



Nevada's Classrooms:
An Opportunity to Succeed

2019



Nevada Association of School Superintendents

The Nevada Association of School Superintendents (NASS) is comprised of the 17 school superintendents representing the 17 geographic school districts in the State. The superintendents meet monthly to discuss common issues that both large and small districts face. They are united in their vision, mission and values that drive the daily work they do to ensure that all Nevada students are college and career ready upon graduation from a Nevada high school.

What is iNVEST?

iNVEST is the product of the collective work of the superintendents. Beginning with the 2003 Nevada legislative session and continuing to the present, the superintendents, supported by the 17 elected boards of school trustees, have produced a biennial iNVEST document. Although the document has changed somewhat over the years to reflect the current issues facing K-12 educators in the State, the document has been the cornerstone of the superintendents' answer to the question, "What is needed to improve student achievement in Nevada?"

Vision

The vibrant future of Nevada is dependent upon all children graduating ready for college and career and prepared to be productive, responsible citizens, who are competitive in meeting the challenges of the global environment.

Mission

To serve as a united voice to promote and advance public education and to advocate for improving social and academic achievement for every next generation learner.

Nevada is home to more than 473,000 students in over 680 schools across the state. A super majority of our students are racially diverse, nearly half live in poverty and a quarter move schools during the year. Every day, over 97% students attend class with one of nearly 26,000 teachers. And the class of 2017 had a record high graduation rate of over 80% (Nevada Department of Education). These students and teachers deserve a competitive and safe classroom environment to learn and teach. While much work has been done over the past decade to address and improve education in Nevada, more work is still needed. Nevada's school district superintendents have come together to share their vision for Nevada's classrooms. In this model classroom, every child is given the support and resources necessary to succeed. This is the key to unlocking the potential of our future generations.

Introduction

Nevada's State Improvement Plan strives to position Nevada as the fastest improving state in the nation. In order to achieve this bold goal, Nevada must provide a stable and sufficient funding system for the K-12 system.

Superintendents agree that providing every child with highly effective instruction is critical. It is critical to give our teachers the time and space they need to teach. Eliminating unnecessary and bureaucratic obstacles and unfunded mandates has always been a key goal for Nevada's superintendents.



Nevada's Classrooms Require

A highly trained and effective teacher

“Great teachers help create great students. In fact, research shows that an inspiring and informed teacher is the most important school-related factor influencing student achievement, so it’s critical to pay close attention to how we train and support both new and experienced educators.” (Edutopia). Attracting, developing and retaining these teachers is a global competition. Nevada’s classrooms have to appeal to the best teachers in order to attract them from all over the world. Increasing the relative attractiveness is a combination of compensation, support and the value we show our teachers in Nevada. This also includes treating them as professionals and allowing them the creative space to meet students at their individual level without being overwhelmed with compliance and paperwork.

Individualized instruction

Nevada has the highest teacher to pupil ratio in the country (Applied Analysis, 2018). Keeping class sizes manageable remains important. Students deserve individualized attention and instruction. Increasing class sizes reduces the teachers’ ability to provide this individual attention. Continuing to ask our teachers to increase student achievement while adding more students to their classrooms is unsustainable.

Safe, modern and innovative spaces

The physical environment of our students impacts their academic success. Nevada needs classrooms that are clean, well-maintained, safe and comfortable. There also needs to be enough of them to accommodate 473,000 students, teachers and the technological resources that are essential elements of the modern learning environment.

As we continue to move forward with rigorous standards and tests, we must provide curricular resources for students, teachers and parents to be successful. A mix of traditional textbooks, online and web-based resources as well as sufficient access to technology hardware are a priority for a successful Nevada classroom. These resources need to be refreshed regularly to keep up with modern standards and expectations of our students, parents, universities and employers.

Technology to match today’s workforce is critical to our students’ opportunity to succeed. Modern hardware, software and access to cloud-based resources allow for learner-centric and competency-based learning that allows for programming flexibility based in individual student needs.





Student supports

Every student arrives at school with a unique set of abilities and challenges. Schools should have the tools necessary to address each one. Academic success requires that classroom teachers receive additional assistance to serve all students, including specialists, as well as materials geared to support English learners, special education students, gifted and accelerated students, and other students with unique needs and abilities. Mental health and social emotional needs of students are also an important component to student success. These programs must be supported and sustained, respecting that they too require constant evaluation to ensure that they align with student needs.

