

# The Executive Budget - DSA & Related K-12 Budgets: 2015-2017 Biennium

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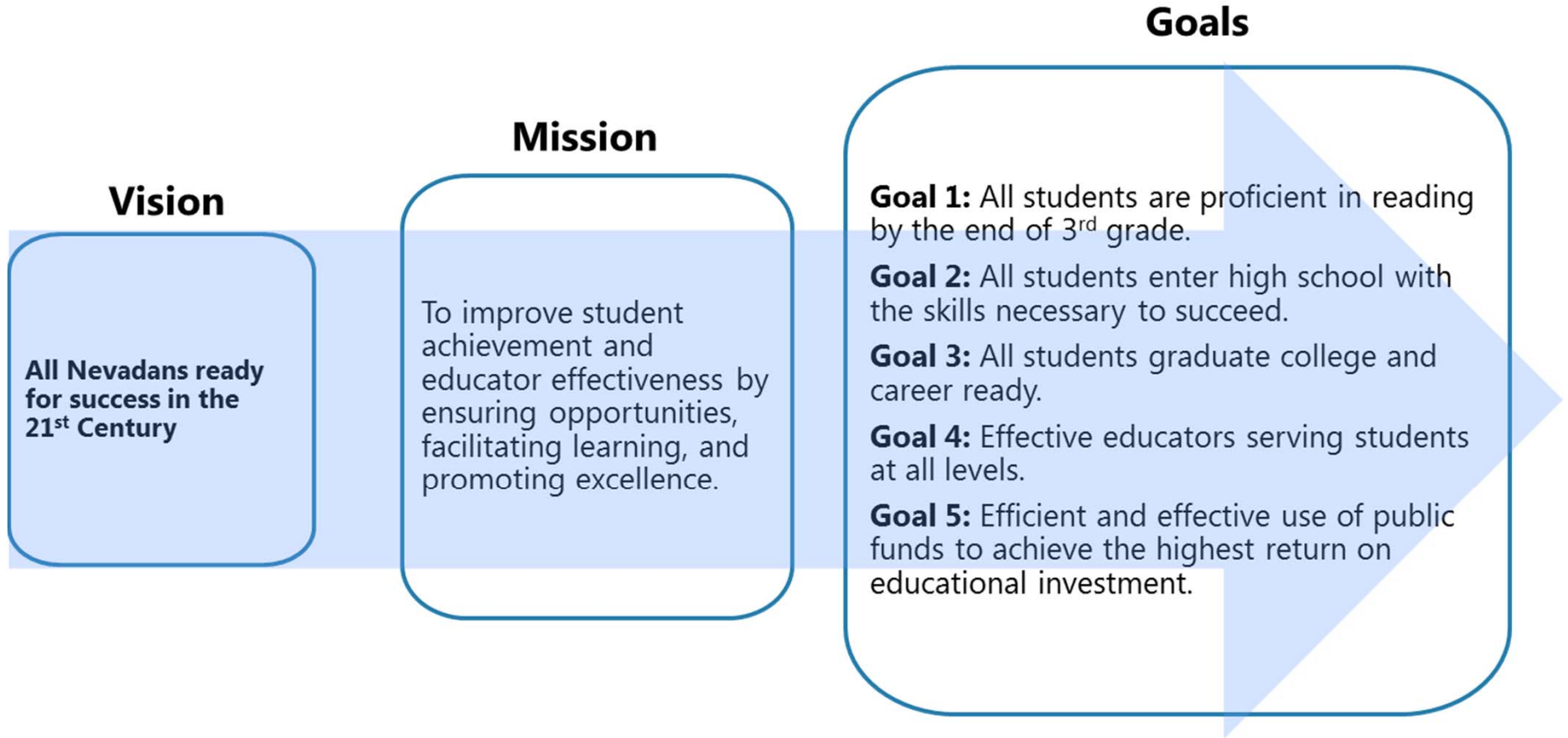
Presented to the Legislative Commission's  
Budget Subcommittee

Dale A.R. Erquiaga  
State Superintendent of Public Instruction  
January 20, 2015



# Nevada Department of Education Vision, Mission, and Goals

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# Increased Investment in Education

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**The Executive Budget for K-12 Education and the Department of Education increases investment in education to:**

- ☐ **Accelerate Learning;**
- ☐ **Decrease the Dropout Rate; and**
- ☐ **Increase the Graduation Rate.**

**All Nevadans Ready for Success in the 21<sup>st</sup> Century**



# K-12 Executive Budget

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- ☐ **BA 2610 – Distributive School Account**
- ☐ **BA 2615 – Remediation Trust Fund (full-day kindergarten)**
- ☐ **BA 2616 – Incentive Fund – Licensed Educational Personnel**
- ☐ **BA 2617 – State Supplemental School Support Fund (Initiative Petition)**
- ☐ **BA 2699 – Other State Education Programs**



# BA 2610: Distributive School Account

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- ☐ **Basic Support for School Districts and Charter Schools**
- ☐ **Special Education**
- ☐ **Class-Size Reduction Program**



# BA 2610: Distributive School Account

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## ***The Nevada Plan* for School Finance**

