

PROPOSED AMENDMENT TO SB 543

PREPARED BY THE NEVADA STATE EDUCATION ASSOCIATION

MAY 21, 2019

OBJECTIVES:

- To allow currently designated and operating Zoom and Victory schools to continue operating as such and to continue receiving the allotments from the Account for Programs for Innovation and the Prevention of Remediation instead of the weighting multiplier per pupil but to receive the adjusted base per pupil funding.
- To provide that charter schools (who have not previously been included in the same funding as county district schools) (1) only receive the cost adjustment factor if they are negotiating with their employees' union and (2) receive a proportionately lower multiplier for the weighting based on the percentage of pupils in the weighted categories that they enroll compared to the county wide percentage
- To prevent the freeze in funding for rural districts and provide for some growth in funding in proportion to the average increase in statewide per pupil funding
- To place the Educator Voice on the Commission on School Funding
- To eliminate the Anti-Union restriction on use of school district's ending fund balances

Delete Section 58 by amendment; Amend Section 2, 4, 6, 7, 10, 15, and 80 to make the changes in purple strikeout and bold green new language as specified below:

Sec. 2. 1. The State Education Fund is hereby created as a special revenue fund to be administered by the Superintendent of Public Instruction for the purpose of supporting the operation of the public schools in this State. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund.

2. Money which must be deposited for credit to the State Education Fund includes, without limitation:

(a)All money derived from interest on the State Permanent School Fund, as provided in NRS 387.030;

(b)The proceeds of the tax imposed pursuant to NRS244.33561 and any applicable penalty or interest, less any amount retained by the county treasurer for the actual cost of collecting and administering the tax;

(c)The proceeds of the tax imposed pursuant to subsection 1of NRS 387.195;

(d)The portion of the money in each special account created pursuant to subsection 1 of NRS 179.1187 which is identified in paragraph (d) of subsection 2 of NRS 179.1187;

(e)The money identified in subsection 1 of NRS 328.450;

(f)The money identified in subsection 1 of NRS 328.460;

(g)The money identified in paragraph (a) of subsection 2 of NRS 360.850;

(h)The money identified in paragraph (a) of subsection 2 of NRS 360.855;

(i)The money identified in subsection 4 of NRS 362.170;

(j) *The portion of the proceeds of the tax imposed pursuant to subsection 1 of NRS 372A.290 identified in paragraph (b) of subsection 3 of NRS 372A.290;*

(k) *The proceeds of the tax imposed pursuant to subsection 2 of NRS 372A.290;*

(l) *The proceeds of the taxes imposed pursuant to chapter 374 of NRS, as transferred pursuant to subsection 3 of NRS 374.785;*

(m) *The money identified in paragraph (b) of subsection 3 of NRS 453A.344;*

(n) *The money identified in NRS 453D.510;*

(o) *The portion of the proceeds of the excise tax imposed pursuant to subsection 1 of NRS 463.385 identified in paragraph (c) of subsection 5 of NRS 463.385;*

(p) *The money identified in subsection 3 of NRS 482.181;*

(q) *The portion of the net profits of the grantee of a franchise, right or privilege identified in NRS 709.110;*

(r) *The portion of the net profits of the grantee of a franchise identified in NRS 709.230;*

(s) *The portion of the net profits of the grantee of a franchise identified in NRS 709.270; and*

(t) *The direct legislative appropriation from the State General Fund required by subsection 3.*

3. *In addition to money from any other source provided by law, support for the State Education Fund must be provided by direct legislative appropriation from the State General Fund, after the appropriation to the Account for Programs for Innovation and the Prevention of Remediation for the schools designated and operating as Zoom schools and Victory schools on the effective date of this Act, in an amount determined by the Legislature to be sufficient to fund the operation of the public schools in this State for kindergarten through grade 12 for the next ensuing biennium for the population reasonably estimated for that biennium. Money in the State Education Fund does not revert to the State General Fund at the end of a fiscal year, and the balance in the State Education Fund must be carried forward to the next fiscal year.*

4. *Money in the Fund must be paid out on claims as other claims against the State are paid.*

