

Proposed Funding Allocation Model

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The graphic features a background image of diverse students in graduation gowns and caps. The text is overlaid on this image. At the top, the title 'Vision & Mission' is centered. Below it, the 'Vision' statement is presented in a larger font, followed by the 'Mission' statement in a smaller font. A small circular seal is located in the bottom left corner of the graphic area, and a small number '2' is in the bottom right corner.

Vision & Mission

Vision
“All Nevadans ready for success
in the 21st Century.”

Mission
Our mission is to improve student achievement and
educator effectiveness by ensuring opportunities,
facilitating learning, and promoting excellence.

2

State Board of Education Goals

-  • All students are proficient in reading by the end of 3rd grade.
-  • All students enter high school with the skills necessary to succeed.
-  • All students graduate college, career, and community ready.
-  • All students learn in an environment that is physically, emotionally, and intellectually safe.
-  • All students served by effective educators.
-  • Efficient and effective use of public funds in service to students.



3

Department Goal

Become the Fastest Improving State in the Nation (FISN) by 2020.



4

Examples of Programs and Funding

Stay the Course on Major State Initiatives

Budget	Program	Summary	Outcome	Funding
2615	Nevada Ready 21 Technology Program	Access to skilled educators and connected, portable device.	"Students taking ownership of their learning" is the most frequently reported benefit by teachers.	Continue funding at Fiscal Year 2018-2019 \$10M in each year of the biennium
2699	College and Career Ready Grant	Competitive grant programs for STEM and access to AP courses.	10.8% increase in students scoring a 3, 4, 5 on AP Exams from SY 2016 to SY 2017.	Continue funding at Fiscal Year 2018-2019 \$5M in each year of the biennium for College & Career Readiness \$662,750 in each year of the biennium for Advanced Placement courses
2699	Career and Technical Education (CTE)	79 CTE programs in 6 career clusters to support all of Nevada's students as college or career ready.	91.23% graduation rate for the CTE class of 2017, compared to a statewide graduation rate of 80.85%.	Continue funding at Fiscal Year 2018-2019 \$12.5M in each year of the biennium



10

How were/are legislative appropriations or funding levels determined?

Funding Component?

- Mission and vision components do not include information about adequacy or study of funding
- We know funding matters
 - Nevada's history
 - Grant incentives are provided to schools that need assistance. When removed performance declines.
- Goals and objectives must be accompanied by sufficient and similarly aligned financial, human and capital resources
- These resources should be grounded in the estimated costs of programs required to perform the goals and objectives and not based on available revenue.
- In other words demand should drive funding not the other way around

Review and Update of Prior Studies

- 2017 Senate Bill 178
 - Sect. 14: NDE shall develop a RFP for an independent consultant to:
 - a) Conduct a review of the “Study of a New Method of Funding for Public Schools in Nevada (aka AIR Study)
 - b) Update the report and focus on appropriate funding adjustments associated with serving low-income pupils and English learners
 - c) Review appropriate term and funding for “pupils who are at-risk”
 - d) Review the multiplier to the basic support guarantee (BSG) for pupils with disabilities
 - e) Review the meaning of the term “gifted and talented pupils”
 - f) Make recommendations for the implementation of findings

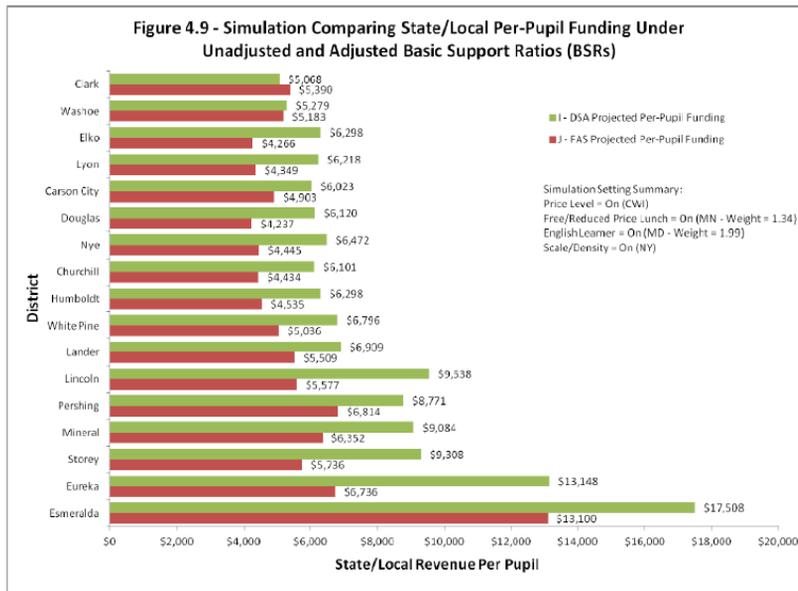
Overview

- 2006 Augenblick, Palaich and Associates (APA)
 - Updated in January 2015
- Estimating the Cost of an Adequate Education in Nevada
- Successful Schools/Evidence Based Approach
 - Successful Schools
 - Professional Judgment
 - Evidence-based approach
 - Statistical approach