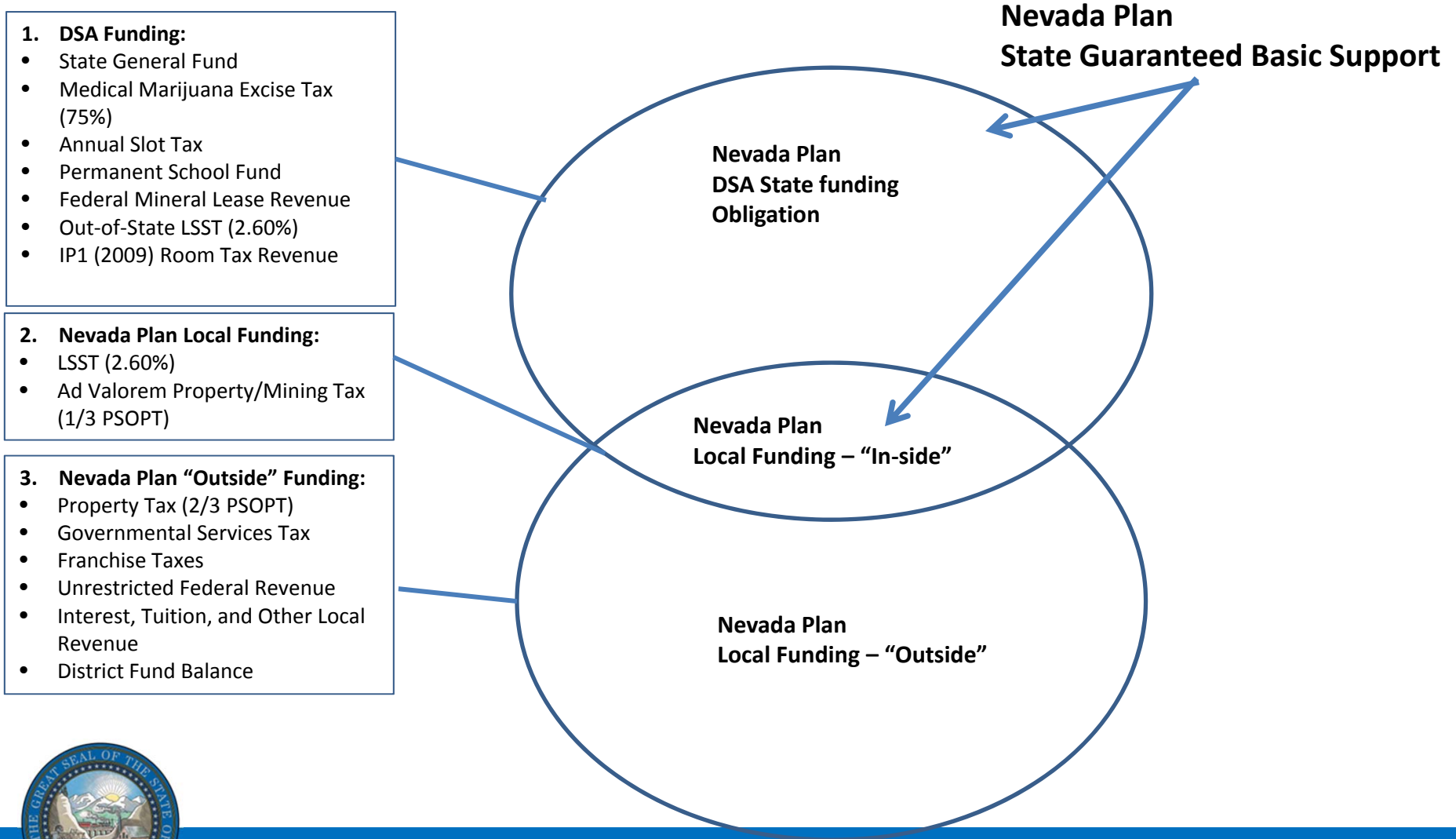
**Each Session, the Legislature determines the level of state aid (basic support) for school districts and charter schools through *The Nevada Plan* (created in 1967).**

**A guaranteed amount of basic support per pupil is calculated for each school district and is established in law each session.**

**The State, through the DSA, and local communities, through local revenues, share the responsibility for providing the money needed to fund public education.**