Leadership

School administrators provide high-level leadership, support and supervision in classrooms. This, in turn, establishes high expectations for teacher performance and allows teachers to focus on student instruction and engagement. Developing quality leadership requires providing leaders with resources and support in areas of weakness, as well as strong accountability measures.

Engaged families and communities

Classrooms require the support of students' families, their neighborhood and the local community. Academic success is a shared responsibility with all members of the community, and the community shows its support through the donation of time and resources to ensure that students reach their full potential. The earlier this engagement begins the greater the likelihood of success as students learn the value of learning early in life.

Students meeting academic and social milestones

Through a targeted and common sense system of testing students at key times, Nevada works to ensure that each student is learning and growing on pace to meet goals set by policymakers and parents. Closing achievement gaps and focusing on student growth is critical to giving students the best chance to succeed. Educators need the right resources to identify deficiencies so they can work with other educators, students, and their families to craft a strategy designed to close gaps that foster improvement.





Investing in essential classroom elements yields results

The Legislature has recently made targeted investments in public education that are already showing dividends, including:

Nevada's graduation rate has increased 10 percentage points, from 70.65 in 2012-13 to 80.85 percent in 2016-17

Nevada has seen significant increases in the National Assessment of Education Progress (NAEP) -- often called "the nation's report card":

- 8th grade math: Increase in proficiency from 18 percent in 2000 to 27 percent in 2017
- 8th grade reading: Increase in proficiency from 23 percent in 1998 to 28 percent in 2017
- 4th grade math: Increase in proficiency from 16 percent in 2000 to 31 percent in 2017
- 4th grade reading: Increase in proficiency from 20 percent in 1998 to 31 percent in 2017

Thanks to funds from the Legislature and Governor, Nevada schools have implemented 112 Zoom School programs, 35 Victory School programs, and SB 178 programs in 161 schools to provide targeted support to English Language Learners, low-income students and students who require additional resources to address their challenges. The most recent Smarter Balanced Assessment results add to growing evidence that Victory and Zoom school funding are resulting in significant, positive gains.

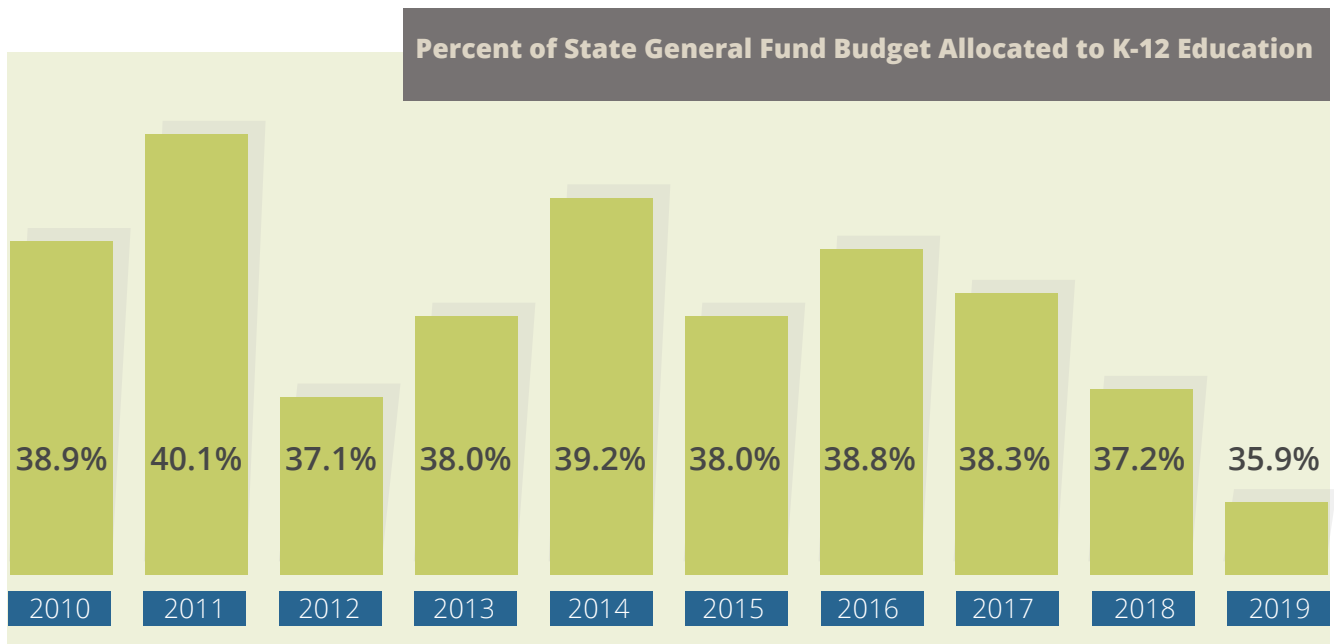
We know that investing in our students works. It's time to stabilize education budgets and modernize the K-12 funding formula.



