

Realizing the Spirit of Clark County Schools ACHIEVE

Policy Brief: Changes to Administration and Budgeting related to Clark County Schools ACHIEVE

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Background and Acknowledgements

This progress report was requested by the Community Implementation Council (CIC) of the Advisory Committee to Reorganize the Clark County School District (Advisory Committee). This report is a supplement to a previous document^[1], which was submitted to the CIC on December 15, 2016. This progress report is intended to provide the CIC and the Advisory Committee with an update on activities related to the implementation of the plan and regulations. These activities were conducted by the Clark County School District with the frequent assistance of the consulting team. Special thanks to the following individuals who have contributed to this effort so far:

The Advisory Committee to Reorganize the School District (Current & Former):

Senator Michael Roberson, Chair; Assemblywoman Olivia Diaz, Vice Chair; Senator Moises Denis; Senator Aaron Ford; Senator Joseph P. (Joe) Hardy, M.D.; Senator Becky Harris; Assemblyman Paul Anderson; Assemblywoman Dina Neal; former Assemblyman Steven Silberkraus; former Assemblyman Lynn Stewart; Assemblywoman Melissa Woodbury

The Community Implementation Council:

Glenn Christenson, Chair; Brent Husson, Co-Vice Chair; Felicia Ortiz, Co-Vice Chair; Vikki Courtney; Trustee Erin Cranor; Ken Evans; Verence Flores; Nora Luna; Ryan Woodward

The Clark County School District Board of School Trustees (Current & Former):

Trustee Deanna Wright, President; Trustee Dr. Linda Young, Vice President; Trustee Carolyn Edwards, Clerk; Trustee Lola Brooks; Trustee Kevin Child; Trustee Erin Cranor; Trustee Chris Garvey; former Trustee Patrice Tew

Clark County School District Administration:

Superintendent Pat Skorkowsky; Deputy Superintendent Kim Wooden; Chief Operating Officer Rick Neal; Chief Student Achievement Officer Dr. Mike Barton; Chief Instructional Services Officer Dr. Billie Rayford; Cheryl Adler Davis; Kellie Ballard; Michelle Booth; Blake Cumbers; Shannon Evans; Brad Keating; Kori Kloberdanz; Andre Long; Tammy Malich; Melinda Malone; Carlos McDade; Kim Mangino; Kristine Minnich; Carlos Morales; Steve Osburn; Greta Peay; Nicole Rourke; Ignacio Ruiz; Steve Staggs; Jesse Welsh; Eva White; Dan Wray;

Special Thanks to:

Former Assemblyman David Gardner, the author and lead sponsor of A.B. 394; Stephen Augspurger; David Bechtel; Dave Berns; John Guedry; Jeremy Hauser; Robert Hoo; Dr. Brenda Pearson; Dr. Tiffany Tyler; John Vellardita; and so many others who have invested their time, energy and expertise to the success of the Clark County Schools ACHIEVE effort.

¹ *Clark County Schools Achieve: An Initial Assessment of the Transition of the Clark County School District to a Decentralized Model.*

Introduction

Since the fall of 2016, CCSD has moved quickly to implement R142-16 and the Plan to Reorganize the Clark County School District. In passing the regulation, the Legislature committed the District to three fundamental actions:

- Changing the way dollars and authority are allocated at CCSD
- Creating an operational shared governance model at local school precincts
- Changing the method in which centrally-administered services are delivered to local school precincts.

The massive reorganization has begun to fundamentally change organizational relationships, both within and outside of CCSD. This paper aims to provide the Community Implementation Council (CIC) and the Advisory Committee to Reorganize the Clark County School District (Advisory Committee) with data and analysis around the progress of the reorganization.

In a brief and straightforward manner, this report chronicles the administrative and budgetary changes that have taken place since the adoption of R142-16. This analysis is primarily informed by data collected from January 17, 2017 to February 8, 2017. Throughout the report, evaluations are made based upon the expertise of the consulting team. Together with its companion documents, this report aims to give the Community Implementation Council, state and local leaders a snapshot of the District's current efforts at regulatory implementation.