# BA 2610: Distributive School Account



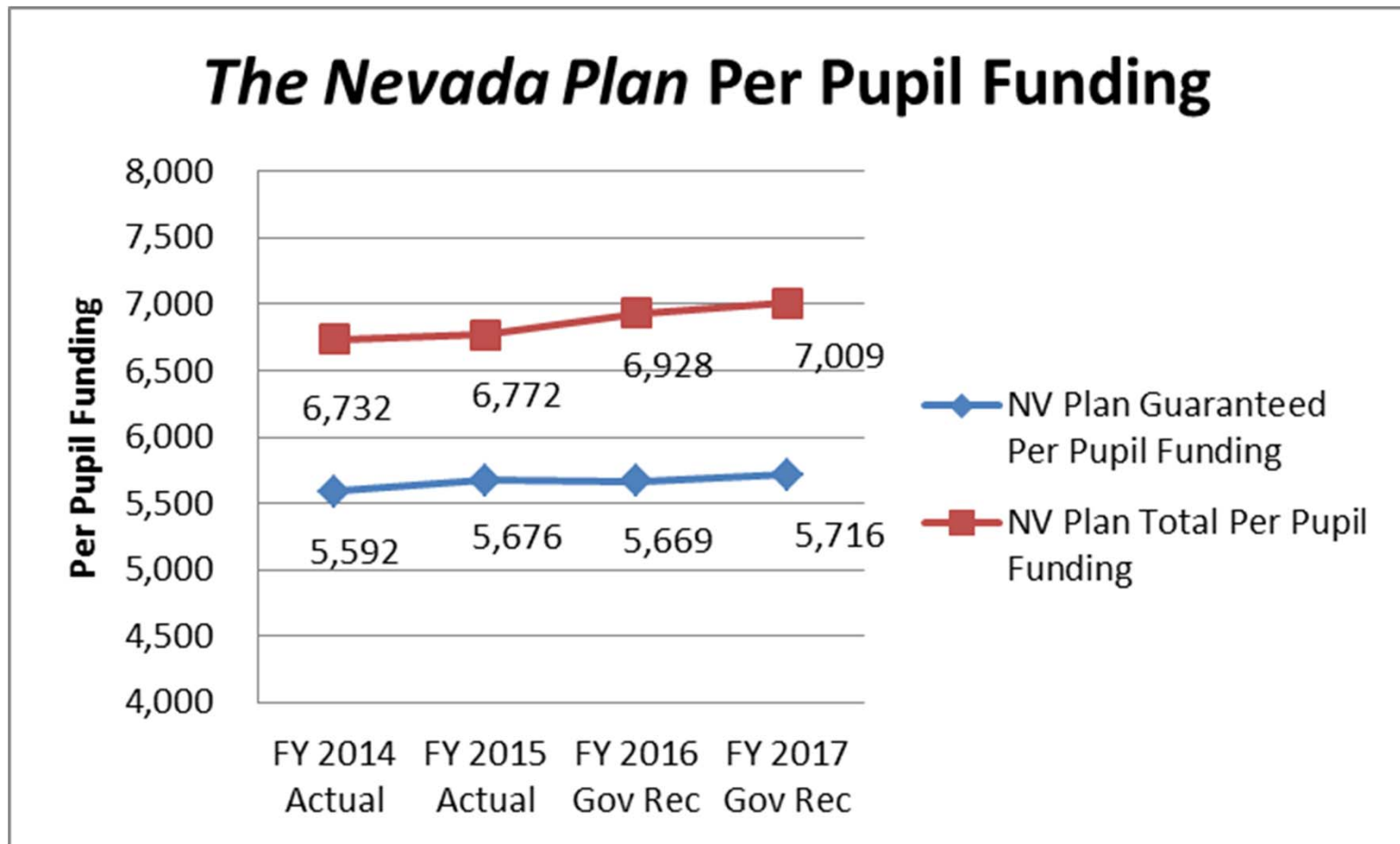
# BA 2610: Distributive School Account

## Per Pupil – Total and State Guarantee

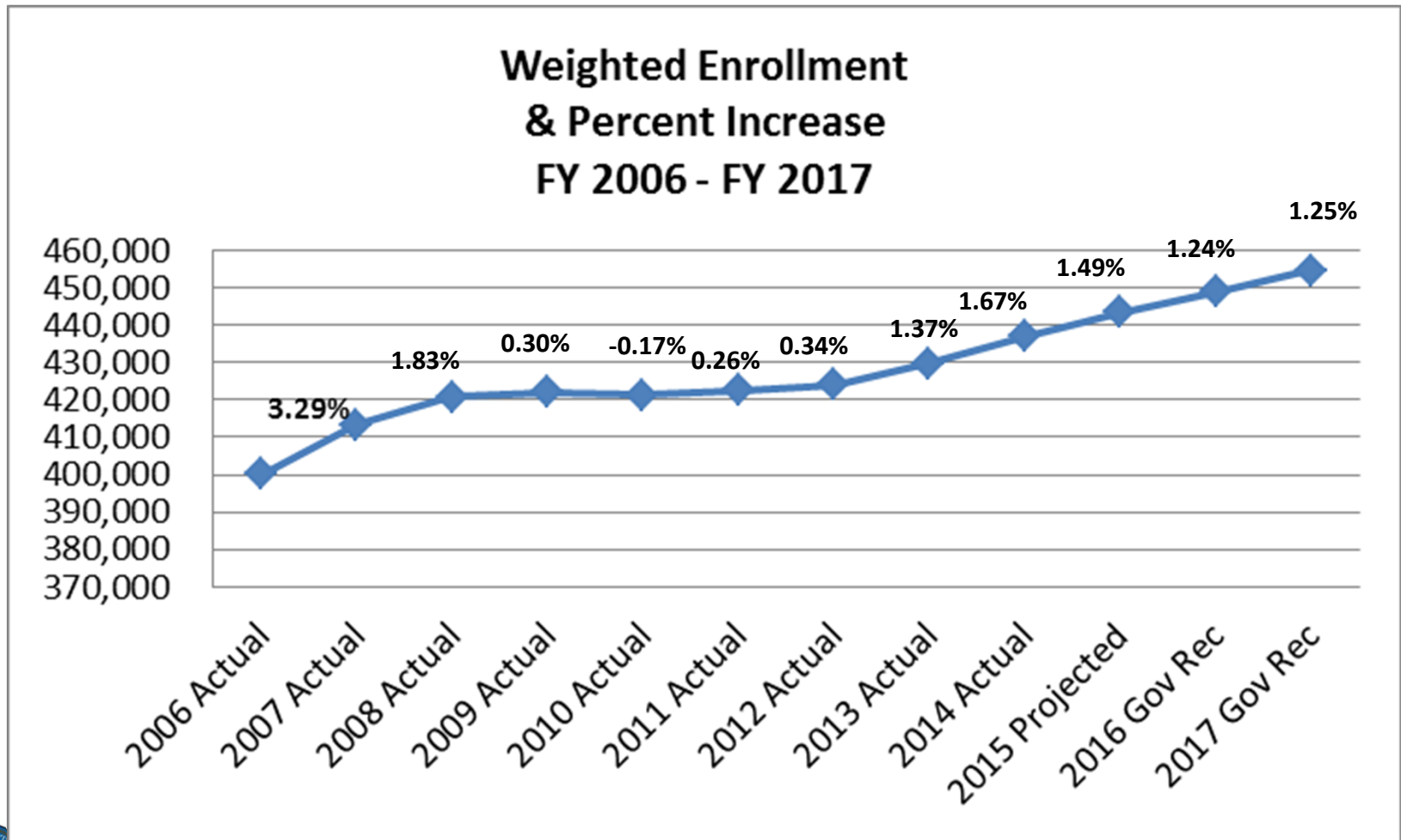
Revenue Source	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2017 Budget
1. DSA Funding	1,127,869,668	1,106,675,692	1,104,449,036	1,073,103,184
2. NV Plan Local Funding	1,289,137,512	1,356,822,826	1,440,700,667	1,525,123,334
3. NV Plan Outside Funding	524,424,665	539,295,489	565,302,271	587,775,039
TOTAL	2,941,431,845	3,002,794,007	3,110,451,974	3,186,001,557
Per Pupil State Guarantee	5,592	5,676	5,669	5,716
Per Pupil Total NV Plan Funding	6,732	6,772	6,928	7,009



# BA 2610: Distributive School Account



# BA 2610: Distributive School Account



# BA 2610: Distributive School Account

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## **M200 – Enrollment Growth (projected)**

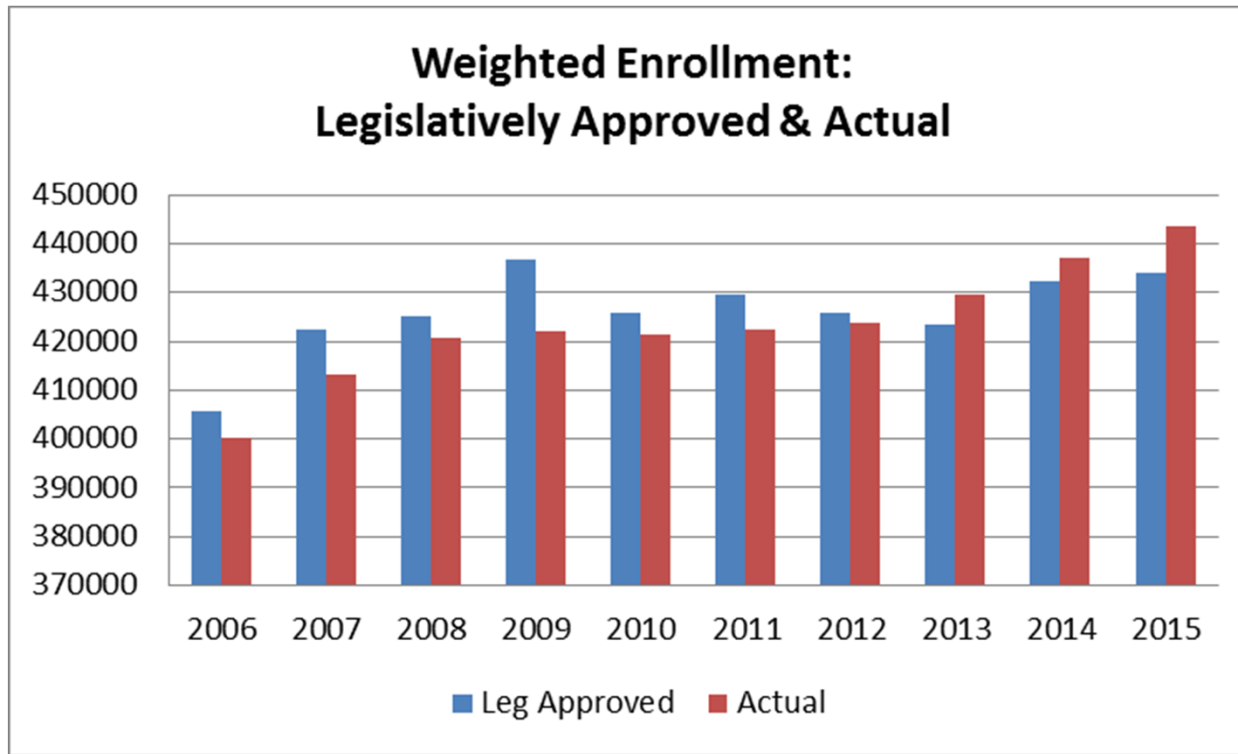
- ❑ FY 2016 – 1.24% increase: \$36.3 million**
- ❑ FY 2017 – 1.25% increase: \$69.7 million**



