



INVEST '09

**Improve
Student Achievement**

**Attract and Retain
a High Quality Work Force**

Provide Adequate Basic Support

www.investk12nevada.org

A Funding and Accountability Proposal
from the Nevada Association of School Boards
and the Nevada Association of School Superintendents

November 2008

Education in Nevada is in crisis



Student achievement is our core business. The ultimate goal of *iNVEST* is to improve academic achievement *for all students*. Prior to the 2003 Session of the Nevada State Legislature, school superintendents and the boards of trustees from each of Nevada's seventeen school districts joined together to develop a unified, long-term and strategic vision to improve public education for K-12 students throughout the state. Since its introduction three sessions ago, *iNVEST* has maintained three foundational principles:

- education can be improved when adequate basic support is provided to districts;
- districts must have the resources to attract and retain qualified teachers; and
- districts must have the means to provide enhanced educational opportunities for students.

Adhering to these three fundamental principles will increase student achievement and provide meaningful accountability.

“The ultimate goal of *iNVEST* is to improve academic achievement for all students.”

DECLINING BUDGETS

As the national economy struggles and the state faces severe budget deficits, all government entities – including K-12 education – are facing reduced funding and have been called upon to dramatically decrease



expenditures. School districts were asked to make 4.5% cuts to their budgets in the middle of the 2007-08 school year, shaving \$92 million from education budgets across the state. Further cuts in the 2008 Special Session brought the total decrease in state education funding since the 2007 Session to \$173.1 million dollars, amounting to a nearly 11% budget cut for K-12 education.¹ This has resulted in significant belt-tightening in operational budgets, including a major setback in the expansion of full-day kindergarten, the loss of funding for empowerment schools, and the elimination of promising programs that were approved by the 2007 Legislature, including a *Pay for Performance* pilot program endorsed by the state's business community.

Budget cuts come in the face of astronomically increasing expenses for basic necessities.

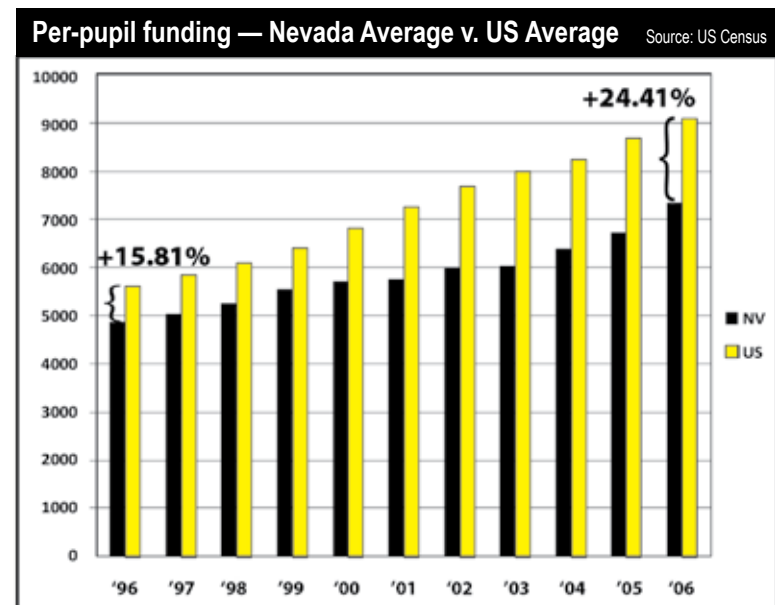
Digging the hole even deeper, superintendents and school boards have been told to prepare budgets for the 2009 Session reflecting a projected additional funding decrease of 14.1%, equating to approximately \$263.8 million dollars

of further cuts. For public education, these budget cuts come in the face of astronomically increasing expenses for basic necessities such as the fuel required to transport students to and from school, the food needed

for school lunch programs, and basic educational materials such as textbooks and paper, to say nothing of the perennially unfunded and underfunded mandates, such as retirement health care subsidies – a responsibility the state recently transferred to school districts.

“Although funding has been cut, expectations have not.”

