

NEVADA SCHOOL BOARD ASSOCIATION FEBRUARY 3, 2018

SCHOOL FINANCE



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WHAT IS YOUR DISTRICT'S WALK UP SONG?



WHAT IS NASS?

The Nevada Association of School Superintendents (NASS) is comprised of the 17 school superintendents representing the 17 geographic school districts in the State. The superintendents meet monthly to discuss common issues that both large and small districts face. They are united in their vision, mission and values that drive the daily work they do to ensure that all Nevada students are college and career ready upon graduation from a Nevada high school.



Vision

The vibrant future of Nevada is dependent upon all children graduating ready for college and career and prepared to be productive, responsible citizens, who are competitive in meeting the challenges of the 21st century environment.

Mission

To serve as a united voice to promote and advance public education and to advocate.

TAKE THE SCHOOL FINANCE QUIZ! WHAT DO YOU KNOW?



A WALK DOWN MEMORY LANE



HISTORY OF NEVADA SCHOOL FINANCE

- 1947 Interim Committee appointed to consider reorganization of the educational system
 - Nevada had 238 school districts
- 1954 Peabody Report
 - Recommended school districts and county be coterminous
- 1963 Legislature commissioned study
 - Develop formula based on Wyoming's formula
- 1967 Nevada Plan Created
 - State Population 1970: 493,223
 - 2014 Student population 432,346
 - First atomic detonation at Nevada Test Site
 - First handheld calculator invented

HISTORY OF NEVADA SCHOOL FINANCE

- 1973 Special Education added (IDEA enacted 1975)
- 2000 Dept. of Admin. Audit of Nevada Plan
 - Recommendation #3: "Evaluate and revise the methodology for allocating the DSA"
- 2003 First iNVEST proposal
- 2005 ACR 10 Requests Study of Nevada Plan
 - Analyze of the Nevada Plan for School Finance to determine any inadequacies or inequities in public education that are caused by the Nevada Plan.
 - August 2006 Augenblich, Palaich and Associates
 - Estimating the Cost of an Adequate Education in Nevada
- 2005 Creation of DSA Evaluation Team
 - 8 school district representatives (Supt. & CFO's)
 - 2 Nevada Association of School Boards
 - 2 Department of Education

HISTORY OF NEVADA SCHOOL FINANCE

- 2006 DSA evaluation complete
 - Revisions were made to existing formula. Impact phased in over four years.
 - Recommendations provided to DOE to maintain and monitor formula
- 2011 Senate Bill 11
 - Committee to Study a New Method for Funding Public Schools
- 2012 AIR Study submitted to LCB
 - Proposed alternative funding methods for at-risk populations and other measures
 - Illustrated redistribution of existing funds

HISTORY OF NEVADA SCHOOL FINANCE

- 2013 Senate Bill 500
 - Task Force on K-12 Public Education Funding
 - Technical Advisory Committee
 - Recommendations
 - Review and revise teacher allotment tables
 - Update the FTE Staffing and Expenditure Data
 - Replace the implicit wage differential adjustment
 - Reconsider the groupings
 - Consider alternatives to the single count day
 - ELL & At-risk (FRL): Add weight of 1.5 and evaluate after implementation
 - Phase-in impact over three years (10%, 30% & 60%)
 - “New funding” to enhance existing funding
 - Study or identify the base cost to educate
 - Change unit allocation for special education to weighted student model of 2.0

HISTORY OF NEVADA SCHOOL FINANCE

2015 Senate Bill 508

- Revises provisions governing the Nevada Plan
- Changed hold harmless and count day
- Prospectively removes special education program units
- Includes a multiplier to the basic support guarantee for pupils with disabilities
- Revises provisions governing the inclusion of pupils enrolled in kindergarten
- Revises provisions governing the hold harmless provisions for school districts and charter schools
- Creates the Contingency Account for Special Education
- Requires the Department of Education to develop a plan for implementing a multiplier to the basic support guarantee for certain categories of pupils (Multiplier = 1.53 currently)

HISTORY OF NEVADA SCHOOL FINANCE

- The Nevada Plan -- The proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity.”
- Distributive School Account
- Equity Allocation Model -- The Equity Allocation Model is driven by each district’s unique cost and revenue characteristics.
- Local Wealth Equalization -- Accounts for wide local variations in wealth among school districts.

NEVADA PLAN EQUITY

- “Historically the Nevada Plan has been regarded as a very equitable formula ranking 2nd based on two measures of equity (horizontal equity and fiscal neutrality)” (Academic Achievement and School Resources in Nevada: Dr. Teresa S. Jordan, Department of Educational Leadership, UNLV)
- Equity ranking does not address vertical equity or funding of differentiated needs of students (i.e. at risk populations).

