MINUTES OF THE MEETING OF THE COMMITTEE TO STUDY A NEW METHOD FOR FUNDING PUBLIC SCHOOLS
Senate Bill 11, 2011 Legislature
August 14, 2012

The fourth meeting of the Committee to Study a New Method for Funding Public Schools was held at 9:00 a.m. on Tuesday, August 14, 2012, at the Grant Sawyer State Office Building, 555 East Washington Avenue, Room 4401, Las Vegas, with videoconference to the Nevada Legislative Building, 401 South Carson Street, Room 4100, Carson City, Nevada

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:
Assemblyman Marcus Conklin, Chair
Senator Moises Denis, Vice Chair
Senator Shirley A. Breeden
Assemblywoman Marilyn Dondero Loop

COMMITTEE MEMBERS PRESENT IN CARSON CITY:
Senator Greg Brower
Assemblyman Ira Hansen

COMMITTEE MEMBERS ABSENT:
None

STAFF:
Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division
Julie Waller, Senior Program Analyst, Fiscal Analysis Division
Eileen O'Grady, Chief Deputy Legislative Counsel
Kristin Roberts, Senior Principal Deputy Legislative Counsel
Mindy Martini, Senior Research Analyst
Becky Lowe, Committee Secretary

EXHIBITS:
Exhibit A Meeting Packet and Agenda.
Exhibit B Presentation to Committee to Study a New Method for Funding Public Schools in Nevada, provided by the American Institutes for Research (AIR)

A. ROLL CALL.

Chairman Marcus Conklin called the meeting to order at 9:09 a.m. The secretary called roll and all members were present.

B. OPENING REMARKS.

There were no opening remarks.

C. PUBLIC COMMENT

There was no public comment.

D. APPROVAL OF MINUTES OF THE APRIL 20, 2012, MEETING.

SENATOR DENIS MOVED TO APPROVE THE MINUTES OF THE APRIL 20, 2012, MEETING OF THE COMMITTEE TO STUDY A NEW METHOD FOR FUNDING PUBLIC SCHOOLS. THE MOTION WAS SECONDED BY ASSEMBLYWOMAN DONDERO LOOP.

THE MOTION CARRIED UNANIMOUSLY.

E. DISCUSSION REGARDING PROVISIONS IN THE CONTRACT WITH COMMITTEE CONSULTANT AMERICAN INSTITUTES FOR RESEARCH (AIR) RELATING TO THE FOLLOWING COMPONENTS OF THE PRELIMINARY WRITTEN REPORT:

Julie Waller, Senior Program Analyst, Fiscal Analysis Division, reviewed the requirements for the preliminary report contained in the contract with The American Institutes for Research (AIR). She noted that the original due date for the preliminary report was August 1, 2012; however, since the Committee's meeting date was changed from August 9 to August 14, the requirement for the preliminary report was changed from August 1 to August 6, and the contract was amended to reflect that change.

Ms. Waller said AIR was required under the amended contract to include the following components in the preliminary report.

1. Inventories of states that address individual student needs and characteristics and the needs and challenges of school districts with small schools in remote areas. The analysis must also identify how other funding sources available for each individual student need or characteristic, federal, local or other, are accounted for, or incorporated into the state's funding model for public education;

2. Analysis of methods used for public finance in five selected states most comparable to Nevada in demographics and the existence of urban and rural regions, to address individual student needs and characteristics and the needs and challenges of school districts with small schools in remote areas. If AIR is unable to identify five states, they must work with staff to approve the selected states. AIR agrees the additional states must also account for extra costs in rural and remote areas; and

3. Recommendations based on best practices for improving Nevada's existing school funding model. The recommendation must include the following:

    a. Provide certain recommendations, and show the fiscal impact of such recommendations for each school district in the state as a whole.
    b. Propose options for implementation, including a phase-in period.
    c. Indicate whether a hold-harmless provision should be considered by the Legislature.
    d. Include a time and basis interval for updating the state school formula funding model in the future.
    e. Identify the improvement to Nevada's existing school funding model.
    f. Indicate whether legislation is recommended.
    g. If a recommendation includes additional funding for special student populations, AIR agrees to provide options to minimize or eliminate incentives to label or classify students based on those needs and characteristics and disincentives associated with reclassification when students no longer meet those eligibility requirements to be considered part of the special student population.

F. PRESENTATION AND DISCUSSION REGARDING FINDINGS AND RECOMMENDATIONS CONTAINED IN AIR'S PRELIMINARY WRITTEN REPORT.

Dr. Jay Chambers, Senior Research Fellow, AIR, introduced Dr. Deborah Verstegen, Professor, UNR, and Dr. Teresa Jordan, Professor Emerita, UNLV.

Dr. Chambers said there were four main components of the study:

1. Provide an overview and critical evaluation of the existing Nevada school finance system.

2. Develop inventories of state finance systems to assess how funding is adjusted for the following cost factors:

    a) Pupil needs (e.g., low-income, English language learners (ELL), special education); and
    b) Scale of operations and remoteness (district enrollment, student density and sparsity).

3. Provide an analysis of alternatives for improving equity including:

    a) Empirical analysis of existing effective practices in other states;
    b) Current practices in other states;
    c) Mainstream education finance literature.

4. Develop suggestions to improve the current system including:

    a) Current funding adjustments for 1) scale of operations, and 2) differential staffing prices in the distributive school account (DSA) model;
    b) Additional funding adjustments for low-income students and ELL;
    c) Current funding for special education students.

Dr. Chambers said there were clear inequities identified in the current funding model. There were also ways in which the funding model worked well. He added that the Nevada Plan was transparent, but tedious.

Dr. Teresa Jordan said her part in the study was to analyze the current funding formula, compare it to a list of research-based criteria, and determine what elements should be part of an optimal state funding formula. She was also responsible for gathering stakeholder input, which was included in the draft report (page 34, Exhibit A).

Dr. Jordan said the conceptual framework of the Nevada Plan began with a study commissioned in the 1950s through Peabody College in Nashville, Tennessee. The study recommended several of the elements that remain in the Nevada Plan. For example, it recommended the inclusion of both a unit allocation and a per pupil allocation. She noted the unit allocation best served the needs of the rural school districts. In addition, the number of school districts was reduced from 208 to the current 17 county-coterminous districts.

Dr. Jordan said that in 1959, the Wyoming study looked into the variation in assessed value of the different counties. Subsequent to the study, recommendations were made for a uniform tax rate and uniform assessed valuation to address those inequities.

