

February 21, 2017

Senator Joyce Woodhouse
Chair Senate Finance Committee
Nevada Legislature, 79th Session

Re: SB49

Dear Senator Woodhouse and Senate Finance Committee members,

SB 49 proposes to amend SB508 (2015) by removing the 13% cap on the number of special ed students that will be funded through SB508 weights.

SB 508 laid out two important goals: 1) Modernizing the Nevada Plan; and 2) Implementing weighted funding for special education, ELLs, students in poverty (FRL), and GATE students. The bill states,

“It is the intent of the Legislature to modernize the Nevada Plan, ...by providing additional resources expressed as a multiplier of the basic support guarantee to meet the unique needs of certain categories of pupils, including, without limitation, pupils with disabilities, pupils who are limited English proficient, pupils who are at risk and gifted and talented pupils.” SB 508, 4(2).

The education budget proposed by the Governor reflects Superintendent of Education’s recommended weight of 1.5 for special education students, on a base that continues to be calculated under the Nevada Plan. SB508 caps the number of students that can be funded through special education weights at 13%, which is the subject of this amendment.

We support SB49 amendment that removes the 13% cap, because the special education funding is inadequate. To impose 13% cap would further aggravate the underfunding of special ed services that SB508 “bakes into” the Governor’s education budget. Small school districts, which will more likely deviate from the cap and the national average 13% that special ed students now represent, are the most impacted. This poses an Equal Protection problem that could be the focus of future litigation.

Prior to SB 508, the Nevada Legislature impaneled a bipartisan task force through SB 500 (2013) to review the Nevada Plan and make recommendations for a weighted formula that takes into account the individual educational needs and demographic characteristics of pupils. The 2014 Task Force final report recommended a cap, but it also recommended a higher weight of 2.0 for special ed students. Also, the Task Force recognized that the base, calculated under the Nevada Plan, should be updated.

The Governor’s education budget proposes lower weights than the 2014 Task Force recommended; for

special education the SB508 proposed weight is 1.5 versus 2.0. More importantly, the budget leaves the base the same; thus, the mechanics of calculation of the base reflects old Nevada demographics and education needs of a time long past. The intent of SB508 is to “modernize” school finance, not freeze “old Nevada” into school funding.

As a consequence, under the Governor’s budget school districts are not being made whole for special education expenditures. According to the survey by Paul Johnson, CFO of White Pines, which we present to you with his permission in Exhibit A, the SB508 formula underfunds special education by a total amount of \$380 million. Under the Governor’s education budget, the additional allocation under SB508 for special education is only \$30 million. Consequently every Nevada school district must take between 10 to 15% of their general funds to completely fund special education. All districts draw 40-60% of their special education costs from their general funds, and that will continue to be the case under SB508 formula and weights. The 13% cap makes the hole deeper for smaller districts who have identified more special education children above the 13% cap, further exacerbating the inequity that SB508 “bakes into” Nevada’s school finance.

Special education student populations all over the state are increasing. Washoe and rurals have gone on the record that such a modest funding proposal puts their ability to serve special education and all children in jeopardy. The 13% cap just makes the situation even worse, harming all Nevada children. It puts in place a perverse incentive to under-identify special education children who require services.

When districts shift money from general education students – who do not receive legal protections -- to help pay for groups who are legally protected, like special education students, one set of parents is pitted against another, as parents fight for insufficient funds. SB508 will force school districts to cut corners by augmenting class sizes, cutting back on AP and STEM courses for general education students.

ENN supports SB 48 because SB508 has set up an inadequate funding mechanism for special education children that impacts all kids. Without significantly increasing funding we're just shifting scant money around again to cover education costs -- and all our kids suffer.

Respectfully submitted,



Sylvia Lazos, Policy Director