# BA 2610: Distributive School Account

## Impact : Unexpected Enrollment Increase

**Weighted Enrollment:  
Legislatively Approved & Actual**



### FY 2015 Weighted Enrollment

Leg Approved: 434,023

Projected (w/ hold harmless): 446,453

Difference: 12,430 students

Additional Cost @ \$5,676 Per Student

**\$70.55 million**



# BA 2610: Distributive School Account

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## Hold Harmless

To protect school districts and charter schools during times of declining enrollment, Nevada Revised Statutes contains a “hold harmless” provision. The guaranteed level of funding is based on the higher of the current or the previous year’s enrollment, unless the decline in enrollment is more than 5 percent, in which case the funding is based on the higher of the current or the previous two years’ enrollment.



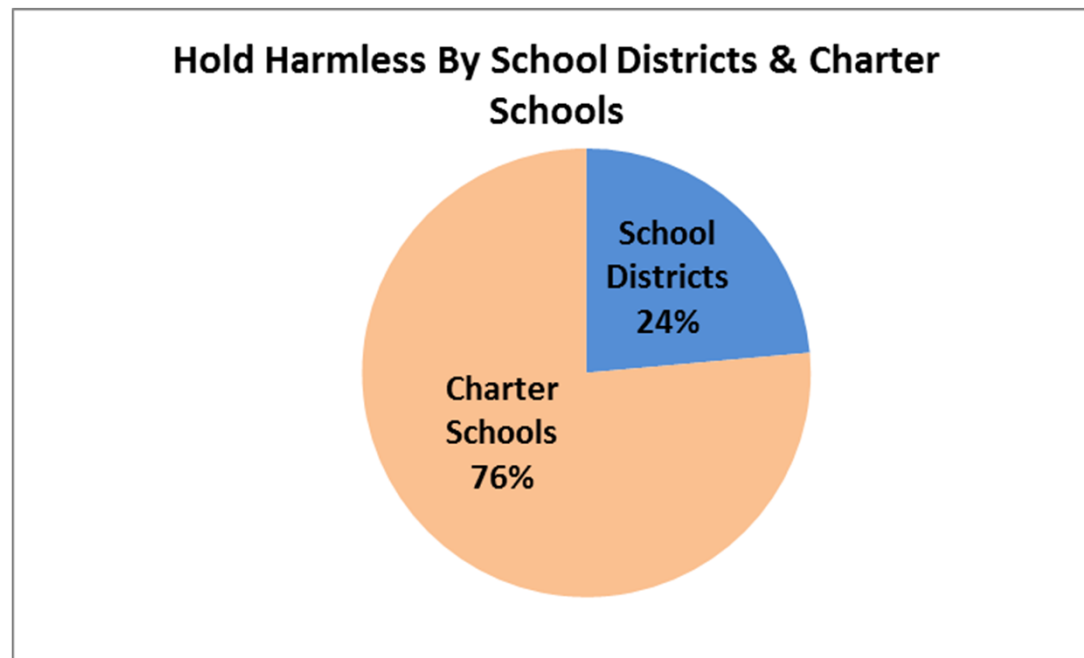
# BA 2610: Distributive School Account

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## Hold Harmless

**We do not budget for hold harmless. The impact of hold harmless in FY 2015 was the addition of 3,029 students.**

**\$17.19 million**



# BA 2610: Distributive School Account

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## **Average Salaries of Public School Teachers FY 2013**

### **National Education Association**

***Rankings & Estimates: Rankings of the States 2013 and Estimates of  
school Statistics 2014***

**Nevada Ranked - \$55,957 – Rank 18**

**National Average - \$56,103**

**Median - \$50,946**



# BA 2610: Distributive School Account

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## Average Teacher Salaries & Fringe Benefits

Fiscal Year	Average Base Salary	Average Fringe Benefits	Average Total Salary
FY 2014	\$53,095	\$20,982	\$74,077
FY 2015	\$54,157	\$21,266	\$75,423
FY 2016	\$55,240	\$21,668	\$76,908
FY 2017	\$56,345	\$21,963	\$78,308



# BA 2610: Distributive School Account

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## Instructional Salaries

- ❑ **Continues the 2% Increase for Step and Column Adjustments: Approximately \$110 million over the biennium**
- ❑ **M-300 – Health Benefit (based on PEBP rate increase) and PERS Rate Increase – Approximately \$40 million over the biennium.**



# BA 2610: Special Education

Special Education Unit Funding			
Fiscal Year	Units	Funding Per Unit	Total Funding
2010	3,049	\$39,768	\$121,252,632
2011	3,049	\$39,768	\$121,252,632
2012	3,049	\$39,768	\$121,252,632
2013	3,049	\$39,768	\$121,252,632
2014	3,049	\$41,608	\$126,862,792
2015	3,049	\$42,745	\$130,329,505
2016	3,049	\$45,398	\$138,418,083
2017	N/A	N/A	\$167,946,575