5. *The Superintendent of Public Instruction may create one or more accounts in the State Education Fund for the purpose of administering any money received from the Federal Government for the support of education and any State money required to be administered separately to satisfy any requirement imposed by the Federal Government. The money in any such account must not be considered when calculating the statewide base per pupil funding amount or appropriating money from the State Education Fund pursuant to section 4 of this act.*

Sec. 4. *1. After a direct legislative appropriation is made to the State Education Fund from the State General Fund pursuant to section 2 of this act, the Legislature shall determine the statewide base per pupil funding amount for each fiscal year of the biennium, which is the amount of money expressed on a per pupil basis for the projected enrollment of the public schools in this State, including the Zoom schools and Victory schools designated and operating on the effective date of this Act, determined to be sufficient by the Legislature to fund the costs of all public schools in this State to operate and generally provide education to all pupils. It is the intent of the Legislature that the statewide base per pupil funding amount for any fiscal year be not less than the statewide base per pupil funding amount for the*

immediately preceding fiscal year, adjusted by inflation, unless the amount of money contained in the State Education Fund decreases from the preceding fiscal year.

2. After a direct legislative appropriation is made to the State Education Fund from the State General Fund pursuant to section 2 of this act, the money in the State Education Fund, excluding any amount of money in the Education Stabilization Account or in any account established pursuant to subsection 5 of section 2 of this act, must be appropriated as established by law for each fiscal year of the biennium for the following purposes:

(a) To the Department, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to fund the operation of the State Board, the Superintendent of Public Instruction and the Department, including, without limitation, the statewide administration and oversight of the public schools and any educational programs administered by this State.

(b) To each school district, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide food services and transportation for pupils and any other similar service that the Legislature deems appropriate.

(c) To each school district, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide adjusted base per pupil funding for each pupil estimated to be enrolled in the school district.

(d) To each charter school or university school for profoundly gifted pupils, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide:

(1) The statewide base per pupil funding amount for each pupil estimated to be enrolled full-time in a program of distance education provided by the charter school or university school for profoundly gifted pupils; and

(2) Adjusted base per pupil funding for each pupil estimated to be enrolled in the charter school or university school for profoundly gifted pupils other than a pupil identified in subparagraph (1) [.] if a cost adjustment factor is applied to that school pursuant to subsection 2 of section 5 of this act.

(3) The statewide base per pupil-funding amount for each pupil estimated to be enrolled in a charter school or university school for profoundly gifted pupils other than a pupil identified in subparagraph (1) to which a cost adjustment factor is not applied pursuant to subsection 2 of section 5 of this act.

(e) ~~[To]~~ Except as otherwise provided in this paragraph, to each school district, charter school or university school for profoundly gifted pupils, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide additional weighted funding for each pupil estimated to be enrolled in the school district, charter school or university school for profoundly gifted pupils , other than those enrolled in schools designated and operating as Zoom schools and Victory schools on the effective date of this Act, who is:

(1)An English learner;

(2)An at-risk pupil;

(3)A pupil with a disability; or

(4)A gifted and talented pupil.

For the pupils estimated to be enrolled at a charter school or university school for profoundly gifted pupils, the additional weighted funding must be reduced by the percentage which equals the

difference between the percentage of such pupils enrolled district wide and the percentage of such pupils enrolled at that charter school or university school for profoundly gifted pupils.

3. *The adjusted base per pupil funding appropriated pursuant to paragraph (c) of subsection 2 for each school district must be determined by multiplying the cost adjustment factor established pursuant to section 5 of this act which applies to the school district and the statewide base per pupil funding amount by the small district equity adjustment established pursuant to section 7 of this act which applies to the school district and adding the amount of funding for necessarily small schools established pursuant to section 6 of this act which applies to the school district.*

4. *The adjusted base per pupil funding appropriated pursuant to subparagraph (2) of paragraph (d) of subsection 2 for each charter school or university school for profoundly gifted pupils must be determined by multiplying the cost adjustment factor , if applicable established pursuant to section 5 of this act which applies to the charter school or university school by the statewide base per pupil funding amount.*