Changes in Administrative Organization

The implementation of R142-16 accelerates a path of reform that the school district has been pursuing since Empowerment was introduced more than ten years ago. Because of the regulation, CCSD is moving quickly to implement changes to the administration, preparing it for a day where local school precincts have the autonomy to pursue unique ways of driving student achievement. CCSD has used the regulation and the Plan to Reorganize the Clark County School District, authored by Mike Strembitsky, the pioneer of decentralized school systems, to guide its efforts. Thanks to the Advisory Committee to Reorganize the School District, CCSD has been assisted in these efforts by Strembitsky himself, as well as a cohort of other public sector experts that make up the consulting team.

First Steps at Reorganization

Throughout the regulatory implementation process, CCSD has relied heavily on the context provided by the finalized Plan to Reorganize the School District. In the Plan, Strembitsky advises that the District set a uniform Principles of Organization to inform the change management process. These principles, Strembitsky writes, are “designed to communicate the manner in which all staff are expected to perform.” In September 2016, CCSD adopted a set of principles that set the new direction for the organization.² Those principles, helped to illustrate the environment CCSD wanted to promote through the implementation of the reorganization, one where “individuals know the results for which they are responsible, take ownership of those results, and understand how the attainment of those results contributes to the achievement of the District.”

CCSD’s Principles of Organization also lay out new paradigms in the organization. They memorialize the fact that each staff member only has one supervisor “who, through mutual cooperation, is responsible for setting objectives, allocating resources, directing, supporting, coaching, and evaluating performance.” They ask that individuals consider doing “no harm to others,” and they demand that “authority for decisions is delegated as close as

CCSD Principles of Organization

Last updated September 2016

All individuals consider students (including student performance and attitudes), staff (including staff performance and attitudes), stakeholders (including parent and community attitudes), and resources (including physical assets and finances) when making decisions

All individuals consider doing “no harm to others” when making decisions

All individuals know the results for which they are responsible, take ownership of those results, and understand how the attainment of those results contributes to the achievement of the District’s purposes

All individuals have only one supervisor who, through mutual cooperation, is responsible exclusively for setting objectives, allocating resources, directing, supporting, coaching, and evaluating performance

All individuals commit to transparency and timeliness

Authority for decisions is delegated as close as possible to the individuals affected by the decision. Authority can be delegated, but responsibilities cannot.

Only those individuals accountable for the results can direct or reverse a decision associated with the achievement of those results

Practices, rules, and regulations are created solely when necessary and should not be created on the basis of preventing replication of mistakes made by an individual or a small group of individuals.

All individuals promote and behave with integrity in their relationships with colleagues, students, parents, the community, and when representing the District

All individuals actively promote and maintain a relationship of mutual trust, confidence, and respect among all District staff

All individuals are responsible for maintaining an understanding of the issues in the district and are responsible for the information they disseminate inside and outside the District

Each individual seeks to understand the basis for decisions and demonstrates commitment to that

² “Principles of Organization.” Clark County School District: September 15, 2016. <http://ab394.ccsd.net/wp-content/uploads/2016/09/Principles-of-Organization.pdf>.

possible to the individuals affected by the decision.” By embracing these Principles of Organization early on, CCSD was ready to begin moving some large parts of the reorganization.

Changes to the Executive Team

To better align resources with responsibility, Superintendent Skorkowsky made significant changes to his executive team in December 2016.³ Previously Skorkowsky organized decision-making into three very large cohorts of administrators, known internally as ECP1, ECP2, and the Cabinet.⁴ ECP1 was a cohort of more than 40 individuals at the executive level that would contribute to organizational decision making. Above ECP1 was ECP2, a smaller cohort of less than 20 individuals who would further vet ideas before they reached the Cabinet – a cohort of less than ten individuals who would contribute to organizational decision-making. Today, after the reorganization of the administration, Superintendent Skorkowsky’s executive team is made up of himself and four other individuals: the Deputy Superintendent, the Chief Operations Officer, the Chief Student Achievement Officer, and the Chief Instructional Services Officer. Together, these five individuals are the primary force behind district operation. Each of the Superintendent’s four principal deputies assist him by overseeing one of the four primary spheres of administrative operations: the Superintendency, Operations Services, Instructional Services, and Ancillary Services. Each one of these four service spheres is explained in greater detail below.

