

**MINUTES OF THE
LEGISLATIVE COMMITTEE ON SCHOOL FINANCING ADEQUACY
(A.C.R. 10, 2005 LEGISLATIVE SESSION)
July 13, 2006**

A meeting of the Legislative Committee on School Financing Adequacy (A.C.R. 10, 2005 Legislative Session) was held on July 13, 2006, in Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada, and through simultaneous videoconference in Room 2315, Nevada Legislative Building, 401 South Carson Street, Carson City, Nevada.

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Senator Bob Beers
Senator Warren Hardy, Vice Chairman
Senator Michael Schneider
Assemblyman Brooks Holcomb
Assemblyman Richard Perkins
Assemblywoman Debbie Smith, Chairman

COMMITTEE MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Gary Ghiggeri, Senate Fiscal Analyst, Fiscal Analysis Division
Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division
Bob Atkinson, Senior Program Analyst, Fiscal Analysis Division
Melinda Martini, Program Analyst, Fiscal Analysis Division
Kristin Roberts, Senior Deputy Legislative Counsel, Legal Division
Andrew Min, Deputy Legislative Counsel, Legal Division
Kelly Fisher, Secretary, Fiscal Analysis Division

EXHIBITS:

- Exhibit A Agenda and Meeting Packet
- Exhibit B *Presentation to the Legislative Committee on School Financing Adequacy*, John Augenblick, Justin Silverstein and Amanda Brown, Augenblick, Palaich and Associates, Inc.
- Exhibit C *Overview of the Professional Judgment Approach*, John Augenblick, Augenblick, Palaich and Associates, Inc.
- Exhibit D *Alternative Private Funding Sources Utilized by School Districts or Schools for Various Programs*, Margaret Cavin and Leigh Berdrow, Academy for Career Education (ACE)
- Exhibit E Letter dated July 11, 2006, addressed to Debbie Smith, Chair, ACR 10 Committee and Committee Members, from Carole Vilardo, President, Nevada Taxpayers Association

I. CALL TO ORDER AND OPENING REMARKS.

Chairman Smith called the meeting of the Committee to Study School Financing Adequacy to order at 9:38 a.m. and asked members to join her in a moment of silence in memory of State Controller Kathy Augustine.

II. APPROVAL OF MINUTES OF THE JUNE 2, 2006, MEETING.

SENATOR HARDY MOVED TO APPROVE THE MINUTES OF THE JUNE 2, 2006, MEETING OF THE LEGISLATIVE COMMITTEE ON SCHOOL FINANCING ADEQUACY.

ASSEMBLYMAN HOLCOMB SECONDED THE MOTION.

THE MOTION CARRIED. SENATOR SCHNEIDER AND ASSEMBLYMAN PERKINS WERE NOT PRESENT FOR THE VOTE.

III. STATUS REPORT FROM CONTRACTOR AND DISCUSSION REGARDING PROGRESS ON THE STUDY OF SCHOOL FINANCING ADEQUACY.

John Augenblick, of Augenblick, Palaich and Associates, Inc. (APA), introduced Justin Silverstein and Amanda Brown, who would be assisting him with the presentation. APA would review the results of the Professional Judgment (PJ) approach and discuss the equity analysis. Mr. Augenblick advised the committee that the presentation would take a considerable amount of time as there was a lot of material to look at.

Justin Silverstein gave a PowerPoint demonstration (Exhibit B), which outlined what had been completed by APA and what would be presented to the committee today.

Chairman Smith invited committee members to ask questions during the presentation about the items being discussed. She asked that general questions be saved for the end of the presentation. When the presentation was completed, audience members were invited to comment or ask questions they may have.

John Augenblick directed the committee's attention to a handout (Exhibit C) entitled, "Overview of the Professional Judgment Approach." Mr. Augenblick said it had been a long time since the approach had been discussed, and he was concerned that people may have forgotten exactly what it was about. Exhibit C summarized the Professional Judgment (PJ) approach, how APA used it and who participated in it.

Mr. Augenblick read verbatim from Exhibit C and interjected comments. One of the limitations of the Successful Schools (SS) approach was that only a base number for adequacy purposes could be generated. With the PJ approach, adjustments could be applied to the base number generated from the SS approach, which would allow APA to combine the two approaches.

APA looked at all of the schools, their sizes, grades served, and district sizes and then created hypothetical schools for the purpose of making it easier for the PJ participants to recognize what it was they were looking at. Mathematically, it did not matter what the schools looked like in terms of doing the work. It was easier for participants to actually see schools that looked familiar, so APA made an effort to develop hypothetical schools that had those characteristics. Mr. Augenblick pointed out that the No Child Left Behind Act (NCLBA) performance expectations were for 2013-14. When the panels met, they tried to provide resources to assure that Nevada could meet those expectations.

Legislative staff organized a nomination procedure for selecting participants to serve on the PJ panels. Mr. Augenblick emphasized that APA did not know or select any of the participants, and he commended panel members for their willingness to participate. The participants volunteered a lot of time, and some of them traveled long distances in order to meet with APA for two days. They were supported, to some extent, by their school districts, which helped defray costs associated with travel and substitute teachers. Mr. Augenblick said APA was grateful to the participants and school districts.

