis based on the information that will be available to them at that time.

Member McIntosh highlighted that the forms used for budget comparisons are set by the Department of Taxation. He noted that there is still some discussion to be had regarding At-Risk and Special Education expenditures and their categorization.

Member McIntosh noted that the changes to AA1 would be focused on sources of revenue. Members of the Commission expressed concern with accountability, transparency, and reporting regarding various elements of the 80 funding sources within the general fund. Member Jason Goudie highlighted that the current model is for the sake of this one-time analysis only and is not the recommendation for reporting and accountability moving forward.

The Chair reiterated that NDE would use these forms to create a template for a report for the one-time only study to meet the May 15th deadline.

Understanding that the recommendation and motion were to satisfy a requirement that the districts should supply budget summary information by a certain date and would not dictate how budgetary control would be exercised at the district level, Member McIntosh moved to approve use the All Expense Schedule (AA1) and All Revenue Schedule (BB5), as provided by the Department of Taxation including any future adjustments made by the Commission and/or NDE to the expense breakdowns, for FY 2020 for the comparison of funding. Member Goudie seconded. Motion passed.

7: RECOMMENDATIONS OF THE REPORTING AND MONITORING WORK GROUP REGARDING KEY ELEMENTS TO MONITOR THE IMPLEMENTATION OF THE PUPIL-CENTERED FUNDING PLAN

Current recommendations from the R&M Work Group in terms of monitoring are high-level, minimum-level reporting, excluding any monitoring that may come from discussions with the Commission in the future.

Member McIntosh **made a motion that the following components be monitored, as a minimum, in the implementation of the PCFP:**

- **That all the sources of revenue that are to be included in the legislatively appropriated budget are appropriately included in the PCFP;**
- **That the dollar amounts the legislature appropriates for the State Education Fund is the amount used for the purposes of calculating distributions to school districts;**
- **That base per pupil amounts are calculated per the rules set out in SB 543 per any amendments from the Commission;**
- **That any adjustments made to per pupil amounts are made per recommendations made by the Commission;**

- **That funds flow according to the flow structure in sections 4 and 8 of SB 543 based on the weights as recommended by the Commission; and**
- **Prospectively, that base funding grows by the amount of inflation and caseload based on SB 543.**

Member McIntosh noted that these were the minimum elements. **Member Punam Mathur seconded.**

[Discussion]

Member Mathur confirmed that this essentially outlined monitoring categories A-E discussed by the F&D Work Group. Member Goudie noted that this was not an all-inclusive list and, as more defined rules are developed, they will be discussed. Member David Jensen remarked that this was consistent with the consensus the F&D Work Group had reached regarding the intent of SB 543.

Member Andrew J. Feuling asked about the Hold Harmless Provision, to which **Member McIntosh clarified his motion to note the need to monitor that the calculation for the Hold Harmless Provision is calculated according to SB 543.**

Jeremy Aguero, Applied Analysis, discussed the need for dual monitoring of the PCFP and the Nevada Plan to ensure that the revenue outlined for the State Education Fund is going into the fund. This should match the PCFP and what the Nevada Plan would have otherwise reported in 2020. The bases and weights of both plans must match and the allocations at the district level under both plans need to be monitored to ensure that the Hold Harmless Provision is operating as designed.

Member McIntosh **made a motion to recommend to the Commission for purposes of monitoring the pupil-centered funding plan that:**

The Commission verify that all the sources of revenue that are to be included in the pupil-centered funding plan and which were previously legislatively appropriated are appropriately included in the pupil-centered funding plan; that the legislatively appropriated budget is what was and will be transferred into the state education fund; that the base per-pupil amounts are calculated per the parameters of SB 543; that any adjustments made to per pupil amounts are made per recommendations made by the Commission; that funds appropriately flow to the various tiers when the plan is in place per the weights put into place by the Commission; and that the calculation for the Hold Harmless is calculated as per the parameters of SB 543 going forward.

Member Mathur seconded. Motion passed.

8: FUTURE AGENDA ITEMS

Chair McCormick-Lee noted that Thursday, February 20th will be an opportunity for public comment and testimony particularly concerning weights for categories of pupils. In addition, the April meeting of the Commission will be held in Elko.

Member Jensen requested additional information on alternatives for defining At-Risk beyond eligibility for free-or-reduced-price lunch.

Member McIntosh asked to have a diagram or chart of the 80 sources of revenue going into the general fund, the restrictions regarding how they must be spent, where those restrictions come from, and the accountability reports behind those items.

Member Casey asked for a discussion of the Hold Harmless Provision regarding the State Public Charter School Authority and district charters, and how to monitor the impact of the PCFP on the SPCSA schools if they are not submitting budget comparisons.

Vice Chair Guy Hobbs requested a review of the Commission's charge to clarify the purview of the Commission as they continue to dig into their work and make recommendations.

9: PUBLIC COMMENT #2

Victor Salcido, Charter School Association of Nevada, spoke regarding the value of the budgetary comparisons due May 15th. Specifically, he noted that it would be problematic if those comparisons do not include charter schools, as charter schools additionally are not protected by the Hold Harmless Provision. He requested that charter schools be addressed at a future meeting.