# BA 2610: Special Education

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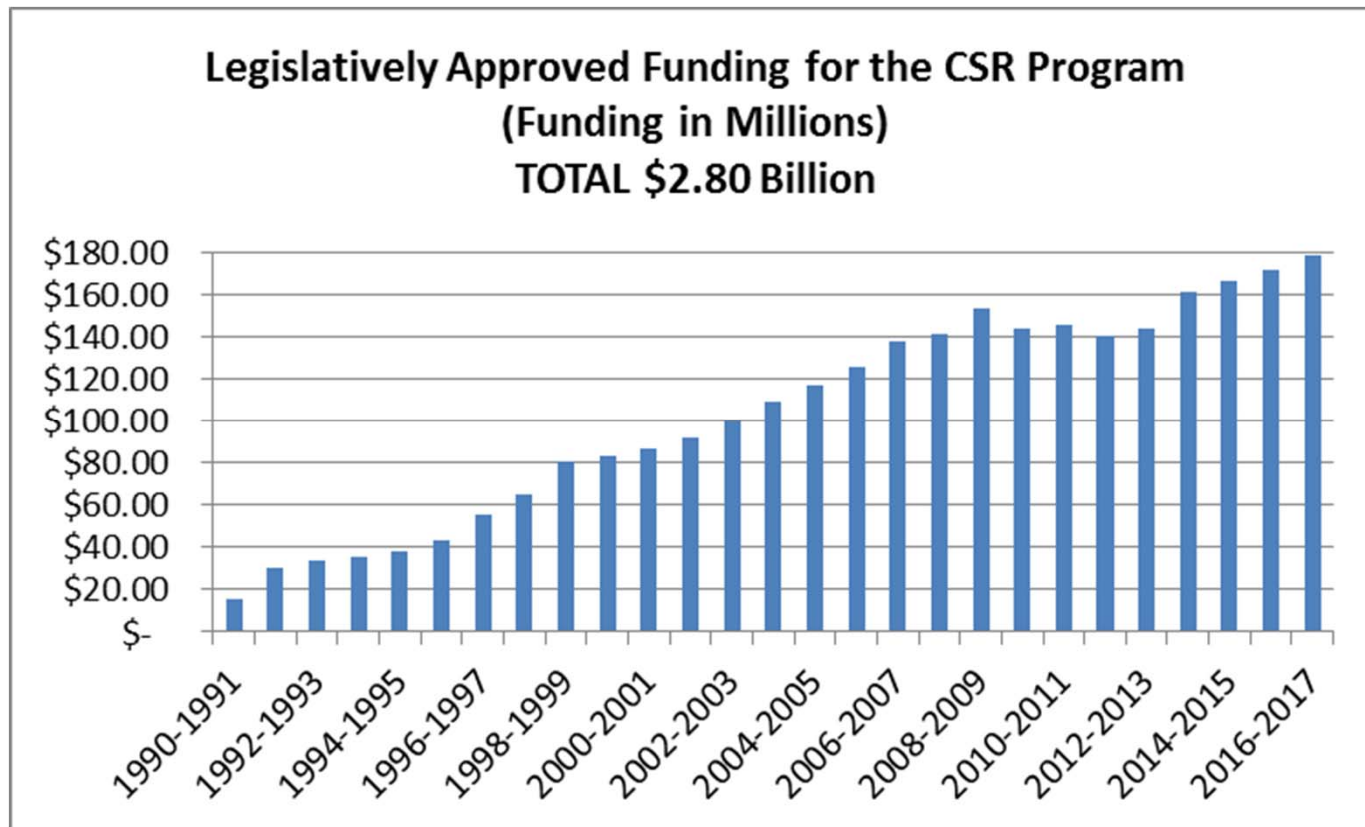
**E-299: In the second year of the biennium, special education units will be converted to an equivalent per pupil weighted formula.**

- ☐ **Addition of \$25 million in FY 2017 to achieve a weight of approximately .50. This will begin an increase in weighted formula funding over each year of subsequent biennial budgets until a weight of 1.0 (twice the basic per pupil guarantee) is achieved, as recommended by the SB 500 Task Force during the recent Interim Study.**
- ☐ **Actual costs will be studied as the program rolls out.**



# BA 2610: Class-Size Reduction (CSR)

## CSR Funding History:



# BA 2610: Class-Size Reduction (CSR)

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## **Student to Teacher Ratios**

- ☐ **Grades 1 and 2 – 16:1**
- ☐ **Grade 3 – 19:1**
- ☐ **Alternative (not Clark or Washoe)**
  - 22:1 in grades 1-3**
  - 25:1 in grades 4-6**
- ☐ **“Plus 2” Program (Senate Bill 522 (2013) – Grades 1 & 2 – 18:1; Grade 3 – 21:1. All money that is saved must be used to minimize the impact of budget reductions on class sizes in grades 4-12, inclusive.) The Department is not submitting a bill draft to continue this program.**



# BA 2610: Class-Size Reduction (CSR)

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## **FY 2015 CSR Programs\***

- ☐ **Regular CSR Program – 6 school districts (Esmeralda, Eureka, Lander, Lincoln, Pershing, and White Pine)**
- ☐ **Alternative Program – 7 school districts (Carson, Churchill, Douglas, Elko, Mineral, Nye, Storey)**
- ☐ **“Plus 2” Program (2013 Session) – 4 school districts – Clark, Humboldt, Lyon, and Washoe**

**\*NOTE: The CSR Program does not apply to State Charter Schools.**



# BA 2610: Class-Size Reduction (CSR)

## Variance Requests

School District	Elementary Schools with Variances	Total Elementary Schools
Carson	4	6
Churchill	3	3
Clark	209	217
Douglas	7	7
Elko	8	12
Esmeralda	0	3
Eureka	1	3
Humboldt	4	8
Lander	1	2
Lincoln	3	4
Lyon	5	9
Mineral	0	3
Nye	7	12
Pershing	1	2
Storey	1	2
Washoe	29	68
White Pine	3	4
TOTAL	286 (78%)	365



# BA 2610: Class-Size Reduction (CSR)

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## **At-Risk Kindergarten CSR**

**E-246 – Eliminates funding for 23.5 positions funded for at-risk kindergarten programs. This is due to the expansion of full-day kindergarten (BA 2615 – Remediation Trust Fund).**



# BA 2610: Class-Size Reduction (CSR)

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## Improvement of the CSR Program

**At the January 29, 2015 Meeting of the State Board of Education, the following CSR related items will be discussed:**

- **Approval of the elements that should be contained in the plan submitted by school districts to reduce pupil to teacher ratios for future submissions (NRS 388.720).**
- **Approval of elements that should be provided with a request for a variance to exceed the approved ratio of pupils per class for future submissions (NRS 388.700).**
- **Approval of a timeline for submission of CSR Plans and variance requests for review and approval by the State Board of Education for FY 2016 (NRS 388.700).**
- **Approval of data that must be monitored by each school district and used to measure the effectiveness of the implementation of a plan developed by each school district to reduce the pupil-teacher ratio (NRS 388.710).**
- **Approval a report to be submitted to the Interim Finance Committee of variance requests for first quarter of FY 2015 (NRS 388.700).**



# BA 2615: School Remediation Trust Fund

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- ❑ **Zoom Schools – English Language Learners**
- ❑ **Victory Schools – High Poverty**
- ❑ **Full-Day Kindergarten – All students**
- ❑ **Special Education Contingency Fund**

Imagine  
With all  
your mind.  
Believe  
With all  
your heart.  
Achieve  
With all  
your might.