The Superintendency

In accordance with the Plan to Reorganize the Clark County School District, CCSD reorganized the academic unit into what is now known as “The Superintendency.” Per Strembitsky, “the Superintendency refers to a concept whereby the Superintendent and his or her immediate staff share a common interest in the successful operation of the school district.” At CCSD, the Superintendency is made up of the Superintendent, his four direct reports on the Executive Team, and the sixteen newly hired School Associate Superintendents that serve as a link between local school precincts and the Superintendent. In the Plan to Reorganize the School District, Strembitsky writes, “In a system in which individual schools exercise a very prominent role, accountability of the schools to the district is achieved by a tight coupling of each local school precinct with the Superintendent, managed through a single staff member... with a title of School

³ “Superintendent Announces New Organizational Chart.” Clark County School District: December 16, 2016 < <http://newsroom.ccsd.net/superintendent-announces-new-organizational-chart/>>.

⁴ This information was gathered in interviews conducted in November 2016.

Associate Superintendent.” While this administrative shuffling may not seem, to the outsider, particularly noteworthy, it is a significant change for CCSD.

In accordance with the Principles of Organization, each individual “has only one supervisor;” in the Superintendency, each local school precinct is supervised by just one School Associate Superintendent, who has a direct link to the Superintendent. In this way, the Superintendent and the School Associate Superintendents can efficiently and effectively support and monitor local school precinct behavior, driving a common vision for academic achievement. In deploying the Superintendency, CCSD is taking great care in ensuring that the Administration’s supervision and support of schools is consistent, inspiring, and helpful to local school principals. In the word of one administrator, “of all the reforms we’ve done over the years, this one (i.e., the Superintendency) probably has the best chance of sticking.”

The Instruction Services Unit and the Operations Unit

To begin reorganizing Central Services, CCSD split the major administrative functions of the school district into two large blocks: the Instructional Services unit and the Operational Services unit.⁵

The Instructional Services unit includes services that are related to instruction, but managed centrally, including offices related to special education, English language learners, testing, educational opportunities, instructional design and professional learning. All Instructional Services unit offices were placed under a new position – a Chief Instructional Services Officer. While many of these instructional services occur at the school level, CCSD kept them central because most are enumerated as central services in §14 of the regulation. CCSD allocates many of these services to schools through individualized educational plans (IEPs) and staff formulas. Currently, all Instruction Services unit related resources are kept outside of the Strategic Budgeting System.

The Operational Services unit includes services that are not related to instruction, but that service local schools and the central administration. Most are enumerated as central services in §14 of the regulation. Services in this unit include transportation, food service, business and finance, human resources, risk management, purchasing, facilities, technology, and Vegas PBS. CCSD allocates these services to schools based upon identified need, and many of these services (like transportation, food service, human resources and purchasing) are governed by other federal and state regulations.

⁵ The School District’s new organizational chart is included in the appendix of this document.

Together, the Operations Services unit and the Instruction Services unit make up more than 90% of Central Services expenditures.⁶ To comply with the Plan to Reorganize the Clark County School District and the regulation, CCSD will seek to transition these departments to a modified zero-based budgeting system. Where possible, CCSD will also seek to transition these departments to a customer service model of operation over the next few years.

Ancillary Services

To manage departments that support the Superintendent and strategic initiatives related to district administration, CCSD set up a fourth centralized unit – the Ancillary Services. These services take several smaller departments that service the Central Administration and place them under the direct supervision of the Deputy Superintendent. Many of these departments are also identified as core central services in §14 of the regulation. Services in this division include Legal, Communications, Community and Government Relations, Employee-Management Relations, Internal Audit, Diversity and Affirmative Action, and Police Services.

Conclusions about Administrative Changes

CCSD has made significant changes to staffing and supervision at the Administrative level. These changes will be useful as CCSD seeks to enter the next phase of the reorganization. About Central Services, the Plan to Reorganize the Clark County School District calls for “the authority to carry out certain responsibilities that currently are carried out by the central administration to be transferred to local school precincts, or to be made available to the local school precincts to purchase.” Fundamentally, CCSD has only started to move to make this portion of the plan a reality. To operationalize the plan, CCSD must work methodically and cooperatively through a process that will streamline operation, find efficiencies, and give the schools options to purchase district or outside services in accordance with the regulation.