Increase state spending on K-12 basic support

Solution: *Reset per-pupil spending to current costs and eliminate structural deficits*

Over the last three fiscal years, the State has used growth in local revenues like sales and property taxes and other sources to lower its general fund commitment to K-12 funding, rather than keeping the share of the General Fund budget allocated to K-12 constant and letting sales taxes and other revenues collected for schools at the local level to continue to fund schools. Based on the State's own reports, the chart below shows that the share of the State's General Fund that goes towards K-12 funding has declined significantly since FY16. In FY16, K-12 funding represented 39% of the State's General Fund. Since then, the portion of the State's General Fund has declined to less than 36%. In other words, the additional sales tax revenues for schools that were collected at the local level as well as other revenues have been used to reduce the State's General Fund commitment to K-12 education.

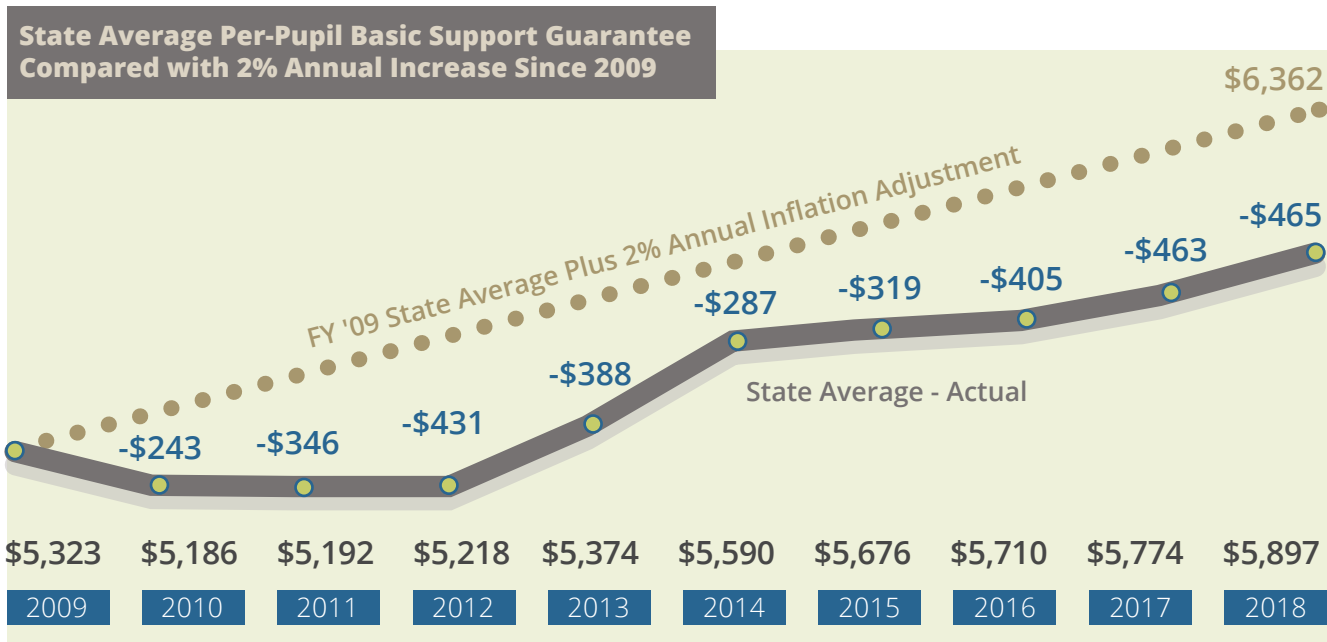


Since FY10, the State's total General Fund budget has increased 26%, while the General Fund's allocation for K-12 funding increased only 16%. This reduced allocation was done in spite of enrollment growth during this time.