# BA 2615: School Remediation Trust Fund

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**Zoom Schools – TOTAL \$100 Million Over the Biennium  
(E-275 - \$25 million increase in each fiscal year)  
Doubles the Program in Clark and Washoe School Districts  
Launched Pursuant to Senate Bill 504 (2013)**

- ☐ Currently, 24 elementary schools in Clark and Washoe School Districts – this will provide funding for 48 schools in each year.
- ☐ Continues funding for rural Zoom Schools Program .
- ☐ Include middle and high schools.
- ☐ Zoom elementary schools to implement full-day kindergarten first – freeing up funds to expand to additional schools.
- ☐ External Evaluation of the Program.
- ☐ Will utilize data to calculate weighted per pupil funding for English Language Learners
- ☐ Bill Draft Request has been submitted to support the program.



# BA 2615: School Remediation Trust Fund

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## **Victory Schools**

**(E-276 - \$25 million in each fiscal year)**

**New Program: Funding supports underperforming schools in the highest poverty zip codes in Nevada**

- ☐ Funds a minimum of 33 schools.
- ☐ Schools are identified using the U.S. Census Bureau definition of poverty.
- ☐ Similar to the Zoom program – schools will submit a plan for services.
- ☐ Includes elementary, middle and high schools.
- ☐ External Evaluation of the Program.
- ☐ Will utilize data to calculate weighted per pupil funding for high poverty students
- ☐ A Bill Draft Request has been submitted to support the program.



# BA 2615: School Remediation Trust Fund

**Expand Full-Day Kindergarten to All Schools (including Charter Schools)**  
**Maintain 21:1 Student-to-Teacher Ratio**  
**Fund Half of the Expansion in FY 2016; Complete the Expansion in FY 2017**  
**(E-287, E-292, & E-293)**

## Full-Day Kindergarten Enhancement

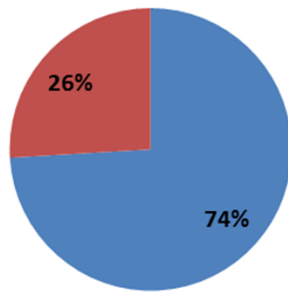
Expenditure	FY 2015-16	FY 2016-17
Regular Schools	\$19,394,591	\$37,150,074
Charter Schools	\$2,593,602	\$5,239,076
Portables	\$5.0 million	\$5.0 million
<b>TOTAL</b>	<b>\$26,988,193</b>	<b>\$47,389,150</b>



# BA 2615: School Remediation Trust Fund

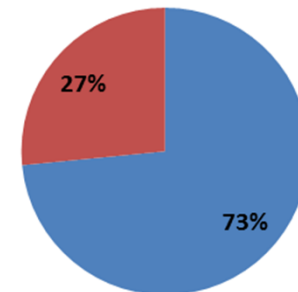
## Full-Day Kindergarten In Nevada

**Schools with State Funded Full-Day Kindergarten**



- Schools with State Funded Full-Day Kindergarten
- Schools without State Funded Full-Day Kindergarten

**Classrooms with State Funded Full-Day Kindergarten**



- Classrooms with State Funded Full-Day Kindergarten
- Total Classrooms Left to be Funded



# BA 2615: School Remediation Trust Fund

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## **Special Education Contingency Fund** **(E-277 - \$5 million in FY 2017)**

- ☐ This fund will reimburse school districts and charter schools for extraordinary expenses related to the education of students with disabilities.
- ☐ Remaining funds at the end of a fiscal year balance forward.
- ☐ In the first year of the biennium, the Department will establish regulations concerning the reimbursement qualifications and procedures.
- ☐ A Bill Draft Request has been submitted for this measure.



# BA 2616: Incentives for Licensed Education Personnel

This budget account contains the funding for remaining provisions of the 1/5<sup>th</sup> retirement credit purchase program (previously NRS 391.165). Personnel participating in the program in FY 2007 could elect to continue until they had received five 1/5<sup>th</sup> credit purchases. (Assembly Bill 1, Chapter 8, *Statutes of Nevada*, 2007 (23<sup>rd</sup> Special Session))

The budget provides \$3 million in each year of the biennium to cover the estimated liability for the program.

	FY 2014	FY 2015	FY 2016 (est)	FY 2017 (est)
		At Least 2 Years	At Least 3 Years	At Least 4 Years
District	Actuals	Remaining	Remaining	Remaining
Churchill		1	0	0
Clark		580	418	244
Humboldt		0	0	0
Lander		1	1	1
Lyon		3	3	3
Pershing		3	3	2
Washoe		77	73	68
Total # of Participants		665	498	318
Estimate \$5,000 per participant				
Total	\$4,940,767	\$3,325,000	\$2,490,000	\$1,590,000



# BA 2617: State Supplemental School Support Account

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- ☐ The 2009 Initiative Petition 1 provided Room Tax revenue from the State Supplemental School Support Fund to the General Fund as a State funding source to be distributed to school districts.
- ☐ The source of funds is the 3% tax on rental transient lodging.
- ☐ The funds were diverted to the DSA beginning July 1, 2011, with a scheduled “sunset” date of June 30, 2015.
- ☐ E-130 extends the transfer of funds through the 2015-2017 biennium.
- ☐ BA 2610 includes these funds as State share revenue for the DSA:

**FY 2016 - \$151.86 million; FY 2017 - \$156.29 million**



# BA 2699: Other State Education Programs

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## Existing Categorical Programs

- ☐ Except as otherwise noted in this presentation, all existing programs are funded at least at the base FY 2014 spending amount:
  - ✓ Jobs for America's Graduates (JAG)\*
  - ✓ Career and Technical Education (CTE) Programs\*
  - ✓ Education Technology Hardware and KLVX\*
  - ✓ Public Broadcasting\*
  - ✓ Early Childhood Education\* (see Budget Account 2709, Office of Early Learning and Development)
  - ✓ Vocational Student Organizations
  - ✓ LEA Library Books
  - ✓ Special Elementary Counseling
  - ✓ School Library Media Specialist
  - ✓ Project GAIN (Geographic Alliance in Nevada)
  - ✓ Teacher Certification
  - ✓ Counselor Certification
  - ✓ Speech Pathologist Certification
  - ✓ Adult Education
  
- ☐ Peer Mediation had no base expenditures; therefore was not continued.

\*There are significant increases to these programs in The Executive Budget.



