

iNVEST '07

Investing in Nevada's Education, Students and Teachers



A Funding and Accountability Proposal

by the
Nevada Association of School Boards
and the
Nevada Association of School Superintendents

Nevada Association of School Board Officers 2006/2007

President – Norm Scoggin, Carson City
President Elect – Sheila Moulton, Clark County
Vice President – Sharla Hales, Douglas County
Legislative Chair – Irene Chachas, White Pine County
Immediate Past President – Curt Chapman, Storey County
Past President – Joan Westover, Lander County

Nevada Association of School Superintendents Officers 2006/2007

President – Dr. Mary Pierczynski, Carson City
Vice President – Paul Dugan, Washoe County
Treasurer – Rick Hardy, Lincoln County

Nevada Superintendents

Carson City - Dr. Mary Pierczynski
Churchill County - Dr. Carolyn Ross
Clark County - Dr. Walt Rulffes
Douglas County - Carol Lark
Elko County - Antoinette Cavanaugh
Esmeralda County - Robert Aumaugher
Eureka County - Ben Zunino
Humboldt County - Dr. Delbert Jarman
Lander County - Curtis Jordan
Lincoln County - Rick Hardy
Lyon County - Nat Lommori
Mineral County - Steve Cook
Nye County - Dr. William “Rob” Roberts
Pershing County - Dan Fox
Storey County - Dr. Robert Slaby
Washoe County - Paul Dugan
White Pine County - Bob Dolezal

Nevada Department of Education

Superintendent of Public Instruction - Dr. Keith Rheault
Nevada State Board of Education

Executive Summary

Background

Prior to the 2003 legislative session, Nevada's 17 school boards and their superintendents joined together to create a blueprint for academic improvement in the State of Nevada. The result was a document known as **iNVEST** – an acronym for “**Investing in Nevada's Education, Students, and Teachers**.” While previous efforts to improve education had been focused on simply asking for money without identifying how it would be used, the authors of **iNVEST** answered the question, “What is needed to improve student achievement in Nevada?” Through the identification of common needs and goals, Nevada's instructional leaders developed a statewide vision that would result in increased learning for Nevada's students. Included with the description of how funds would be used, accountability measures were built into the plan so the success of programs could be measured.

The \$900 million price tag of the plan as introduced in 2003 caught many by surprise. Superintendents and school trustees were quick to assure legislators that although the academic improvement plan was extensive, it was a long-term approach that should be funded and implemented over a period of years. Indeed, in 2005 the school board trustees and superintendents returned to the legislature with **iNVEST '05**, an updated plan, and this document, **iNVEST '07**, has been prepared for use in the 2007 legislative session.

When the 2003 legislative sessions were over, more than one-third of the programs identified in **iNVEST** were approved and funded in part or in whole, including increased funding of \$50 per student for textbooks and supplies; 2% raises for employees in each year of the biennium (plus an additional .75% to offset increasing retirement premiums); a \$15 million allocation to cover inflationary costs; \$52 million in basic support for health insurance cost increases plus an additional \$5.8 million appropriation to the Interim Finance Contingency Fund to be accessed with Committee approval if costs ran higher; signing bonuses for new teachers; and the flexibility for most Nevada counties to reconfigure the number of students in elementary school grades funded with class size reduction funds.

In the 2005 session the Legislature again responded to the **iNVEST** program in part by continuing essential existing programs, such as teacher signing bonuses to attract quality teachers and additional textbook funding, including adding an inflation factor to the calculation. Additionally, funding was provided for two new major initiatives outlined in **iNVEST**: full-day kindergarten and educational excellence. Recognizing the importance of a strong academic foundation for our youngest students, the Legislature provided \$22 million for districts to institute full-day kindergarten programs in at-risk schools, including funding for portable classrooms in several locations throughout the state. Finally, **iNVEST** proposed \$50 million over the biennium for the purpose of helping all students meet Adequate Yearly Progress (AYP). The governor proposed \$100 million for similar purposes and added a component of individual school-level programs aimed at “educational excellence.” The Legislature modified both proposals and organized a \$78 million grant program to support educational excellence and innovative programs at the individual school level. While programs funded by this grant have been in place for an insufficient amount of time for a complete evaluation from which to draw final conclusions during the 2007 session, preliminary anecdotal reports indicate the funding is having a positive impact on student achievement in schools across the state.

Return on the iNvestment

Has additional funding dedicated to education made a difference? Although it may be difficult to correlate individual allocations to improved academic performance, overall student achievement **has** improved in Nevada. Using the yardstick of the No Child Left Behind (NCLB) requirements, the number of schools making AYP is increasing. This improvement is especially notable when put in its appropriate context: as performance standards are steadily increasing, so are Nevada's most challenging subgroup populations – English Language Learners and students living in poverty. Generally, when those two demographics increase, student achievement declines. That Nevada's students continue to improve in achievement measurements as we simultaneously undergo significant increases in our most challenging populations is an indication that the additional resources provided by the Nevada State Legislature are, in fact, making a difference.

Nevada had a banner year with the number of schools that improved as we strive toward mastery of the state curriculum standards and meet the federal expectations outlined in NCLB. Using the yardstick of the state's AYP model, the superintendents and school trustees can see a definite increase in the number of schools that are demonstrating achievement.

- For the 2004-2005 school year, 5 of Nevada's public schools were designated as “Exemplary.” This year, 2005-2006, that number grew to 17 schools.
- For the 2004-2005 school year, 52 of our schools were designated as “High Achieving.” For 2005-2006, that number increased to 79 schools.

Executive Summary

- For the 2004-2005 school year, 165 schools were designated as on the “Watch List.” In 2005-2006, that number dropped to 55.
- More schools reached their AYP targets for 2005-2006 than in the prior year, regardless of their designation. When describing AYP results for this year, Dr. Keith Rheault, State Superintendent of Public Instruction, reported, “The current results provide reason for optimism. It seems that school improvement efforts are beginning to make a difference.”

Accountability

All taxpayers, including educators, want to ensure that dollars devoted to education are spent appropriately. How to measure accountability is often left undefined, but everyone clamors for school districts to be “accountable.” In addition to the accountability measures that have been factored in to each separate initiative, superintendents across the state are making firm commitments related to additional funding for education.

- When the Legislature fully funds the education “base” budget at an adequate level, taking into account such things as realistic inflation factors and the true costs of all non-instructional items (from the cost of energy to providing employee health benefits), districts will have the revenues necessary to meet basic needs and devote additional resources directly to the classroom. Then, specialized programs – such as effective school-based discipline programs, educational settings designed for truant students, intensive instruction for students who do not speak English, and interventions for credit-deficient high school students – will be put in place.
- Continued funding of textbooks at an adequate level will result in all students having access to a textbook for every class.
- Additional funding dedicated to improving teacher compensation will result in fewer vacancies, greater retention, and a significant increase in the number of fully qualified classroom teachers.
- A significant increase in fully qualified classroom teachers will result in higher test scores, more students passing the High School Proficiency Exam (HSPE), higher graduation rates, and fewer students requiring post-graduate remediation.
- Increased funding for education will allow each district to design instructional programs that are unique and appropriate for their populations, thus increasing the number of students who perform at grade level and decreasing the number of dropouts and level of truancy.

Interim Activities

During the 2005-06 interim, the Legislative Commission’s Committee on School Financing Adequacy commissioned a study conducted by Augenblick, Palaich and Associates, Inc. (APA), a Denver-based education finance consulting firm. The funding increase recommended by the consultant was “directly related to the significant new resources that research and education experts indicate are needed to reach [the] . . . 2013-14 goal of 100 percent student proficiency against state and federal standards.” All school districts in Nevada have accepted the challenge set forth in NCLB of *all* students achieving at grade level. The superintendents and school boards concur with the consultants that 100% grade level achievement is possible, but that the costs of such achievement need to be recognized and funded.