Chairman Smith asked if there were any questions from committee members. There were none.

Amanda Brown discussed the tables starting on page 48 (Exhibit A). On Table IV-2 (page 49, Exhibit A), she pointed out that one elementary school had 70 students and two elementary schools had 175 students, not one elementary school with 70,175 students.

Chairman Smith asked Ms. Brown to clarify the at-risk definition. She responded that the at-risk was based on free or reduced lunch counts.

Table IV-3B (page 53, Exhibit A), translated the proportions found on Table IV-1 (page 48, Exhibit A) into actual student counts. Ms. Brown noted that the tables being discussed were a recording of what the PJ panels specified was needed.

Chairman Smith said that when she had spoke with Ms. Brown after initially seeing the information shown on Table IV-6A (page 65, Exhibit A), they had discussed how the PJ panels felt the programs should be available to all students. The PJ panels did not assume that the programs would only be available for certain students, but would actually be available to all students. Ms. Brown said the PJ panels specified the type of students the programs would

be available to, whether it was at-risk or special education students; the program would be available to all of those students. The percentages showed which students were expected to participate.

Justin Silverstein stated that Tables IV-1 through IV-7 (pages 48-70, Exhibit A) showed actual resources the panels told APA were needed in order to meet the 2013-14 standards. All of those resources were reviewed at a couple of different levels. After those reviews, APA began to discuss the prices needed to associate with the resources to come up with the actual per-pupil costs for the hypothetical districts and schools.

Mr. Silverstein discussed Table IV-8 (page 71, Exhibit A). Figures for salaries and benefits were provided by the Department of Education and reflected actual average salaries for personnel positions in Nevada for 2003-04. There were a number of positions that were not collected by the state. In those cases, APA used national figures. APA created a list, which was then sent to the statewide review panel to review and compare with the salaries paid in Nevada to ensure the numbers made sense.

Mr. Silverstein noted that under "District Level" personnel (page 71, Exhibit A) "Superintendent" was left off. APA used the cost and had that salary at their office; the line would be added before the final report.

The figures shown on Table IV-9A (page 72, Exhibit A) used 2003-04 salaries to cost out the resources.

Chairman Smith asked if the costs for programs referred to by Ms. Brown, which included the Saturday school, summer school and after school, were listed under "Other Programs." Mr. Silverstein responded that any program that was specifically for all students was listed under "Other Programs for Students with No Special Needs." The costs for extended school year for special education students were included in the per-pupil cost for special education students.

Chairman Smith asked where full-day kindergarten was. Mr. Silverstein replied that full-day kindergarten was built in to the elementary cost in the base; it could be separated out at a further time. He went on to say that every panel assumed full-day kindergarten as a need to meet the 2013-14 NCLBA standards.

Chairman Smith said when they got down the road and looked at what was being spent now and what the study said Nevada needed to spend, the current information was based on 2003-04, which was before any funding of all-day kindergarten. She wanted everyone to take that into consideration.

Mr. Silverstein directed the committee's attention to Table IV-10 (page 75, Exhibit A), which represented the final set of numbers that came out of the Professional Judgment work. He wanted to add three figures to page 75 that

would give a reference point to some of the SS work APA had completed. Most of the work had been presented at the last committee meeting, and he wanted to give the per-pupil figures that would come out of that work for the corresponding hypothetical school district sizes to show the difference. The SS measured what it took today in order to be successful, whereas the Professional Judgment work measured what it took to be successful in the future in 2013-14.

Under the "Large" category where the total base cost of \$7,229 was shown for the PJ model, that number was \$4,660 for Successful Schools, which represented the actual per-pupil spending of 118 successful schools in Nevada plus district spending.

Chairman Smith asked if there were any questions. There were none.

John Augenblick referred to Table IV-10 (page 75, Exhibit A) and stated that when the committee saw the final report, it would probably be labeled Table III-10, because APA was changing the organization of their report. He said they were numbered as tables that would actually appear in the report. Those figures were the basic figures used by APA when determining the relationship between the added costs and the base. A lot of states talked about weights as if they were the same regardless of the size of the school districts. For example, if a state said it cost 25 percent more to serve students who were at risk, they would take that 25 percent weight and apply it to districts of any size. The problem with that was that districts of different sizes had different base costs; that 25 percent would mean something different on a larger number than a smaller number.

Mr. Augenblick said APA spent a lot of time trying to figure out what the relationships meant. If the figures at the bottom of the page of Table IV-10 (page 75, Exhibit A) were divided into the columns by the corresponding base cost figure, there would be ratios. APA graphed those ratios and tried to understand how they were related to some of the other statistical work they had completed; they then created formulas that showed how to create a weight based on the base cost for a particular sized district. That information was used by APA to create weights for any sized district with any number of students with special needs. APA created formulas that translated the information into something that applied to each school district. The spending could be modified in light of what the needs of those districts were as one way to look at equity.

Mr. Augenblick referred to Table X (page 47, Exhibit A), which was an attempt to show multiple ways of measuring the equity of the system. For the most part, when people talked about equity, they were focused on differences in spending from one place to another. School districts in Nevada spent different amounts of money for a variety of reasons. Some reasons were due to the fact that the schools had students with different needs; the formula was sensitive to that. In other states, differences in spending would reflect differences in the tax effort the

districts made, which would not be true in Nevada. In Nevada, all of the districts had the same tax effort.