5. *The weighted funding appropriated pursuant to paragraph(e) of subsection 2 must be established separately for each category of pupils identified in that paragraph and expressed as a multiplier to be applied to the statewide base per pupil funding amount determined pursuant to subsection 1. A pupil who belongs to more than one category of pupils must receive only the weighted funding for the single category to which the pupil belongs which has the largest multiplier. It is the intent of the Legislature that:*

(a) The multiplier for each category of pupils for any fiscal year be not less than the multiplier for the immediately preceding fiscal year unless the amount of money contained in the State Education Fund decreases from the preceding fiscal year;

(b) The recommendations of the Commission for the multiplier for each category of pupils be considered and the multiplier for one category of pupils may be changed by an amount that is not proportional to the change in the multiplier for one or more other categories of pupils if the Legislature determines that a disproportionate need to serve the pupils in the affected category exists; and

(c) If the multipliers for all categories of pupils in a fiscal year are increased from the multipliers in the immediately preceding fiscal year, a proportional increase is considered for the statewide base per pupil funding amount.

6. *The weighted funding appropriated pursuant to paragraph(e) of subsection 2:*

(a) May not be used to settle or arbitrate disputes between are cognized organization representing employees of a school district or the governing body of a charter school and the school district or governing body or to settle any negotiations; and

(b) May not be used to adjust the district-wide schedules of salaries and benefits of the employees of a school district.

Sec. 5. 1. *To account for variation between the counties of this State in the cost of living and the cost of labor, the Commission shall establish cost adjustment factors for the school district located in ~~[, and each charter school that provides classroom-based instruction in,]~~ each county of this State.*

2. To account for variation in the cost of doing business to provide classroom based instruction between charter schools whose employees have a recognized employee organization negotiating on their behalf pursuant to chapter 288 of NRS, the Commission shall establish a cost adjustment factor for each such charter school.

3. *Not later than May 1 of each even-numbered year, the Commission shall review and, if necessary, revise the cost adjustment factors for the school district located in each county of this State and each charter school described in subsection 2 and present the review and any revisions at a meeting of the Legislative Committee on Education for consideration and recommendations by the Committee. After the meeting, the Commission shall consider any recommendations of the Legislative Committee on Education, determine whether to include those recommendations and adopt any revision to the cost adjustment factors. The Commission shall submit any revision to the cost adjustment factors to each school district and the:*

(a) Governor for inclusion in the proposed executive budget.

(b) Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature.

Sec. 7. 1. *To account for the increased cost per pupil to operate a school district in which relatively fewer pupils are enrolled, the Commission shall establish a small district equity adjustment [-] which must take into account the increase in the cost of conducting business, including the cost of recruiting qualified employees, and in pupil enrollment from the prior fiscal year.*

2. Not later than May 1 of each even-numbered year, the Commission shall review and, if necessary, revise the method for calculating the small district equity adjustment and present the review and any revisions at a meeting of the Legislative Committee on Education for consideration and recommendations by the Committee. After the meeting, the Commission shall consider any recommendations of the Legislative Committee on Education, determine whether to include those recommendations and adopt any revision to the method. The Commission shall submit any revision to the method to each school district and the:

(a) Governor for inclusion in the proposed executive budget.

(b) Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature.

3. *In addition to the requirements of subsection 1, if the Pupil-Centered Funding Plan would result in the overall funding of such small districts remaining static or decreasing from the overall funding they received in the fiscal year immediately preceding, the Commission shall reconvene to establish a new small district equity adjustment that ensures growth in funding in proportion to the average statewide per pupil funding increase, unless the amount of money contained in the State Education Fund decreases from the preceding fiscal year.*

Sec. 10. 1. *The Commission on School Funding, consisting of 11 members, is hereby created.*

2. *The Commission consists of the following members, who may not be Legislators:*

(a) One member appointed by the Governor, who serves as Chair;

(b) Two members appointed by the Majority Leader of the Senate^[;], one of whom must be a support staff employee currently employed by a school district in the state of Nevada;

(c) Two members appointed by the Speaker of the Assembly^[;], one of whom must be a licensed teacher or other licensed education professional currently employed by a school district in the state of Nevada;

(d) One member appointed by the Minority Leader of the Senate;

(e) One member appointed by the Minority Leader of the Assembly;

(f) Two members appointed by the Governor, each of whom is the chief financial officer of a school district in this State which has more than 40,000 pupils enrolled in its public schools, nominated by the Nevada Association of School Superintendents or its successor organization; and

(g) Two members appointed by the Governor, each of whom is the chief financial officer of a school district in this State which has 40,000 or fewer pupils enrolled in its public schools, nominated by the Nevada Association of School Superintendents or its successor organization.