While critics of the Adequacy Study report might question the methodology used and the findings of the consultant, the superintendents who were involved in the crafting of the original *iNVEST* plan recognize similarities between the funding requested at that time and the funding levels recommended by APA. One of the findings of the APA study indicates that in order to meet the higher state and federal standards, statewide funding for the 2003-04 school year should have been \$1.3 billion higher than it was. The 2003-04 *iNVEST* proposal outlined a plan for increased student achievement with a price tag of nearly \$900 million. It must be noted that those involved in creating the 2003 proposal intentionally omitted other essential programs that they believed would have improved student achievement, specifically to avoid a plan with a price tag over \$1 billion. Nonetheless, it must be acknowledged that the programs needed to improve student achievement which were identified in *iNVEST* in 2003 had a cost similar to the funding levels recommended by the 2006 APA study.

Also during the 2005-06 interim, a statewide representation of school district finance officers, superintendents, and staff from the Nevada Department of Education met on a frequent basis to examine the elements of funding applied to the Distributive School Account (DSA) and the Nevada Plan. As a result, the group has made recommendations to improve the formulaic calculations undertaken by the Nevada Department of Education when distributing state funding to the various districts. This exercise was sanctioned by both the Nevada Association of School Boards and the Nevada Association of School Superintendents in an ongoing effort to ensure that all students in Nevada receive an equitable share of the available resources.

Executive Summary

Finally, this interim is distinguished by the grants made available to schools throughout the state via SB 404's Commission on Educational Excellence. Superintendents and school board members have mixed feelings about the dollars devoted to the school improvement grants. While the infusion of an additional \$100 million into the education budget is a monumental accomplishment, the effectiveness of the methodology of the distribution mechanism must be analyzed, including the process by which grants were distributed and the coordination of individual grants with existing educational goals. The compressed timeline of the administration of the grants has left little time for schools to demonstrate progress toward goals. While all hope the 512 grants provided by SB 404 dollars have gone to support innovative and successful school and district programs, the idea that a missed opportunity to provide substantial assistance to schools through a more organized approach haunts many. As we approach another budget cycle with a projected "surplus," advocates of increased education funding can't help but wonder why a significant portion of the ongoing "surplus" cannot be identified as ongoing support in the base budget for education. If an additional \$100 million had been built into the K-12 budget base and could have been used for ongoing programs, meaningful and sustainable progress toward the goals set forth in *iNVEST* might have been made. Nevertheless, superintendents and board members alike are extremely appreciative of the additional funds and look forward to significant improvements in student achievement and the identification of model programs as the evaluations of the SB 404 grants are conducted.

iNVEST '07

Although the ongoing task of finding additional funding for education is never easy, *iNVEST '07* once again responds to the fundamental question, "***What is needed to improve student achievement in Nevada?***" While the answers to that question are expensive, they cannot be altered or ignored simply because they come with a price tag. As the bar continues to be raised in accordance with NCLB, it will become increasingly challenging – and expensive – to provide the time and opportunities students need to make the grade. Although the progress made in student achievement over the past few years has been commendable, the greatest challenges lie ahead, both with the introduction of the science portion of the High School Proficiency Exam and with the ever-increasing standards that must be met to make AYP. Educators stand firm in their belief that these standards can and must be met. However, creating the educational environment necessary for all children to succeed will require additional funding.

Educators and legislators agree on the importance of preparing a highly educated workforce, but many of Nevada's 426,437 students face hurdles that serve as obstacles to student achievement. Describing the 2004-05 school population, the 2006 edition of *Nevada KIDS COUNT* reports that 41.3% of our students are eligible for Free and Reduced Lunch (FRL), a common indicator of students living in poverty. The same report identifies 18% of our students as English Language Learners and 11.5% requiring special education. Meanwhile, Nevada continues to hover among the lowest four states in the nation in education funding, as does our student achievement. Critical programs that will help our students improve academically must be funded and implemented if education in Nevada is to improve.

iNVEST is based on three tenets, all designed to improve student achievement:

1. Districts must have adequate basic support;
2. Districts must have the capacity to attract and retain a quality work force; and
3. Districts must have the means to increase instructional time and expand educational opportunities.

Many of the items included in *iNVEST '07* are similar to those in the original *iNVEST* plan and its follow-up, *iNVEST '05*. One item, Class Size Flexibility, has been removed from the document since the Legislature has granted flexibility to all but the two largest counties in the state. The superintendents and school boards have also expressed interest in adopting "pay for performance" programs that recognize and reward instructional excellence. Additionally, it is requested that legislators be mindful of the difficulties encountered by school districts when additional requirements are mandated without providing adequate funding. School districts cannot be expected to absorb the costs of unfunded or under-funded mandates.

Following the procedure used in 2003, and again in 2005, the boards of school trustees in all 17 counties are in the process of passing resolutions in support of *iNVEST '07* and its three tenets. Additionally, the State Board of Education and the Superintendent of Public Instruction lend their support to the tenets of *iNVEST*. A bill draft sponsored by the Nevada Association of School Boards will once again bring *iNVEST* to the State Legislature for consideration. Educational leaders across the state – the 17 school superintendents and the elected boards from each of the counties – encourage policymakers and other stakeholders to recognize the imperative nature of this proposal to improve student achievement and to take the steps necessary to invest in Nevada's most promising resource, our students.

Initiative 1: Include Annual Inflation in the DSA

Description: Like all consumers, school districts have experienced a dramatic increase in the cost of commodities, which increase the cost of the services they are required to provide. The Bureau of Labor Statistics from the U.S. Department of Labor reports that the Consumer Price Index (CPI) in the western urban region from September 2005 to August 2006 increased 3.96%. (For the entire United States it was 3.8%.) In some districts, liability insurance has also increased dramatically, and the cost of utilities for Nevada's school districts, in spite of aggressive conservation efforts, is expected to continue to grow over the next biennium. Costs of health insurance and educational materials continue to increase on an annual basis, as well. From transporting students to school, to heating and cooling their classrooms, to providing basic educational materials, expenses for essential services for Nevada school districts continue to increase.

Since school boards cannot create or increase revenue streams, resources for public education provided by the state must be realistic in terms of funding expenses. Adequate and appropriate inflation cost adjustments, based on the best information available, must be built into expenditure calculations for non-salary and benefit accounts in the construction of the biennial distributive school fund budget and calculations of state basic support. School districts request that the state utilize inflationary assumptions from recognized sources specifically for school districts for the basic support calculation and when constructing the biennial budget for the DSA in all budget categories.

Educational Benefits: Schools cannot operate without utilities and other basic necessities. Inadequate funding of the true inflationary costs of basic expenditures results in cuts to instructional programs, or leaves school districts without adequate resources to provide academic interventions for students, and to purchase supplies, equipment, or other necessary resources. Inadequate provisions for inflationary costs clearly erode school districts' existing instructional programs, which is particularly devastating in times of higher standards and the need to increase student achievement. When cost increases must be carved out of the existing operating budget, it is at the expense of class size, educational programs, and other resources essential to a good education.

Accountability: Program reductions will not have to be implemented as a result of losses through inflation, nor will class sizes be further increased. School districts will continue to implement every cost-saving measure feasible, including energy-saving programs. Design of all new buildings will accommodate the latest in energy conservation features and, where appropriate, explore the use of alternative sources of energy.

Annual Inflation Costs:	FY 08: \$ 11,373,101
	<u>FY 09: \$ 23,087,395</u>
Total for Biennium:	\$ 34,460,496

Calculations: Estimated cost based on overall estimated blended inflation index of 3.0% applied to all non-salary and benefit accounts.

Source: A note about the assumptions used to calculate the cost of the *iNVEST 07* initiatives: The basic numbers used to cost out the proposals throughout this paper were derived from a document provided by the Nevada Department of Education entitled the *Distributive School Account 2007-2009 Biennium Preliminary*, dated October 9, 2006. Given that these numbers were based on preliminary budgets, they may change as more information becomes available.

