

June 10, 2020

Chairwoman, Dr. Karlene McCormick-Lee  
Commission on School Funding

Dear Chairwoman McCormick-Lee and members of the Commission,

Thank you for the opportunity to submit testimony on behalf of Educate Nevada Now. We have provided a more detailed version of our recommendations for the Commission's review, but appreciate the opportunity to have brief remarks read into the record.

We have observed the hard work of the Commission over the past several months and are sincerely grateful for members' dedication, insight and expertise. Thank you for the thoughtful deliberations and care in this process. We understand the heavy burden placed on your shoulders but are confident in your ability to improve outcomes for our students.

ENN was adamant during the last legislative session, and in subsequent discussions with members, that the school funding formula should ultimately reflect the needs of students. The guiding principle should always be ensuring students have the essential resources necessary to meet or exceed the requirements set forth by the State. ENN is currently fighting for this principle on behalf of several parents in a legal challenge. The goal is to ensure that "College, Career, and Community Readiness" is not just a slogan, but a reality for all Nevada students.

Though we recognize that many of the tough decisions necessary to remedy Nevada's broken education system are outside of the scope of this Commission, there are recommendations this body can make to put lawmakers on a positive path. With the prospect of a recession and budget cuts looming, it is more important than ever Nevada does not repeat the mistakes of the last recession. We cannot wait another ten years to be in the same position we find ourselves in now – still not recovered from years of budget cuts and shortfalls. We desperately need a plan and leadership to ensure we emerge from this crisis with a robust public education system and diverse economy that sets the stage for a new and stronger Nevada.

ENN's proposes the following recommendations:

- ***Recommend the Legislature adopt adequate funding targets for both the base per-pupil allocation and weights, with a 10-year plan to incrementally achieve those targets.*** The Commission has this authority and guidance from existing costs studies to set a path forward.

The current economic crisis makes this critical to the success of the Pupil-Centered Funding Plan.

- ***Recommend modifications to the hold harmless provision that, at the very least, accounts for inflation and enrollment growth.*** A hold harmless provision should take into account that the majority of districts are not currently receiving adequate funding. Lawmakers should be encouraged to develop policy that does not put districts in a position that further deteriorates scant resources.
- ***Recommend a thorough study of the at-risk designation, concentrating on actual student need and recognizing FRL as potentially under-inclusive.*** FRL is the prevailing proxy for at-risk student designation. Any effort to develop a new model should involve further study, aim to be more, not less inclusive, and be based on actual student need.

Please review our submitted written testimony for detailed information regarding each of these recommendations. Again, we thank you for your hard work and devotion to this critically important task.

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## **1. Recommend the Legislature adopt adequate funding targets for both the base per-pupil allocation and weights, with a 10-year plan to incrementally achieve those targets.**

K-12 public education suffered crippling funding cuts after the Great Recession of 2008. To make matters worse, a major funding study commissioned shortly before had found education funding grossly inadequate even prior to the economic crisis.<sup>1</sup> Only recently public education funding began approaching pre-recession levels, when accounting for inflation. Put another way, over a decade was spent chasing funding levels deemed inadequate to begin with.

In 2020, the state finds itself in eerily familiar territory. A recent APA study again finds Nevada grossly underfunding public education, and the state faces a deep recession with a long road to recovery. But unlike before, this Commission has the authority and mandate to develop a plan to identify and achieve adequate funding levels.

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<sup>1</sup> Augenblick, Palaich and Associates, Inc. Estimating the Cost of an Adequate Education in Nevada, (August, 2006); see also *School Financing Adequacy*, LEG. COUNCIL BUREAU, 8 (2007), available at <http://www.leg.state.nv.us/Division/Research/Publications/InterimReports/2007/Bulletin07-07.pdf> (hereinafter “School Financing Adequacy Report”), (finding public education funding levels over a billion dollars short of adequate funding levels).

Arguably the most critical function of this Commission is detailed in SB 543, sec. 11(1)(c), where it states, in part, this Commission shall,

*“Review the statewide base per pupil funding amount, the adjusted base per pupil funding for each school district and the multiplier for weighted funding for each category of pupils appropriated by law [...] and recommend any revisions [...] to create an optimal level of funding for the public schools in this State [...].”*

Without addressing this “elephant in the room,” the Pupil-Centered Funding Plan has no path for success. Not only will students be denied essential resources, but also small and rural counties will face deep, significant cuts, and programs for our most vulnerable students will deteriorate. With the impending economic crisis, it is absolutely critical the Commission propose adequate funding targets while also identifying, as SB 543 states, *“a method to fully fund the recommendation within 10 years after the date of the recommendation.”*

Prior to the last recession, the Legislative Commission’s Committee to Discuss School Financing Adequacy utilized APA to contemplate a 10-year path to adequate funding, adjusted for inflation.<sup>2</sup> Unfortunately, this did not result in concrete recommendations or policy. The product was more inaction. Even when the economy improved, solutions for adequately funding schools gave way to a culture of competing for scant resources.