Mr. Augenblick discussed Table X (page 47, Exhibit A) in detail. APA did not make any adjustments under the “Actual Spending per Student” column; it listed raw numbers. He advised the committee that the Table X heading showed indicators of inter-district fiscal equity using 2002-03 spending data for Nevada school districts; APA actually used 2003-04 spending data. The spending excluded capital, transportation and food service. APA assumed that all of the districts had the same impact on the results; it did not matter whether a district had 50 students or 50,000 students.

Mr. Augenblick said that many people who did this type of work took into consideration the enrollment levels of the different districts. He said that if that was done, given the distribution that existed in Nevada, there would be no equity problem using any of the measures. Nevada was dominated by a couple of school districts; those districts would swamp any variation that would exist if it were weighted by students.

The Statistical Approach that many people used depended upon looking at the average and the standard deviation. Those were simple statistics used to describe both the central tendency of a group of numbers and the dispersion of those numbers. The standard deviation was the dispersion, and the average was the central tendency. When one was divided by the other, the result was the coefficient of variation. The coefficient of variation shown under “Actual Spending per Student” was 0.473. Mr. Augenblick stated that if he were to look at that number from the perspective of people who looked at it in terms of school finance, it would look like a high number. The target that people typically looked for was .1 to .15. He said this was done to show the committee that if APA were to do this in a conservative way and did not take into consideration the impact of student needs or the differences in costs in different locations, they could come up with such a number; that would not be a number that he would use.

Under the column “LCM-Adjusted Spending per Student,” no adjustments were made for students with special needs. Mr. Augenblick asked the committee to take into consideration the fact that it cost a different amount to provide services in different regions of Nevada and apply that to the figures. He adjusted the figures by the Location Cost Metric (LCM) and said that it should be no surprise that the coefficient of variation went up slightly. There were no adjustments in the formula for regional cost differences. The districts did not have the ability to raise or lower money or modify tax rates, which resulted in a higher variation.

On the two columns found under “Spending per Weighted Student,” APA applied the formulas they had created that looked at weights that reflected the cost of serving students. If those weights were applied to district spending, they would adjust the spending per weighted student. Size had a cost impact; different

districts had different proportions of students with special needs, which reduced the variation. Mr. Augenblick said theoretically, if people spent exactly in relationship to the needs as defined, there would be no difference in the spending. There was still a difference, but it was lower than it had been before the adjustment had been made.

Mr. Augenblick looked at the coefficient of variation figures conservatively. A school district with 50 students would have the same impact on the result as a school district with 50,000 students. The resulting number was lower, but it still was not down to the .15 level. If APA considered the different sizes of the districts when weighting the students, the number would be about zero. The equity of the system in Nevada was extraordinarily good.

Mr. Augenblick noted under the "LCM-Adjusted Spending per Weighted Student" column that the inequity indicator was slightly raised. He said APA liked to use the coefficient of variation because it included every district in the state, not just the high and the low. APA used the weighted student approach, which was adjusting for the costs once they were known, because districts would spend different amounts of money if they had different needs.

According to Mr. Augenblick, one way to weight students (taking into consideration the size of the districts) without actually doing it would be to use the Federal Range of Districts. The Federal Range of Districts was the result of work done by the federal government on determining whether states can deduct impact aid as a local revenue (or not) among school districts. Impact aid was money provided by the federal government to places with military bases or Indian populations. Impact aid has been provided since the end of World War II.

Many years ago, the states suggested to the federal government that they would like to count that revenue as if it were local money. The federal government said the states could not count that money as if it were local money and then reduce state aid unless the state met the equity test developed by the federal government. In those equity tests, the federal range was created, which stated that the federal government permitted states to exclude the highest and lowest 5 percent of the students in the state, whether they were in the highest or lowest spending districts, simply because they believed it might reflect unusual circumstances the state might not be able to consider.

The federal government allowed the states to eliminate districts from the analysis that had up to 5 percent of all students. In most states, if there were 1,000 school districts, they could typically eliminate one or two districts. In the case of Nevada, we could eliminate a number of districts from the analysis, because there were many small districts compared to the total.

Mr. Augenblick referred to the bottom of Table X (page 47, Exhibit A) and said districts that were either at the high end or the low end were excluded. When the

districts were lined up by spending and it turned out that the largest districts were at one end of the extreme, those districts could not be excluded as they had more than 5 percent of the students.

The number of districts included (but not shown) on Table X after the “Federal Range of Districts” was as follows:

- | | |
|--|--------------|
| • Actual Spending per Student | 6 districts |
| • LCM-Adjusted Spending per Student | 7 districts |
| • Actual Spending per Weighted Student | 9 districts |
| • LCM-Adjusted Spending per Weighted Student | 10 districts |

Mr. Augenblick said APA looked at those districts that enrolled the vast majority of students (at least 90 percent). He then compared column numbers under “All Districts” and “Federal Range of Districts” and noted that the coefficient of variation under “Federal Range of Districts” was now at 0.088. When the Federal Range of Districts approach was used, a test of equity was met. The coefficient of variation figures shown under “Federal Range of Districts” showed that there was almost no inequity; Nevada had a highly equitable school finance system and should be eligible to count impact aid as local revenue.