Initiative 2: Continue Augmented Funding for Books, Educational Supplies, and Equipment

Description: In 2003 and again in 2005, the Nevada State Legislature provided a \$50 per student textbook allocation in a designated fund. That allocation has helped districts meet the ongoing challenge of keeping pace with the never-ending need to supply up-to-date textbooks, classroom supplies, and equipment necessary for Nevada's students. Since the cost of textbooks, instructional supplies, and instructional equipment continues to increase, the continuation of this funding is requested. The superintendents and elected school trustees also request that the Legislature maintain the allowable use of the funds to include the purchase of computer software and library books, both significant learning materials needed and used by students, as many effective intervention programs are software driven. Additionally, a provision that does not penalize districts that have expended more funds than usual for a textbook adoption in a particular year is of paramount importance. "Fencing off" the funding had unintended consequences for some districts, particularly in the rural counties. Since the additional \$50 is currently melded into the DSA, districts are required to show a "maintenance of effort." Superintendents would like to clarify that this funding is over and above the existing textbook funding in the DSA.

Educational Benefits: Information and technology are increasing at an exponential rate. Students who are hampered by insufficient materials will not be competitive either in higher education or post-secondary employment.

Accountability: Students will have sufficient access to textbooks and other educational materials. Textbooks will be in good repair and up-to-date. Districts will continue to use the increased allocation to supplement, not supplant, current expenditures.

Other Information: The average cost of an elementary textbook is over \$45 per student for one subject, and each student needs to be provided, at a minimum, a book for reading/language arts, mathematics, science, and social studies, totaling at least \$180 per student. The average cost of a secondary textbook is approximately \$60 per student, and each student needs textbooks for 5-6 courses, easily totaling over \$300 per student. School districts typically replace textbooks every five to six years because of changes in curriculum, state content standards or graduation requirements. (State guidelines require a minimum seven-year textbook replacement cycle.)

Additionally, essential student supplies and equipment needed in classrooms include paper and pens/pencils, hands-on learning materials for mathematics and science, calculators, computers, software, printers, televisions, CD players, reference materials/books, maps and globes, and selected art materials. Many of these supplies and equipment items are consumed and need to be continuously replenished. Providing textbooks to students will always be the first priority, but schools must also purchase additional instructional equipment, such as science lab equipment, music instruments, and physical education and athletic supplies.

Cost of Books, Supplies, Equipment:	FY 08: \$ 22,303,750
	<u>FY 09: \$ 22,997,950</u>
Total for Biennium:	\$ 45,301,700

Calculations: This calculation is the cost of continuing the allocation of \$50 per year per student (over and above the state's textbook allocation), using an enrollment growth assumption of 4.5%.

Initiative 3: Protect Ending Fund Balance

Description: Districts believe it is imperative to statutorily protect pre-determined budgeted or actual unreserved ending fund balances from consideration in a district's ability to pay in labor negotiations and arbitration. Although NAC 354.660 states that an ending fund balance of not more than 8.3% of budgeted expenses (one month's expenses) is not subject to negotiations with employee organizations, without the legislative authority to protect an ending fund balance, this administrative code requirement is routinely ignored by arbitration officers. This initiative envisions that the school boards of each district be given the authority to establish an unreserved ending fund balance not to exceed 8.3%, which then would statutorily be protected from salary negotiations and arbitration proceedings.

Educational Benefits: Protecting funds from the bargaining and arbitration process by statute will allow school districts to maintain adequate ending fund balances. Finance experts (such as Ian J. Allen, a manager with the Government Finance Officers Association) and major credit rating agencies (such as Moody's Investors Service and Standard and Poor's Corporation) state the importance of maintaining at least a 5% fund balance. Many districts in the state struggle to maintain a fund balance even as small as 2%, but all are striving to reach at least that minimal goal.

The unreserved fund balance is a district's protection against program cuts when unanticipated costs (e.g., fuel, utilities, insurance, etc.) and/or potential shortfalls in local revenues occur. The maintenance of an adequate ending fund balance affords school districts the financial accountability and flexibility to meet sudden and unusual cost increases without being required to cut educational services to students. For example, ending fund balances were used in Douglas County to pay the costs associated with the mercury spill experienced in one of its schools. Other counties were required to replace Carpenter school buses, also accomplished by utilizing their ending fund balances.

Moreover, it is critically important to note that bond ratings for some counties are adversely affected when an adequate ending fund balance is not maintained. The Department of Taxation notices districts and requires an explanation for unreserved budgeted ending fund balances of less than 4%. Likewise, as Nevada's counties grapple with growth and the need to provide facilities for an expanding student population, an adequate ending fund balance has a major influence on bonding capacity.

Accountability: Districts will maintain an ending fund balance for fiscal stability. A statutory requirement to protect the unreserved ending fund balance not to exceed 8.3% from salary negotiations and arbitration will ensure that instructional programs and operational necessities can be maintained and appropriately supported.

Other Information: As an example, waiving their board's own policy, in FY 02, Clark County's ending fund balance dipped to 1%, enough money to operate the district for only 2.5 days, primarily as the result of an arbitration award. In that same year, Washoe County had an ending fund balance of \$3 million, less than 1% of its budget. Meanwhile, county and city governments throughout the state typically have balances over 20%. All Nevada districts are committed to providing the best salary and benefits package possible for all employees. However, negotiations must not take precedence over the primary mission of the districts – the education of our children.

Cost to Protect Ending Fund Balances: No Cost

Initiative 4: Salary Increases for Educational Personnel

Description: The growing student population in Nevada and the retirement of large numbers of licensed educational personnel present major challenges to the state's school districts, challenges that will only increase over the next decade. Compounded by the teacher quality mandates of the No Child Left Behind Act of 2001, many school districts find it difficult or impossible to hire new teachers who meet or exceed the Highly Qualified Teacher requirements. It is particularly hard to find and retain teachers in specialized areas such as math, science, special education, and English as a second language. The Nevada Department of Education's website, *Nevada's Report Card*, indicates that in October 2005, 21.3% of all mathematics classes, 20.4% of all science classes, and 24.6% of all English/reading/language arts classes were taught by teachers who were not highly qualified. Those statistics have likely remained the same or slipped even further in 2006.

An August 2004 report by the nonpartisan Economic Policy Institute found that the pay gap between teachers and other comparably skilled professionals has widened in the past decade, making it easier to lure professionals to jobs that increasingly pay more. Teachers' weekly salaries, adjusted for inflation, rose only 0.8 percent since 1996, the study showed, compared with 12 percent for other college graduates.

In the past, the attractive benefit package and the low cost of living in Nevada have helped attract teachers to our state. However, with dramatically escalating housing costs and with new teachers more interested in purchasing power than retirement benefits, recruiting teachers is becoming increasingly difficult. In preparation for the 2006 school year, Clark County hired nearly 2,400 teachers; Washoe County hired 430. In that same year, all of the higher education institutions in the State of Nevada combined produced just over 900 graduates in the field of education. Some teachers, after initially accepting an offer to teach in Clark County, subsequently rejected the offer after visiting Las Vegas and finding the housing available to them within their budget to be unacceptable for their families. As challenging as hiring is for large districts, the challenge for rural districts may be even greater, even though the numbers are much smaller. Attracting qualified teachers to remote areas is difficult, particularly when teachers can earn more money in more populous areas in nearby states.

Adequate compensation is a critical element in hiring teachers. If we are to make significant progress in educating our youth, we must provide starting salaries and salary increases that enable school districts to attract and retain highly qualified educational personnel who are not penalized by salaries that too often fail to keep pace with increases in the cost of living. *INVEST '05* called for a 3% raise in teacher salaries. The updated 2007 version calls for 5% increases. The US Department of Labor, Bureau of Labor Statistics reports that the CPI for the western urban region is 3.4% for September 2004 through August 2005 and 3.96% for the period September 2005 through August 2006. (For the entire United States, the increases are 3.6% and 3.8%, respectively.) Thus, a 3% increase in salaries is not enough to keep pace with the cost of living, let alone represent an attractive wage to college graduates who have other employment opportunities with higher compensation available to them.

The following salary increases were funded by the Legislature since FY 00:

FY 00	0%	FY 02*	0%	FY 04**	2%	FY 06	2%
FY 01	0%	FY 03	2%	FY 05	2%	FY 07	4%

With the exception of the 4% salary increases scheduled for 2007, the purchasing power of educational personnel has continued to erode over this period. For example, according to S. Morgan Friedman at www.inflationdata.com, what cost \$1.00 in 2000 would cost \$1.17 in 2006. This same source indicates that the inflation rate from January 2006 to September 2006 has been 2.32%. Salary increases, at a minimum, should be tied to cost of living increases, but to be competitive, salaries must meet or exceed other fields requiring a similar amount of education.