Meanwhile, Federal funding for Nevada students has also decreased significantly. In Fiscal Year 2007-08, Nevada's Title I funds, used to support programs for students living in poverty, received flat funding in spite of the increase in students qualifying for Free and Reduced Lunch. In Clark County, Title III funds (used for students who do not speak English) were reduced by more than \$2 million, even though this segment of Nevada's population is growing faster than any other. At the time of this writing, Medicaid reimbursement is facing a change in rules which – unless Congressional action is taken – will result in the loss of another \$4 million statewide. These funding shortages are amplified by the continuing failure of the Federal government to increase the long-promised funding for the Individuals with Disabilities Education Act



(IDEA).² In short, public education continually faces an ever-increasing list of mandated programs that grows more burdensome each year yet

receives less funding from those who mandate the programs.³ Nevada is doubly challenged in some instances, since Federal funding for some grants is based upon state funding – if a state underfunds a program, the matching Federal funds are reduced proportionately.

HIGH EXPECTATIONS

Although funding has been cut, expectations have not. The standards required to reach “Adequate Yearly Progress” by the Federal No Child Left Behind Act have been incrementally raised since the law passed in 2000, with Nevada’s proficiency targets facing a substantial increase in expectations this year. In 2007-08, Nevada’s high school students have also seen the introduction of a new “science” section of the High School Proficiency Exam required for graduation. The harsh reality, however, is that the gains made in Adequate Yearly Progress will unravel as the budget cuts continue regardless of newer, higher or greater expectations. Meanwhile, the state continues to grow, both in students, with a large population coming to Nevada from other states – and often, other countries – and in the number of students who require additional services

in order to succeed.⁴ Although tough economic times may have resulted in a minimal out-migration of some populations, the real challenge facing our schools can be measured by the alarming increase in the number of students who live in poverty.

In addressing these challenges, Nevada’s funding mechanism for education does not allow locally elected school boards to levy taxes; rather,

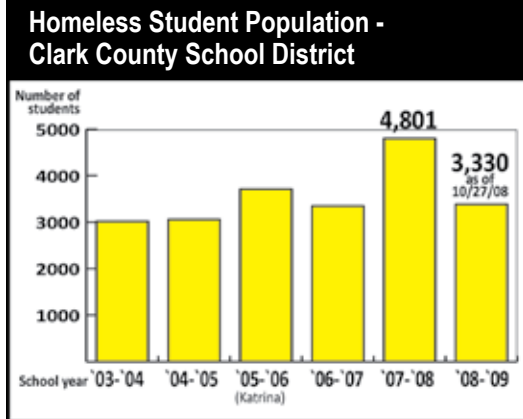
Students struggle to reach the standards and expectations that lawmakers are eager to set yet reluctant to support.



it leaves districts dependent upon the State Legislature to determine the level of funding per pupil. In that regard, while the premise that the Nevada Plan ensures that Nevada’s wealth is distributed **equitably**

among its students remains unchallenged, its mechanisms work independently of the concept of **adequacy** – and it is actually counterproductive in providing increased education funding when the state’s revenues are robust. Instead, when revenues perform higher than the amount needed to fund the per-pupil “guarantee” prescribed by the State Legislature, those dollars are reverted to the state’s general fund and are used for other expenditures, even though the taxing authority under which they are collected is labeled as an education tax (e.g., the Local School Support Tax).

“iNvest ‘09 seeks to empower districts, principals, and teachers to improve student achievement.”



Source: CCSD Title I HOPE: Homeless Outreach Program for Education

Since the inception of *iNVEST*, the fundamental question driving requests for legislative support has been, “What is needed to improve student achievement in Nevada?” *iNVEST '09* reframes that question slightly, to emphasize the need for adequate support from state legislators so that schools can provide a quality educational experience for our students: “What can the Legislature do to improve education in Nevada?”

While educators readily agree they should be held accountable for the expectations that are set for them and for their students, they firmly acknowledge it is a shared accountability with those who determine the level of expectations and control the corresponding level of funding – i.e., state legislators. Without a common vision that is shared by legislators and educators alike – not only of what standards Nevada’s graduates should accomplish, but also of how we ensure students reach those standards – we will continue to see our students struggle to reach the standards and expectations that lawmakers are eager to set yet reluctant to support.