According to Mr. Augenblick, Nevada did not have any flexibility in current operations for school districts to set their tax rates. The tax rates were set and were the same for all districts, which built in an enormous equity advantage. APA did not want Nevada to change the structure of the system unless there was a good reason for doing so. Nevada produced some of the best equity statistics APA had ever seen.

Senator Beers said the weighting scheme just described by Mr. Augenblick, in which APA took out the top and bottom 5 percent, struck him as not applicable to what Nevada had evolved into since Nevada had giant and tiny districts. Mr. Augenblick responded he had to rank the districts on spending and determine the proportion of students in those districts. For example, if the smallest district turned out to have the highest spending, it would be knocked out. It took five or six districts to reach 5 percent of the students.

Senator Beers asked if it was possible that what went on in Nevada was so extremely unusual that the mechanism for dealing with what was unusual failed; one could not adjust for the bottom 5 percent in Nevada, because 70 percent of the students were in the bottom 5 percent. Mr. Augenblick advised that every time this issue came up, the federal government won. The alternative to weighting the districts would be to take into consideration the fact that one district had 67 students and another district had 250,000 students, multiplying their spending by that number of students, adding it up and dividing the grand total by the number of students. This would be a weighted average. If that was done, Nevada would have perfect equity, because it would be dominated by one or two

districts, and the impact of districts with different spending would be practically nothing.

Chairman Smith asked if Mr. Augenblick believed this test would allow Nevada to use the federal impact aid as local revenue. Mr. Augenblick replied that Ms. Brown discussed resources that had been costed out and became the numbers that Mr. Silverstein talked about. Those were costs that would be paid for from any source Nevada chose. One of the sources available to pay for those costs was federal money. He suggested that the weights determined by APA be adjusted (because of the availability of federal money) to pay for at-risk and special education students.

Mr. Augenblick thought Nevada should use the impact aid to pay for some of those costs. He then discussed the difference between impact aid and those other sources. APA could not recommend a system that suggested that Nevada reduce its contribution by the exact amount of money given by the federal government for special education or at-risk students through Title I.

Assemblyman Holcomb was concerned that APA incorporated all-day kindergarten into their figures, as all-day kindergarten was brought up at the 2005 Legislative Session and was only approved for partial implementation. Mr. Silverstein advised the committee that those figures could be pulled out. Chairman Smith said the figures did not represent what was happening; they were recommendations from the PJ panels.

Mr. Silverstein advised that APA could tell the committee what the additional cost of all-day kindergarten was on a per-pupil basis. The resources were combined to meet an objective; if any one piece was picked off, the rationale of the resources working together to get to that outcome would start to fall apart. The SS approach did not look at full-day kindergarten. The PJ panels felt full-day kindergarten was needed in order to meet the 2013-14 standards.

Mr. Augenblick said the reason APA would not want to see the resources picked apart was because from their perspective, all of those things were thought to be necessary by the panels. Some states suggested funding programs differently, which could be done.

Chairman Smith asked if anybody had questions. There were none.

Mr. Augenblick previewed what would happen next. APA now had all of the information they needed to understand what the costs were in every district, which could be done in two ways. It could be done with the SS base or with the PJ base. APA would take into consideration the factors they were asked to, such as the size of the schools and districts, the geographic differences in price, and the needs of students related to special education, at-risk or ELL. APA could now apply that to every district and its particular circumstance. APA would share

that information with the committee at the next meeting, and also discuss what could be done with that information in terms of building a school finance system. Nevada's basic system was good, but the parameters that drove the allocation of money should be changed.

Chairman Smith noted that August 24, 2006, was originally noticed to be the committee's Work Session. However, the Work Session would be on August 31, 2006. On August 24, 2006, APA would be presenting their final report.

Chairman Smith thanked APA for their presentation.

IV. PRESENTATION AND DISCUSSION REGARDING ALTERNATIVE PRIVATE FUNDING SOURCES UTILIZED BY SCHOOL DISTRICTS OR SCHOOLS FOR VARIOUS PROGRAMS.

Chairman Smith said Agenda Item IV was of personal interest to her. The committee had talked about school funding, and she thought there should be some discussion regarding outside funding that went to schools and school districts. She was not saying that there was anything the committee needed to do about it or that they could account for every dollar, but she did think it would be interesting for the committee to have some input on the subject of fundraising and contributions to schools and school districts by outside sources.

Dotty Merrill, Washoe County School District, said there were three individuals attending the meeting in Carson City who would provide information about the interest and generosity that they had experienced in their district from groups who provided funding to their schools for fulfilling specific intentions and meeting specific goals. Those groups were as follows:

- Washoe County Education Foundation
- Education Collaborative of Washoe County
- Parent Teacher Associations/organizations

Lauren Ohlin, Grant Analyst, Washoe County School District, gave a history of the Washoe County Education Foundation. The foundation was established in 2002 by a group of local businessmen/women and community leaders. Their mission was to provide money that the school district could not get on its own. Senator William Raggio was the chairman; Fred Boyd, a local philanthropist, was the co-chairman; and Mindy Elliott, Wells Fargo Bank, was the secretary/treasurer. The group was represented by numerous businesses and leaders in the community, including Sierra Pacific Power Company's CEO, AT&T's CEO, Harrah's, Reno Hilton, El Dorado, Silver Legacy, Model Dairy, several construction companies, Senator Bernice Mathews, Senator Randolph Townsend, the Teachers' Union and Lynn Warne.