Educational Benefits: Competitive salaries are essential to attract and retain quality educational personnel. Attracting and retaining quality educational personnel will promote significant long-term school improvement and close the achievement gap among Nevada's students.

Accountability: Through the proposed database recommended by the National Governors' Association, Center for Best Practices, it will be possible to provide longitudinal information about teacher satisfaction and retention as correlated to salary.

Cost of 5% Salary Increase:	FY 08: \$ 110,986,030
	FY 09: \$ 231,061,080
Total for Biennium:	\$ 342,047,110

Calculations: Based on calculations from the Nevada Department of Education DSA 2007-09 Biennium Preliminary Budget

* A legislated 3% bonus was given in FY02, but it was not part of the salary schedule, is not ongoing, and consequently had no effect on the retirement benefits nor represents an increase in ongoing earnings.

** .75% was also allocated to offset retirement premiums for employees.

Initiative 5: Health Benefits

Description: Adequate funding must be provided to pay for reasonable health benefits for both active and retired employees.

- **Active Employee Health Insurance Benefits** - The DSA must include funding to maintain reasonable active employee health benefits with annual funding increases at least equal to the anticipated increase in medical costs as supported by national or regional medical cost indices. Districts seek legislative action that would require the education budget be constructed with health benefit funding that keeps pace with the cost of medical services in the State of Nevada. According to ABD Insurance and Financial Services; Segal Group, Inc.; AON Employee Benefits Consulting; and other recognized health benefits experts, employers will continue to experience 10% to 15% health insurance cost increases over the biennium. Recognizing the escalating costs associated with health benefits, the 2003 Legislature set aside \$5.8 million (via AB 257) to be available for additional appropriation based on need. However, applications for these funds totaled over \$18 million, leaving school districts to pay the difference from instructional dollars in the 2003-05 biennium. The 2005 Legislature appropriated \$4 million in SB 525, but valid school district applications for assistance from this appropriation exceeded \$40 million – ten times more than the relief provided by SB 525.
- **Retiree Health Insurance Benefits** - It is also critical that the Legislature fund the full cost of retiree subsidies required by AB 286 of the 2003 legislative session. Since school districts have no ability to generate funding for these costs over which they have no control, these obligations reduce the districts' resources needed to deliver student instruction. To pay the costs resulting from AB 286, school districts request a direct appropriation to the Public Employees' Benefit Program (PEBP) rather than channel these state-mandated retiree health insurance subsidies through school districts. A direct appropriation would avoid commingling with DSA funding as well as prevent diversion of resources away from classrooms and curriculum.
- **Governmental Accounting Standards Board (GASB) Requirements for Retiree Benefits** - School districts need statutory changes enabling creation of trust funds to properly account for and finance retiree health insurance benefits negotiated under NRS 288. Starting with FY 08, school districts must begin disclosing unfunded liabilities arising from post-retirement health insurance in their audited financial statements. GASB rules provide a method for properly pre-funding such liabilities which requires a type of trust fund not now provided for in the Nevada Revised Statutes. School districts support legislation enabling local governments to fully comply with GASB accounting rules, including the capability to pre-fund these significant liabilities. This legislation would not require appropriations but would provide the proper statutory structure, allowing school districts to manage these liabilities in a prudent manner. Failure to report these liabilities according to GASB rules, or to establish appropriate pre-funding plans, is likely to result in lower bond ratings and higher interest costs for school construction.

Educational Benefits - Maintaining a quality instructional work force is essential to delivering quality instruction to students. Competitive benefits are an essential part of compensation, and reasonable health benefits are at the top of the list of benefits sought by existing and prospective educators. Over the last eight years, funding for health benefits has been inadequate, forcing school districts to divert instructional dollars to cover unfunded health care costs. Shifting increased premiums and co-payments to employees in some districts has, in effect, resulted in a cut in pay for educators and a reduction in educational programs for students.

Accountability - An appropriate compensation package will reduce the number of teachers leaving Nevada school districts and help attract a quality teaching force in a growing state.

Cost of Health Benefits:	FY 08	\$ 32,057,556
	FY 09	\$ 72,914,398
Total for Biennium:		\$104,971,954*

Calculations: Based on Nevada Department of Education DSA 2007-09 Biennium Preliminary Budget, "Comparison of Various Versions of the Distributive School Account," with a 15% increase in each year of the biennium.

* Calculation does not include retiree health care subsidy costs required by AB 286.

Initiative 6: Incentives for Licensed Educational Personnel

Description: This initiative deals with three types of incentives: signing bonuses for new teachers; incentives to attract effective, highly qualified teachers to schools deemed “In Need of Improvement;” and incentives to attract highly qualified teachers in critical shortage areas such as math, science, and special education. It is proposed that the Nevada State Legislature continue to fund initial signing bonuses for new teachers. In the past, \$2,000 has been offered; this proposal seeks to increase the amount to \$2,500 per teacher, as well as expand eligibility for this bonus to all licensed educational personnel new to Nevada schools (including librarians, counselors, nurses, etc.) The superintendents and elected trustees also encourage the Legislature to provide full state funding for the program.

In addition to signing bonuses, effective incentives are needed to attract experienced, highly qualified licensed educational personnel to serve at schools demonstrating need for improvement and schools with high rates of children in poverty. In the June 2004 *New York University Law Review*, Professor James E. Ryan of the University of Virginia Law School writes, “A perverse consequence of NCLB is that it discourages good teachers from taking jobs in challenging classrooms.” He argues that the Act’s sanctions against schools with low student test scores – even when the schools show strong gains in student learning – have made teaching in disadvantaged schools less attractive. Incentives are needed to attract our best educators to schools with the most challenging populations. Incentives are also needed to attract highly qualified licensed educational personnel in critical shortage areas such as math, science, special education, and ELL. Funding for these two programs could be made available by redirecting funds currently being used to pay for the 1/5 retirement credit.

Currently, teachers are automatically given a 1/5 retirement credit for each year spent teaching at a school designated as “In Need of Improvement.” Not only is the retirement credit expensive, it is also counterproductive. Intended as an incentive to attract teachers to challenging schools, it instead serves as a reward for schools on the at-risk list. If principals were given the ability to reconstitute their teaching staff and use the retirement credit as an incentive to attract quality teachers to the school, this benefit might have some merit. In its current form, it does nothing to improve student achievement, particularly since improved student achievement would result in a school getting off the “In Need of Improvement” list, and teachers would then no longer qualify for the retirement credit. Another problem with the retirement credit incentive is that it is available only to those teachers who are vested in PERS, excluding teachers who have been teaching in Nevada schools for less than five years. Additionally, as the expectations of NCLB continue to increase, the number of schools labeled “In Need of Improvement” will likely increase, ratcheting up the number of teachers who will automatically qualify for the retirement benefit. Finally, the cost of the 1/5 retirement credit was not fully funded in previous years. In 2003-2004, the legislature provided only 32% of the funds needed for this benefit; districts had to fund 68% of the expense from their own budgets. In 2004-2005 the state-funded portion rose to 37%, making districts responsible for funding 63% of the program out of their operating budgets. During that biennium, the cost of the 1/5 credit retirement program was approximately \$7 million. The legislature has largely rectified the funding problem for 2005-2006, but with a price tag that has more than doubled, superintendents question whether this program is the best use of the money.

The FY 07 cost for providing the 1/5 retirement credit for teachers at schools “In Need of Improvement” is \$18,433,608. The superintendents and elected school trustees suggest the dollars currently in use to pay for the retirement credit benefit be recaptured and redirected to provide funding for the teaching incentives described above or those deemed effective following the funding provided in AB 580 from the 2005 legislative session. Those teachers who enjoy the retirement credit benefit and who qualify for incentive pay by meeting other criteria could choose to use it to purchase the 1/5 retirement credit.