Given the reorganization within the Leadership Team, the consultants also note that communication within the Leadership Team has evolved to meet current demands. The Superintendent supports a daily check in meeting with the Leadership Team. The team also meets on a weekly basis for a longer duration. And every two-weeks, the team meets with the entire Superintendency, including the associate superintendents. The

⁶ Based on an analysis of the school district's last Comprehensive Annual Financial Report and Comprehensive Annual Budget Report.

consultants feel this is a positive step forward in normalizing culture around the reorganization effort. The consultants will be working with the Superintendent on ensuring the new communication and cultural systems remain in tact and are nimble enough to endure changed environments. Additionally, the consultants will recommend the new norms that are being created be shared with the rest of the organization so as to model positive behaviors.

The Principalship

In reorganizing itself, CCSD has moved most rapidly – and most fundamentally – in the area of the Principalship. According to the Plan, “successful principal must reach out and embrace the involvement and contribution of staff, students, parents and community.” The Plan and the Regulation call for the establishment of school organizational teams to assist with school based decision making, and together with its employee associations, parent groups, and principals, CCSD has invited the community into the Principalship as never before.⁷

As has been reported in previous Community Implementation Council meetings, all the mandated School Organizational Teams (SOTs) have been formed pursuant to the regulation. More than 700 teachers, 1100 parents, and 300 support staff have been engaged in site-based decision-making for the 2017/18 school year. In this way, CCSD has not only complied with the regulations – it has started to fundamentally change the way the District operates. While the formation of SOTs provides the district with the opportunity to engage the community like it never has before, community members and administrators have reported a concern that the membership of SOTs may not be representative of the student populations they serve. These reports will require further study.

Pursuant to the regulations, the first order of business for newly formed SOTs was to provide input on budgets and plans of school operation. To prepare principals for this change, CCSD produced numerous training videos and “just in time” fact sheets to guide school leaders through the process. CCSD also deployed its Strategic Budgeting System to all non-specialty schools, and it provided Principals and SOTs with the opportunity to make budgetary decisions on more than \$1.4B in resources. SOTs began meeting in January, and over the next few months, SOTs will finalize their initial school

⁷ Valley, Jackie. “New groups overseeing operations of schools have new voices: parents.” *The Nevada Independent*: February 12, 2017. <

budgets and plans of operation for the 2017/18 school year. The manner in which schools obtained this authority is covered in the next section of this report.

The Principalship and the Budget

§16(b) of the regulation mandates that CCSD allocate to local school precincts not less than 80% of unrestricted dollars to the local school level by the 2017/18 school year. To allocate these resources, CCSD opted to use what it calls the Strategic Budgeting System.

Developed and iterated over a period of years, the Strategic Budgeting System is a web-based platform that serves to assist schools in documenting their allocation of resources. The system stands separately from the District's main budgeting system and the inputs into the system are based upon staffing allocation models the district's Comprehensive Annual Budget Report.

Through the Strategic Budgeting system, schools are allocated averaged salary amounts for general education teachers, principals, office managers, and many other employees that work at local schools. Central administration also budgets discretionary cash expenditures for supplies and athletic programs. While schools are allocated budgeting authority for some job lines, schools are not allocated budgeting authority for others:

- Schools are not allocated budget for special education personnel at the local school level. These personnel are allocated to schools based upon different staffing formulas from general education. Staffing allocation can also change significantly based upon the requirements of individualized education plans. CCSD appears to have determined that the allocation and staffing of special education teachers, aides, and licensed professionals is a central responsibility, pursuant to §14.3(i) of the regulation
- Schools are not allocated budget for support staff, like custodians and site-based computer technicians, that are currently supervised centrally.
- Schools are not allocated budget for other licensed professionals who split their time across multiple schools, like school nurses and psychologists.⁸
- Schools are not allocated budgets for food service employees as the food service budget is an enterprise fund.

⁸ As an aside, many non-teacher licensed professionals assert that a school principal, as an instructional leader, is not qualified to supervise their work; for the most part, these licensed professionals are currently supervised by CCSD employees from their unique field (i.e., school nurses report to nurse supervisors, etc.)

- Schools are not provided with a list of “equipment, services and supplies that a local school precinct may obtain from the School District using the money allocated to the local school precinct and the cost for such equipment, services and supplies,” pursuant to §15.1(b) of the regulation.