Dr. Jordan said that in 1967, the current allocation system, the Nevada Plan, was adopted. Except for the addition of special education funding in 1973, and minor changes in categorical funding, the same conceptual framework exists today. She said the Nevada Plan was an equalized, minimum foundation program. In other words, funding was distributed to school districts according to their wealth: the less wealthy districts received more money from the state, and wealthier districts received less money from the state. The plan was based on recognizing the differences in local school district wealth, and the differences in the cost of delivering services.

Dr. Jordan said, the basic foundation of the Nevada Plan was sound, and in many ways, it was an eloquently designed formula, but it was outdated. The state has gone through remarkable changes since the Nevada Plan was developed in the 1960s.

Dr. Jordan said there was lots of controversy over rankings of the states. She did not consider a state's ranking for a given year to be particularly important, however, patterns appeared over time that might provide important information. She noted the pattern has not been flattering for Nevada over the past decade, and added that Nevada was in the bottom quartile in most of the national rankings, and in some instances, the bottom 10 percent.

Dr. Jordan said when the state's funding formula was new, and based on current demographics, Nevada was ranked 4th in the country in per pupil expenditure. In 2012 Nevada was ranked 48th.

Senator Brower asked whether Nevada's ranking in education funding was for state support, or state and local support combined. He said part of the debate in the accuracy of Nevada's ranking in education funding was whether the per pupil spending amount should include capital improvement. He asked why capital improvement should be excluded.

Dr. Jordan said Nevada's ranking as 48th in education funding was based on per pupil net current expenditure, including both state and local dollars. However, it did not include capital outlay. She said capital outlay provided a place to educate children, but did not contribute to day-to-day operations.

Dr. Jordan explained that if the purpose of the comparison was to measure the state's ability to deliver quality educational programs to schools, then it would not be appropriate to include capital outlay. However, if the purpose was to look at the overall health of the educational system in terms of being able to provide adequate facilities for education, then capital outlay would be included as a combined measure. The problem with using the combined measure was that Nevada grew very rapidly and had one of the largest school construction programs in the country. If the funding for capital outlay were included, the quality of educational programs the system was expected to deliver would be overestimated, because not all of that money was used for educational programs.

Chairman Conklin understood that including capital outlay in the total would skew the outcomes. He noted, for example, that the population of Omaha, Nebraska was stable. If Nebraska were compared to Nevada, the fact that Nebraska spent more in the classroom and less on construction would be missed.

Senator Brower noted that non-capital outlay funding was used for expenses other than teaching in the classroom, such as administration. Dr. Jordan and Chairman Conklin agreed.

Dr. Jordan said the most recent national report card reflected the difference in regional wages, poverty, economies of scale and population density. Nevada was ranked 38th in per pupil revenues when those differences were accounted for. For the distribution of funds across local districts within a state relative to student poverty, Nevada received an "F" grade, because the current system does not have a funding adjustment for the differential needs of students in poverty.

Dr. Jordan said the failing grade was based on state spending for education relative to the state's fiscal capacity, or how much effort was put into education relative to the overall wealth of the state. Some low-wealth states put a high amount of effort toward funding education, and some wealthy states put less effort into education. Nevada was a high capacity state that chose to put minimal effort in terms of revenue into education relative to the other states, and Washington, D.C.

Senator Brower asked how the term "high capacity" was defined. Dr. Jordan said the wealth of a state was measured by per capita personal income. Senator Brower asked if the "F" grade reflected a disparity between the wealth of the state measured by per capita income. Dr. Jordan explained that more states used a greater percentage of their funding capacity for education than Nevada.

Dr. Jordan said Nevada was ranked 17th for coverage, which was the proportion of school-aged children attending the state's public schools as compared to those children who do not attend public schools, such as those who were home schooled or attended parochial or private schools. The median household income of those students enrolled in the state's public schools was compared to the students not in public education. Nevada fared extremely well in that measure, because most of our children are in public school, and there was not a dramatic difference between public school expenditures and parochial and private school expenditures. This indicates that children are not being pushed from the public schools to private school. She explained that in some states the school systems are so ineffective that parents are almost forced to place their children in private schools.

Dr. Jordan said Nevada's K-12 education funding was compared to the eight optimal funding criteria as follows:

1. Sufficiently funded, and equitable both horizontally and vertically. Nevada's funding method does not address the vertical equity needs or differential needs of the students, because there are no weights or unit allocations for children in poverty or children who are English language learners.

2. Transparent, understandable, and accessible. The state partially meets these criteria, primarily due to work done in the mid-2000s on the equity allocation modules. That was primarily for two purposes: 1) to increase the transparency of the funding formula; and 2) concern about subgrouping in the funding formula used for the calculations. Even though transparency has greatly increased, it was still very difficult to extrapolate the underlying mathematical calculations in the Nevada funding formula. A layperson would not fully understand where the numbers in the formula came from.

3. Cost based. The formula must carefully enumerate and justify the differential costs of providing programs to diverse student populations in different settings. One reason the study was requested was that this criteria was not being met. Also, the funding formula calculations were incrementally-adjusted, historical expenditure data based on a benchmark. Making adjustments to outdated data may perpetuate past inequities and lead to the consistent overfunding or underfunding of programs. The state had no process to review the cost data used in its formula. The current Nevada Plan did not meet the criteria for an optimal funding allocation system.

4. Capable of minimizing incentives. The funding formula should guard against distortion caused by over-identification or misreporting of students in need, enrollment size, and so on. The state meets the criteria, because it provides clear definitions for components in the Nevada Plan, and due to minimal weighting, there are limited opportunities for a district to distort data.

5. Reasonable in its administrative costs. Administrative costs should be minimal at both local and state levels and the system should not be overburdened by excessive data collecting or reporting requirements. In the data provided to AIR, administrative costs were not specified.

6. Predictable, stable, and timely. The system should be robust and stable enough to allow policymakers to project future needs and to plan ahead to allocate resources properly and systematically.

   Stability and predictability are necessary in order for districts to plan and proceed in an orderly manner from one fiscal year to the next. However, because schools are financed through tax revenues, a change in economic conditions can disrupt the stability of funding. This was particularly true of Nevada due to the over reliance on sales tax revenue for school funding. For this reason, most experts contend that school funding should be derived from multiple tax sources that respond differently to changing economic conditions. The poor in Nevada pay a disproportionate share of their income for education services. Nevada's taxation system for education currently does not meet the criterion for an optimal funding allocation system.

Senator Brower asked what was recommended as a stable and non-regressive tax revenue source. Dr. Jordan said states are recommended to have multiple sources of tax revenue for education, in which the progressive or regressive characteristics help to balance each other.