This initiative suggests the Legislature discontinue the retirement credit program and transfer the dollars currently used for this purpose to a Teacher Incentive Grant Fund. Districts would create incentive programs tailored to the needs of their counties, and the Nevada Department of Education would administer the distribution of the funds.

Educational Benefits: Matching skilled teachers with the students who need them most is a tremendous challenge for school districts. In large districts, teachers often have many options available to them, and choosing to teach at an at-risk school many miles from home can be an expensive decision in terms of time and travel expenses. In rural districts, the distances – and the challenges – may be even greater. With the increased expectations of NCLB, it is increasingly important to ensure that schools with struggling student populations have access to the best and brightest teachers available. Additionally, as student enrollment continues to increase, the need to attract competent teachers from across the United States to Nevada’s districts is essential.

A broad range of national research demonstrates the importance of prepared, experienced and well-supported licensed educational personnel to promote long-term school improvement and to close the achievement gap. School reform research shows that if a school is to make academic strides, its administrators and faculty must stay together and build new practices collaboratively for at least five or more years.

As noted in Initiative 4, Salary Increases for Licensed Personnel, between one-fifth and one-fourth of the teachers in the core subjects of math, science, and language arts are not highly qualified. Despite aggressive recruiting efforts, every year Clark County averages approximately 20 unfilled math positions in secondary schools. With a student load of 150 students per teacher, that means approximately 3,000 students in Clark County alone are being taught by long-term substitutes or teachers that are not necessarily highly qualified in math. In a standards-based system with high-stakes testing, such as the High School Proficiency Exam, students depend on having a highly qualified math teacher in every classroom. For many of them, their ability to graduate depends on it.

Additionally, schools must reduce high teacher turnover rates. In August 2004, the *American School Board Journal* stated that the “revolving door” syndrome for schools with students in poverty or schools designated as “In Need of Improvement” often leaves students with one beginning teacher after another. Students who are most in need of qualified teachers end up with what one researcher calls a “relentless stream of untried novices who do not have the skills to help them reach high academic standards.” Just as important is the need to retain the teachers we have. In Nevada’s largest district, approximately 50% of the teachers leave before the end of five years. Not only is it challenging to have teachers leave the classroom in an environment where so many teachers are needed, it also imposes real costs in terms of the need for constant training and retraining, as well as educational costs in terms of a lack of stability and continuity in our classrooms. For high school sites, the impact of high teacher turnover imposes a negative impact upon efforts for meaningful reform.

For the purpose of *iNVEST '07*, funding is requested to continue the signing bonuses for licensed educational personnel new to Nevada. Legislators are also asked to discontinue the 1/5 retirement credit, and re-direct those funds to a Teacher Incentive Grant Fund. In addition, legislators are encouraged to explore and support other methods of attracting and retaining highly qualified teachers through methods used in other states with whom we compete for available, highly qualified teachers. These programs include things such as pay for performance measures, tuition-free graduate courses, loan forgiveness programs, and stipends for licensed educational personnel who receive satisfactory evaluations for four consecutive years and who teach either in rural or remote areas, at high-poverty schools, or in critical shortage areas such as math, science, psychologists, speech pathologists, special education or ELL.

Accountability: Accountability reporting about the percentages of high quality teachers and other licensed educational personnel will evidence that children in high poverty schools or at schools designated as “demonstrating need for improvement” have as many or more Highly Qualified Teachers as are found elsewhere in school districts.

Estimated Costs for Signing Bonuses:	FY 08: \$11,882,550
	FY 09: \$12,834,375
Total for Biennium:	\$ 24,716,925

Calculations: Base expanded by 11% to include all licensed educational personnel (excluding administrators) plus school nurses with an 8% replacement factor for 2009, for a total of 4,282 teachers eligible for the signing bonus in 2008, and 4,625 in 2009.

Initiative 7: Increased Achievement for All Students

Description: In accordance with the goals of the NCLB, it is imperative that additional time and opportunity to learn be provided for students who must demonstrate that they can achieve the annual content area targets established for them by the AYP model.

Educational Benefits: The Nevada State Legislature led the way for educational reform with the Nevada Education Reform Act, passed in 1997, which required students to demonstrate knowledge of specified curriculum standards as established by the Council to Establish Academic Standards for Public Schools. Prior to that time, the high school diploma for most Nevadans was earned primarily by fulfilling the required amount of “seat time” and earning the number of high school credits needed to graduate. For those students, time was the constant and achievement the variable. Some students clearly learned more than others, but students who met the time and credit requirements still received a diploma. In the age of standards and accountability, seat time and passing grades are no longer the measure. Requiring the alignment of the High School Proficiency Exam (HSPE) with the state content standards added a dimension for graduation that has resulted in increasing numbers of students who have met the specified time and credit requirements, but have not mastered the standards expected of a graduate. For today’s would-be graduates, achievement is the constant, and time the variable.

With the addition of NCLB, the stakes for our students and schools are even higher. NCLB requires schools to measure the AYP of specific categories of children, including ethnic groups, children in poverty, and those with special learning needs. If students within those specific categories do not make adequate yearly progress, the school, regardless of the performance of the rest of the student population, is labeled “In Need of Improvement.” Although Nevada’s school districts made significant progress in the number of schools that made AYP, the number of schools “In Need of Improvement” or on the “Watch List” is significant. As the performance levels required for each child continue to be raised incrementally until all students are expected to perform at grade level in 2013, the more significant the effort required to have all students meet the standards. Educators and parents believe all children can learn, but recognize that not all students learn in the same way or at the same speed. This means schools must be prepared to offer additional time and opportunities for students who have fallen behind. Being a school “In Need of Improvement” leads to federal sanctions, a demoralization of both student body and staff, and results in a decrease of confidence in public schools.

The 2005 Legislature provided a rich source of funding that was disseminated to individual schools and districts to be used for innovative programs that would lead to increased student achievement. SB404 provided \$78 million for grants to elementary schools, and nearly \$14 million for secondary schools. These funds were distributed through the newly-created Commission on Educational Excellence, and 512 grants were distributed throughout the state. Some grant recipients began implementing the programs funded through these methods in the spring of 2006, but most programs could not be implemented until the beginning of the 2006-07 school year, so data related to student achievement is not yet available, although preliminary anecdotal stories indicate that many of the grant-funded programs are making a difference in student achievement. Superintendents and elected board trustees appreciate the infusion of money into the education system and encourage the Legislature to continue the augmented funding to be used by individual districts for the programs closely aligned to the needs of the individual students in those districts. Ongoing funding, rather than “one-shot” dollars, would allow districts to design programs that are closely tied to their school and/or district improvement plans. The use of the Commission on Educational Excellence led to some areas of concern, which could be alleviated by allowing superintendents and elected school boards to direct the use of the funds.

As was demonstrated by the variety of applications for the \$92 million appropriated for innovative programs, the uses of these funds are wide and varied. For some schools, targeted efforts for a select group of students may be all that is needed, such as in Storey County where five high school students who had failed the HSPE two times received individualized help, resulting in all five passing the exam. Programs such as summer school, inter-sessions, tutorials, strategies for students whose first language is not English, and distance education provide additional instructional time for students striving to meet proficiency, as well as enrichment classes for students seeking new challenges. Summer school helps students retain knowledge and maintain skills acquired during the traditional 180-day school year, as well as providing the opportunity for credit recovery so they can graduate on schedule. Inter-sessions help students “catch up” or “beef up” skills and knowledge necessary for proficiency. Tutorial programs allow schools to meet each student’s individual needs in a focused learning environment. Distance education programs give schools and districts increased ability to meet the diverse education needs of their students, and, in some cases, provide required curriculum or advanced placement classes that would otherwise be unavailable.

Last spring, using SB 404 dollars, Washoe County identified 45 second graders at risk of being retained. These students moved to the New Horizons Academy and were placed into very small classes focused on intensive instruction in reading and

math. The students then attended an extended summer session, two weeks longer than regular summer school. This year, the students will transition into third grade as they demonstrate readiness. They are scheduled for summer school again next summer and then will rejoin their fourth-grade cohort in the fall of 2007. Teachers report extraordinary gains in reading level, as well as improved attendance. Parents note that students readily do their homework and enjoy going to school.