Using the Strategic Budgeting platform, principals and school organizational teams have a limited amount of flexibility to use resources allocated to schools in creative ways. Schools, for example, can opt out of their allocation of a half-time assistant principal to – say – institute a program of block scheduling at the school. The amount of flexibility in this program is limited by state mandates on class size and certain district policies, but it does provide teachers and SOTs with the ability to creatively allocate some resources.

Effectively, this system delivers large 3-5 star elementary schools, middle schools, and high schools with the most budgetary flexibility, while smaller schools have less budgetary flexibility. This is one of the vagaries of the system. The strategic budgeting system is linear and arithmetical in nature; it is a simple and straightforward accounting of what a school is entitled to receive based on staffing formulas developed by central office personnel in accordance with district, state, and federal regulation. Because of its linear nature, smaller schools are allocated (semi)proportionally less money, and larger schools are allocated (semi)proportionally more money. Thus, a small school of 500 students may not be able to get as “creative” with an effective \$50,000 discretionary budget as a large school of 3000 students with an effective \$300,000 discretionary budget.

While the Strategic Budgeting system itself is arithmetical in nature, CCSD administrators make a significant adjustment to the system that serves to ensure that rural schools get more resources than the formulas would otherwise entitle them. Over a period of years, as rural schools have grown and shrank, informal “hold harmless” agreements have been made to ensure that these schools can continue to function in the manner they are accustomed to. This adjustment effectively claws millions of dollars away from urban and suburban schools each year and places those funds into rural schools. In this way, CCSD seems to be complying with §17.3 of the regulation.

While the Strategic Budgeting System effectively allocated some budgeting flexibility to local school precincts, it did not allocate a sufficient amount to comply with §16.1(b) of the regulation. This conclusion is explained in the next section.

The Budget

As previously stated, §16.1(b) of the regulation states:

The anticipated percentage of the amount of money determined pursuant to paragraph (a) to be unrestricted that will be allocated to the local school precincts, which must equal not less than 80 percent of the total amount of money from all sources received by the School District that is unrestricted for the 2017-2018 school year and 85 percent of that total amount for each school year thereafter.

In defining “restricted,” §16.1(a) states:

Money may only be identified as restricted if it is required by state or federal law, if it is proscribed by the Department or if it has been otherwise encumbered.

CCSD has put significant effort into identifying what is and is not restricted for purposes of compliance with this regulation. To date, however, CCSD has not publicly stated which sources it has determined as restricted – partially because CCSD has filed a lawsuit challenging the validity of the regulation. CCSD has said – in public forums – that it estimates between 70-73% of unrestricted funds already go to schools, but no official document has yet been released to corroborate this assertion.

While the consultant team could not ascertain the District’s definition of restricted and unrestricted for these purposes, the team could study the district’s budget and ascertain the amounts of money allocated to local school precincts that would most likely be deemed unrestricted. In doing so, the consultant team estimates that approximately two-thirds of CCSD’s “unrestricted” monies are allocated to local school precincts for budgeting at the local school level. CCSD made this estimation using expenditure amounts in the 2016/17 amended final budget (approved December 8, 2016), data from the Strategic Budgeting System and interviews with key CCSD staff members. The math breaks down in the following way:

- CCSD is currently expending \$2.153B from its general fund in 2016/17. This expenditure includes a \$334M transfer out of the general fund for other purposes – primarily special education. For the purposes of the estimate, the Consultant team considered the general fund, less the inter-fund transfer, “unrestricted.”
- CCSD is currently expending \$427.1M from its special education fund in 2016/17. This fund includes \$107.5M in revenue from the state and \$319.5M in revenue from an inter-fund transfer from the general fund. Because these funds are not in the Strategic Budget workbooks and CCSD has indicated that services under this budget remain allocated centrally, the consultant team considered the special education fund “restricted.”
- CCSD is currently expending \$547M from its State Projects, Federal Projects, and Special Revenue funds on specific purposes enumerated in state and federal regulation. Though the clear majority of this spending occurs at the local

school level (in the form of categorical grants, class size reduction, Title I and other school based services) the consultant team deemed these funds “restricted” for purposes of the estimate.

Thus, for the purposes of this estimate, the consultant team asserts that CCSD has \$1.819B in money that is “unrestricted,” per the regulation.

