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Nevada State Board of Education  
President Elaine Wynn  
Superintendent Steve Canavero  
Las Vegas, Nevada

Dear President Wynn and Members of the Nevada State Board of Education,

Senate Bill 508, recognizes the longstanding inequity of the Nevada Plan, and moves the State toward an “equity allocation” model, where certain student populations are provided additional support to be successful because of the “unique needs” of these student groups. SB 508 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 students with disabilities among others.” SB 508, Sec 4(2).*

In 2015, The Rogers Foundation, a Nevada leader in education reform, along with local and national partners, launched Educate Nevada Now, aimed at securing school finance reform and improving education outcomes and opportunities for Nevada public school children, especially those children who are at risk, English Language Learners, and students with disability and other special needs.

SB 508 tasks the State Superintendent to recommend to the Legislature an “equity allocation model,” a new funding formula that incorporates equity weights for student populations, such as special education, ELL, FRL, and GATE. The new mechanics are to be incorporated into the Governor’s budget for the upcoming biennial. The Constitution of the State of Nevada designates the Legislature with the responsibility for determining what level of funding is “sufficient” for the public school system. Legally, it is the Legislature’s ultimate constitutional responsibility to determine whether the Superintendent’s recommended weights are “sufficient” to meet the state’s education goals.

The Legislature has provided the Superintendent with guidance. In 2015, the bi-partisan interim Legislature’s Task Force on K-12 Public Education Funding issued Bulletin No. 15-5 (Jan. 2015) in which the Task Force had specific recommendations, and recommended weights for a new equity funding plan (available on Legislature’s website). The Task Force met publicly over the course of a year, and received expert advice from technical advisory committee. Its minutes and recommendations are part of a public record accessible to all members of Legislature and all Nevadans.

Today is the first opportunity for the public to comment on what is the most important piece of education reform in our state – rethinking the inequities of the current Nevada Plan. “Sufficient” funding for public education, which is mandated by the Nevada constitution, is the beginning point of every education reform effort undertaken by the Legislature, this Board, and school districts.

- 1) **The weight proposed by the State Superintendent, in our opinion, does not meet SB508 directive that the “Legislature ... provide additional resources to the Nevada Plan expressed as a multiplier of the basic support guarantee to meet the unique needs of ... pupils with disabilities, ...” SB 508, Sec 4(2).**

In 2015, the K-12 Funding Task Force recommended a weight of 2.0 for special education students, reflecting input from the special education community, parents, experts in education funding, and legislators. Today, the Superintendent proposes an overall special education weight of 1.53, which would result in overall funding increase of \$30 million for special education students. If the Task Force’s 2.0 weight were to be used, overall special education funding would increase by about \$80 million.

Please note that for all but three districts, the Superintendent’s proposed weight represents a decrease of per pupil special education funding, since the number of special education students is increasing as the total allocation for special ed remains about the same.

In slide 9 of the Superintendent’s “Special Education Overview” power point presentation, the only districts that receive significant increases in special education funds are State Charters – about \$5 million – and CCSD – about \$24 million. Most districts stay at about the same total allocation. The additional allocation of \$24 million will help CCSD offset \$357 million (FY2016) in total funds that CCSD currently spends, because of federal law requirements, on special education. In fact, all districts currently draw 40-60% of the special education costs from their general funds and that will continue to be the case under the new formula.

The state’s new special education allocation does not fully cover students who qualify for special education services under federal law. This is because the new weight works backwards from the biennial FY 2015-16 allocation to “hold harmless” the total special education budgets for most districts. We believe that the reality in Nevada is that allocations based on past expenditures cannot fulfill the statutory directive that the new weights “**meet the unique needs of ... pupils with disabilities.**”

- 2) **The Superintendent’s “Modernization of the Equity Allocation Model” continues to use the old Nevada Plan as the base for calculating “sufficient” education funding for Nevada’s “unique” diverse and new demographics.**

The Nevada Plan is based on 50-year old plus formula that does not reflect modern Nevada, with its diverse population and urban concentrations. The total budget numbers used in the Superintendent’s modernization equity model are still numbers derived from the Nevada Plan’s historically-based formula, not the actual needs of today’s students.

We read SB 508 to recognize that these historical funding levels were not “sufficient” for special populations. The Superintendent has simplified the old Nevada Plan; still, the simplified formula “backs into” total funding levels arrived at by the old Nevada Plan principles. For example, the old Nevada Plan principles do not address teacher shortages in CCSD, nor do they address the fact that most special education students in CCSD are taught by substitutes.

Factors that might determine the actual cost of educating special education students, such as district characteristics, demographics, resource costs, services, economies of scale, unique expenses of the special education population, are seemingly absent from the formula.

And although the state is required to meet the Maintenance of Effort (MOE) funding levels, this is meaningless because instead of determining MOE based on districts’ actual **expenditures** for special education, it is based on past **funding** – again using the historically inadequate funding levels as a flawed yardstick for future effort.

### **3) Districts are arbitrarily capped by how many students can qualify for special education funds.**

SB 508 caps the amount of students that can be counted for the special education allocation at 13%. This is a statutory cap, so the Superintendent is obliged to follow the law.

This cap is problematic for the many districts that have more than 13% of its students receiving services. National research projects that special education populations will increase in the future.

The funding cap results in no additional funding being provided, even when additional funding *is* needed. Districts have a federal obligation to provide special education services to all students who qualify. The cap only serves to obstruct both the state and district from meeting these mandates.

We recommend that the State Board note to the Legislature that this cap is inherently inequitable to Nevada’s special education children.

### **4) The funding weight does not take into account the severity of children’s disabilities.**

In addition, the funding weight does not take into account the varying types of expenses of “unique” needs of students with disabilities. CCSD and Washoe have high populations of children with severe disabilities. By contrast, charter schools do not have the same high numbers of children with severe disabilities.

How does the proposed formula address the needs of children with severe disabilities?

**5) The process for developing the weights has lacked transparency and collaboration.**

The State Superintendent and the Nevada Department of Education (NDOE) exclusively developed the weights and funding formula, with a working group that the Superintendent designated. There was no opportunity for input from stakeholders until now. Also, the NDOE simply presented to each district various drafts of the special education allocation, with weights already determined. Without consulting districts about their unique needs, lack of resources, and other relevant issues, the process was not truly collaborative. The Legislature's own 2015 Funding Task Force report recommendations have received scant attention.

Though SB 508 tasks NDOE with developing the weights, the Legislature will ultimately be held accountable for providing "sufficient" funding. Will the Legislature accept these recommendations as a transition towards "equity"? Should Nevada's education stakeholders?

We appreciate the opportunity to provide public comment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Amanda Morgan', with a long horizontal flourish extending to the right.

Amanda Morgan,  
Legal Director, Educate Nevada Now,  
powered by The Rogers Foundation

cc: Superintendent Steve Canavero