In another Washoe County program funded by an SB 404 grant, eighth grade students who had not demonstrated proficiency in reading or math were targeted last summer for the mandatory High School Jump Start Program. These students started school three weeks early and received instruction in math, reading, and study skills while acclimating to the high school environment. Jump Start teachers were freshman teachers who would have these students in their classes throughout the regular school year. Jump Start students started high school at a much higher comfort level, easing that critical transition. Early indicators of success show a decrease in freshman discipline infractions and improved attendance. Teachers note that Jump Start students seem more confident in their learning, with fewer missing assignments and more productive attitudes.

In Douglas County, an SB 404 grant has been used to implement MAP, a program that allows educators to make real-time, data-driven instructional decisions in the classroom. Classroom reports and individual student reports are available to the classroom teachers within 24 hours of testing in the areas of reading, language, and mathematics. Teachers are then able to identify the specific skills or concepts that students still need to learn to become proficient. Using the MAP data, teachers are able to provide immediate and significant differentiated instruction for the individual learning needs of the students in the class.

Intervention programs must be specifically designed to improve student achievement by providing additional learning opportunities tailored to the needs of the students in each district. Furthermore, all students would benefit from certain specialized classes, including courses designed to prepare them for high-stakes tests such as the HSPE, SAT, and ACT. Because students have different learning abilities and do not achieve at the same rate, achieving proficiency for all students – including meeting AYP and successfully passing the HSPE – requires increased flexibility for programs designed to ensure that students achieve local, state, and national standards.

Accountability: Additional instructional time and opportunities – whether through summer school, inter-sessions, tutorials, or distance education programs – will decrease the knowledge gap between students in the classroom. Results of NRTs and CRTs, passing rates on the HSPE, and improved scores on other state exams will show measurable improvements as a result of these additional learning opportunities. Providing additional resources and learning opportunities to schools on the “Watch List” will prevent many of them from being designated “In Need of Improvement,” as well as help those so designated leave the category, and meet the requirements of the NCLB and Nevada’s sister legislation, SB1 (19th Special Legislative Session, June 2003). This will save time and money, and serve to keep more of our students on track to achieve proficiency.

Other Information: Individual schools within each district should be given the flexibility to use the resources to implement the programs that will be most effective with their students, including reform at some high schools. For instance, all Nevada school districts now have the capability to use distance education to improve student learning. Others now offer or would offer inter-session programs providing targeted instruction to specific student populations. Many high schools would choose to implement a HSPE course to review test-taking skills or provide other kinds of educational reform and to concentrate on the specific content areas needed by students who have not yet passed the HSPE.

Additional Learning Opportunities:	FY 08 \$ 21,411,600
	<u>FY 09 \$ 22,078,032</u>
Total for Biennium:	\$ 43,489,632

Calculations: Currently, 55% of the students are not proficient or scored below the 50th percentile as determined by state CRTs. This calculation is based on providing 80 hours of additional instruction to 50% of Nevada’s students with 25 students per teacher at a salary of \$30 per hour.

Initiative 8: Funding for English Language Learners

Description: Nevada is one of the fastest-growing states in the nation, and English Language Learners are the fastest-growing segment of our student population. [Note: Several acronyms exist to classify students who are not fluent in English. Among them are ESL (English as a Second Language), LEP (Limited English Proficiency) and ELL (English Language Learners). Throughout the document, references are made to ELL, but could also refer to ESL and/or LEP, as well.]

According to *Education Week* (July 26, 2006), “Nearly one in nine students are limited in their English proficiency, an increase of 150 percent over the last decade.” In Nevada, in 2005-06, 33.6% of students were Hispanic, and 15.5% of the total student population were English Language Learners, a 31% increase since FY 04. In the current 2006—07 school year, for the first time, Clark County became a minority majority district, with Hispanic students outnumbering Caucasian students. In the Adequacy Study report, Augenblick, Palaich and Associates wrote, “It is important to understand something about the nature of the students being served in the state. This is important because, in addition to raw enrollment growth, the number of students with special needs and associated higher costs places a significant fiscal responsibility on the state . . . Nevada’s proportion of students who are English language learners and who may require special services is higher than the national average and the comparison groups.”

Although the Hispanic population is growing faster than any other segment of students, Spanish is only one of approximately 92 languages spoken in Nevada’s schools. The need for teachers who are able to effectively teach students whose native language is not English and for programs designed to reach this growing population is dramatically increasing every year. According to data generated by In\$ite, the statewide average expenditure for services to ELL students was \$303 per student in FY 06 – a total of \$20 million. As the growth of ELL enrollment continues to escalate, and the requirements of NCLB become more difficult to achieve for ELL students, districts are faced with the dilemma of continuing to pay for needed ELL services from the General Fund budget, at the expense of reducing other academic programs. Additionally, without dollars specifically appropriated for ELL students, services for these children often lag far behind their needs. For that reason, districts are requesting that the Legislature utilize the funding model suggested by APA, establishing a weighted per pupil funding for ELL students.

Educational Benefits: The requirements of the NCLB emphasize the need to effectively teach ELL students. Results of the 2004-05 High School Proficiency Exam show that 40% of ELL students in 10th grade were unable to meet the AYP targets on the reading portion of the exam; 70% of ELL 10th graders failed the math portion. ELL students are more likely to leave high school before graduation. Improving ELL programs would help transition students who are English Language Learners more quickly into the regular school curriculum, accelerate their achievement, and increase graduation rates, ultimately resulting in a positive impact on the work force in Nevada.

As Nevada is not the only state facing an increase in ELL students, we can benefit from the best practices of other states and from successful programs now in place in various districts, such as:

- “Sheltered Instruction” training such as Sheltered Instruction Observation Protocol (SIOP) or High Quality Sheltered Instruction (HQS) for teachers to develop strategies necessary to address the needs of ELL students
- “Welcome Centers” and “Newcomer Academies” for high school students who need an environment concentrating on transition skills
- Additional testing in their home language for students new to the district to determine the appropriate placement
- Bilingual and TESL (Teaching English as a Second Language) endorsement for teachers
- Smaller class sizes
- English language development through ELL supplemental materials (such as the Waterford Program for Kindergarten and 1st grade ELL students)
- Translation software and services to increase parent involvement through better communication.

In Washoe County, partially funded by SB 404 dollars, GLAD and SIOP programs have been put in place. Guided Language Acquisition Design (elementary level) and Sheltered Instruction Observation Protocol (secondary level) offer teachers strategies to make content comprehensible to second language learners. All Title I elementary school teachers have been trained in GLAD, and SIOP training is ongoing at the middle and high school levels. These language acquisition strategies are simply good teaching and low or struggling readers often benefit as well. The Washoe County School District has experienced major progress on the AMAO (Annual Measurable Achievement Objectives) measures and has seen improvement in the Limited English Proficient scores that contribute to AYP.

Another program utilized in Washoe County is Kinder Amigas. At two dozen elementary schools with high percentages of second language students, Kinder Amigas assist kindergarten students with language acquisition and make them feel comfortable, safe, and welcome. Students learn to meet expectations for classroom instruction and behavior. These bilingual teacher aides also assist parents in navigating the educational system, and consequently, parents are actively involved in these kindergarten classes. Parents are excited because they understand what their children are learning and can also assist their students more effectively at home.

Accountability: Increased funding for ELL programs will result in:

- Improved standardized test scores of ELL students.
- Increased passage rates on the Nevada High School Proficiency Examination.
- A decrease in dropout rates for this segment of the student population.
- Non-English speaking students being verbally functional in regular English-speaking classrooms within three years and proficient in reading and writing skills within five years.