Unlike other local governments that are allowed to keep sales tax growth that has occurred during the current recovery, overall education spending has not benefitted proportionally from economic growth.

With growth in revenues limited by the funding structure, public schools are forced to minimize spending. In most districts, 80-85% of a school district's general funds budget is devoted to salaries and benefits, which are subject to collective bargaining agreements. When collective bargaining agreement costs outpace revenues, the district is forced into a structural deficit. Balancing the budget on the small fraction of available funds that are "non-restricted" can cause painfully large cuts that negatively impact student programs and force increases in class size. It can also cause districts to deplete their ending fund balance, which is their "savings account." This systematic depletion of savings in the interest of saving student programs can lead to other negative consequences such as lowering bond ratings. Unfortunately, lower bond ratings result in increased interest costs and impede the ability to manage economic downturns.

The Nevada Plan inflationary assumptions about teacher salaries, healthcare costs, utility and other fixed costs are not connected to the reality public schools are facing. If basic support had increased by a reasonable 2% per year since 2009, districts would be receiving an additional \$465 per pupil or over \$200 million more for students.



This is particularly evident in Special Education. While the legislature has recently increased the amount of funding provided for Special Education, districts continue to supplement Special Education services with millions of general fund dollars each year. Both the federal and state government should increase spending on Special Education to keep up with the growing costs.

Superintendents look forward to the adequacy study being done by the Department of Education. We hope this study will work to inform our 2019 legislature about the needs of Nevada students and classrooms.

Provide stable funding that allows for longer term planning

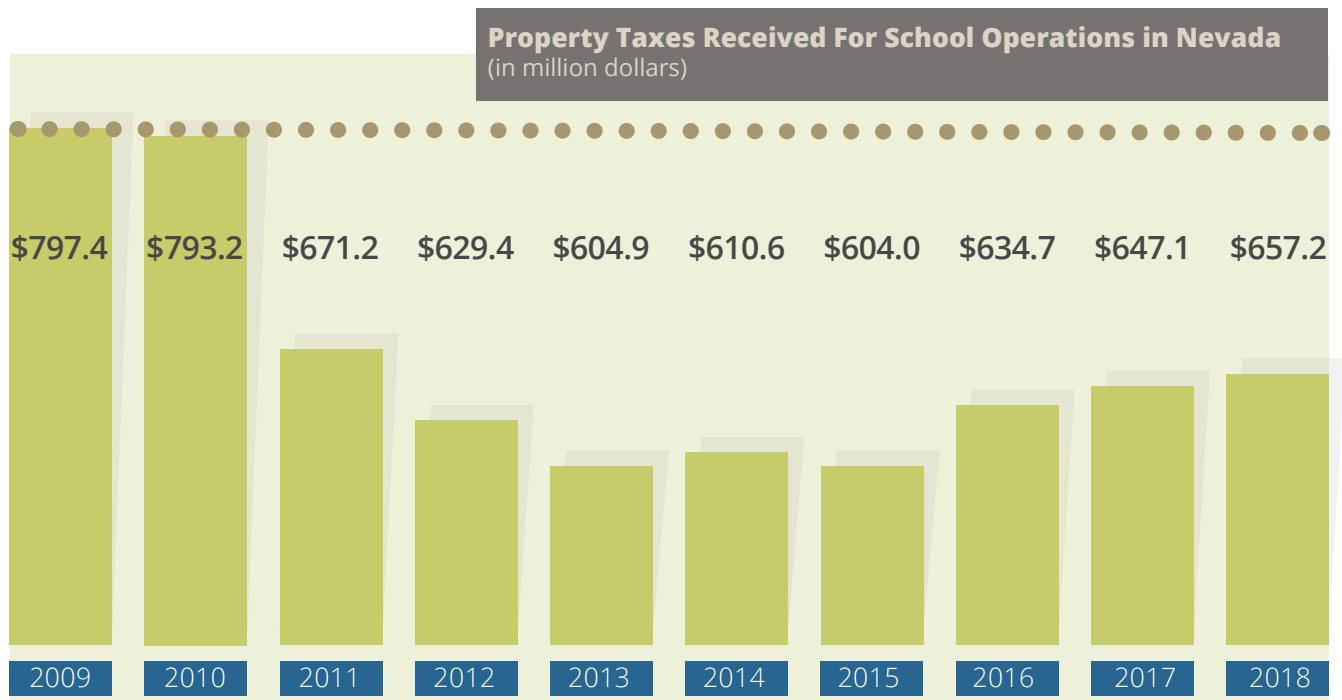
Solution: Redirect funds intended for education to the Distributive School Account and create a Rainy Day Fund