ONE SIZE DOES NOT FIT ALL

iNVEST '09 has been substantially trimmed in terms of specificity. Districts have learned through recent legislative actions that the concept of

“empowerment” provides educators with the authority to create effective educational plans for unique groups of students. In contrast to the one-size-fits-all approach, empowerment allows superintendents, principals, and teachers to utilize funds in a manner that is most effective for the unique needs of a particular group of students. Rather than viewing empowerment as a concept reserved only for a select few, true empowerment returns decision-making accompanied by adequate funding to the educational leaders in each community – empowering them to utilize their allocation for programs and materials that will be effective for their specific student population. The Educational Excellence grants that were awarded to districts over the past two biennia, via SB185 and SB404 respectively, have provided clear evidence that educators know what they need to improve education, and when they are given funding to support their school improvement plans, the result is increased student achievement.⁵ *iNVEST '09* seeks to empower districts, principals, and teachers to improve student achievement – first, by providing the necessary funds, and second, by allowing local educators to make critical decisions about how best to utilize them.

“What is most needed to improve education in Nevada is adequate funding and the freedom to use that funding in the most effective manner, as dictated by the needs of students.”

ONGOING COMMITMENT

The state’s seventeen local superintendents and the school boards of all seventeen school districts remain uniformly supportive of full-day kindergarten, programs for English Language Learners, classroom discipline measures, and the long list of other specific programs that have been outlined in previous versions of *iNVEST*.⁶ However, **what is most needed to improve education in Nevada is adequate funding and the freedom to use that funding in the most effective manner, as dictated by the needs of students.**

To that end, *iNVEST '09* outlines the following:



What the Legislature Can Do to Improve Education in Nevada

1

Fully Fund the Base Budget

School districts – and their ability to improve student achievement – live and die by the “base,” the basic per-pupil support amount guaranteed by the Nevada Plan and authorized by the Legislature. The base budget includes all of the non-headline-grabbing expenditures essential to keeping schools running, things like: stamps, milk, bus fuel, electricity, toilet paper, classroom instructional supplies, staples, maintenance, custodial supplies, accountants and bookkeepers, band-aids, band instruments, sports equipment, science lab supplies, and the list goes on, and on, and on – literally thousands of things big and small that are required to keep schools open, buildings clean, and classrooms ready to support learning day after day after day.

When the Legislature or others sacrifice base per-pupil funding to secure one-shots or enhancements, such action ultimately and directly undermines not only the one-shot funded program, but the entire system. Experience has taught us that when the base is eroded, those cuts are never regained or rebuilt or re-funded. Indeed, the original *INVEST* plan of 2003 was created in the wake of \$100 million of public education budget reductions from FY 00-01 *that were never restored* to the base.

While incremental gains in funding were made in the three subsequent sessions, public education has been sent back to the chopping block once again.

Since the end of the 2007 Legislative Session, K-12 public education funding has been cut by approximately \$173.1 million dollars, or the equivalent of about \$406 per student.⁷ Projected cuts to K-12 in the next biennium total nearly \$263.8 million, or the equivalent of \$603 per student over the next two years,⁸ a cumulative total of more than a thousand dollars per student! Historically, Nevada’s per-pupil funding is significantly *less than* the US Average of Current Expenditures per Student.⁹ After cutting more than \$1,000 per student, how much further behind will the Silver State be?

If the Legislature is serious about improving and sustaining student achievement it must **commit wholeheartedly to adequately and accurately funding the base budget, beginning with restoring the cuts made since 2007.**

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2

Truth in Taxation

The Legislature can take action to ensure that all of the tax revenue collected from education-specific taxes¹⁰ is used only to fund education. If it is collected in the name of education, it should stay in education. The

state must discontinue the practice of setting an artificially low level of per-pupil funding and then using education taxes to fund other state programs. Instead, annual per-pupil funding should be set based on actual revenues collected, reported expenditures, and anticipated costs rather than merely a growth plus inflation calculation. **An Education Stabilization Fund must be established** to protect schools from budget cuts in lean times. Any and all revenues collected beyond the level of per-pupil funding will be held in reserve in the Fund and must be used only for education programs.