Dr. Chambers said most states used property tax to fund education. He added that it had been a stable base for revenue until the recent recession.

7. Accountable for learning outcomes and spending. The state should monitor to assure that resources are used effectively and progress toward educational goals is being realized. This requires an appropriate accountability structure that can support data-driven decision making. The system should also provide wide latitude to schools that were producing favorable results.

   Nevada meets this criteria for the most part, but there does not appear to be a connection between the state's funding allocation system and accountability system. There are no incentives for the school districts to behave in certain ways to meet accountability goals. There are no stipulations for rewarding effective performance either for schools or for teachers. Some states are moving in the direction of paying for the productivity of the education system.

8. Politically acceptable. The implementation should avoid major sudden short-term loss of funding to schools. The economic recession has provided an opportunity to step back, examine the funding system, and create a future plan for when the economy improves.

Dr. Jordan reiterated some issues that arose from the analysis of Nevada's education funding system:

- The formula does not sufficiently address the vertical equity needs of pupils.

- The formula was designed for conditions in the state that have dramatically changed since its inception.

- The Nevada Plan uses incrementally adjusted expenditure data based on a historical benchmark. Adjustments to outdated data may result in perpetuating past inequities.

- The cost data was not updated. The state currently perpetuates benchmark data incrementally, which leads to overfunding or underfunding of programs.

- There is no mandated periodic review of the Nevada Plan. Many states require a periodic review to insure the funding formula is based on current costs and district characteristics.

- The state uses a single count day for enrollment calculation. This may act as disincentive to retaining pupils throughout the year, and could be a contributing factor to dropout statistics.

- There is no state funding support for capital outlay. This creates issues for the districts at or near bonding capacity to maintain and renovate existing facilities or build new ones.

- There is no local leeway. This imposes a greater burden on the state to ensure funding so that all students have the opportunity to meet state standards and pass appropriate proficiency examinations.

- The funding allocation system does not have a sufficiently diverse tax base to help stabilize funding during changing economic conditions.

- The funding system is not linked to state goals or accountability outcomes. The formula provides no incentives for productivity or educational outcomes.

Dr. Deborah Verstegen said she would address the 50-state survey of finance policies and programs, particularly as it relates to pupils with disabilities, special education, at-risk and low-income students and other individual needs and characteristics that emerged, along with the needs and challenges of school districts in remote areas and small schools.

Dr. Verstegen said the data of the 50-state survey are from 2010-11. Requests for information were sent to each of the state's school finance officers, and all of the states responded except Maine and Tennessee. The information from the states that responded was verified by the states both before and after the results were posted.

Dr. Verstegen began by presenting the major finance systems used by the other states. A table of the types of funding systems used by the states was shown on page 13 of the Presentation to Committee to Study a New Method for Funding Public Schools in Nevada (Exhibit B). The main finance systems are as follows:

1. Foundation Programs: Dr. Verstegen explained that 36 states used a foundation program, including Nevada. She said under the Nevada Plan, the state provided a uniform amount of money per child, and the locality shared in paying for the cost through the proceeds of a uniform tax. The state made up the difference up to a certain point. In Nevada, that was referred to as a "minimum foundation program." In the 1920s, when this program was developed, the notion was that it would pay for basic minimum education to allow all kids the ability to participate in the democratic system of government, and to get a job in the days of the industrial revolution.

2. Full State Funding: Dr. Verstegen said full state funding was used only by the State of Hawaii. The State of Hawaii collects and distributes the funding, and there is no local funding.

3. Flat Grant: Dr. Verstegen said North Carolina is the only state that uses the flat grant approach, which provides a uniform amount of money per child to support education. That amount could be supplemented by local funds.

4. District Power Equalizing: Dr. Verstegen said under this approach, the state supports different basic support levels based on how much the locality is taxing. She said district power equalizing was fading from favor, because it could create inequities. The approach was used by only three states.

5. Combination/Tiered System: Dr. Verstegen said this approach was usually a foundation program and district power equalizing combination. This approach is used by nine states. She noted that when the states using a combination approach were included, 45 states used a foundation program.

Dr. Verstegen said there have been no new approaches for financing education in almost a century. However, states are making adjustments to compensate localities for high-cost students and districts. States are moving away from minimum foundation programs toward adequate foundation programs. For example, South Carolina describes its funding system as a "minimally adequate" finance system. Maine describes its formula as "adequacy based" determined by a cost analysis of the basic components of the program. Missouri has developed an adequacy target for its basic support, based on several things, including current expenditures of districts that meet all of the performance standards.

Dr. Verstegen said another change was that states were making adjustments to assist with high costs that are beyond the control of the district. Some examples are special education, at-risk low-income students, ELL, and small districts or remote schools, which are the components requested to be studied by the Committee.

Dr. Verstegen said the adjustments are made through weights. The weights recognize the excess costs of education beyond basic support for one child. If special education costs 90 percent more than basic support, then a special education student would be counted as one child for basic support, plus an additional 90 percent for additional costs, or 1.9. If the cost of the program was 25 percent more, the child would be counted as 1.25.

Dr. Verstegen said the base cost in Nevada was $5,192 per child for the survey period of 2010-11. She noted that the base cost for the foundation programs varied across the states. For example, the base cost in Arkansas was $6,023. Arizona used a weighted count with a base cost of $3,267. She said the local share varied as well. In Nevada, the local contribution of property tax revenue was $.25 per $100 inside the formula and $.50 per $100 outside the formula. In Colorado, the share was 27 mil, with a base of $1,000 assessed valuation. In Georgia, the local share was 20 mil, which was $2 per $100 assessed valuation.

Dr. Verstegen added that students were counted in different ways across the states. She noted that students in Nevada were counted once per year, which could be contributing to the drop-out issue. Some states counted twice a year, then averaged the two counts. Other states used average daily attendance to count students.

Dr. Verstegen said the basic concept for foundation program funding was that the state established a certain amount of basic support for all students. The locality contributed to that based on a uniform rate. Poorer localities would raise a smaller amount, wealthier localities would raise more, and the state would make up the difference up to a certain point.