Efforts and initiatives to provide supplemental support to education have not necessarily had the intended consequences of increasing education funding. Public schools may have indirectly benefited from state spending in other areas such as healthcare, infrastructure and criminal justice. However, the supplemental revenue originally intended for education from initiatives such as the 2009 Initiative Petition 1 (IP1) and, more recently, the recreational marijuana tax, have not increased overall funding for K-12 education

but have been directed to other budgets or used to supplant general fund allocations to education. It is estimated that since its inception, IP1 has generated \$1.2 billion that was intended to supplement education spending dedicated to schools.

Property tax is a cornerstone of education funding in Nevada. **School districts are currently receiving approximately \$140 million less in property tax funds for school operations than they did in 2009.** Because of the property tax partial abatements (commonly referred to as “caps”) since the inception of the abatements through 2017, over \$2.7 billion of property taxes for education have been abated in Nevada.

Thus, public schools in Nevada have been whipsawed by the deterioration of the two main funding sources for K-12: (1) the portion of the State’s General Fund budget allocated to education has declined, and (2) property taxes still have not yet recovered to pre-recession levels.



Notes: 1. Includes adjustments made by Taxation. 2. Includes Net Proceeds of Minerals. 3. Property Taxes shown are the operating portion of property taxes, set at \$0.75 per \$100 of assessed valuation. 4. FY 2018 figures are projections of the State Department of Taxation. *Source: Department of Taxation*

Increase local control

Solution: Increase flexibility within and between categorical funds; minimize number of competitive grant applications

Each public school is unique with differing student populations. Categorical funding targets specific populations of students providing direct benefits. However, categorical funding can limit the flexibility of schools to target specific student needs. By allowing schools to combine categorical funding while continuing to demonstrate a return on investment for students, funds would more efficiently target the most at-risk, lowest achieving students, no matter their race, ethnicity, or socioeconomic status.

Additionally, categorical funding requires reauthorization every biennium. When there is not a dedicated, ongoing funding source, schools are limited with regard to staffing and programs. It is difficult to hire high-quality staff for a position that is only funded for a year or two and does not provide stability. This turnover can be especially difficult in rural districts that have limited access to qualified candidates. Frequent turnover results in a loss of valuable skills and knowledge. When the position is dependent upon reauthorization of a categorical fund or the continuance of a grant, districts often have the difficult decision to either fund the position out of an already diminishing general fund or reduce positions through attrition or layoffs. In addition, to fully implement programs requires dedicated time and resources. Ongoing professional development is an essential component to the success of a program. It takes time and money to provide teachers with the needed support to work with at-risk students. The result of funds being allocated during one biennium and then discontinued the next, is a drastic impact on services and the students they are designed to serve. Finally, the administration of categorical funding creates additional expense

at the local level, which the administration is expected to absorb.

Better return on investment could be realized by reducing the administration of categorical funding streams and competitive grants, and instead channeling the money into streamlined, protected appropriations with requirements to demonstrate results.

Nevada KIDS Read (Read by Grade Three) funding is a powerful example. The timing of this competitive grant makes consistency and administration extremely challenging. The legislature passed the bill and the Governor signed it in early June, 2017. School began in August, 2017, and funds were not awarded until late October, 2017. As a result, resources for teachers and materials weren't available until almost halfway through the school year. This is an effective and important program, but if

continued



Increase local control

continued

the funding does not align with the real-world requirements of programming and operating schools, its effectiveness is greatly diminished.

Additionally, emphasis on early literacy should not be funded by a competitive grant; rather, it should be funded for all districts. Schools are willing to submit detailed plans and use evidenced-based programs to improve proficiency by third grade. This emphasis on early literacy should work in conjunction with and support other programs such as Zoom and Victory. This categorical

funding should be administered through a direct appropriation to all districts serving early learners, so proper planning can lead to earlier interventions and better student learning.