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3

Develop a Funding Plan

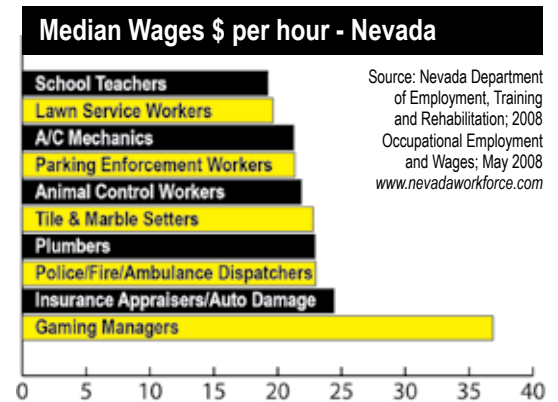
The Legislature can take action to **develop a long-term plan to systematically and incrementally increase the level of education funding** over and above base per-pupil funding until our students are funded at a level that allows them to be competitive with students in other states – and other nations. Whether through the adequacy study approach, the national average approach, or some other method or measurement, funding must be increased by a fixed percentage each year, over and above base per-pupil funding, in order to empower schools to meet all of the expectations, requirements, and standards designed to improve student achievement.

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4

Pay Teachers More

The Legislature can take action to **develop and fund a competitive teacher compensation plan** – linked to student achievement – that provides options for teachers to earn a competitive wage without leaving the classroom or leaving the profession.¹²





5

Empower School Districts

The Legislature can take action to **empower school leaders by providing funding for educational programs** tailored to the specific needs of the students within their schools – from struggling students to advanced students who need to be challenged – and then hold schools accountable for results. This can occur through funding formulas based on established criteria corresponding to individual student need, through enhanced formula-based per-pupil allocations, or through the Commission on Educational Excellence.

“Empower school leaders by providing funding for educational programs.”

EDUCATION IN NEVADA IS IN CRISIS¹³

National indicators used as a measurement of the effectiveness of K-12 education list Nevada among the worst performers.¹⁴ Within our schools, with class sizes among the largest in the nation,¹⁵ the student population is becoming more and more challenging, resulting in overloaded teachers facing too many students who each need more individualized time and attention than ever before. Nearly 40% of Nevada’s students qualify for Free and Reduced Lunch,¹⁶ and national studies repeatedly show that students living in poverty start so far behind their peers that catching up is nearly impossible.¹⁷ Nearly one in five students is enrolled in the English Language Learners program,¹⁸ adding another difficult dimension to already stressed classroom teachers. While growth brings a distinct set of challenges, Nevada’s growth also signifies a high transiency rate.¹⁹ Only 47% of students graduating from Clark County high schools were enrolled in the district as first graders.²⁰ Nevada’s graduation rates rank among the worst in the nation and for the students who do graduate, the rate for those who go to college is disturbingly low.²¹

“To withhold funding until education improves is akin to telling a child you will feed him after he has grown.”

In spite of Nevada’s relatively high fiscal ability²² (based on per capita income), funding for public education is among the lowest in the nation and falling farther behind.²³ Some critics of education point to low student achievement and ask why they should put more dollars into education when the results are lackluster. Others insist that education is already funded adequately, but dollars need to be used differently or stretched further. Both arguments are tenuous, at best. To withhold funding until education improves is akin to telling a child you will feed him after he has grown. For those who believe education is adequately funded – in spite of being near the bottom of standard measurements – a review of the state-mandated adequacy study of 2005 should be undertaken.²⁴ The results of the legislative study, which received scant attention, were clear: education in Nevada is underfunded.



WE CAN DO BETTER

Nevada's mediocre test scores²⁵ cause concern and frustration for all who see them, from parents to educators to community leaders hoping to attract new businesses to our state. Yet, when put in the context of a transient student population living in poverty, funded at substandard levels, the middle-of-the-road performance by Nevada's students is, quite frankly, an above average return-on-investment.