# BA 2699: Other State Education Programs

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## New/Expanded Categorical Programs

- ☐ Read By Three
- ☐ Underperforming Schools Turnaround
- ☐ Gifted and Talented Education
- ☐ Charter School Harbor Master Fund
- ☐ Nevada Ready 21 Technology Grants
- ☐ Technology Grants to Meet Broadband and Wide Area Network Requirements of instructional devices
- ☐ Public Broadcasting
- ☐ Social Worker Grants to Schools
- ☐ Jobs for America's Graduates (JAG)
- ☐ College and Career Readiness Grants
- ☐ Career and Technical Education (CTE) Program Expansion

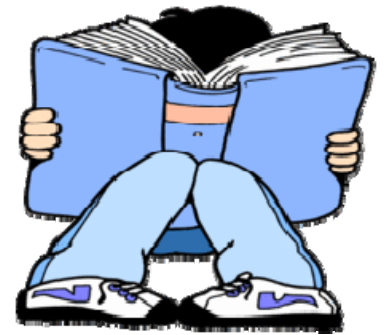


# BA 2699: Other State Education Programs

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## **Read By Three – New Program (E-280 - \$4.9 in FY 2016 and \$22.3 million in FY 2017)**

- ☐ The Department will establish a literacy-planned grant program to augment reading proficiency programs in schools (districts and charter schools) not served with Zoom or Victory reading centers/programs. Literacy plans with performance measures will be required from elementary schools that apply.
- ☐ This program will support activities found to be effective in improving the academic achievement of students in reading in grades Kindergarten through third grade (e.g., literacy coaches, grants, contracts, etc.).
- ☐ External Evaluation of the Program.
- ☐ Bill Draft Request – Senate Committee on Education.



# BA 2699: Other State Education Programs

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## Underperforming Schools Turnaround – New Program (E-297 - \$5.0 million in each Fiscal Year)

- ☐ Today, more than 10% of Nevada schools are identified as low-performing.
- ☐ With these funds, the Department will establish a grant program to turn around underperforming schools.
- ☐ These funds may be used for vendor contracts, performance management assessments, staff incentives, and other services targeting student achievement.
- ☐ External Evaluation of the Program.
- ☐ A Bill Draft Request has been submitted to support the program.



# BA 2699: Other State Education Programs

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## **Gifted and Talented Education (GATE) – Expanded Program (E-300 & E-900 - \$5.2 million in each Fiscal Year)**

- ☐ **Current funding for GATE is \$174,243 per year (located in the DSA). The E-900 Decision Unit transfers the funds to BA 2699. The funding is for instructional programs incorporating educational technology for gifted and talented pupils. (FY 15 – six school districts receive the funds ranging from \$10,687 to \$35,889)**
- ☐ **This expanded program will be distributed on a per pupil basis by an “enrollment count day” established by the Department.**
- ☐ **Only students who have been identified through a State-approved assessment and/or process will included in the population.**
- ☐ **Utilize data to calculate weighted per pupil funding for GATE.**



# BA 2699: Other State Education Programs

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## **Charter School Harbor Master Fund – New Program (E-291 - \$10 million in each Fiscal Year)**

- ☐ **This program implements a State match program for private philanthropy in establishing a fund to recruit “Best in Class” national charter management organizations to Nevada, and improve talent pipeline.**
- ☐ **This program will provide new options for students in underserved areas and in underperforming schools.**



# BA 2699: Other State Education Programs

## Nevada Ready 21 (NR21) Technology Grants– New Program (E-294 - \$23.2 million in each Fiscal Year)

- ❑ The NR21 infuses technology into students' daily experience, and prepares teachers to deliver students a 21<sup>st</sup> century education that in turn builds a vibrant, diverse economy.
- ❑ Every NR21 student will have access to the two most important educational opportunities available: 1) skilled educators who value connected, personalized, student-centered learning; and 2) Access to personal, portable, technology device connected wirelessly to the Internet.
- ❑ Maine is the only other state that has implemented such an initiative. Since 1999, Maine has expanded its Learning Technology Initiative to include and middle and high schools in the state.
- ❑ In Nevada, middle schools will be the focus for the first biennium; high schools will follow.
- ❑ Funding will be distributed via the Commission on Educational Technology.

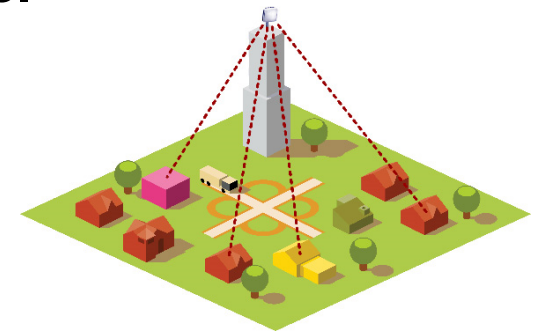


# BA 2699: Other State Education Programs

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## **Technology Grants to Meet Broadband and Wide Area Network (WAN) Requirements of instructional devices - New Program (E-295 - \$1 million in each Fiscal Year)**

- ☐ These funds will create an incentive grant pool to be distributed via the Commission on Educational Technology.
- ☐ This program will be utilized to provide schools that have everything except sufficient Broadband and WAN with an opportunity to receive assistance from the state.
- ☐ This is a matching grant program.



# BA 2699: Other State Education Programs

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## **Public Broadcasting– Expanded Program (E-284 - \$233,000 each Fiscal Year)**

- ☐ **Current funding of \$229,725 in each fiscal year has been static since early 2000's.**
- ☐ **Currently, six public broadcasters provide 24/7/365 service to urban and rural areas. Services include news, access to music, arts and culture, journalism, and a wide range of educational programs to help Nevada's children prepare for success in school.**
- ☐ **The additional funding will expand services including the provision of kindergarten readiness and literacy initiatives. Stations will be able to broaden their reach across the state and increase customer service.**



# BA 2699: Other State Education Programs

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## **Social Worker Grants to Schools– New Program (E-281 - \$11.9 million in FY 2016 and \$24.3 million in FY 2017)**

- ☐ Provides a block grant program to provide funding for social workers/mental health professionals, as needs are identified.
- ☐ A screening survey would be utilized to identify schools in need. Estimated funding is \$200,000.
- ☐ Remaining funds would support contract services for social workers/mental health professionals at schools.