Review and Update of Prior Studies

- American Institutes for Research (AIR) Study
 - 2012 Study of a New Method of Funding for Public Schools in Nevada
 - Objectives
 - Review of the Nevada Plan
 - Develop an inventory of state finance systems that fund at-risk populations and provide adjustments for rural/remote areas
 - Analyze methods used in selected states
 - Provide recommendations to improve funding
 - Analyzed data from all 50 U.S. states

AIR Sample Results



AIR Sample Results

District	I-DSA Projected Per-Pupil Funding (A x H)	J-FAS Projected Per-Pupil Funding (G x H)	K-FAS/DSA Difference (J-I)	K-FAS/DSA Difference (J-I)
Esmeralda	\$ 17,508	\$ 13,100	\$ (4,408)	-25.18%
Eureka	\$ 13,148	\$ 6,736	\$ (6,411)	-48.77%
Storey	\$ 9,308	\$ 5,736	\$ (3,571)	-38.38%
Mineral	\$ 9,084	\$ 6,352	\$ (2,731)	-30.07%
Pershing	\$ 8,771	\$ 6,814	\$ (1,958)	-22.31%
Lincoln	\$ 9,538	\$ 5,577	\$ (3,962)	-41.53%
Lander	\$ 6,909	\$ 5,509	\$ (1,401)	-20.26%
White Pine	\$ 6,796	\$ 5,036	\$ (1,760)	-25.90%
Humboldt	\$ 6,298	\$ 4,535	\$ (1,763)	-27.99%
Churchill	\$ 6,101	\$ 4,434	\$ (1,667)	-27.32%
Nye	\$ 6,472	\$ 4,445	\$ (2,027)	-31.32%
Douglas	\$ 6,120	\$ 4,237	\$ (1,883)	-30.77%
Carson City	\$ 6,023	\$ 4,903	\$ (1,120)	-18.60%
Lyon	\$ 6,218	\$ 4,349	\$ (1,869)	-30.06%
Elko	\$ 6,298	\$ 4,266	\$ (2,032)	-32.26%
Washoe	\$ 5,279	\$ 5,183	\$ (97)	-1.82%
Clark	\$ 5,068	\$ 5,390	\$ 321	6.35%

American Institutes for Research

Study of New Funding Method for Nevada Public Schools—81

The Challenge!!

- Identify a funding formula that provides equitable funding across 17 very different school districts with diverse student needs
 - Responsive to diversity of school districts
 - Responsive to student special needs
- How do you change the formula without benefitting some and harming others
- Any change without additional resources committed on a long-term basis will simply redistribute funding
- How would school districts change institutional spending based on 50+ years of practice, funding, labor agreements, facilities, etc...
 - How would this affect communities, education, students, staff...
- Change must be phased in so it does not abruptly affect the quality of education for Nevada’s students.

APA Proposed Formula Components

- Base Funding – (General Fund)
- At-risk – (Economic Disadvantaged)
- Special Education
- English Learners
- District Size
- Necessarily Small Schools
- Comparative Wage Index
- Recommended Funding

At-Risk

- The measure of “at-risk” populations are typically measures of economic disadvantage
 - Nutrition Program and/or other federal programs
- New funding source (at this time)
- State Appropriations
 - Victory Schools Grant Program
 - \$25 million, \$1,123.29 per pupil allocation for qualifying schools.
 - Currently provides funding to approximately 18 Schools (5 school districts and 1 Charter School)
 - SB 178: to support underperforming English Learners (ELs) and/or students who qualify for free or reduced-price lunch (FRL) performing in the lowest quartile of student achievement and who are not currently enrolled in a Zoom or Victory school

At-risk State Grant Funds

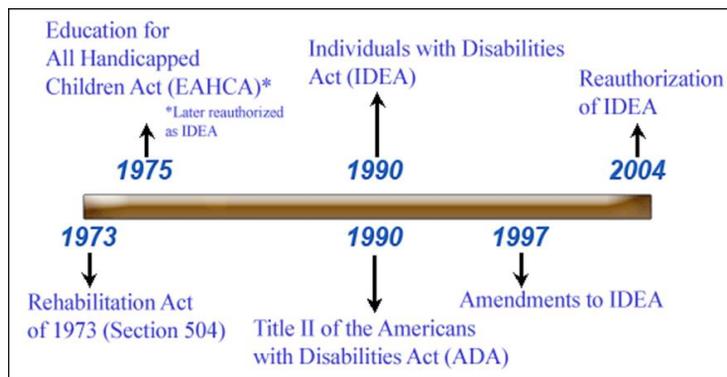
Budget	Program	Summary	Outcome	Funding
2615	Victory Schools	Academic and well-being supports to students receiving economic assistance.	Students enrolled at Victory Schools who scored at the proficiency level or above on SBAC reading in 2016-2017 increased by 5.7%.	Continue funding at Fiscal Year 2018-2019 levels \$25M for each year of the biennium