Costs of Weighted Funding for ELL Students:	FY 08: \$41,697.482
	<u>FY 09: \$52,032.102</u>
Total for Biennium:	\$93,729,584

Calculations: “A Study of the Adequacy of School Finance in the State of Nevada,” prepared by Augeblick, Palaich and Associates, Inc. (APA), calculates funding for ELL students using a weighted per pupil formula. In a scenario in which a “typical” non-ELL student is funded at a value of “1” (the per-pupil amount), a weighted funding formula recognizes that extraordinary needs require extraordinary funding and adds some amount to the basic allocation. APA’s formula ranges from an additional 1.21 per ELL student in small districts (meaning that student would be funded at 2.21 times the per-pupil amount) to an additional .47 for ELL students in large districts. As the cost of implementing that level of increase is prohibitive, this proposal requests a more modest weighted formula of an additional .1 per ELL student. Calculations are based on NDE’s projected ELL student population in FY 08 of 72,266, and 84,992 projected in FY 09, using annual per pupil support figures of \$5,770 and \$6,122, respectively.

Initiative 9: Full-Day Kindergarten

Description: School districts seek funding to continue full-day kindergarten programs for at-risk schools and to add funding to provide continued implementation of full-day kindergarten programs for all students.

Educational Benefits: NRS 392.040 requires children entering first grade to complete a licensed private or public school program, be home schooled, or demonstrate through testing that they are developmentally ready to learn before entering first grade. We do not seek to change that law.

Research cites positive and long-term benefits associated with full-day programs. Compared to half-day kindergarten, full-day programs are typically associated with:

- Higher long-term achievement
- Higher achievement for disadvantaged and low income children, and for those receiving Title I services
- Higher reading scores in early grades
- Fewer grade retentions
- Higher test scores
- More time spent in individualized instruction
- Greater progress in social skills for disadvantaged and low income children
- More reinforcement of positive social behaviors
- Higher self-esteem and independence
- Greater creativity
- Access to nutritional breakfast and lunch
- A less hurried school day with more varied experiences

As a nation, we strive to increase early literacy skills and mitigate the impact of poverty and limited English proficiency on our children's learning. It is especially critical in early years. If early literacy academic challenges are not met by the end of first grade, school districts not only find it difficult to close the achievement gap in later grades, but also face increasingly higher costs in attempting to do so.

One way to address early childhood literacy is to implement full-day kindergarten. Beginning the 2004 school year, CCSD conducted a study to examine the effects of full-day kindergarten on 3,600 students. The first year of this study indicated that full-day kindergarten is a powerful method for schools to close the literacy gap for all students, and has strong positive effects on low income limited English proficiency students.

On a nationally recognized literacy assessment, CCSD full-day kindergarten students demonstrated significantly greater growth than half-day students in all four areas essential for strong literacy skills. In addition, students identified as English Language Learners received great benefits from the full-day program. Seven out of ten ELL students increased their oral English proficiency by at least one level, and four out of ten gained two to four levels on a spoken language assessment. The Clark County study found that full-day kindergarten leads to markedly higher academic performance than half-day kindergarten.

Accountability: The anticipated positive impact upon student learning in full-day kindergarten will be measured by each school district through a district-determined random sample comparison between children attending half-day programs and those attending full-day programs funded by the legislative appropriation. Districts will also make efforts to track a random sample of children completing the year in full-day kindergarten as they matriculate to first, second, and third grades, insofar as is possible within that district to compare the achievement of those children with others who have not attended full-day kindergarten.

Other Information: Educators and parents across the state recognize the benefits associated with full-day kindergarten. However, particularly in the large districts, a multi-year phased-in program is preferred to provide districts enough time to prepare the facilities needed and hire the additional teachers that will be required. Costs shown below reflect the biennial amount needed for all kindergarten students to attend full-day classes. Nevertheless, it would be prudent to develop a three- or four-year plan to accomplish this goal.

Facilities for Full-Day Kindergarten:	FY 08: \$ 28,380,000
Full-Day Kindergarten Teachers:	FY 08: \$ 75,584,692
	<u>FY 09: \$ 82,349,452</u>
Total for Biennium:	\$186,314,144

Calculations: All costs for facilities are calculated for FY 08 with construction in the summer of 2007 based on 25 students per classroom. Costs are calculated in two ways, as outlined in the next two paragraphs.

Clark County estimates a cost of \$70,000 per modular, which provides two classrooms per modular. Clark County plans to move upper grade students into the modular classrooms (which are generally smaller) and provide classroom space in the current buildings so kindergartners would have access to larger classrooms and existing bathrooms. Cost: \$70,000 per modular plus \$7,500 per classroom for furniture and supplies (\$15,000 per modular) for a cost of \$85,000 per modular x 212 modular buildings (to provide 424 additional classrooms) for a total of \$18,020,000.

For all other counties in the state, costs were calculated by using figures provided by the NDE for modular classrooms purchased with remediation money to date. Cost: \$115,000 per modular plus \$7,500 per classroom for furniture and supplies (\$15,000 per modular). Additionally, \$10,000 to hookup to school communication system, provide ADA ramping, and hookup to sewer systems is needed for a total cost of \$140,000 per modular x 74 modular buildings (to provide 128 additional classrooms) for a total of \$10,360,000.

Calculating the cost of teachers: Since kindergarten students are currently funded at a .6 ratio, the additional salary cost for kindergarten teachers was calculated by multiplying the basic support times .4. (For example, FY 08 = 32,749 kindergartners X \$5770 basic support X .4 = \$75,584,692).

Initiative 10: Professional Development for Student Achievement

Description: Currently, the Legislature allows each school district to use not more than five days within the existing 180-day school year for the purposes of professional development. Although these days are essential, each day utilized by a district for professional development decreases the amount of instructional time for its students. It is proposed that five days be added to the contract of teachers to be used for professional development, ensuring that each student in Nevada receives 180 days of instruction.

Additional Information: Recent changes in the Nevada Administrative Code now impose a limitation of five “minimum” days per school year. Minimum days have shortened instructional time for students, so the rest of the contract day can be used for staff development. Many districts use minimum days throughout the year to provide teacher training relevant to specific needs.

Educational Benefits: In effect, this would add five days to the students’ school year, thereby increasing instructional time. Research clearly shows a link between teacher training and increased student achievement. In addition, this would serve to ensure a guaranteed 180 days of instruction and also help accommodate various testing requirements.

Accountability: A definite correlation can be shown between the amount of training a teacher receives and an increase in student achievement levels, not to mention the correlation between instructional time and student achievement.

Cost of 5 Additional Days:	FY 08: \$ 35,844,715
	<u>FY 09: \$ 36,991,505</u>
Total for Biennium:	\$ 72,836,220

Calculations: Calculations are based on the cost per day of all teachers multiplied by the five additional days being requested.

Initiative 11: Classroom Discipline and School Safety

Description: Districts request additional funding to be used to implement effective classroom discipline programs. One of the most frustrating experiences for both the student and the teacher alike is a disruptive pupil who has no desire to participate in a successful learning environment. Classroom discipline is becoming one of the most serious challenges faced in public schools. Students who are persistently disruptive detract from the learning of all students. Teachers who can spend their time teaching, as opposed to disciplining a few disruptive students, are more effective, and the classroom environment is safer, calmer, and more conducive to learning if disruptive students can be removed.

Accountability: More instructional time will result in increased learning and higher test scores. Programs geared specifically to the needs of disruptive students will reduce the number of schools labeled as “persistently dangerous” under the mandates of the NCLB.

Other Information: The 1999 Nevada State Legislature passed AB 521, which provided funding for pilot programs to help teachers deal with the small population of disruptive students whose behavior dramatically impacts the ability to learn for an entire classroom of students. C.P. Squires, an elementary school in Clark County, had a high second language population, high poverty rate, high teacher turnover, and low test scores. Utilizing the grant money from AB 521, the school designated one teacher as the school’s behavior specialist and instituted a program called “Choice Theory.” The first year of the program, 66 students spent at least one day in a specialized classroom created for students with inappropriate classroom behavior. Of those 66 students, 20 were repeat offenders who returned to the intervention classroom more than one day. The second year, 35 students spent time in the behavior classroom, with 12 repeaters. The third year, student behavior so significantly improved that the specialized classroom was disbanded, and the behavior specialist became a roving intervention specialist. In the fourth year, only four students’ parents were required to meet with the principal due to the disruptive conduct of their children. This contrasts sharply with the required parent conferences before the behavior intervention program was instituted, and with the number of required parent conferences at most other schools. C.P. Squires has experienced a reduction in the number of teachers transferring from the school, a dramatic improvement in the students’ norm-referenced test scores, and last year they again met the standards of Adequate Yearly Progress as required by the No Child Left Behind Act, a shining example of closing the achievement gap.