Dr. Verstegen said 20 states paid for special education using a weighted approach; 7 states used cost reimbursement; 6 states, including Nevada, used a unit approach; 9 states used a census; and 16 states used other approaches. The 20 states that used a weighted approach paid for special education in various ways. Some states had weights for different student disabilities. For example, Oklahoma used 12 different weights based on a student's disability. There were different weights for students with a visual impairment, specific learning disability, or orthopedic impairment. Some states, such as Maryland, had a single weight. In Maryland, every special education child was provided with funding of 74 percent beyond basic support. She said Kentucky's weights for special education students were based on mild, moderate or severe disabilities. It was debatable what kinds of disabilities figure into each of those categories. For mild disabilities, another 25 percent was added; for moderate disabilities 117 percent; and for severe disabilities 235 percent. A blind and deaf student would be considered to have a severe disability, and would be funded at a higher level. Those were categorized as low-incident disabilities, because so few kids had those disabilities.

Dr. Verstegen said the unit approach defined the eligible costs for special education kids, and the support level. The state may fund programs, special education teachers and equipment up to 117 percent. Funding was usually based on caseload. The unit approach was used in six states, including Nevada.

Dr. Verstegen said nine states fund special education using census data. That approach was originally developed to hold down costs. Special education is funded based on the percent of the entire district's enrollment, not on the number of special education students. She said the State of California describes the approach as a model based on the assumption that over a reasonably large geographic area, the incidence of disabilities would be relatively uniformly distributed. This approach is usually coupled with funding for catastrophic costs. In some cases, the state picks up the funding after a certain point for the extremely high costs of some children with disabilities. For example, in Connecticut, if a special education child costs 4.5 times the previous year's average, the state picks up the remainder of the cost. In Massachusetts, if the expense for a student is 4 times the basic funding level, a "circuit breaker" comes into effect and the state picks up the rest. In New Hampshire if the expenses for a student are 10 times the state average, the state picks up the remaining cost.

Dr. Verstegen said the federal government pays for a portion of the cost of special education under the Individuals with Disabilities Education and Improvement Act (IDEA).

Dr. Verstegen said low-income is often used as a proxy to identify at-risk students. The funding for this component is distributed to the district based on the number of low-income students, and the funding is redistributed at the school level based on need. Referring to the table on page 17 (Exhibit B), she said 36 states provide funding for low-income or at-risk students and 14 states, including Nevada, do not.

Dr. Verstegen said free and reduced price lunch eligibility was used as the criteria to receive the federal funding component of Title I of the Elementary Secondary Education Act (ESEA), otherwise known as "No Child Left Behind." Federal free lunch eligibility was used as the criteria in Kentucky and Mississippi. Free and reduced price lunch eligibility was the most common circumstance to drive funding for low-income, at-risk students. She said some states provided funding based on performance, such as funding for students with low test scores or students in need of remediation.

Chairman Conklin asked what exactly being "at-risk" entailed. He knew that data supported that lower income students had a greater propensity to drop out.

Dr. Verstegen said the eligibility criteria drove money to the school, but once the money was at the school, it could be redistributed. As a Title I administrator in Alaska, she worked with schools to decide how the money should be used. The money was typically used for kids in need of remediation. Those kids often came from low-income families that could not afford a reading specialist, tutor or special supplies. These students do not have a disability, but they lag behind, and the funding was used to help them catch up.

Dr. Verstegen said she wanted to be careful not to perpetuate a stereotype, but long ago during the Johnson Administration, the federal government recognized that some kids came to school lagging behind, and they never caught up. Very often these children come from low-income homes. The key tool in the war on poverty, and building a "Great Society" was education. The ESEA was passed during that period to provide additional resources to help the kids catch up. This was piggybacked by many states, because the money was not an entitlement from the federal government. It covered about 50 percent to 60 percent of the kids, often at amounts much below the cost of providing the necessary resources. She said not all kids in poverty are at-risk of dropping out of school, but they are at a disadvantage, because they have fewer resources and less support. She said there was a high cost to the bad outcome that resulted from at-risk children dropping out, and the goal was to remediate these early on rather than having the lag magnify and grow over time.

Dr. Chambers added that there was a strong negative correlation between poverty and student outcome. Many low-income children entered kindergarten and first grade with vocabularies inferior to their high-income counterparts. There are key issues between social and family services, nutritional and health services, dental care and prenatal care for low-income families. All of these contribute to the deficits in learning these adjustments are intended to diminish.

Dr. Verstegen said poorer kids typically attended poorer schools. This was a confounding factor in that it was hard to disentangle the two. The weights were intended to provide additional assistance to low-income students, although the money can be redistributed at the school level. She referred to various weights used by the states to provide funding for low-income, at-risk students listed on page 19 (Exhibit B), noting that the weights varied from 5 percent in Mississippi, to 97 percent in Maryland. She said the average weight was 29 percent, and most states clustered around 20 percent to 25 percent for low-income students. She said in Arkansas, the more concentrated the population of low-income students in a district, the more funding provided.

Dr. Verstegen addressed the component of English Language Learners (ELL) funding, also known as Limited English Proficient (LEP), or bilingual education. She said ELL students cannot perform ordinary classwork in English. She reported that 42 states funded ELL, and 8 states did not, including Nevada. There were a variety of methods to pay for ELL, including lump sum state appropriations, per-pupil dollars, flat grants, weights, and in Alaska, block grant. The weights vary widely, from 10 percent more in Texas, to 99 percent more in Maryland. The average weight was about 38.7 percent. She said Wyoming did not use weights, rather, it provided another teacher for every 100 ELL kids. Arizona provided another 11.5 percent for ELL kids. Florida funded speakers of other languages at 14.7 percent above the base. Hawaii used a weighted student formula, and funded ELL students an extra 23.7 percent. Iowa provided another 22 percent per pupil. Missouri supported 60 percent of basic aid when the count exceeded the statewide threshold, which was 1.1 percent of the district's average daily attendance.

Dr. Verstegen said 32 states provided funding for the component of sparsity, or remote and small schools, and 18 states did not. She said this component varied the most, as it was specific to geography. Of the 32 states that did provide funding, 25 provided funding based on small size, including Nevada, and 15 provided funding for isolated districts. She said that the State of South Dakota used several criteria to identify isolated districts. They must have less than one-half of one percent of the students, per square mile, and a land area of 400 miles. She referred to page 23 (Exhibit B) to examples of how other states determined the weights for sparsity/small schools.

Dr. Verstegen said there were other components of individual needs and characteristics. She said vocational education, sometimes referred to as Career and Technical Education (CTE) was funded in about 28 states. Weights are given to class size in many states. Funding for gifted and talented students was provided by 33 states. In Arkansas, an incremental weight of 15 percent per pupil was provided for gifted and talented students. That designation was limited to 5 percent of the district population. In Virginia, under the standards of quality funding, funding was provided for one instructional position and one teacher per thousand children. Hawaii limited gifted and talented funding to 3 percent of a school's total population, and the fund was 2.6 percent. In Louisiana, another 60 percent of basic aid was provided for gifted and talented student education.