A02 2677: Universal At-risk Weight for Lowest Quartile (SB178)

Budget	Budget Item	2020	2021	Total	Outcomes
2677	\$1,200 for all students in the lowest quartile	\$33.9M	\$33.9M	\$67.8M	Guaranteed \$1,200 funding for students in the lowest quartile

Special Education Federal Legislation

- Special education funding is dictated by federal government policy



Nevada Special Education Funding Change

- Senate Bill 500; 2013 Legislature
 - Task Force on K-12 Public Education Funding
 - Modification of Funding for Students with Disabilities
 - Weighted funding of 2.0 to all students with disabilities
 - Funding cap of 13% (if funding is at 2.0)
 - » Washoe CSD bill to cut 13% in half
 - Contingency fund for students with disabilities who require high cost services
 - NDE develop a plan for the operational guidelines
 - » How to and how much to allocate to the fund
 - Initially provide funding as categorical outside the funding formula and transition inside at a later date if it makes sense to do so.
 - NDE work to develop implementation plan that takes into consideration maintenance of effort (MOE)

Special Education

- Nevada transitioned from a “unit” method of funding to a weighted formula
 - Unit funding was based on staffing allocations based on the characteristics of the special education student population (similar to caseloads)
 - Similar to teacher allotments
 - FY2017 weighted funding allocates funds based on a multiplier (1.53)
 - Multiplier was originally based on the amount funded under special education unit method
 - Funding was not based on demand
 - Current “multiplier” is 1.57
 - This more closely measure the current funding level relative to the BSG

Special Education Formula

Special Education Grant Allocation FY 2019 with 13% Cap						
Fiscal Year				2019		
FY19 Statewide Basic Support (Avg Per Pupil)				\$ 5,967	Special Education Funding AI	
Maximum Funding Level (% of Enrollment)				13.0%	Statewide SPED Funds (Avg F	
			C/B		E/F	
	Special Education Funded Enrollment FY 2017	Prior Year Funding Threshold (FY2018 Allocations)	FY18 Special Education Cost per Pupil at a 1.56 multiplier	Special Education Enrollment FY 2018	Total Enrollment Projection FY 2018 (including SPED)	Special Education Enrollment as % of Total Enrollment
		FY18 SPED Allocation FINAL- 13% divisor 2-FINAL (6/Fiscal & Admin Serv's/MA I/Grants/Quarterly Aug 1 Nov/1 Feb/3 May/1 Special	FY18 \$ / FY 17 count			
Carson City	1,052	3,992,191	\$3,794.86	1,148	8,182	14.0%
Churchill	415	2,176,960	\$5,245.69	484	3,424	14.1%
Clark	38,604	123,137,263	\$3,189.75	39,791	334,900	11.9%
Davidson Academy	2	6,500	\$3,250.07	1	172	0.6%
Democracy Prep	0	0	\$0.00	92	1,114	8.3%
Douglas	771	3,311,760	\$4,295.41	823	5,813	14.2%
Elko	1,129	4,004,260	\$3,546.73	1,268	9,935	12.8%
Esmeralda	10	49,567	\$4,956.74	6	73	8.2%
Eureka	26	204,766	\$7,875.62	33	291	11.3%
Futuro	0	0	\$0.00	8	110	7.3%

[FY19 SPED Allocation-13% -FINAL-Enrollment Update 1.2-Q2.xlsx](#)

English Learners

- Parent(s) complete a home language survey
 - What is the language most frequently spoken at home?
 - Which language did your child learn when he/she first began to talk?
 - What language does your child most frequently speak at home?
 - What language do you most frequently speak to your child?
- WIDA-ACCESS Placement Test administered
 - <http://www.wida.us/assessment/W-APT/>
- Results recorded in Power School
 - Academically disadvantaged
- ACCESS Testing is at the District expense
 - Reading, writing and oral exams provided
 - Assessing Comprehension and Communication English
- Language Action Plan required annually
- Tests provided annually and students exit after they reach a certain score

District Size

- Studies conclude that there is a correlation between the size of a district and costs