Using SB 404 grant money, Washoe County has implemented a social worker program that has shown initial success. Four Sun Valley elementary schools now share the expertise and support of a social worker. The schools have found that the social worker can be much more proactive in dealing with the social needs of their families. The social worker makes home visits to deal with students not attending school and then keeps in contact with those students and their families, providing support and assistance on an ongoing basis. Improved student attendance is already evident. At one school, the social worker was asked to work with the most physically aggressive students. He meets with five groups of students once a week to discuss anger management, peer mediation, and general social skills, including how to make friends. The school has already experienced a decline in incidents of physical aggression and an improvement in students’ attitudes.

Since every school district is unique in its needs, an allocation of funds based on providing additional teachers for 3% of the student population should be set aside for school discipline programs. Schools or districts would develop a program and submit the plan to the Nevada Department of Education for approval and funding.

Cost of Classroom Discipline and School Safety:	FY 08: \$ 38,808,000
	FY 09: \$ 40,017,000
Total for Biennium:	\$ 78,825,000

Calculations: Data from the 2006 School Accountability reports (www.nevadareportcard.com) indicate that 12,108 students were either suspended or expelled from Nevada schools for the most serious violations of school rules, (e.g., violence to others, violence to school staff, possession of weapons, etc.). This represents 2.9% of the state’s student population. This percentage represents only a small percentage of students who disrupt the learning of others in their classes and who impede the achievement of their classmates. It is estimated that an equal number or approximately 2.9% of students are not suspended or expelled for these major infractions, yet they disrupt the educational process for teachers and students. Hence, the calculation above is based upon providing one teacher (at an average cost for salary and benefits of \$60,000) per 20 students of the 2.9% projected student enrollment for FY 08 and FY 09.

Initiative 12: Career & Technical Education

Description: Nevada districts urge the Legislature to provide funds to support the additional cost of ensuring that Career and Technical Education (CTE) Programs meet industry standards as established by business and industry representatives serving on technical skills committees.

Educational Benefit: Over 70% of the jobs available to Nevada's work force do not require a 4-year college degree, yet many require advanced technical skills beyond a high school diploma. High schools with programs designed with a CTE element are effective in keeping students engaged in school, preparing them for available jobs, and preparing the way for them to enter post-secondary education, if so desired. Student participation in CTE programs in Nevada secondary schools has a strong impact on reducing the dropout rate. This is evidenced by the fact that 5.7 percent of Nevada students in grades 9-12 dropped out of school during the 2004-05 school year, compared to only 1.6 percent of students enrolled in CTE courses.

During the 2005-06 interim, the Legislative Committee on Education Subcommittee to Study the Effectiveness of Career and Technical High Schools met. The subcommittee found that career and technical education courses are effective in educating students. The following two paragraphs and chart are quoted from the "Summary of Findings" of the subcommittee:

"Nearly 50 percent of high school students enroll in one or more career and technical education courses. Among students enrolled in CTE courses, the dropout rate was less than 2 percent in 2003-2004, while the overall dropout rate that year was slightly less than 6 percent. In the Class of 2004, 89 percent of students enrolled in terminal CTE courses earned high school diplomas; that year, 83 percent of all 12th graders attained a high school diploma. Within 6 months of graduation, 97 percent of CTE completers obtained employment, continued in postsecondary education, or joined the military.

At Southern Nevada Vocation Technical Center (SNVTC), in the 2003-04 academic year, African-American and Hispanic students comprised 56.6 percent of the student body. The Accountability Report Card indicates the following proficiency rates of each section of the Nevada High School Proficiency Examination for these two demographic groups as well as the overall proficiency rate.

Percent Proficient on Sections of the High School Proficiency Examination, 2003-2004

	Overall		Hispanic		African American	
	State	SNVTC	State	SNVTC	State	SNVTC
Reading	77.2	91.0	62.0	91.1	65.9	90.6
Writing	83.4	92.9	72.1	96.8	75.4	86.9
Mathematics	57.7	68.3	38.9	67.2	35.5	57.8

(Source: Education Accountability Brief #6, Office of Career, Technical, and Adult Education, Nevada Department of Education, March 2005.)"

The CTE subcommittee also found that "career and technical education requires stable funding sources and increased revenues;" that "additional career and technical education high schools are necessary to meet the needs of employers and the interests of students;" and that "articulated courses provide a means for high school students to start a college career and technical education major while still in high school."

The superintendents concur with the recommendations of the subcommittee, which include:

1. Amend the statutes to establish the Career and Technical Education Academies Act to authorize two or more school districts in cooperation with community partners to form a compact to establish a career and technical education (CTE) academy for students in high school. An advisory council would consist of members of the participating school district board of trustees and representatives from the community partners.
2. Support the proposal that school districts and institutions of the Nevada System of Higher Education (NSHE) should enter into agreements to share facilities designed and equipped to provide instruction in CTE courses.
3. Amend the statutes to establish a fund to be administered by the Superintendent of Public Instruction to be used to provide grants to school districts and charter schools for the purpose of initiating, maintaining, or expanding CTE programs and of continuing the advisory technical skills committees. To receive a grant, a school district or charter school would be required to provide a 50 percent match, which the Superintendent may waive upon evidence of the inability to provide the match.
4. Provide a biennial appropriation from the State General Fund in the amount of \$10,000,000 in support of the above fund.

5. Seek to expand CTE programs, such as health care professions, leading to preparation for licensure in order to expand the number of graduates. Some programs could begin at an earlier point in the student's high school enrollment.
6. Begin career advising in middle school to provide students with career exploration activities.
7. Extend eligibility for incentives to teachers who teach articulated courses or dual credit courses in CTE programs.

Accountability: Amend the statutes to include CTE data measures in the accountability reports of the state, district, and school, where applicable. These data measures should include, but not be limited to, the number of students participating in CTE courses, the percentage of students completing CTE courses, and the graduation rate of students completing CTE courses.

Other Information: Economic diversification in the State of Nevada is dependent upon a skilled work force. By targeting programs that support growing demand industries such as construction, education, manufacturing, information technology, automotive, biotech/biomedical, agriculture, retail sales and service, health careers, tourism, film, and business, the educational system can help produce the needed work force of tomorrow. Funds should be distributed to districts based upon the official enrollments in Career and Technical Education courses, which are reported annually to the Nevada Department of Education. Funds should be used to purchase equipment, supplies, software, and related technology to allow districts to meet the standards set forth in the newly developed state skill standards for career and technical education courses.

Cost of Work Force Preparation:	FY 08: \$ 7,000,000
	<u>FY 09: \$ 7,000,000</u>
Total for Biennium:	\$ 14,000,000

Calculations: Although the CTE Subcommittee requested \$10 million over the biennium, the funding request contained herein mirrors the original funding request of the State Board of Education for Career and Technical Education Programs.

The Cost of iNvest '07

	Initiative	2008	2009	Biennium
1	Annual Inflation in the DSA	\$11,373,101	23,087,395	\$34,460,496
2	Textbook Funding	22,303,750	22,997,950	45,301,700
3	Ending Fund Balance	0	0	0
4	Salary Increases	110,986,030	231,061,080	342,047,110
5	Health Benefits	32,057,556	72,914,398	104,971,954
6	Incentives	11,882,550	12,834,375	24,716,925
7	AYP	21,411,600	22,078,032	43,489,632
8	ELL	41,697,482	52,032,102	93,729,584
9	Full-Day Kindergarten	75,584,692	82,349,452	157,934,144
	Facilities for Kindergarten	28,380,000	0	28,380,000
10	Professional Development	35,844,715	36,991,505	72,836,220
11	Classroom Discipline and School Safety	38,808,000	40,017,000	78,825,000
12	Career and Technical Ed	7,000,000	7,000,000	14,000,000
TOTAL:				\$1,040,692,765



November 2006