In estimating the amount of revenue that local school precincts can budget, the consultant team deemed that the Strategic Budgeting System gave schools the greatest opportunity to allocate their own resources. The Strategic Budgeting system currently contains the following, in the aggregate:

- \$1.212B in general fund resources
- \$111.8M in special revenue funds, in the form of a class size reduction grant
- \$79.8M in state projects funds, in the form of a full day kindergarten grant

No other funds are allocated through the Strategic Budgeting System. Because the consulting team deemed special revenue and state projects funds “restricted” for the purposes of the estimate, it asserts that the total amount of money allocated to schools that is unrestricted, per the regulation, was \$1.212B. Thus, the consultant team estimates that CCSD is allocating approximately two-thirds of its unrestricted resources to the local school level. To meet the threshold laid out in regulation, the consultant estimates that CCSD would likely have to allocate between \$240M-\$330M more in budgeting authority to the local school level.

Even by its own public estimate, CCSD is far off from the requirements laid out in §16.1 of the regulation – but simply looking at the “unrestricted” parts only gives one a partial window into what is spent at the local school level. Indeed, what the consultant deemed as the “unrestricted” parts of the CCSD budget add up to around two-thirds of CCSD’s total budget, excluding capital, debt service, building and site funds. CCSD expends the clear majority of restricted funds for special education, Title I, full day kindergarten, class size reduction, Zoom Schools, Victory schools, gifted and talented education, career and technical education, and literacy programs at the local school level. It is the opinion of the consultant team that CCSD should move to include a greater proportion of these “restricted” funds in the Strategic Budgeting system to assist principals and School Organizational teams with an understanding of how the totality of funds are spent at the local school level.

Even if these revenues were added, however, CCSD would likely still not be allocating more than 80% of all resources to the local school level. If categorical funding for full day kindergarten, class size reduction, Zoom, Victory, and all other state projects that are directly spent at the school level were to be deemed “unrestricted” for calculation purposes, CCSD would, by the consultant’s estimation, still be far short of the regulatory

requirement. To meet the requirement, CCSD must create a system through which a large chunk of approximately \$600M of centrally allocated services paid for by the general fund can either be deemed “restricted” or be allocated to the local school level.

The Weighed Student Funding Formula

§17.1 of the regulation states:

“The amount of money allocated to a local school precinct by the School District must be determined on a per pupil basis by assigning a category to each pupil and assigning weights to each category in a manner that provides a greater amount of funding for each pupil who belongs to certain designated categories. Except as otherwise provided in subsections 2 and 3, the categories for which a greater weight must be assigned must include, without limitation:

- (a) Pupils who are eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 or a similar alternative measure prescribed by the State Board of Education;*
- (b) Pupils who are limited English proficient;*
- (c) Pupils with disabilities; and*
- (d) Gifted and talented pupils”*

Further, §17.2 of the regulation states:

“to establish the weight for each category of pupil as required pursuant to subsection 1, the School District shall apply the same weights and distribution of weights established by the Department for the state funding formula.

In a letter to the Nevada Department of Education and in public testimony before the Advisory Committee to Reorganize the School District, CCSD offered a rationale against using a weighted student funding formula in the 2017/18 school year, citing the following:

- Absent additional resources from the Nevada Legislature, the institution of a weighted student funding formula would result in a massive shift of resources away from suburban and more affluent schools and to urban schools
- The State Department of Education has not yet set a weighted funding formula for pupils that are limited English proficient, pupils who are eligible for free or reduced-price lunches, or gifted and talented pupils
- §17.2 of the regulation calls for the District to submit a “request for variance” to use different weights than prescribed by the department, but since the Department has not set weights for the aforementioned categories, a variance from existing statute did not actually exist

As mentioned in the previous section, funds for special education were apparently deemed “central” pursuant to §14.3(i) of the regulation; thus, CCSD appears to have not

allocated a weighted funding formula to individual pupils with disabilities, pursuant to §17.1. The requirement that CCSD move to a weighted student funding formula appears to be central to the District’s lawsuit attempting to invalidate the regulation – nevertheless, the consultant team analyzed the district’s budget and practices to determine how resources are currently allocated to pupils in the school district.