Without a coherent plan, Nevada is doomed to repeat the mistakes of the past. This Commission has a mandate to develop adequate per-pupil funding targets and weights and a plan to meet those targets. It also has the benefits of a thorough recent APA study at their fingertips, recommending target base per-pupil funding and weights. This plan should not be delayed, but rather prioritized because of the current economic crisis. We would be doing a disservice to our students and community, not to mention the future health and diversity of our economy, if we do not lay a foundation now for growth and success.

## **2. Recommend modifications to the hold harmless provision that, at the very least, accounts for inflation and enrollment growth.**

We recognize that achieving adequate funding levels is a process that will take time and immense effort. With that in mind, it is critical that students and schools are supported as Nevada transitions to the Pupil-Centered Funding Plan. As the Commission has examined and modeled the effects of SB 543’s hold harmless provision, it has become abundantly clear that it would be damaging to several districts, likely resulting in massive cuts to staffing and student supports.

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<sup>2</sup> School Financing Adequacy Report, *supra* note 1, at 8. (estimating a \$222.7 million annual increase to achieve funding adequacy over a 10-year period, using 2003/2004-2013/2014 for the purpose of estimation).

ENN has and continues to support a hold harmless provision that focuses on movement towards adequate funding levels. For example, Illinois' hold harmless provision uses district adequacy targets to gauge how additional dollars are allocated, where districts furthest from adequacy receive the largest share of additional dollars, while districts closer to adequacy receive a proportionally smaller share.<sup>3</sup>

Recognizing that additional dollars may not be likely in the immediate future given the economic crisis, any hold harmless should, at a minimum,

- 1) Account for inflation adjustments year-to-year, and
- 2) Account for enrollment growth.

Without considering these factors, districts (most of which legislatively-commissioned studies have determined are not adequately funded) will see budgets further deteriorate, meaning loss of staff and services. Without adjustment for growth, counties will be forced to serve additional students without the benefit of additional per pupil dollars. With many counties experiencing or expecting population growth, districts will struggle to improve or maintain educational opportunities for their students.

Ultimately, the North Star for any policy should be to develop a path to adequate funding levels. But recognizing the long road ahead, districts should at the very least be able to keep up with increased costs and population growth. The idea that some districts “already have enough” does not reflect the reality or the work of APA.

### **3. Recommend a thorough study of the at-risk designation, concentrating on actual student need and recognizing FRL as potentially under-inclusive.**

The Commission has discussed and heard a proposal from Infinite Campus on reforming the factor(s) used to designate a student as at-risk for the purpose of identifying who qualifies for weights. Though we welcome a discussion on better identifying students who need additional resources, we urge caution in coming to a determination without a more thorough study and review of Infinite Campus's proposal, along with other proposals.

We have concerns with the lack of transparency of the factors used, and not used, by Infinite Campus in identifying a student as at-risk, along with the potential for underestimating the number of students that require additional resources. We further have concerns that identifying students based on outcome may result in a “cliff” of funding, leading to results similar to those experienced in the rollout of SB 178. No

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<sup>3</sup> *Equity Dashboard*, Advance Illinois, available at <https://www.advanceillinois.org/datadesk-equitydashboard/> (The “district comparison tab” illustrates each district's distance from adequacy, which in turn guides how additional dollars flowing through the funding formula are prioritized).

other state currently uses the proposed model, and FRL continues to be a widely accepted proxy for at-risk students.

Any effort to transition to a novel model of identification needs a thorough review with expert and community input. We welcome this discussion, as many education advocates and districts have expressed to us that the FRL designation is likely under-inclusive. The number of students who qualify for FRL while in elementary school dwindles as those students enter middle and high school, likely due to a perceived stigma of utilizing the program by older students. Further, FRL does not account for other issues, such as family trauma, which may also affect student outcomes.

It is also worth noting that APA used FRL as a proxy when developing target weights for at-risk students in Nevada, calculating the resources necessary for each student to have the opportunity to meet state academic standards. Therefore, using a different proxy or factors would ultimately require additional study on the appropriate target weight.

Though the Commission has not indicated this intent, we recognize that it may be enticing to develop a weighted funding designation that ultimately reduces the number of eligible students. With limited dollars, a smaller number of students may simply seem more manageable. This approach disregards the core purpose of weighted funding models – to make the connection between essential resources students need to have an equitable educational opportunity and the funding it takes to provide that.

With so much at stake - appropriate wrap-around services, tutoring, extended school day, and other resources that foster equity - it is critically important we get this right. For these reasons, we urge the Commission to recommend further study on developing alternative factors for designating students as at-risk, recognizing FRL may be under-inclusive.

Again, we applaud the hard work of the Commission and their commitment to students across the state. They have been faced with a difficult task with few easy decisions. As we expressed early on in this process, the work of this Commission should aim to ensure Nevada is on a path of providing every student the opportunity to succeed. With the prospect of another devastating recession, laying this foundation is more important than ever. We urge the Commission to make recommendations that promote a constitutionally adequate education for all Nevada students.

Very sincerely,



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