

AB538 SUPPORT

Date: May 23, 2019
To: Assembly Committee on Taxation
Re: Support for AB538

The Nevada State Education Association represents teachers and education support professionals across the state. We believe that every Nevada student deserves a high-quality public education.

NSEA supports AB538 to maintain business tax rates, so Nevada can continue its efforts to sufficiently fund public education.

In February and again yesterday, hundreds of educators from across Nevada rallied under the banner of Red for Ed to draw attention to chronic underfunding of public education. Despite recent efforts, Nevada continues to rank near the bottom of states in most metrics. In the 2018 Quality Counts report from Education Week, Nevada ranked 47th in per-pupil funding and dead last in both class size and overall education quality. After a 2017 legislative session with modest increases to public education funding, school districts across the state continued to struggle with serious budget deficits.

Today, school districts are projecting shortfalls for the upcoming biennium. There are discussions of possible educator layoffs, a risk of moving to even larger class sizes and higher ratios for our other licensed education personnel. The Guinn Center recently released a report showing a \$107.5M combined budget shortfall for school districts in FY19-20. This is due in large part to per-pupil base funding increases that are outpaced by increases in annual operating costs. It is important to keep in mind these financial uncertainties for our schools are based on a budget proposal which assumes nearly \$100M in revenue from the passage of AB538 for the upcoming biennium. If this bill is not passed, our schools will suffer the consequences.

Of current concern is the decrease in Federal grant funding (including Early Childhood Education measures) as well as a possible decrease in many rural school districts' long term funding with the proposal of SB 543; therefore, the continuation of the Modified Business Tax is an integral part of ensuring every school, in every zip code would receive sufficient funding.

The Nevada Constitution requires all public schools receive adequate funding to fulfill their duty to educate every Nevada student. NSEA will continue our work to make sure Nevada moves the needle to provide adequate funding for the basic operation of public schools, ensuring every Nevada student has access to a high-quality public education.