Ms. Ohlin said the foundation did not want to take on a huge commitment due to the fact that it was new. They looked at reading levels in K-6 in the Washoe County School District (WCSD) and discovered that many of the 3rd graders were not reading at grade level. The foundation started an initiative called "Focus on Literacy." They focused on ten elementary schools that did not qualify for federal funding. These elementary schools, referred to as the "Bubble Schools," were in the range of 59 percent to 30 percent of their free and reduced lunch criteria. Ms. Ohlin said these schools did not have the socioeconomic impact of some of the schools that had more affluent parents that could contribute to PTAs and other programs.

In the first year, the foundation committed \$60,000 that was raised locally to provide over 12,000 grade-level books for the ten schools. During the next three years, the foundation would provide after-school tutoring to those schools. In the first year, the funding was provided at a level of \$117,000. In the 2005-06 school year, the foundation raised approximately \$150,000; in 2006-07, the foundation's budget for the after-school tutoring program was approximately \$180,000.

Ms. Ohlin said the Washoe County Education Foundation was a pilot program. When the reading program was started last year, the foundation served approximately 435 students that were reading below grade level. As a result of that first year, nearly half of those students (45 percent) reached their grade level in reading after they completed the tutoring, which surprised the school district when they analyzed the data. Ms. Ohlin went on to say that 10 percent of those students that were below grade level actually tested at or above their grade level in that first year.

Ms. Ohlin had the preliminary results from the 2005-06 school year, which included data from nine out of the ten schools. It was expected that a student would achieve grade level at an average of .75 for the year. Of the 514 students that participated, the average was one whole grade level, which exceeded expectations. Thirty percent of the third graders who participated in the after-school tutoring program passed the Criterion Reference Tests (CRTs); sixteen percent of fifth graders passed the CRTs. Ms. Ohlin advised that data for second and fourth graders had not yet been received. The foundation felt that the results were phenomenal, as students in the program had been reading below grade level.

At the end of the 2006-07 school year, the foundation would determine how to expand the pilot program into more schools in the Washoe County School District. Ms. Ohlin said the foundation had better results in 2005-06, because money was added to the budget for professional development for teachers involved in the tutoring program. In addition to focusing on after-school programs for the ten schools, the foundation procured \$350,000 to update computer labs. The foundation wrote a grant to SBC, and AT&T was interested in looking at a grant. The foundation was awarded \$25,000, which was turned over to the

Northern Nevada Writing Project and the local RPDP in Washoe County to provide professional development for teachers on WritingFix.org, an interactive writing program. The foundation would study data next year to determine if the writing scores were impacted by this training.

Ms. Ohlin advised the committee that the foundation worked with the Education Collaborative to help them raise funds for programs that were needed. The foundation served as a fiscal agent for scholarships and was considering planned gifts, major gifts and endowment funds that would ultimately benefit the Washoe County School District.

Chairman Smith asked if the reading program was on the state's successful reading program list. Ms. Ohlin responded that the foundation had looked at what had worked with the Nevada Reading Excellence Act (NREA) and what some of the Title I schools had done with literacy coordinators. They had also worked with Dr. Donald Bear, professor at the university of Nevada-Reno (UNR), to develop a program that looked at best practice interventions.

Chairman Smith thanked Ms. Ohlin for her report. Next, Jenny Jackson, past president of the Education Collaborative of Washoe County, said the Education Collaborative was formed in 2001 by a merger of the Partners-In-Education and the Washoe K-16 Council. Their mission statement expressed that they were a community partnership working together to provide leadership and advocacy for educational excellence. They accomplished this by developing K-16 programs that focused on three areas:

- Academic achievement
- Community partnerships
- Workforce development

Ms. Jackson said the Education Collaborative was a partnership that included the Washoe County School District, Truckee Meadows Community College and the University of Nevada Reno. Members of the partnership included parents, businesses and the community at large. The collaborative had a 25-member board of directors; 51 percent of the members came from the private sector. The board included three CEOs of the three educational entities in Washoe County, who were the only permanent members of the board.

Ms. Jackson said all of their advocacy efforts and programs were for the benefit of students K-16 within Washoe County. Because they were a 501c3 organization, the collaborative was eligible for grants and donations that otherwise might not be available to educational entities. In the 2004-05 school year, the collaborative raised approximately \$1.3 million to support education within Washoe County. Ms. Jackson discussed how the money was raised, which included:

- Meridian Gold Run for Education – raised over \$100,000
- Parent Involvement Resource Center (PIRC) grant - \$600,000 to \$700,000 over the past three years
- Donations from corporations and foundations
- Material donations (desks, filing cabinets, computers, sporting equipment, paper, fax machines, arts and crafts supplies)
- Contributions made directly to the schools through Partners-In-Education (money, funding of staff positions, scholarships, literacy nights, computers, library books, playground equipment, employee time)

Ms. Jackson said that money given to the foundation was used to directly support a seamless education system for all students. Everything done by the foundation was focused on academic achievement, workforce development or community partnerships. Some funds were used to support the foundation's data profile, which was a collection of academic data, success of students in graduation, drop-out rates, college enrollment rates, SAT scores, college completion and required remedial classes. The data was collected in the hope of improving the education of the students and to determine how to save money and best use dollars within the educational system.