Alexander Marks, Nevada State Education Association, requested that the Work Group meetings be streamed statewide. He additionally noted that evening meetings would allow educators to attend.

10: ADJOURNMENT

Meeting adjourned at 3:03 P.M.



Aligning Funding For At-Risk Learners With The Costs of Serving Them Successfully
Submission for the Nevada Commission on School Funding
Don Soifer

Schools that serve our learners at higher risk of dropping out work within the day-to-day reality that success in this crucial work generally carries higher operational costs. Nevada faces an important opportunity to align funding for at-risk learners with these increased costs.

Learners are considered at risk because each possesses specific risk factors associated with an increased likelihood of dropping out of school. Research broadly indicates that learners with these risk factors are more likely to be from our poorest households, and that one risk factor typically goes hand in hand with others.

Meeting the health, counseling, nutritional and other needs for students with multiple risk factors is essential to supporting their readiness to learn. Both academic intervention work and non-academic “wraparound services,” and the specialized, licensed staffing necessary to provide them, increase the distinct costs for schools of serving these learners effectively.

Nevada education law currently defines an at-risk student according to one metric only: a learner who is eligible for free or reduced-price lunches under the National School Lunch Program. Although the State Board of Education is given discretion to establish different definitions, and this commission is historically positioned to encourage such new approaches, hopefully by thoughtfully considering models underway in other states.

This current Nevada definition describes students whose household incomes fall within 185 percent of the federal poverty definition, or \$47,600 for a family of four. There is no difference in the amount of weighted funding each eligible Nevada student may receive, based upon how far below this line their household income may fall, or any other factor.

Additional weighted per-student funding is assigned for students identified within this category, along with students identified as English Language Learners, students with disabilities, or gifted and talented students. A student only receives additional weighted funding for one of these four categories, regardless of how many of these groups the student may belong to.

Other states utilize many different factors to determine a student’s at-risk status, and these factors often receive different relative weights with regard to funding. Each of these factors are important to a child’s education because their presence frequently makes it more expensive for schools to address meaningfully so as to give these students equitable access to educational opportunity alongside their peers who do not possess these risk factors.

Pertinent examples from among the different definitions utilized by states to determine a student's at-risk status for weighted school funding (and sometimes school accountability as well) include:

Utah: students who demonstrate any of: low performance on state tests, poverty, mobility, Limited English Proficiency, chronic absenteeism and homelessness.ⁱ

Iowa: homeless children and youth, dropouts, returning dropouts, and potential dropouts.ⁱⁱ Students eligible for free and reduced-price meals also receive weighted funding.ⁱⁱⁱ

Michigan: students are eligible for at-risk funding if they meet one of a set of 10 criteria that include being economically disadvantaged, an English Language Learner, chronically absent, a victim of child abuse or neglect, and a pregnant teen or teen parent.^{iv}

Minnesota: students eligible for free lunches receive additional at-risk student funding at a higher level than students eligible for reduced-price lunches.^v

Georgia: students who test below grade level proficiency in English Language Arts or math receive additional funding, at levels dependent upon their grade levels.^{vi}

Alabama: students who are members of economically disadvantaged families, students who are at risk of dropping out of high school, and students who do not meet minimum standards of academic proficiency.^{vii}

District of Columbia: students in foster care, are homeless, eligible for the federal Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP), or behind grade level.^{viii}

Additionally, other significant student dropout risk factors identified by the National Dropout Prevention Center at Clemson University and Communities in Schools include: poor attendance, retention/over-age for grade, low educational expectations, misbehavior, family disruption, sibling has dropped out.^{ix}

As this distinguished commission proceeds in its historic mission, to align Nevada's school funding system with actual costs, it does so in the face of many real pressures. Nevada's most at-risk learners and the educators who serve them face many real pressures each day as well. Joining these opportunities has vast potential for education good.

ⁱUtah Office of Administrative Rules, Utah Administrative Code, Rule R277-708-3. Allocation of Enhancement for At-Risk Student Funds.

ⁱⁱ 281 Iowa Administrative Code, 12.2 (256).

ⁱⁱⁱ 281 Iowa Administrative Code, 97.3 (257).

^{iv} "Gretchen Whitmer Has a Dramatic Plan to Send Schools More Money for Needier Kids," Chalkbeat Detroit, by Lori Higgins and Koby Levin, March 4, 2019.

^v Minnesota House Research Department: Minnesota School Finance: A Guide for Legislators, November 2019, p. 101.

^{vi} Education Law Center, QBE Primer: Georgia School Funding for At-Risk-Students, August 2019, p. 1.

^{vii} Alabama School Choice and Student Opportunity Act (At 2015-3, Section 4, 3).

^{viii} Code of the District of Columbia, 38-2905, Supplement to Foundation Level Funding.

^{ix} "Dropout Risk Factors and Exemplary Programs: A Technical Report," National Dropout Prevention Center at Clemson University and Communities in Schools, Inc., 2007.