# BA 2699: Other State Education Programs

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## **Jobs for America's Graduates (JAG) – Expanded Program (E-289 - \$1.75 million in FY 2016 and \$2.85 million in FY 2017)**

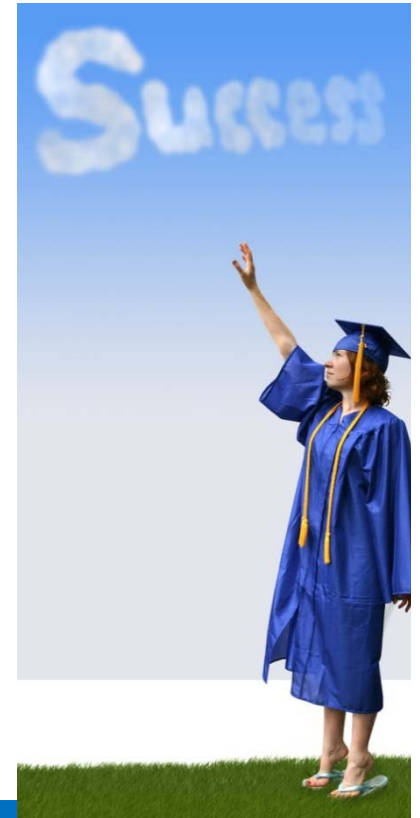
- ☐ **JAG is a state-based national non-profit organization that prevents dropouts among young people who are most at-risk.**
- ☐ **Current NDE funding for JAG is \$750,000 per year. From 2012-2014, Community Services Agency piloted the JAG program in seven Nevada schools. The program is currently serving 23 schools (667 students) across the State.**
- ☐ **These additional funds will provide a total of \$2.5 million in FY 2016 and \$3.6 million in FY 2017 to support the program. It is estimated that this funding will increase the number of schools served by 12 in the first year and 26 in the second.**



# BA 2699: Other State Education Programs

## College and Career Readiness Grants– New Program (E-285 - \$3 million in FY 2016 and \$5 million in FY 2017)

- ❑ This is a competitive grant program for schools to apply and receive funds to ensure all students graduate career and college ready.
- ❑ Pursuant to NRS 389.807, the State Board is required to select a college and career readiness assessment.
- ❑ The purpose of the assessment is to: 1) provide data and information to each student on areas of his or her academic strengths and weakness, including areas where additional work is needed to prepare for college and career success without the need for remediation; and 2) Allow educational personnel to use the results to provide appropriate interventions for the students to prepare for college and career success.
- ❑ These funds will redefine the 12<sup>th</sup> grade year from one where students enroll in minimum credit hours for graduation to one that prepares students for college or career success.



# BA 2699: Other State Education Programs

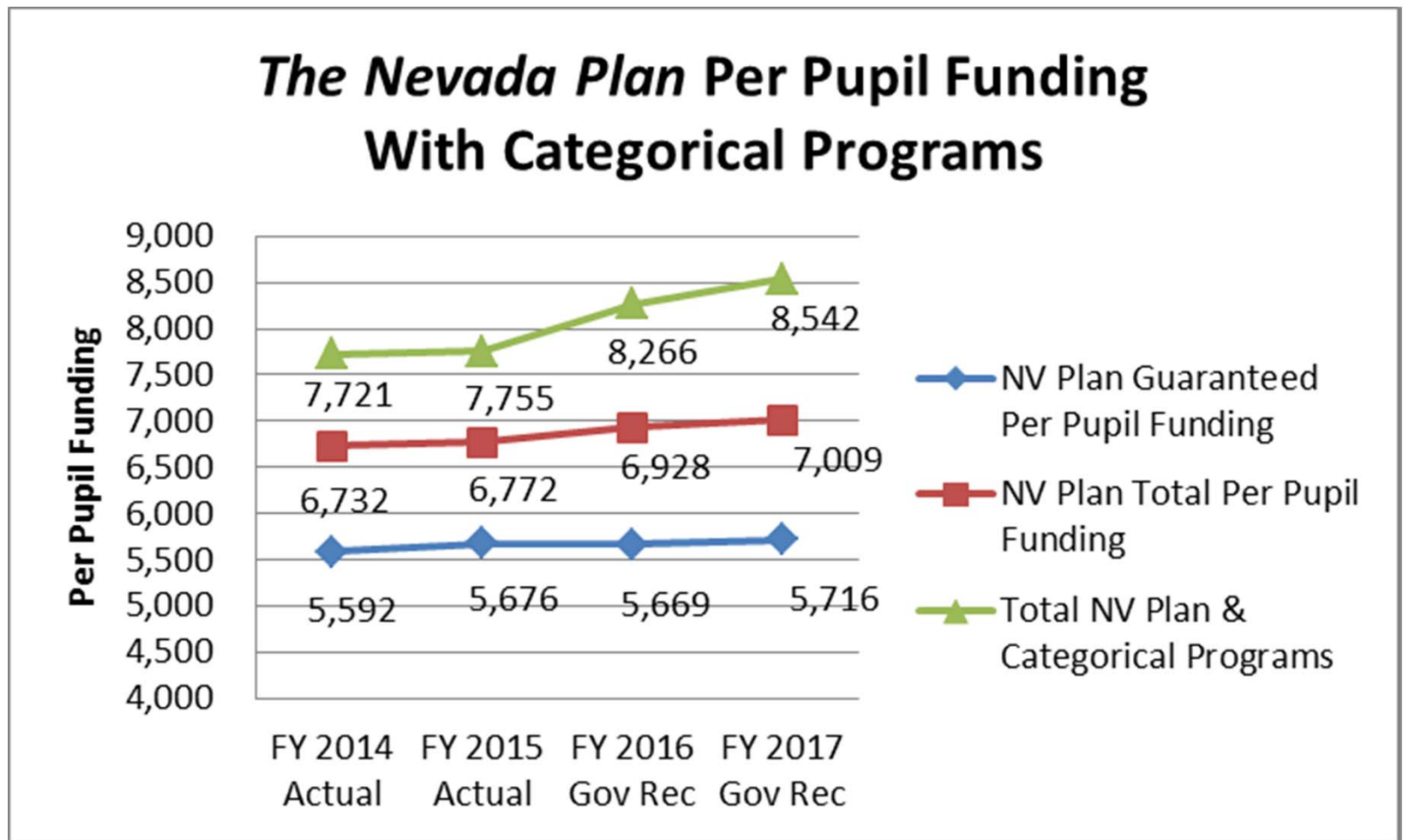
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## **Career and Technical Education (CTE) Program Expansion (E-283 - \$4 million in Each Fiscal Year)**

- ☐ This increases funding for CTE programs from \$3.3 million per year to \$7.3 million per year.
- ☐ Funding will be utilized to expand programs identified by workforce sector councils.



# BA 2699: Other State Education Programs



# The Executive Budget: DSA & Related Budgets

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**“I am asking the Nevada Legislature to join me in beginning the work of comprehensive modernization of our education system to meet the needs to today’s students and the New Nevada.”**

**Governor Brian Sandoval  
January 15, 2015**