Ms. Jackson advised that the Meridian Gold money was used to fund physical education activities and the Passport to Education, which provided funding for summer school classes for those students who needed remediation and would not otherwise be able to afford the classes. Money was also used to market the gateway curriculum in the school district. The foundation funded studies of language arts classes to determine whether high school English classes provided what was needed at the college level in order to decrease remediation. The foundation funded math public service announcements (PSAs) and began Math and Parent Partnerships in the Southwest (MAPPS), which taught parents how to work with their children to become more successful in math. According to Ms. Jackson, the foundation, through Washoe Medical Center, also sponsored a live surgery date for upper science students. There were also many intangibles that she could discuss for days.

Assemblyman Perkins asked Ms. Jackson what item was the most funded by the foundation. Ms. Jackson said the foundation was well known for their Partners-In-Education program. Schools and community members volunteered to help. The other item would be their advocacy efforts for promoting academic success, specifically the gateway curriculum.

Assemblyman Perkins said if the foundation was seen as a resource for educators to get something, it seemed to him that they were trying to get something that the Legislature was not providing. He wanted to identify what it was that the Legislature was not providing that people needed to properly educate students. Ms. Jackson replied that she did not have an answer for that. She said she would give it some thought.

Chairman Smith noted that she was a board member of the Education Collaborative. She thought Assemblyman Perkins' question was hard to answer because it varied so much from school to school. Some schools needed help with technology, while other schools needed volunteers and people to help with after school and literacy programs. Ms. Jackson agreed with Chairman Smith. She said she would poll some people and come up with a more specific answer to Assemblyman Perkins' question.

Assemblyman Perkins said the purpose for his question was that it was his belief that teachers were going to organizations to get the items they thought were needed to provide a better education. He said if they could get a sense of where it was that the state was failing, it would help the policymakers make funding decisions in future legislative sessions. Ms. Jackson said the foundation worked hard to get the educators and the community working together, which was one of the intangibles she had talked about. She did not know how that particular piece could be funded, as it was something that came from within the community. Assemblyman Perkins agreed with Ms. Jackson that the Legislature could not provide for intangibles. The answer to Nevada's educational woes was not always funding. He thanked the foundation for connecting the business community to the educational community and for the other things the foundation provided.

Next, D'Lisa Crain, Parent Information and Resource Centers (PIRC) Grant Coordinator for the Education Collaborative of Washoe County and District Parent Involvement Coordinator, provided a brief overview of the fundraising capacity of the parent organizations in the Washoe County School District. Approximately 75 percent of the schools in Washoe County had Parent Teacher Associations (PTAs), Parent Teacher Organizations (PTOs) or Booster Clubs. There were many different organizations within each high school that raised money, such as music clubs, band boosters, athletic programs, drama clubs, Future Farmers of America and others. These organizations used a variety of methods to raise funds, including cookie dough, gift wrap and candy sales. Some of the higher socioeconomic schools were more sophisticated and could raise as much as \$100,000 in one night with a wine tasting event or a dinner.

Ms. Crain said one of the elementary schools struggled for the last three years to form a parent organization. This past year, that elementary school was successful in engaging parents who were second language learners from different cultures to come together to form a parent organization and to provide support for the school. In this particular school, 95 percent of those parents lived in low-income apartments. They had several meetings and discussed their priorities. Ms. Crain enjoyed watching them work in action, because they wanted to support the school in some way but knew they did not have the capacity to raise funds as some of the other schools did. They asked all parents in the school to contribute \$5 and used the money to pay for security lights so the vandalism at their school would decrease. Ms. Crain thought it was a good

example of parents who took pride in their school and who wanted to help contribute to a school with high needs.

Ms. Crain advised that at some of the higher socioeconomic schools, such as the school that raised \$100,000 at a fundraiser, they were able to pay for items such as new computer labs, audio equipment and teacher salaries. She thought that parents at that level were aware that physical education was a need, so they paid for a full-time physical education instructor. Some provided individual grants to all of their teachers for classroom supplies. At some of the middle and lower-income schools, PTAs and PTOs paid for library books, outside art programs, playground equipment, computer software, building improvements, murals, family literacy nights and teacher appreciation.

Chairman Smith thought it was sad that schools had to raise money through a donation or a bake sale to buy security lights. She saw that as a fundamental responsibility of the system. She realized it was being done with copy machines and other things that were not add-ons that were necessary for safety and sometimes the health and welfare of the students and teachers.

This completed the presentation from Washoe County School District. The next presentation was from the Clark County School District.