In making appointments to the Commission, the appointing authorities shall ensure that the membership represents the geographic diversity of the State.

3. Each member of the Commission must:

(a) Be a resident of this State;

(b) Have relevant experience in public education;

(c) Have relevant experience in fiscal policy, school finance or similar or related financial activities; and

(d) Have the education, experience and skills necessary to effectively execute the duties and responsibilities of a member of the Commission.

4. Each member of the Commission serves a term of 3 years and may be reappointed to additional terms.

5. A vacancy on the Commission must be filled in the same manner as the original appointment.

6. The Commission shall:

(a) Elect a Vice Chair from among its members at its first meeting for a term of 3 years. A vacancy in the office of Vice Chair must be filled by the Commission by election for the remainder of the existing term.

(b) Adopt such rules governing the conduct of the Commission as it deems necessary.

(c) Hold its first meeting on or before October 1, 2019, and hold such additional number of meetings as may be necessary to accomplish the tasks assigned to it in the time allotted.

7. A majority of the members of the Commission constitutes a quorum and a majority of those present must concur in any decision.

8. The Director of the Legislative Counsel Bureau shall provide the Commission with meeting rooms, data processing services and administrative and clerical assistance. The Director of the Legislative Counsel Bureau, Superintendent of Public Instruction and Office of Finance shall jointly provide the Commission with professional staff services. To the extent money is available for this purpose, the Commission may contract with one or more persons to provide independent technical expertise to the Commission.

9. While engaged in the business of the Commission, each member is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

Sec. 15. NRS 387.121 is hereby amended to read as follows:

387.121 1. The Legislature declares that the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity. Recognizing wide local variations in wealth and costs per pupil, this State should supplement local financial ability to whatever extent necessary in each school district to provide programs of instruction in both compulsory and elective subjects that offer full opportunity for every Nevada child to receive the benefit of the purposes for which public schools are maintained. Therefore, the quintessence of the State's financial obligation for such programs can be expressed *[in a formula partially on a per pupil basis and partially on a per program basis as: State financial aid to school districts equals the difference between school district basic support guarantee and local available funds produced by mandatory taxes minus all the local funds attributable to pupils who reside in the county but attend a charter school or a university school for profoundly gifted pupils.] by combining money raised pursuant to state law at the local level with state money to provide a certain basic level of support to each pupil in this State, adjusted to account for variation in the local costs to provide a reasonably equal educational opportunity to pupils and for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs.* This formula is designated the *[Nevada] Pupil-Centered Funding Plan.*

2. It is the intent of the Legislature *[, commencing with Fiscal Year 2016-2017, to provide additional resources to the Nevada Plan expressed as a multiplier of the basic support guarantee to meet the unique needs of certain categories of pupils, including, without limitation, pupils with disabilities, pupils who are English learners, pupils who are at risk and gifted and talented pupils. As used in this subsection, "pupils who are at risk" means pupils who are eligible for free or reduced-price lunch pursuant to 42 U.S.C. §§ 1751 et seq., or an alternative measure prescribed by the State Board of Education.] to accomplish the transition to the Pupil-Centered Funding Plan without causing an unexpected loss of revenue to any school district which may receive less money under the Pupil-Centered Funding Plan than the district would have received before the enactment of the Pupil-Centered Funding Plan ~~[, to ensure]~~. Therefore, the Legislature declares that it is its intent that no school district receives less money in a school year than the school district received in the immediately preceding school year [.] , and that funding increase by, at least, the increase in the cost of doing business, including the cost of recruiting qualified employees, and in the pupil enrollment.*

Sec. 58. DELETE THIS SECTION BY AMENDMENT

NRS 354.6241 is hereby amended to read as follows:

354.6241 1. The statement required by paragraph (a) of subsection 5 of NRS 354.624 must indicate for each fund set forth in that paragraph:

(a) Whether the fund is being used in accordance with the provisions of this chapter.

