



It's time to modernize Nevada's 50-year-old funding formula

The Nevada Plan, which outlines Nevada's funding formula for education, was created in 1967. It is the oldest funding formula in the nation. Our kids only have one time in school. It's time to modernize the funding formula in the 2019 Legislature for the following reasons:

- 1. NEW FUNDS EARMARKED FOR EDUCATION DON'T INCREASE OVERALL EDUCATION FUNDING:**
 - Nevada directs funds to K-12 school districts through the "Distributive School Account" (DSA).
 - However, increasing money toward K-12 education doesn't necessarily increase education funding.
 - *Why?* Nevada is one of two states in the nation that funds K-12 education based on what districts previously spent – rather than actual, known costs for effectively educating students and paying employees.
 - And if new funding sources increase, the funds that had been going toward education may simply be reduced.

- 2. THE PLAN IS COMPLICATED AND CONFUSING:**
 - The Nevada Plan and the DSA are intentionally non-transparent and inaccessible.
 - Nevadans deserve a funding formula that community members, policy makers and other stakeholders can understand and adjust, as necessary.

- 3. THE PLAN DOESN'T ACCOUNT FOR THE ACTUAL COSTS OF EDUCATING CHILDREN:**
 - For example, it doesn't provide additional money for students who need additional supports, such as special education students or English Language Learners.
 - Additionally, the current formula doesn't account for the full costs of employee salary and benefits – or other costs that increase with inflation.
 - For example, Washoe and Clark County school districts have faced recent budget shortfalls because the funding formula provides a set amount for increases in employee costs, yet Districts must engage in collective bargaining to set employee salaries and benefits.
 - Recently, arbitrators have awarded employees amounts that were greater than what the state allocated for increased employee costs.