Keith Bradford, Assistant Superintendent, Clark County School District, said that many of the programs implemented in Washoe County were also being implemented in Clark County. Mr. Bradford discussed the following:

- The Clark County Public Education Foundation
- Warehouse of items donated by businesses - teachers could select items for their classrooms
- Schools and individual teachers could apply for grants from the foundation for programs and materials
- Reading programs
- Library renewals, teaching supplies, items for arts and enrichment programs
- The Smart program - provided discount cards to students who reached a certain GPA

Mr. Bradford said Clark County's partnership program worked with local businesses and members of the community. In FY 2004-05, there was a total of 59,000 hours of volunteer time that the partnership office was able to bring into the school district, in-kind services and donations estimated at \$7.3 million, and cash donations of over \$800,000. High school seniors spent time with business leaders learning what happened in the business field to help prepare them for life after graduation. The program provided eight \$1,000 scholarships to students to continue their education after high school. Professional musicians, dancers and theatre people performed for the students at no charge to the schools.

Mr. Bradford discussed several other programs:

- First Tee, a golf program, provided \$75,000 worth of golf sets to students to encourage them in athletics and to gain exercise.
- The Miles for Smiles program provided \$280,000 in free dental services to students.
- The stock market simulation program provided over \$100,000 in services for economic and business classes to teach students about the stock market.

There were many other programs in which businesses teamed up with schools to provide services. Many of the donations were for field trips, copy machines and projectors. PTAs raised money and worked with the school committees to determine how the money could best be used.

Mr. Bradford said a list of donations and gifts that were received by the school district in excess of \$1,000 were reported at every board meeting. Most of the gifts were specific in what they were to be used for: the spirit squad, golf program, swim team, wrestling team, purchase of Weekly Readers for classrooms, lights for a soccer field, drama club, choir, robotic team, chess club, and supplies and materials. All of the school clubs had their own fundraising events, and there were also school-generated funds. Mr. Bradford mentioned that the money that went through the student activity fund was reported in their annual financial reports. Approximately \$45 million a year went through that fund.

Chairman Smith asked if the PTA, PTO and booster club money was separate from the \$45 million. Mr. Bradford replied that the PTA, PTO and booster club donations were included if the donation was over \$1,000. Chairman Smith asked if parent organizations raised money to hire staff in Clark County. Mr. Bradford said it happened, but was discouraged. Hiring staff was an ongoing operation, and the money was usually a one-time donation. Chairman Smith said when she was a PTA president, she did not want the burden and responsibility of thinking that she needed to be responsible for someone else's job. Mr. Bradford agreed and said it was a challenge.

Assemblyman Perkins asked Mr. Bradford for the total amount of donations for one year. Mr. Bradford said it varied. In FY 2005-06 to date, over \$1 million had been received by to the district through the various grants and programs. He did not know how much the foundation currently had to be distributed. Money raised by the foundation did not go through the school district funds until it was donated and passed on through the school district, so it was accounted for separately. The gift reports that the board reviewed and accepted every month were donations given directly to the schools or the school district. For FY 2005-06, over \$1.5 million had been reported.

Assemblyman Perkins asked if the \$2.5 million was for all of the programs. Mr. Bradford said it was for all of the programs and included instruction materials and supplies. The challenge faced by the district was that the money received by the individual schools was accounted for in those schools' banking systems. For the district to gather that information, they would have to go out to over 300 different schools, get into their systems and gather that information. It was difficult to identify how the schools spent the money without going to each individual school. The school district was in the process of implementing a new Enterprise Resource Planning (ERP) system, which would allow the school district to bring the accounting information into their system to generate those types of reports.

Assemblyman Perkins asked if any of the donors requested information on how the money was spent and whether or not the program was successful. Mr. Bradford believed that some donors were closely involved with the schools and activities, but he was not sure if the schools provided reports to the donors. Assemblyman Perkins said the committee wanted to know about programs that worked well, because when deliberations regarding school funding occurred, better educational decisions could be made.

Joyce Haldeman, Clark County School District, said the School Community Partnership program was one of the finest partnership programs in the nation and had over 500 business partners. The director and assistant director of that program were both retiring. Candy Schneider, Senator Michael Schneider's wife, had been the arts and fine arts component of the partnership program and had brought wonderful programs to the students in Clark County. Joyce Woodhouse, the director of the program, was running for office. She hoped the high standard of the program would be maintained.

Randy Robison, Nevada Association of School Boards, spoke to districts throughout the state regarding alternative funding sources. Fundraising efforts in the rural districts were typically one-shot donations or grants. He asked the districts whether they had an educational foundation in their community or had considered forming one. Most of them did not have a foundation, but approximately 50 percent of those he spoke with were in the middle of forming one or had started to research the formation of an education foundation. Those districts tried to marshal the various individual contributions in their communities and to give those who wanted to participate in their schools a mechanism to do so in an organized way.

Mr. Robison advised that most donations were small and included such things as art supplies, a computer, field trips and athletic uniforms. One of the things that became clear was that the job-required knowledge base for the principal, teachers and superintendents of some of the smaller districts was to know the people in the community that provided different resources. Some of the districts

that experienced growth saw significant increases in the amount of donations and available resources. Typically, the donations ranged from \$200 to \$2,000.

Chairman Smith had heard of generous donations to the school districts from the mining companies in the northeastern part of the state. Mr. Robison spoke to a couple of districts with mining operations. Those districts advised of donations from mining companies, which included the purchase of a new school bus, help with a school addition or a roof repair. They were typically one-shot, need-specific donations. Chairman Smith said the purchase of a school bus took a huge burden off a school district.