Current Per-Pupil Allocations

As mentioned previously in this paper, CCSD employs the Strategic Budgeting System as the primary method to track the allocation of resources from central to local school precincts. At the heart of this resource allocation is the Comprehensive Annual Budget Report (CABR). The CABR sets average salary units and staffing allocation ratios for local school precincts. Because CCSD lacks a system that accurately accounts for expenditures related to personnel at the local school level in real time, these formulas are generally derived from previous years’ budget data. Substantial work is put into these formulas from year to year, and changes in formulas are manually entered into the Strategic Budgeting System.

The use of staffing ratios to budget for local schools, informed by state law and district policy, creates a wide variance in effective expenditures – and in reality creates more than a dozen different base expenditure amounts for students. These effective per-pupil expenditure amounts are displayed in the table on the next page

Grade	1 & 2 Star	3-5 Star	Magnet
K	\$5574	\$5466	\$5584
1 & 2	\$6682	\$5561	\$5754
3	\$5868	\$5023	\$5216
4 & 5	\$3990	\$3899	\$4380
Middle	\$3761		
High	\$3753		\$4232

At the elementary level, categorical requirements for class size reduction drive the differences in funding levels. Magnet schools are also more expensive, on average, than comprehensive schools because of the cost of supplies and programs of instruction. While the differentiation of these Strategic Budget expenditures can drive many conclusions, they only tell part of the story.

Strategic budgeting expenditures are not inclusive of categorical grant programs for different student populations. Nor are they inclusive of resources spent on special education or gifted and talented students. Additional expenditures for magnet and career and technical education programs, over and above their strategic budget allocations, are also granted to certain schools. In all, when looking at its actual expenditures in local schools, the current model effectively distributes far more resources per pupil to K-3 students and magnet students, and far fewer resources to grades 4-12.

Spending on Populations Enumerated in §17.1

What follows is a description of the current state of services provided to the enumerated student populations in §17.1; each of these programs are budgeted as part of the Instructional Services unit in Central Services.

Special Education

The budget for the 11.8% of CCSD students who require special education services is driven primarily by the cumulative cost of individualized education plans (IEPs). Mandated by federal law, IEPs prescribe individualized services that students with disabilities need to obtain a free and appropriate public education. IEPs can prescribe a suite of services for students that can cost anywhere from \$3,000 extra per pupil to \$60,000 extra per pupil for profoundly disabled pupils. Cumulatively, the cost of the Special Education program at CCSD was \$427.5M in 2016/17 – or about \$11,200 per pupil on average – far above what the state provides in its multiplier.

While all special education students are taught by at least one licensed teacher who works in the school building, the fulfillment of a district's responsibilities to a child through an IEP often require it to seek services for the student that are not typically available in the school building. Autism specialists, physical therapists, speech pathologists, and psychologists, and many other licensed professionals play prominent roles in the provision of services to individual students across multiple schools.

In interviews, CCSD officials expressed strong resistance to including special education resources in Strategic Budgets. Because of the nature of special education interventions, spending can be highly variable on special education students from year to year. A speech intervention, for example, may only be necessary for a few months or a few years of a student's school career – so the flexibility afforded central

administration in the deployment of these resources may have a substantial positive effect on efficiency. In addition, federal and state law put strict prohibitions on changes in staffing allocations related to special education services. Even if special education funding were included in schools' Strategic Budget Workbooks, schools would find that they likely would be unable to have much influence over the expenditure.

In the future, CCSD might consider including the total cost of IEPs at the local school level as an informational item within previous-year school budgets. In this way, CCSD could be transparent about the costs associated with the education of all students in the building.

English Language Learners

The budget for the 19.1% of CCSD students who require English language acquisition services is allocated unevenly across the district. This uneven distribution is driven primarily by the fact that the primary state intervention targeted at English language learner population, the Zoom program, is a school-based (rather than pupil based) expenditure that invests in pre-K services, a longer school year, and specialized reading centers at selected schools. While this method of resource allocation has the effect of getting resources directly to local schools, it can also be viewed as an "all or nothing" strategy – serving hundreds of students at certain schools while leaving thousands of other pupils behind. According to numbers provided by CCSD, Zoom Schools serve more than 11,000 of the district's 61,000 limited English proficient pupils. Averaged across the pupils receiving Zoom services, the State spends more than \$3,600 per pupil in additional resources on children receiving these services.

