



July 25, 2016

Legislative Interim Committee on Education  
Chairwoman Melissa Woodbury  
Las Vegas, Nevada

Dear Chairwoman Woodbury and Members of the Committee,

Thank you for the opportunity to testify on Agenda VIII Review of Revisions to the Equity Allocation Model.

Educate Nevada Now, powered by The Rogers Foundation, aims at securing equitable school finance 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. ENN supports the work of the Governor and the Legislature in 2015; especially the forward-looking intent of SB508 in addressing the actual needs of students, versus looking to the past at the outmoded, non-needs based Nevada Plan.

During the 2015 Legislative Session, Governor Sandoval and the Legislature made a bold and overdue bipartisan commitment to modernize the Nevada Plan as part of a revolutionary education reform package. SB 508, acknowledging the inequity of the Nevada Plan, 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).*

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 constitutional responsibility to determine whether the Superintendent’s recommended weights are “sufficient” to meet the state’s education goals, and comply with the intent to modernize the Nevada Plan.

The Legislature has provided the Superintendent with guidance on what would be a “sufficient” and equitable weight under a new funding formula. 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.

“Sufficient” and modernized funding for public education 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 education remains about the same.

Where many special education advocates, political leaders, and families anticipated a meaningful change in funding levels, the only districts that will receive significant increases in special education funds are State Charters – about \$5 million – and CCSD – about \$24 million. Most districts will 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 Committee should consider whether the allocation proposed by the Superintendent does justice to the intent of the Governor and Legislature in addressing the “unique needs” of students, or is it, unfortunately, just more of the same.

In our view, 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 SB508’s 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 Nevada are taught by substitutes. As reported by CCSD on July 21, 2016, 43% of 415 current teacher vacancies are for special education teachers.

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. Humboldt County in particular reports very high levels of special education students. Furthermore, 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 Legislature revisit this cap as 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. Many community members have reported being discouraged from applying to charter schools when they report that their child is a special needs student. This is even more the case if their child suffers from a severe disability.

The proposed formula does not appear to 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 (NDE) 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 NDE 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 Task Force report’s recommendations have received scant attention, even though this report directly addresses the difficult question of what are equitable and “sufficient” levels of funding for student to achieve in Nevada schools.

Though SB 508 tasks NDE with developing the weights, the Legislature is ultimately accountable for providing “sufficient” funding. We recommend that the Legislature instruct the Superintendent to reconsider the proposed weights in light of the 2015 Funding Task Force report. Per the intent of SB508, the Superintendent’s proposed weights should be based on needs of students, not past expenditures that were the product of an outmoded and inequitable Nevada Plan.

We appreciate the opportunity to provide public comment.

Respectfully submitted,



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