Margaret Cavin, past president and member of the Associated General Contractors and current president of Friends of ACE, which was the fundraising mechanism for the Academy for Career Education, introduced Leigh Berdrow, Senior Administrator at ACE High School, who had been involved with ACE since its inception.

Friends of ACE was created because, as a charter school, it was necessary to have a fundraising mechanism. Their biggest challenge was the fact that charter schools did not receive funding for facilities, which was an expensive venture. One of the challenges ACE faced in fundraising was that since they were a public school, they competed for the same money as worthwhile private causes such as the Boys and Girls Club, Big Brothers/Big Sisters and an array of sports teams.

Ms. Cavin referred to a handout that showed grants received by ACE (Exhibit D). With the exception of the Perkins grant, all of the grants were researched and applied for by ACE on their own. The federal grants were for start-up assistance for the school, and the other grants were for specific items. The E.L. Chord grant was for computers, and the Shell Oil grant was for a new diesel program.

Ms. Cavin directed the committee's attention to "Fundraisers" (Exhibit D), which represented the construction community's commitment to ACE. The industry as a whole recognized the need to bring young people into the building trades. The success of ACE resulted in the realization that a larger facility to accommodate more students was essential for the upcoming school year. With no funding for facilities, it was a huge undertaking. The construction industry's commitment, strictly for the remodel of the new facility, was over \$1.2 million. This commitment was a combined effort of the Associated General Contractors, Builders' Association of Northern Nevada, and Associated Builders and Contractors. The group represented contractors, suppliers, insurers and other people involved in the construction industry.

Ms. Cavin was proud of the new facility, which was approximately three weeks from completion. She hoped that the committee members had an opportunity to tour the new facility, which would be open for school in August.

Chairman Smith looked forward to seeing the new school. She had been in the building when construction first started. She appreciated the effort ACE representatives went to in providing the information to the committee and for breaking the information down on a per student basis.

Chairman Smith asked for questions from committee members. There were none. She thanked the speakers for their time.

V. PUBLIC COMMENT

Carole Vilardo, Nevada Taxpayers Association, referenced a letter she wrote to the A.C.R. 10 School Finance Adequacy Committee dated July 11, 2006 (Exhibit E). She had an issue with how APA calculated what their recommendations with teacher salaries would be. She was concerned about teacher shortages and the reciprocity issue of teachers. Ms. Vilardo thought it was amazing that standards were set. Not every state would be eligible for reciprocity. She thought it was crazy that Nevada was so desperate for teachers they went out of the country to find teachers, but would not accept teachers from other states that met the criteria.

In her letter, Ms. Vilardo addressed the issue of the calculation of salaries and the components that would be included. Her constituents always looked to see where they could get the “biggest bang for their buck.” They did not have money-back guarantees like those found when people walked into a store and expected something to be delivered as ordered. Depending on what was recommended, Ms. Vilardo wanted benchmarks to determine whether or not those things worked.

During a Legislative Session, people testified about needs they had. Ms. Vilardo said needs were reacted to and funded. Three or four years later, those people would come back and ask for more money to address the issue that should have been addressed the first time, because the way the need was addressed the first time did not work. The money was not recycled; more money was added. Ms. Vilardo’s association wanted to see benchmarks for whatever the School Finance Adequacy Committee decided to do to ensure that any recommendations put forth would have a measurable result and would result in improving the adequacy.

Ms. Vilardo asked if there was a list of recommendations by the Professional Judgment panel. Mr. Augenblick advised that the final report would include identification of the types of programs, services and ratios that the numbers were based on. The theory under which that worked was that the money went to the school districts, which made the decision on how best to spend it. The state would not tell the districts what to do or how to spend the money. The districts would be held accountable.

Chairman Smith advised Ms. Vilardo that a couple of her issues were policy decisions that were of interest to her on her other committee work, and she would forward the letter to the chairmen of both the Senate and Assembly Education Committees for their consideration. Ms. Vilardo appreciated that. She said she was happy to hear about the districts. It was her opinion that the superintendents and staffs in the districts had a better handle on their issues.

The federal government was frequently criticized for their one size fits all mentality, and Ms. Vilardo thought that Nevada frequently had that one size fits all mentality in the way they put something forth for everybody to follow when there might be variations. For instance, several large Nevada districts were dealing with more ESL and disciplinary problems than the smaller districts. She believed flexibility was needed within those districts to determine the best way to implement the programs for whatever amount of money they received. She thanked the committee for their time.

Chairman Smith thanked Ms. Vilardo for her interest in this work.

VI. ADJOURNMENT

Chairman Smith thanked the committee members for their attendance and for being attentive and thanked staff for all of the work that went into preparing the information. She reminded everyone that the next meeting would be on Thursday, August 24, 2006. The Work Session would be held on August 31, 2006, and the committee would be developing possible bill drafts.

There being no further business to come before the committee, the meeting was adjourned at 12:11 p.m.

Respectfully submitted:

Kelly Fisher, Committee Secretary

APPROVED:

Assemblywoman Debbie Smith, Chairman

Date:_____

Copies of the exhibits mentioned in these minutes are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. The library may be contacted at (775) 684-6827.