

April 19, 2018

Legislative Committee on Education

Dear Chair Denis and Members of the Legislative Committee on Education,

Thank you for the opportunity to provide testimony on one of the most important components of a quality education - teachers. Educate Nevada Now, powered by The Rogers Foundation, is committed to ensuring all students have the benefit of a highly qualified, well-resourced teacher in their classroom. As part of the Fund Our Future Nevada coalition, we applaud the Committee for looking closely at the issues of educator methods and pedagogy, training, hiring, and retention.

Nevada teachers deserve our support. They deserve adequate wages and benefits, and meaningful professional development opportunities. They deserve reasonable class sizes and the resources necessary to provide every student with the opportunity to succeed.

Instead our teachers have the largest class sizes in the country.¹ When accounting for salaries per classroom pupil, Nevada teachers have the third worst salaries in the nation.² Getting the raises they deserve often comes at the cost of increased class sizes or other lost resources, all the while teachers continue to shoulder the implementation of increasing and underfunded state and federal mandates. We rely on teachers to move the needle on student achievement, address issues related to student poverty, provide services to English Learner and special education students, and so much else. They are continually asked to do more with less and face increased pressures and stress, and yet, our state's future is riding on their success.

Though the Committee is exploring practices to support the teaching profession, we must keep in mind that additional investments are likely necessary to not only implement the reforms discussed today, but to provide the very basic resources and conditions necessary so that teachers have a chance to be successful. Nevada ranks 48th in K-12 public education funding - making success difficult with large class sizes, insufficient student resources, and the inability to attract and retain high quality teachers.

More must be done to address the elephant in the room - our broken funding system - for any other reforms to have a lasting impact.

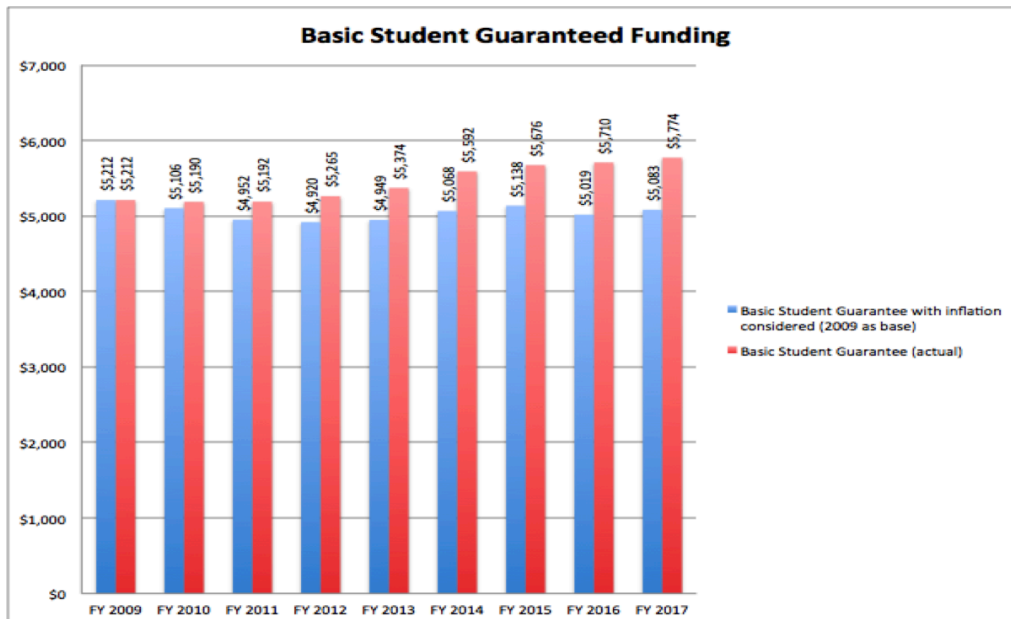
¹ Rankings & Estimates, *Ranking of the State 2016 and Estimates of School Statistics 2017*, Nev. Educ. Ass'n, § C (2017).

² *Id.* (calculated using state salaries and pupils enrolled per teacher).

We know the problem rests in our antiquated funding scheme.

The legislature has been made aware of the many issues with our current funding system, the Nevada Plan, as lawmakers have commissioned several studies examining its shortfalls.³ And one problem particularly relevant to the discussion today, is that new revenue sources to the Nevada Plan’s funding budget (known as the Distributive School Account or “DSA”) typically do not to increase the K-12 budget “pie,” but instead supplant funds that can then be diverted elsewhere in the state’s budget.