(b) Whether the fund is being administered in accordance with generally accepted accounting procedures.

(c) Whether the reserve in the fund is limited to an amount that is reasonable and necessary to carry out the purposes of the fund.

(d) The sources of revenues available for the fund during the fiscal year, including transfers from any other funds.

(e) The statutory and regulatory requirements applicable to the fund.

(f) The balance and retained earnings of the fund.

2. Except as otherwise provided in subsection 3 and NRS354.59891 and 354.613, to the extent that the reserve in any fund set forth in paragraph (a) of subsection 5 of NRS 354.624 exceeds the amount that is reasonable and necessary to carry out the purposes for which the fund was created, the reserve may be expended by the local government pursuant to the provisions of chapter 288 of NRS.

3. For any local government other than a school district, for the purposes of chapter 288 of NRS, a budgeted ending fund balance of not more than 25 percent of the total budgeted expenditures, less capital outlay, for a general fund:

(a) Is not subject to negotiations with an employee organization; and

(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.

~~*[4. For a school district, for the purposes of chapter 288 of NRS, a budgeted ending fund balance of not more than 16.6 percent of the total budgeted expenditures for a county school district fund:*~~

~~*(a) Is not subject to negotiations with an employee organization; and*~~

~~*(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.]*~~

Sec. 80. NRS 387.122, 387.1245, ~~[387.1247,]~~ 387.1251, 387.1253, 387.1255, 387.1257, ~~[387.129, 387.131, 387.133, 387.137, 387.139,]~~ 387.163, 387.193, 387.197, 387.2065, 387.2067 and 387.207 are hereby repealed.

LEADLINES OF REPEALED SECTIONS

387.122 Establishment of basic support guarantees; use, review and revision of equity allocation model to calculate basic support guarantee; Department to make updated information regarding equity allocation model available on Internet website.

387.1245 Emergency financial assistance: Conditions; procedures.

~~[387.1247 Creation of Account; acceptance of gifts and grants; use of money in Account.]~~

387.1251 “Teacher” defined.

387.1253 Creation of Account; use of money in Account; acceptance of gifts, grants, bequests and donations.

387.1255 Distribution of money in Account; board of trustees and governing body to establish special revenue fund; use of money in special revenue fund.

387.1257 Board of trustees and governing bodies to determine manner in which to distribute money to teachers; reimbursement for out-of-pocket expenses; submission, maintenance and inspection of receipts for purchases.

~~[387.129 Creation of Account; use of money in Account; establishment of special revenue fund; use of money in special revenue fund.~~

~~387.131 Distribution of money in Account.~~

~~387.133 Use of money received by public schools; public school required to consult with certain persons before using money.~~

~~387.137 Assessments and examinations used to determine proficiency of pupils for purposes of distributing money; adoption of regulations establishing method for projecting proficiency.~~

~~387.139 Department to prescribe school achievement and performance targets to evaluate and track performance of pupils receiving certain services; reporting requirements; independent evaluation of effectiveness of services.]~~

387.163 Local funds available for public schools; reserve of net proceeds of minerals.

387.193 Appropriation of money in State Supplemental School Support Account for operation of school districts and charter schools; authorized uses of money from Account; annual accounting of expenditures required. 387.197 Levy of tax for enhancing safety and security of public schools; report on use of proceeds. 387.2065 Request for waiver by school district, charter school or university school for profoundly gifted pupils from minimum expenditure requirements during economic hardship. 387.2067 Written accounting by school district, charter school or university school for profoundly gifted pupils that receives waiver from minimum expenditure requirements during economic hardship; adjustment of waiver; limitation on use of money to which waiver applies. 387.207 Required annual expenditures for library books, computer software, equipment relating to instruction, and maintenance and repair; exception for certain school districts.