NEVADA PLAN TRENDS

- Per Pupil Spending in the 1970's ranked among the top 10 in the nation (\$577 per student) and Student Performance
- Currently, Nevada ranks near the bottom in per pupil funding and student performance (\$5,774 per student)
- Direct correlation between the drop in funding and drop in performance

WHAT IS INVEST?

iNVest is the product of the collective work of the superintendents. Beginning with the 2003 Nevada Legislative session and continuing to the present, the superintendents, supported by the 17 elected boards of school trustees, have produced iNVest. Although the document has changed somewhat over the years to reflect the current issues facing K-12 educators in the State, the document has been the cornerstone of the superintendents' answer to the question, "What is needed to improve student achievement in Nevada?"

INVEST

- Three main tenants of the iNVEST documents
 - To Improve Student Achievement
 - To Attract and Retain a High Quality Work Force
 - To Provide Adequate Basic Support

IMPROVE STUDENT ACHEIVEMENT

- Increased Achievement for All Students
 - Interventions
 - Additional Programming for ELL, At Risk, SPED
 - Full Day Kindergarten
 - Enhanced Professional Development
 - Classroom Discipline
 - Student Safety
 - Enhanced Career and Technical Education
 - Early Childhood Programming
 - Technology

ATTRACT AND RETAIN A HIGH QUALITY WORKFORCE

- Salary Increases for Educational Personnel
- Health Benefits
- Incentives for Licensed Education Personnel
- Enhanced Professional Development
- Contract Enhancements

TO PROVIDE ADEQUATE BASIC SUPPORT

- Include Annual Inflation in the Nevada Plan
- Continue Augmented Funding for Books, Education Supplies, and Equipment
- Protect Ending Fund Balance
- Fund the Base and Revise the Funding Formula
- Establish a Rainy Day Fund
- Address Capital Infrastructure Needs
- Complete Conversion to the Weighted Funding Formula
- Preserve Current Funding Sources



*NEVADA'S SCHOOL SUPERINTENDENTS
AGREE THAT EVERY NEVADA
CLASSROOM INCLUDES:*

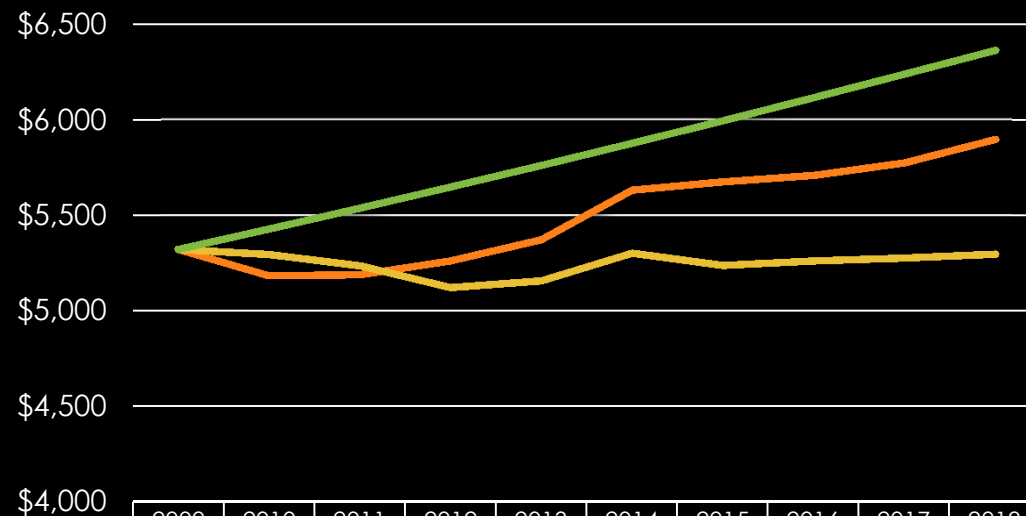
- A highly trained and effective teacher
- A reasonable number of students
- A sufficient number of safe, warm and dry classrooms
- 21st century materials and technology
- Student centered supports
- Leadership
- Engaged families and communities
- Students reaching meeting academic and social milestones

DISTRICTS' BARRIERS

- SYSTEMATIC SHIFT TO CATEGORICAL SPENDING (LACK OF TRUST)
- INCREASING STUDENT NEEDS (EL, FRL, IEP, MENTAL HEALTH)
- LIMITED WAYS TO HELP OURSELVES