Dr. Verstegen concluded by saying Nevada's funding system worked, but it was antiquated. She referred to a summary of the components of the survey on page 26 (Exhibit B). She noted only two states, South Dakota and Nevada, reported no additional state funding for programs for low-income at-risk, ELL, or gifted and talented students. She said summaries for each of the 50 states surveyed were included in the appendices of the draft report (page 136, Exhibit A).

Senator Denis asked if the survey requested the other states to provide a timeline as to when the components, such as ELL, were implemented. Dr. Verstegen said that information was not included in the report. She said that the ELL and gifted and talented components were added rather recently. The low-income at-risk component followed the Title I requirements.

Senator Denis asked how it was determined how much extra would be given for ELL. Dr. Verstegen said cost studies were done for each of the components; for the ELL component, the results were mixed. It was clear that the cost for a special education child was almost twice as much on average as a general education student, but it varied within the exceptionalities. For low-income there was variation as well, which made sense, because it depended on where the child was educationally when the program began, the program goals, the time spent in the program, and the intensity of the intervention. Ultimately, in many states it was a political consideration as well as a consideration of costs and needs.

Chairman Conklin asked if there were variables among the ELL funding for communities with culturally diverse populations. He said Las Vegas had an incredibly diverse population with hundreds of languages spoken.

Dr. Verstegen said it was very possible that those factors were considered. She said in one high school in northern Virginia there were over 100 different speakers of other languages. There are different kinds of intervention, such as ELL, and transitional bilingual programs, which would be factors in determining the cost of the component. She said it was difficult to disentangle low-income and ELL. One state does not double count children categorized as both low-income and ELL, rather funding is provided at a rate that is lower than the two combined.

Dr. Jordan said many states chose to do a cost study of their programs before determining weights. That way, the unique characteristics of their own ELL population are considered, as opposed to relying on an average of other states.

Dr. Chambers said for ELL, the cost would vary due to the different combinations of languages spoken. In California there are hundreds of languages in the schools, but 84 percent of the non-English speaking students speak Spanish. He said there are many different types of programs for non-English speaking students; for example, ELL; English learners, English as a second language (ESL); bilingual education; immersion; and double immersion. He explained that double immersion entailed kids from different backgrounds and cultures learning each other's language. There must be a predominance or concentration of the language to make those kinds of programs effective.

Dr. Chambers said it would be difficult to take into account all of the idiosyncratic factors that might affect a local community. He said there was no formula that would account for every difference between districts and schools across the state. Across the Nevada, with over 400,000 students, there would be tremendous variability. He believed it was best to keep it simple, get the funding to the local communities and provide them with the flexibility to design programs that work for them.

Dr. Chambers said another issue regarding ELL was that the programs were new. He said 20 years ago some states did not have a significant number of ELL students. Immigration patterns were changing, and there are more and more children with those kinds of needs.

Dr. Chambers said he would briefly talk about the approach taken in the study. He said it was difficult to identify five states that were similar to Nevada. However, most states had some characteristics similar to Nevada. He examined the practices appropriate for the State of Nevada and the variations in the net impact of various policies. The study involved using statistical methods, examining the DSA in detail, using Dr. Verstegen's 50-state survey, and developing suggestions for a new approach.

Dr. Chambers said he would present the recommendations to improve funding equity in the DSA (page 62, Exhibit B). He asked the Committee members to keep in mind the three elements of school funding: price, need and scale. Price was the supply cost of resources, such as teacher salaries; need was student characteristics; and scale comprised the characteristics of the district, such as size, diversity, location, density, and the distance between the school location and the district office.

Dr. Chambers pointed out that the suggestions may conflict with each other, and he suggested a “blue ribbon” panel be appointed to review the recommendations.

Recommendation 1 – Review and Revise the Teacher Allotment Tables and Attendance Areas: The teacher allotment tables are the foundation for the scale density adjustments. The tables provide a variation in the number of teachers related to enrollment levels of attendance areas. He said the current teacher allotment tables did a good job in providing the foundation for variations in scale and density adjustments. He said larger schools could take advantage of economies of scale, which small, geographically isolated schools could not. Small school districts must choose between long bus rides for their students, or smaller schools with multiple grades and subjects. Smaller schools allot more teachers per kid. He suggested that the Committee examine the full-time equivalent (FTE) of teachers on a school-by-school basis, small versus large schools, and compare it to the teacher allotment tables. He said the attendance areas are geographic locations that may combine a number of schools. As long as the schools are the same size, it was probably reasonable to aggregate.

Dr. Chambers said it was not easy to find documentation as to how the teacher allotment tables and attendance areas were applied. In some cases there was a description of the application with no rationale. This recommendation was to expand the rationales, update the data every five years, and compare the results to real data. He said that comparison may reveal that some of the attendance areas need to be adjusted.

Recommendation 2 – Update the FTE Staffing and Expenditure Data Used in DSA Calculations: The FTE staffing and expenditure data used in the DSA calculations build on information contained or initially estimated through the teacher allotment tables. The FTE staffing and expenditure data used those projections to determine what other kinds of resources were needed in combination with the teachers, and how that was to be adjusted for different size districts. Dr. Chambers noted the DSA included data from 2004, and commented that was a long period not to have reviewed and adjusted the numbers. He suggested the numbers should be updated every five years. He recommended the establishment of a unit within the Nevada Department of Education that is expert on the topics of attendance area, teacher allotment, and/or DSA calculations. He said it was difficult to find documentation, and different staff provided different information.

Dr. Chambers said the 17 school districts were categorized into groups from very large to very small. That worked, because no one district could affect changes in spending, FTE or the amount of funding it would receive.

Recommendation 3 – Replace the Implicit Wage Differential Adjustment in the DSA with a More Objective Measure of Geographic Labor Cost Variation Such as the Comparable Wage Index (CWI): Dr. Chambers said there were two basic cost factors to be adjusted within the DSA: price and scale. He thought the scale portion of the DSA calculation seemed to work, but the wage differential portion did not.

Dr. Chambers reported that actual salaries were removed from the DSA equation and replaced with average salaries. The variations in average salary were then removed from the DSA, so that the scale/density portion could be isolated. He suggested using something that reflected only supply-side factors, such as the CWI, rather than wage differential. He said the CWI showed how much more or less it would cost to recruit and employ comparable educators or comparable laborers in different geographical locations across the state. The supply-side factor reflects differences in the cost of living, in the amenities or dis-amenities that characterize particular regions, and the factors that attract people to live, or not want to live, in different locations. The CWI focused on the variations in the labor market.