To serve the remaining 50,000 limited English proficient pupils, CCSD is spending \$12M in general fund resources and \$8.3M in federal resources in activities around its ELL Master Plan. The Plan calls for the implementation of the Academic Language and Content Achievement Model (ALCA-M), which seeks to strengthen professional learning, provide effective language and content instruction, improve instructional models and policies, and enhance family engagement and support. The plan calls for direct services to students to be delivered using the following three methods:

- "Newcomer Model – For students who have received less than two years of instruction in U.S. schools.
- Strategic Academic Language & Literacy Model: For students who have been classified as ELLs for more than five years "long-term ELLs," and have not yet met the performance criteria required to exit ELL status.
- Dual-Language Model: For students who are literate in two languages, English and another language."

The total per-pupil costs associated with these services have yet to be determined.

Pupils Eligible for Free or Reduced Price Lunch

The general fund budget for the 56.5% of CCSD students who are eligible for free or reduced price lunch, a common measure of family poverty, is, arguably, non-existent. This effectively means that no additional funding – in the form of a general fund weight – is given to schools that serve high poverty populations. Schools who serve students in poverty do have access to Title I funds from the federal government, but these funds are required to supplement – not supplant – existing programs.

While a wide variety of central services happen to serve children in poverty, the only program directly targeted to children in poverty is the state categorical Victory Schools program. Similar in nature but more flexible than the Zoom School program, Victory School grants provide a robust amount of resources to local schools to fund up to twelve different types of interventions at the local school level. 19,500 children in more than twenty schools are served by the \$21M Victory program, effectively allocating more than \$1,075 in additional resources to 10% of CCSD's population of children in poverty.

Gifted and Talented Pupils

CCSD spends a significant amount of general fund resources on approximately 6,900 gifted and talented students (though approximately 10,000 additional gifted and talented students qualify for services). In the most recent budget, \$12.7M in general fund resources was allocated to the Gifted and Talented program, effectively allocating more than \$1,800 in additional resources to each pupil in this population. In addition, the State provides CCSD with a \$2.7M categorical grant for gifted and talented services, and CCSD has put a heavy strategic emphasis on programs, like Advanced Placement and Magnet Schools, that happen to service gifted populations. While magnet programs are allocated additional resources in the Strategic Budgeting system, the \$12.7M gifted and talented program remains centrally allocated.

Conclusions around the Weighted Student Funding Formula

While CCSD has opted not to use a weighted student funding formula for the 2017/18 school year, CCSD does spend a significant amount of general operating fund money on special education and gifted and talented students. These expenditures manifest themselves as central services provided by the Instructional Services unit. CCSD currently spends a very small amount of its general fund on ELL services, and it spends none of its general fund on services for children in poverty.

While the State has created grant programs that target ELL and high poverty student populations, these programs only serve a small proportion of the children who would otherwise qualify for them.

If the goals of §17 of the regulation are to be realized, the state and CCSD must embark on a cooperative process of planning and system building to augment weighted formula budgets and to transition centralized expenditures on to per-pupil expenditures.

Final Takeaways

CCSD has moved quickly to implement many of the “human” elements of the reorganization. It has moved staff into key positions, and it has developed a program that allows for a significant amount of its general fund budget to be re-allocated to the local school precinct level. Now, it needs to focus on the hardest work.

- CCSD must build a culture of school-based decision-making within its central services to realize the goals of the Plan and the regulations
- CCSD must build systems that allow it to be as transparent as possible with its local school precincts, so that it can foster trusting relationships with its engaged community members
- CCSD must prepare for the significant and related challenges of preparing its internal systems for a weighted student funding formula, an expanded vendor program, and a central services unit constrained in size by regulation.

None of these challenges are insurmountable. CCSD is the second largest employer in the county, and the largest skilled employer in the state of Nevada. CCSD has shown, time and again, its ability to be entrepreneurial and face the most daunting challenges. If CCSD succeeds in implementing the spirit of the regulation, it will have succeeded in putting schools at the “front and center, at the heart of the operation of the school district.” With the State’s help, it can succeed in getting significant new resources to target populations – leading to greater student achievement. CCSD can and should use this process to take a hard look at itself, place its confidence in its educators, and put the students first.