BARRIERS

**State Average Per Pupil Basic Support Guarantee
(Nominal versus Inflation-Adjusted)**

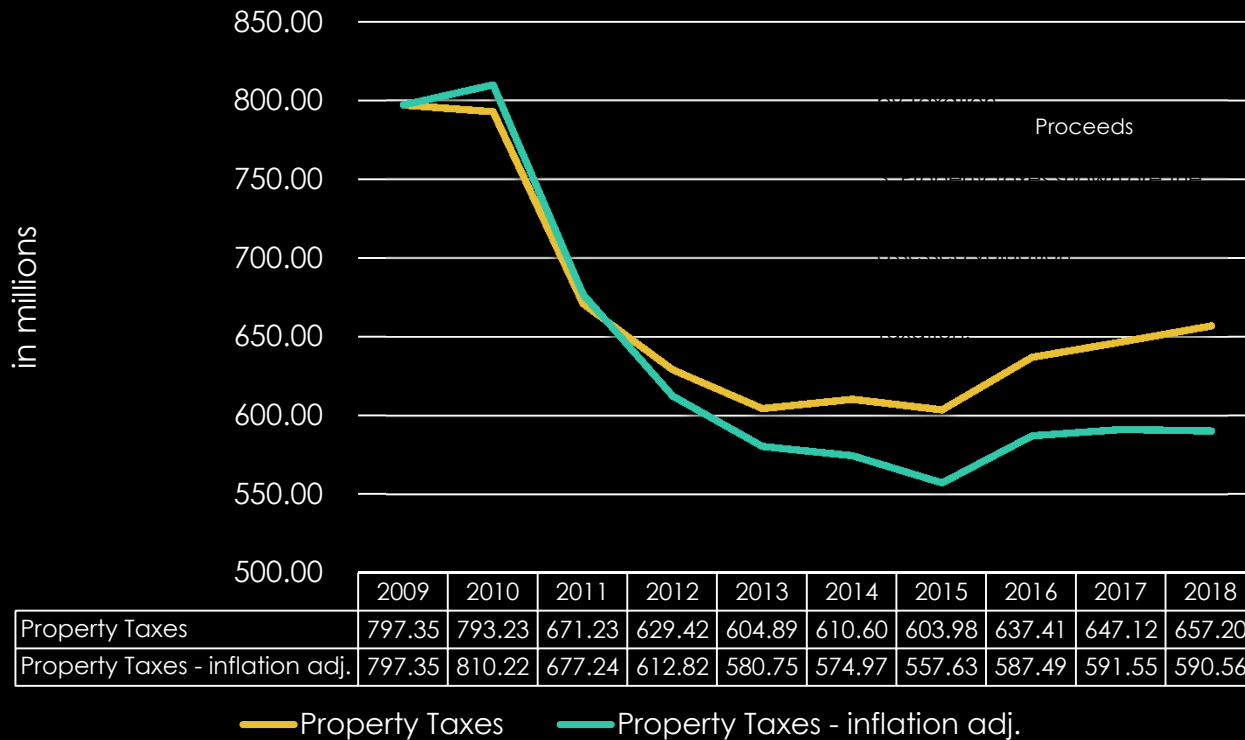


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
State Average (actual)	\$5,323	\$5,186	\$5,192	\$5,263	\$5,374	\$5,632	\$5,676	\$5,710	\$5,774	\$5,897
State Average (inflation adj.)	\$5,323	\$5,297	\$5,239	\$5,124	\$5,160	\$5,303	\$5,240	\$5,263	\$5,278	\$5,299
State Average + 2%	\$5,323	\$5,429	\$5,538	\$5,649	\$5,762	\$5,877	\$5,995	\$6,115	\$6,237	\$6,362

— State Average (actual)
 — State Average (inflation adj.)
 — State Average + 2%

BARRIERS

**Total Property Taxes Received by School Districts in Nevada
(Nominal versus Inflation-Adjusted)**





NASS IS SUGGESTING 3 AREAS OF FOCUS TO
ADDRESS THE BARRIERS OF ACHIEVING NEVADA'S
CLASSROOM.

Reset the Distributive School Account to current actual district costs. Connect future DSA amounts to reflect the inflationary costs necessary to maintaining Nevada's classrooms in a globally competitive environment.

Increase flexibility within categorical spending

- Class Size Reduction: Allow funding to be used in grades K-5.
- Nevada KIDS Read funding should be allocated to all districts through direct appropriation instead of as a competitive grant.
- Allow additional Victory schools to be designated by the district in a budget neutral manner to serve more students.
- Allow for districts to apply indirect costs to these funds just as is allowed for all federal funding.



Require the release of district level
Per Pupil Allocations during
preliminary budget hearings



WHAT HAVE WE LEARNED?

QUESTIONS