Dr. Chambers said almost 30 years ago he developed the Geographic Cost of Education Index using data from individual teachers. He used National Center for Education Statistics (NCES) schools and staff survey data for literally thousands of teachers across the country to develop an index that was used for a number of years by educational researchers to compare spending levels. He said spending in New York, Texas and Nevada could not be compared "apples to apples," rather, an adjustment must be made for the difference in the cost of providing the services. The Geographic Cost of Education Index did that, but it was complex, tedious and required lots of detailed data on individual teachers. He said the CWI was more universal and easily accessible than the Geographic Cost of Education Index. The CWI used census data and occupational wage data from across the nation.

Dr. Chambers said geographic differences in the cost of education did not change much over time, but labor markets did change. He noted rapid growth could cause changes. There was a very high correlation between geographic comparable wage indices over five or ten years, well into the .98 or .99 range.

Dr. Chambers suggested using the CWI, which would remove wage variation. He explained that the averages were grouped, which reduced the impact of any given district to pay higher wages. That would reduce any incentive to increase average wages to attract teachers. The CWI was a supply-side factor focused on non-education labor, such as doctors, lawyers, and construction workers in those labor markets.

Dr. Chambers said some other components that address scale density factors could be improved upon, while using what he thought was a better labor market adjustment. He noted some rural communities had higher average wages. Urban areas are high opportunity cost labor markets. Rural areas tended to be lower cost, but some remote rural areas, such as Alaska, reflected the fact that there was a cost to living in a very remote area.

<u>Recommendation 4 – Reconsider the Way the DSA Groups Districts for Calculations</u>: Dr. Chambers said there was variation in not only the size, but the density factors within the DSA groupings. The very large groupings were Clark and Washoe County, and the very small groupings were Esmeralda and Eureka County. He noted some school districts in the middle group had density and size that did not necessarily align. He suggested a review to provide a rationale as to how the school districts were classified.

Recommendation 5 – Embed the Pupil-Weighted Adjustments for Low-Income and ELL Students as Well as Scale/Density into the DSA through the BSR: Dr. Chambers suggested that the pupil-weighted adjustments for low-income, ELL and scale density be embedded into the DSA through the Basic Support Ratio (BSR).

Dr. Verstegen said the report contained recommendations for specific weights for the ELL, low-income and special education components. The recommendations were based on best practices of other states and the literature.

Dr. Chambers said the BSR was the easiest place in the DSA calculation to embed these weights and make adjustments. He said all of the adjustments done for the purpose of the report were fiscally neutral, which meant some districts gained allocations, and others lost. He said currently, some school districts received more than what was needed and others received less than what was needed. He was not recommending that the change occur overnight, in fact, it was essential that it be phased in to avoid disruption to the programs that would affect children.

Dr. Chambers said this recommendation also has implications for the state, in investing new dollars for education in the future. If the economy was growing and healthy, then the state would increase allocations where needed to embed the equity, and not increase allocations as quickly in the other areas.

Chairman Conklin commented that some school districts were getting more than they needed, and some were getting less. He said the districts getting less than what they needed from the proportional funding mechanism would be hit hardest when the economy declined, because they were already underfunded. Dr. Chambers agreed.

Dr. Chambers said that low-income children would be given an average relative weight in the state, and everything would be centered around that average weight. To find the implications of that weight for a given district, he would need to know what portion of the students were in that classification, then find the additional dollars required to meet that need. He said weighting and adjustment for scale was a similar process.

Recommendation 6 – Review How Categorical Funding Might Be Used More Flexibly:

Dr. Chambers recommended that the school districts should have flexibility to use the funding provided, and be held accountable for results. He suggested a departure from the compliance mentality. He would want to know how much the ELL students or students with disabilities improved in their outcome, including attendance and attitude, as well as the bottom line results of the education system.

Chairman Conklin said it seemed to him that the problem with the categorical funding was that it was traditionally outside of the DSA, and was subject to swings in General Fund levels like any other one-shot expenditure. He said school districts whose programs, such as special education, are funded by categorical funding, cannot plan for the next five years. He explained that five-year period was two funding cycles away, and it was unknown how much categorical funding would be available in the next biennium. He said the period of guaranteed funding was very short.

Dr. Chambers agreed with Chairman Conklin's observation. He said categorical funding was the state's way of telling the school districts how to allocate resources effectively. In those cases, he would suggest the money be moved to a General Fund program, and let the districts decide how to use the funding. The districts should be provided with the opportunity to make those decisions.

Dr. Jordan said historically, categorical aid outside of the formula was often used for pilot programs. A policy shift costs millions of dollars to implement, and the state wanted to make sure taxpayer dollars were spent wisely. Therefore, many times categorical aid was used for new programs, such as class-size reduction. Then, over time, if the program proved to be valuable and productive, the funding would be moved from external categorical aid into the DSA. She agreed that the categorical funding, outside the DSA, was subject to the vagaries of the revenue stream.

Recommendation 7 – Document the Current Approach to Funding Special Education:

Dr. Chambers recommended that the state improve its method of documenting the approach to special education. He noted that gifted and talented education was part of special education in Nevada, but that was separated in the analysis. He reported that nobody in the Nevada Department of Education knew where the units came from. Some people said the units were based on a census of total enrollment, which he said did not make sense. Dr. Chambers said, at the very least someone should be responsible for documenting the details of the special education funding approach.

Dr. Chambers said the current system was inequitable. To better understand the method being used, he studied the number of units for each of the districts divided by the number of special education students per unit, and the number of students with disabilities and gifted and talented students per unit, but the numbers were not consistent. It reminded him of circumstances in school finance in California; the Los Angeles School District was able to negotiate whatever it needed, because it had lots of political power. He clarified that he was not making a comparison to Clark County. Rather, it suggested to him that there was some process underlying that was not visible, not transparent, and not easily understood or interpretable.