Figure 6.1: J Curve

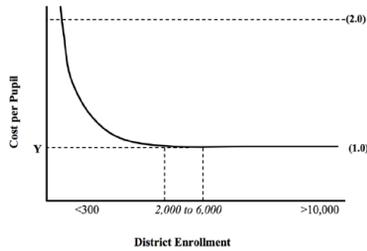


Table 6.9: Possible District Size Adjustment

District Enrollment	Size Adjustment Factor
50	2.30
100	2.11
250	1.85
500	1.65
1,000	1.46
2,000	1.26
3,000	1.15
4,000	1.08
7,500	1.00
10,000	1.00
50,000	1.00
300,000	1.00

For districts above 3,900 students: $\text{size adjustment factor} = (-.000001735 * \text{enrollment}) + 1.0868$

For districts below 3900 students: $\text{size adjustment factor} = (-0.281 * \ln(\text{enrollment})) + 3.4$

Small Schools

- States have made adjustments to funding based on research showing small schools/districts tend to face higher costs
- Data from the United States Census shows that small districts (<3,000) have per pupil expenditures that are \$1,901 above the national average

12 Griffith, Michael. In Education Funding Size Does Matter. 2017. <https://www.ecs.org/in-education-funding-size-does-matter/>
- Economies of scale, outsourced professional services, higher per unit costs, travel, etc...

Comparable Wage Index (CWI)

- Measure of the variation of non-teacher professional wages across localities
 - Attempts to account for impacts of cost of living and area amenities
 - Considers factors outside of school district budgets
 - Does not consider other wages (e.g. mining)
 - Is it relevant?
 - Does it reflect the complexity of hiring/retaining in rural areas?

Proposed Funding Formula

	A	B	C	D	E	F	G	H	I	J
1	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2	District	Base	At-Risk	Special Education	EL	Gifted	District Size	Necessarily Small Schools	CWI	Recommended Funding
3	Churchill	\$6,197	\$919	\$1,031	\$239	\$15	\$812	\$0	\$0	\$9,213
4	Clark	\$6,197	\$1,277	\$823	\$613	\$15	\$0	\$8	\$241	\$9,175
5	Douglas	\$6,197	\$565	\$1,029	\$192	\$15	\$477	\$108	\$0	\$8,585
6	Elko	\$6,197	\$743	\$793	\$336	\$15	\$434	\$151	\$0	\$8,670
7	Esmeralda	\$6,197	\$1,036	\$974	\$620	\$15	\$7,474	\$2,270	\$0	\$18,585
8	Eureka	\$6,197	\$472	\$661	\$116	\$15	\$5,137	\$401	\$0	\$12,999
9	Humboldt	\$6,197	\$921	\$966	\$384	\$15	\$700	\$477	\$0	\$9,660
10	Lander	\$6,197	\$552	\$792	\$247	\$15	\$2,863	\$155	\$0	\$10,822
11	Lincoln	\$6,197	\$1,014	\$1,078	\$48	\$15	\$2,913	\$344	\$0	\$11,609
12	Lyon	\$6,197	\$1,148	\$886	\$174	\$15	\$446	\$19	\$0	\$8,886
13	Mineral	\$6,197	\$1,030	\$988	\$328	\$15	\$3,923	\$254	\$0	\$12,735
14	Nye	\$6,197	\$1,473	\$1,003	\$241	\$15	\$483	\$295	\$0	\$9,707
15	Carson	\$6,197	\$889	\$954	\$541	\$15	\$459	\$0	\$0	\$9,056
16	Pershing	\$6,197	\$1,013	\$908	\$204	\$15	\$3,545	\$440	\$0	\$12,323
17	Storey	\$6,197	\$636	\$1,062	\$336	\$15	\$4,313	\$330	\$0	\$12,889
18	Washoe	\$6,197	\$867	\$962	\$543	\$15	\$0	\$14	\$0	\$8,599
19	White Pine	\$6,197	\$796	\$1,138	\$87	\$15	\$2,510	\$544	\$0	\$11,287
20	Charters	\$6,197	\$419	\$374	\$195	\$15	\$0	\$0	\$0	\$7,200
21	State	\$6,197	\$1,104	\$809	\$531	\$15	\$81	\$23	\$161	\$8,922

[Proposed new NV Model 12.9.18.xlsx](#)

Preliminary Results

- The formula proposed by APA appears to significantly shift funding from general fund operations to other categories
 - Potential problems with cuts in one fund while adding to others
- Shifts a significant amount of funding or redistributes funding to the larger districts.
- It is unclear at this point whether the local “outside revenue” will be used to subsidize the State’s funding guarantee
- Funding levels for at-risk population significantly exceed the State’s current revenue capacity
- It seems that increases in existing revenue and/or new sources of revenue will be necessary in order to fully implement.
- Changing the formula without adequate funding and hold harmless provisions and sufficient phasing period may adversely affect several school districts (including their students, staff and communities).
- Discussions continue to understand the formula and its impacts in order to mitigate or minimize unintended consequences
 - It’s always the punch you didn’t see that knocks you out.

Questions or Comments?