Turnaround, Zoom and Victory schools may need to approach their school plans differently. They should have the flexibility to spend funds within a framework of structured school goals. Limiting the time principals and educators spend on compliance is essential to increasing educator flexibility and maximizing instructional time. Delivering effective instruction should be the primary function of educators – not paperwork and red tape.

Protect districts' ending fund balances

Solution: Provide legislative clarity that ending balance may not be considered as part of collective bargaining negotiations

Nevada Administrative Code section 354.660 is entitled Ending Balance Not Subject to Negotiations. It generally states that an entity's ending fund balances of 8.3% of budgeted expenditures, less capital outlays, is not subject to negotiations with employee organizations. While this would seem perfectly clear on its face, it has been anything but in arbitration hearings. The result is precariously low ending fund balances for some school districts (i.e., below 2%). Fund balances are important for school districts to weather inevitable up and downs in the economy, to manage the timing of cash flow and to ensure that funds are available for unforeseen events and circumstances. But for additional clarity provided by the Legislature, it may be impossible for certain school districts to maintain an ending balance consistent with not only generally accepted financial management practices but also legislative intent.



Create budgets in partnership

Solution: Create two-way communication when building the state budget and considering modifying budget timelines

There is a disconnect between state and school budget processes. This disconnect exists on several levels. First, school districts are statutorily required to develop and adopt budgets with estimates and incomplete information that can change significantly during legislative years. Schools are forced to make predictions about education revenue, and small changes in per-pupil funding can have a significant impact on these billion-dollar budgets. For example, decisions on school staffing ratios are made long before per-pupil spending is finalized. Any disparities can be difficult to correct and often force schools into difficult financial situations. Second, the Nevada Plan is built on previous spending and does not fully take into account known, but future cost increases. For example, the majority of the districts' budgets are determined by collective bargaining agreements that are made without knowing future education revenue. This is true for other major district costs like health insurance and PERS changes. Increased collaboration between state budget personnel and financial officers is critical to align budget processes so that districts enter into contracts and adopt budgets that are affordable and also meet the needs of all students.

2019

January	February	March	April	May	June
State average per-pupil amount unveiled	Budgets developed based on statewide average * Uncertainty about categorical programs			Final budget submitted by Board of Trustees	Final amended budgets due
					Per-pupil categorical grants finalized
					End of session





Conclusion

Our world is changing rapidly. We are preparing our children to be problem solvers for issues that don't yet exist, in jobs we have not yet imagined, because of new technology that has not yet been invented. We need our students to think at a higher level and apply learned skills to solve difficult problems. We want Nevada students to be great thinkers and doers, whether in Nevada or elsewhere around the world.

We, the Nevada Association of School Superintendents and the Nevada Association of School Boards, respectfully request that the Nevada Legislature work with us to:

- **Increase state spending on K-12 education** by resetting per-pupil spending to current costs, and eliminating structural deficits;
- **Provide stable funding** that allows for longer term planning by redirecting funds intended for education to the Distributive School Account and creating a Rainy Day Fund;
- **Increase local control** by increasing flexibility within and between categorical funds, while continuing to demonstrate results, and also reducing the number of competitive grant applications;
- **Protect districts' ending fund balances** by providing legislative clarity regarding the status of ending fund balances relative to whether they may or may not be considered as part of collective bargaining negotiations;
- **Create budgets in partnership** by developing two-way communication that takes past and future expenses into consideration.

Ultimately, these requests center on providing the certainty that we need to efficiently lead our districts and schools. We seek certainty that we can work more closely together, sooner, so that we can better plan for the realities of the coming school year; certainty that funding for students will match current market costs; certainty that we can save funds now, so we can weather the next economic downturn; certainty that as leaders we can allocate funds where we know our students and teachers need them the most.

We must all be accountable. Students must accept personal responsibility to learn. Families must accept the responsibility of ensuring their children are in school and have the support at home needed to create success. Teachers must be prepared to assist students for the demands in an ever-changing global society. Administrators must deploy limited resources in a way that maximizes their utility in the classroom. Superintendents must set high expectations for and be accountable to students, teachers, administrators and the community they serve. School boards must ensure that budgets are set to support the priorities of student learning. And, we ask our legislators to provide resources so every student has the opportunity to reach their full potential, in and out of the classroom.

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