Recommendation 8 – Consider One of the Four Special Education Funding Options:

Dr. Chambers suggested several options for special education funding. The first recommendation was a flat grant. The funds available for special education would be divided by the total number of special education students in the state. He said costs for special education relative to regular education were about 2:1. He recalled a study that he conducted on the topic of special education funding for the Office of Special Education Programs (OSEP). He said, over the last 40 years, OSEP has funded similar studies to identify how much was being spent on special education, and various types of student disabilities. As part of the study, Dr. Chambers said his team gathered data about individual students, such as how much time they spent in the regular education program; how much time they spend receiving special education services; the kinds of

services they received; and whether they were resource programs or related services. Approximately ten thousand children from across the nation were included in the survey. He said special education expenditures reflected the cost for a certain outcome. He explained that an Individual Education Program (IEP) committee was formed at the district or school level that included special educators, administrators, related services specialists and parents to determine what kinds of services are needed, and the goals for the child over the next year. That information was used as a foundation for some of the analysis in the current study. He said that he would provide a special education simulation model, as well as a DSA simulation model, to document the analysis of the special education data for Nevada.

Dr. Chambers said he began with a review of the Special Education Expenditure Project (SEEP) weights. He pointed out that in 1970 the average expenditure for a special education child was estimated to be about 1.9. Since then, the Education for All Handicapped Children's Act (EHA) was passed in 1975, and IDEA has been reauthorized a number of times. However, when the study was updated in 2004, the ratio was still 1.9. He said the numbers varied in the years between, but were pretty close over a span of 40 years. He noted there was a considerable difference in the composition of the students with disabilities, over that period.

Dr. Chambers said he applied the weights from the SEEP project to the distribution of disabilities by district in the State of Nevada. He said there were two ways to calculate the SEEP weights. One was to determine the weight relative to a regular education child. The average weight for a special education child with a disability across the state was around 1.88, with a variation of about 1.78 to a little bit over 2. He noted that Esmeralda County was the an exception; because there were only a few special education kids in the school district, one child could make up 25 percent of the special education students in a school, so the ratio was not consistent.

Dr. Chambers said the analysis considered district-by-district weights, and grouped identification weights, and average classification weights by disability. He said that grouping reduced the variability so that no single district had a substantial impact on the distribution.

In summary, Dr. Chambers said his analysis included a flat grant, pupil weight and a grouped weight. He said the overall difference was not huge, but for individual districts, it would make a difference. He recommended a study of a census-based approach.

<u>Recommendation 9 – Separate Funding for Gifted Students</u>:

Dr. Chambers said there was no reference in IDEA to gifted and talented education students. He said gifted and talented education kids were a unique group that should be separate from special education. Moreover, he said the identification rates of gifted student in the state varied. For example, 9 percent of the students in the Carson City School District were gifted, and other school districts have not identified any gifted students. He said that giftedness should be an exception, or a rare quality among kids.

Programs should be designed for those children so that they do not end up losing the educational experience. He said there are no reasonable gifted education cost studies. He did an analysis using estimates of gifted costs in the simulations. It should be treated as a census based program that assumes 1 percent or 2 percent of students in every district are gifted, and allocate resources and allow the local districts to make the determination as to how to best integrate those services.

Recommendation 10 – Study Census-Based Funding:

Dr. Chambers said, under the census-based approached, if a district had 2 percent of the total enrollment of students in the state, it would receive 2 percent of the special education funding. This approach reduced the incentive for over identifying special education kids, and increased incentives to implement pre-referral strategies to identify kids who are at-risk of becoming disabled, and serving them before they are identified as students with disabilities.

Chairman Conklin said the problem with the census approach was that Nevada was a unique state. There was no other state with similar population dispersion. He said the population in some of the remote counties such as White Pine, Mineral, and Esmeralda, was so small that their special education needs would not be the average of the census. This would probably not be a problem for Clark County or Washoe County, but in a place with just a couple of hundred students, one student would make a difference in the census results.

Dr. Chambers explained that the census approach would be combined with a catastrophic aid program. He said the report looked at high-cost students to determine the proportion of the population under different definitions of disability. He said it would be critical to have an ad hoc committee to set criteria for catastrophic aid. If a child was determined to be a high-cost special education student, the district would apply for catastrophic aid that would be directed to that child. He explained that federal funds could be set aside for this purpose, because the federal government funded special education on a census basis with a poverty adjustment. He said the federal government encouraged states to move in that direction to reduce incentives for over identification of special education students, especially high-cost students. He said some high-cost special education students require $100,000 or more per year for services.

Recommendation 11 – Integration of Special Education into the DSA:

Dr. Chambers said he was not suggesting that integrating special education funding into the DSA was the best option. However, it was one option that should be considered, because it could be built-in similar to the low-income and ELL adjustments. Consolidating the funding would push the districts in the direction of considering ways to integrate special education kids into the mainstream program. He emphasized that, first and foremost, these students are children, before they are students with disabilities.

Chairman Conklin observed that, instead of using the districts' count for the DSA, the census would be used, and a categorical fund would be set aside for catastrophic high costs that exceed the standard census. It would still be in the DSA, but it would be based on the census, with extra money set aside.

Dr. Chambers said every district would have the same identification rate under the census. The easiest way to distribute the funding was based on the percentage of total enrollment in the state, not special education enrollment. The funding could be spent on pre-referral, which did not necessarily mean the kids would be classified as special education students. The funding could also be used for inclusive programs, integration programs, Response to Intervention (RTI) programs, and other programs to benefit special education students, students with disabilities, or students at-risk of becoming special education students.

Dr. Chambers said some examples of situations in which catastrophic aid would be provided for children would be severe low-level functioning autism, multiple disabilities, or a student with cerebral palsy who is on a gurney. The school district would show the costs for serving the child that are above the lower limit, and those costs would be funded by the catastrophic fund.

Regarding the topic of integrating special education into the DSA, Dr. Chambers said it was important that the state build data systems to track the kinds of services children are receiving. Many states have individual student data systems for special education. Some examples of the kind of data gathered in SEEP are how much time the child spends in the regular classroom and how much time the child receives resource-related services or requires special equipment. To some extent the information was already being collected in Nevada. For example, the school districts must report to OSEP the percent of time spent in regular classrooms in order to encourage inclusive placements. He said it was important to gather the data in a systematic manner in order to get a sense of the amount spent on the various kinds of students to know whether sufficient funding was being provided by the state to support these children.

<u>Recommendation 12 – Funding Sufficiency</u>:

Dr. Chambers said the current state allocation represented about 37 percent of the incremental cost of special education. With about 11 percent of the children identified as special education students, about 19.3 of the total education budget was being spent for students with disabilities. He factored out the amount allocated for the regular education of children to arrive at the incremental cost over and above, which was 9.2 percent. He said the current state allocation was roughly 37 percent of that, or $121 million. Almost 22 percent was federal funding, and 41 percent was the local burden, or the gap between those two. He said the question as to whether the state was providing sufficient funding for special education was a judgment relative to the amount of the local burden. He said that would require examination and analysis beyond the scope of the study.