As the Las Vegas Chamber of Commerce noted when studying the Nevada Plan, “In addition to transferring tax revenue among counties, Nevada’s K-12 system serves as one means by which the state budget for all purposes is balanced.”⁴ It states that at the outset of the Nevada Plan in 1967, “the Legislature was then seeking to both equalize educational opportunity, *and to reduce its financial obligation to public schools.*”⁵ The Las Vegas Chamber report makes a strong case that since the advent of the Nevada Plan, this safety valve of withholding state general fund contributions in response to increased public education revenues has become the norm - rather than using increased revenue to improve public schools. As a result, the basic support per pupil, funding that supports the bulk of expenses in our public schools (including teachers), has remained flat over the past decade, when accounting for inflation. It is akin to water being poured into a bucket with a gaping hole at the bottom.



³ See Augenblick, Palaich, and Assoc., *Estimating the Cost of an Adequate Education in Nevada* (Aug. 2006); American Institute For Research, *Study of a New Method of Funding for Public Schools in Nevada* (Sep. 2012); Augenblick, Palaich, and Assoc., *Professional Judgment Study Report* (2015) (updating the 2006 Augenblick study as a result of the K-12 Task Force on Education Funding).

⁴ Las Vegas Chamber of Commerce, *Education Briefing Series, Education Funding in Nevada*, 11 (2009).

⁵ *Id.* (referring to findings of a review of the 1967 study that led to the creation of the Nevada Plan).

Nevada teachers, students, parents, and the community at large are ready for a positive change in how we fund our public schools. We urge the committee to take into consideration the following reforms:

1. Ensure supplemental public education funding sources actually increase funding for schools.

IP 1 (or “Save Our Schools” initiative) aimed to increase funding for licensed personnel and support student achievement by avoiding the Nevada Plan calculation altogether. By segregating revenue from a 3% increase in the room tax rate and depositing it into the “State Supplemental School Account,” funds would be disbursed directly to districts separate and apart from other education funding sources. The funds would not be swallowed up by the Nevada Plan’s funding source, the DSA, and therefore not be used to balance the state’s other budget items.

Unfortunately, the initiative’s revenue was “temporarily diverted” to the DSA in 2011, in response to lower state revenues stemming from the Great Recession. Such an emergency measure could be forgiven, perhaps even when it was again diverted in 2013. However, these supplemental funds have now been factored into the broken Nevada Plan model ever since. About \$1.2 billion dollars in revenue meant to be supplemental has been poured into the leaky bucket, and all the while the per pupil basic support has remained flat.

We urge the Committee to end the “temporary” transfer of funds from the Save Our Schools Initiative. Please honor the intent of the voters who brought forth this initiative, many of whom were teachers that are seeing first-hand how schools are struggling under the current funding scheme.

2. Support the development and appropriate implementation of an evidenced-based funding formula.

In order to permanently fix the issues with the Nevada Plan, we must move beyond it. As other states have modernized their formulas, Nevada is stuck in the past, despite major changes in our state’s demographics and unique needs of our students, and the dramatic changes in how we deliver public education (state standards and assessments, state and federal mandates, and reliance on evidence to determine best practices).

Rather than commission another study to affirm what we already know, we urge this Committee to begin working towards what comes next. We ask that lawmakers begin work on transitioning to an Evidenced-Based Model funding formula (EBM). The EBM uses research and evidence to determine what each school needs to be successful, while taking into account each district’s unique demographic and geographic characteristics, along with what is ultimately expected from students, pursuant to state and federal standards, assessments, and other mandates.

Based on this rational assessment, the EBM determines each district’s “adequacy target” by costing out the resources necessary to provide each student a quality education. How much to account for teacher salaries in appropriately sized classrooms? How much to support low-income or academically at-risk students? What about ELL students? How much to ensure up-to-date technology in the classrooms? How much to ensure each school has a librarian or a social worker? This ends the guessing game of “how much is enough?” with thoughtful, research-based methodology.

This model has been used to calculate adequate spending levels in Kentucky, Arkansas, Arizona, New Jersey, North Dakota, Wyoming, Washington, and Wisconsin. Illinois most recently completely revamped their funding formula using the EBM, after a statewide coalition advocated for a more rational funding formula to meet the needs of all students. The funding targets will “allow schools to employ about every strategy research has shown to have statistically significant impacts on student learning...”⁶

Further, the EBM intrinsically suggests appropriate accountability measures and guides districts on the most appropriate use of funds. Districts will have to account for deviations from research and evidenced-based staffing and services levels that are used to calculate the funding target. This transparency will allow the lawmakers and the community to hold districts to task that when funding is not spent in ways that are proven to improve student achievement.

We urge the Committee to begin the work of transitioning to a modern funding formula. The question is no longer whether this needs to be done, but how. We look forward to working with the Committee on these important issues.

Sincerest regards,

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Educate Nevada Now, powered by The Rogers Foundation

⁶ Allan Odden & Lawrence Picus, *School Finance: A Policy Perspective*, 5th Ed., 70 (2014).