“Nevadans everywhere are demanding change.”

But nobody believes this is – nor wants it to be – “good enough.” In fact, Nevadans everywhere are demanding change. Business leaders, community leaders, educational leaders, parents, grandparents and even students are demanding change. Yet, the fundamental question remains unanswered: *How can Nevadans expect above average performance with below average funding?*

Throughout this decade, the Nevada Association of School Superintendents and the Nevada Association of School Boards have been at nearly every legislative table, united in their support of a comprehensive plan to improve achievement for all students: **iNVEST**. As the decade now draws to a close, we continue in our unity to ask the question: What **will** the Nevada Legislature do in 2009 to improve student achievement?

While the Nevada State Legislature has high expectations for education, educators also have high expectations for legislators. In 2009 the opportunity exists – once again – for those who control the inputs and dictate the outcomes to understand the relationship between the two and provide the resources necessary to improve student achievement.

We respectfully yet urgently call upon the Nevada Legislature to take action in 2009 to improve student achievement... for all of us.



- 1 Department of Education memo to Keith Rheault from Jim Wells, dated January 11, 2008.
- 2 Clark County, with 73% of the state's students, is currently at 16% funding; the Federal government's stated goal since 1972 is 40% funding.
- 3 www.nea.org/lac/funding/images/title1.pdf
- 4 www.nevadareportcard.com/profile/splpopulations.aspx?levelid=A&entityid=00&yearid=07-08
- 5 See www.investk12nevada.org for examples of successful school-based grant programs.
- 6 See www.investk12nevada.org for copies of previous *iNVEST* proposals.
- 7 Status Report, Nevada Department of Education Regarding the Effect of Budget Reductions Made by School Districts and Charter Schools 2008-2009 Biennium, and Proposed Reductions for the 2010-2011 Biennium, Submitted to the Legislative Counsel Bureau by Keith Rheault, Superintendent of Public Instruction, July 23, 2008.
- 8 Information provided to the State Board of Education, August 8-9, 2008 by Jim Wells, Deputy Superintendent, Nevada Department of Education.
- 9 "Nevada Education Quick Facts – 2007", p. 35, Nevada Department of Education, <http://nde.doe.nv.gov/Resources/QuickFACTS-Complete.pdf>
- 10 *Ibid.*, p. 7, e.g. local school support tax, school operating property tax, slot tax, etc.
- 11 State of Nevada Budget Status Report RSW001, Fiscal Year 2007 Final, Fund 101 Account 2610, Distributive School Account, Nevada State Controller, September 28, 2007.
- 12 Clark County's plan, which was developed by business leaders, parents, teachers, and district administrators.
- 13 www.edweek.org/media/ew/qc/2007/17shr.nv.h26.pdf

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- 20 Applied Analysis Report to Clark County School District, May 12, 2008, p. 50.
- 21 www.edweek.org/media/ew/dc/2008/40sgb.nv.h27.pdf
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- 24 A Study of the Adequacy of School Finance in the State of Nevada:
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Visit www.investk12nevada.org for links to these resources.



www.investk12nevada.org



Nevada Association of School Board Officers 2009/2010

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President Elect – Jim Lemaire, Carson City
Immediate Past President – Sharla Hales, Douglas County
Past President – Sheila Moulton, Clark County

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President – Paul Dugan, Washoe County
Vice President – Dr. Walt Rulfes, Clark County
Treasurer – Robert Dolezal, White Pine County

Nevada Superintendents

Carson City – Richard Stokes
Churchill County – Dr. Carolyn Ross
Clark County – Dr. Walt Rulfes
Douglas County – Carol Lark
Elko County – Antoinette Cavanaugh
Esmeralda County – Robert Aumaugher
Eureka County – Ben Zunino
Humboldt County – Mike Bumgartner
Lander County – Curtis Jordan
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Nye County – Dr. William “Rob” Roberts
Pershing County – Daniel Fox
Storey County – Dr. Robert Slaby
Washoe County – Paul Dugan
White Pine County – Robert Dolezal

Nevada Department of Education

Superintendent of Public Instruction – Dr. Keith Rheault