Chairman Conklin noted that 11 percent of the student population was categorized as special education. Based on the estimates, the multiplier of costs was about 1.9. If that were the case, special education funding would be roughly 22 percent of expenditures.

Dr. Chambers explained that 19 to 20 percent of total expenditures would be for students with disabilities. He said about 45 percent of that was the incremental cost for educating the children. The current state allocation accounted for 3.4 percent; federal funding accounted for about 2 percent; and the local burden accounted for about 3.8 percent.

Chairman Conklin noted on page 15 of the draft report (Exhibit A), the percentage of local versus state support in Nevada was compared to the rest of the country. Nationwide the ratio was on average about 50:50 from the local community and the rest from the state. In Nevada, the ratio of funding was roughly 66:33 from the local community and the rest from the state. He asked why Nevada's ratio was so different from the average.

Dr. Jordan replied that the 25 cents in the DSA acted as a state property tax. One of the reasons the states tried to balance the amount that comes from the state and the districts was due to litigation on the issue of equity. In Nevada, the problem was exacerbated, because there was no local leeway. The state did not provide its fair share of resources for education, and the districts cannot make up the difference, because it is not allowed by law. The districts are in a "Catch 22" situation; they cannot increase funding to be matched, and the state funding is capped.

Senator Brower said litigation was often mentioned in this context. He asked for a summary of the legal issue.

Dr. Jordan said the lawsuits were based on the state constitution, which usually included two aspects: the due process clause, and the educational clause. In the case of the Nevada constitution, the education clause included the words "equal educational opportunity." If a suit was brought forward based on that wording, the litigants would need to show how the state did not provide equal educational opportunity for all of the differentiated needs of the students in Nevada.

Senator Denis noted that the State of Florida mandated a periodic a review to be performed every five years. He asked if the majority of other states required a similar periodic review.

Dr. Jordan said she did not study the timeframe of the other states' reviews. She noted most of the states had some mechanism that required the review and updating of their funding formula periodically.

On the topic of student count, Senator Denis noted one state averaged attendance over a period of seven months, as opposed to using one count day. He asked for comments on that practice.

Dr. Verstegen believed Nevada was relatively unique in counting students on one day, especially since the count occurred in the fall. Most states' student count was based on average daily attendance over a number of months, or "average daily membership." Membership allowed a student to miss school a certain number of days before being dropped from the books. That method tended to favor larger cities versus rural areas. Using average daily attendance favored suburban school districts. She said there were some measures in between the two. She said the State of Michigan counted in fall and spring then used an average of those numbers to adjust funding. That kind of count provided another incentive for keeping kids in school. Dr. Verstegen said the State of Montana used the average number of students "belonging," which was an average over a certain period.

Senator Denis asked if there were any surprising or unexpected results from the study. Dr. Verstegen said she was shocked to learn that Nevada and South Dakota were the only two states in the nation that did not provide assistance for low-income, ELL, or gifted and talented students. She said special education money could be used for gifted and talented students, but there was no separate funding stream for such programs. That was a clear message that this area needed review, and recommendations were included in the report.

Dr. Chambers said there were a range of ELL weights. Over the past years, Dr. Chambers has been involved in adequacy studies for New York, New Mexico and California, that involved fairly detailed cost analyses of all students. Professional judgment panels determined the resources necessary to serve various kids in certain circumstances in order to come up with weights. In all three studies the panels worked to determine the additional resources necessary for ELL students. In all three cases, the additional cost for ELL students was determined to be relatively modest in the neighborhood of .1 weight. He was surprised, because he expected the ELL weights to be higher. He explained that was due to the high correlation between ELL and low-income. The ELL students were already receiving resources for being classified as low-income students, and the resources required for ELL were different. Some examples of ELL resources are bilingual teachers, bilingual aides, and different kinds of classroom materials.

Dr. Chambers made it clear that the amount of money provided to serve low-income students or ELL students would not begin to resolve all of the issues associated with creating true equal opportunity. That would require family services, social services, health services, and a range of other things. In order to really have an impact, special education, and all of the other health and social services should be put into the mainstream of the school community.

Senator Denis understood from those comments that the weights were dependent on what else was being weighed. For example, if there was no weight for poverty, then the ELL weight would be higher. Dr. Chambers agreed, and added that the method of counting and weighing should be kept simple.

Dr. Jordan said there was some empirical data related to cost available. She suggested that the Committee use the weights in the adequacy study performed by Augenblick, Palaich and Associates, Inc. She noted that gifted and talented education was not included in the data, but CTE was included. The study involved a costing out process for the State of Nevada to develop the weights.

Dr. Chambers noted "costing out" or "adequacy" studies were expensive. He said this was where detailed data on individual students, and how staff spent their time was important. For example, California's data set enumerated 500 different staff assignments. The data identified things such as whether the faculty member was an elementary school or high school teacher, the subject(s) taught, and how many students were in the class. The information would track how dollars were being spent, and how that was related to outcome. He said the information could be used to determine the cost of providing vocational education, CTE or special education for data-driven decision making. He noted that rather than coming up with the funds for a million dollar study, this data can be collected and analyzed over time.

Returning to the comment about the multiple interlocking needs for kids in poverty and ELL students, Dr. Verstegen added that every journey begins with a single step, and providing weighted funding for these kids would be that first step. She thought this could make a real difference in Nevada for the children in ELL, special education, or kids who have been designated at-risk, or gifted and talented.

Dr. Jordan commented that all of the recommendations provided in the report would increase the resource burden on the Nevada Department of Education. As the recommendations are considered, effective staffing of the NDE to implement the recommendations should also be considered. Chairman Conklin added that technological resources might also be required.

Chairman Conklin suggested that the Committee accept the report with certain modifications based on the comments of the members of the Committee in the meeting. He said the final report would delivered at the next meeting where the Committee would determine its recommendations to the 2013 Legislative Session.

> SENATOR DENIS MOVED TO ACCEPT THE STUDY OF A NEW METHOD FOR FUNDING FOR PUBLIC SCHOOLS IN NEVADA, WITH CERTAIN MODIFICATIONS. THE MOTION WAS SECONDED BY ASSEMBLYWOMAN DONDERO LOOP.
>
> THE MOTION CARRIED UNANIMOUSLY.

G. PUBLIC COMMENT

There was no public comment.

H. ADJOURNMENT

The meeting was adjourned at 12:29 a.m.

Respectfully submitted,

_____
Becky Lowe, Secretary

APPROVED:

_____
Assemblyman Marcus Conklin, Chairman

Date:_____