

Amendment No. 990

Senate Amendment to Senate Bill No. 543	(BDR 34-1263)
Proposed by: Senator Woodhouse	
Amendment Box: Consistent with Amendment No. 986.	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will ADD an appropriation where one does not currently exist in S.B. 543.

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is newly added language; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) ~~fuchsia double strikethrough~~ is new language in the bill proposed to be deleted in this amendment; (6) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment.

SHORT FORM AMENDMENT

Sections 4 and 74.5 of this act are the only sections affected by this amendment.

AAK/BJE



Date: 5/28/2019

S.B. No. 543—Revises provisions relating to the funding of public schools.
(BDR 34-1263)



The Title of Senate Bill No. 543 is hereby amended as follows:

1 AN ACT relating to education; creating the State Education Fund; revising the
2 method for determining the amount of and distributing money to
3 support the operation of the public schools in this State; establishing
4 certain requirements for the accounting and use of such money;
5 establishing requirements for the establishment of budgetary estimates
6 relating to the public schools in this State; creating the Commission on
7 School Funding and establishing its duties; establishing provisions
8 relating to reports of expenditures by public schools; directing certain
9 revenues to be deposited in the State Education Fund; making an
10 appropriation; and providing other matters properly relating thereto.

If this amendment is adopted, the Legislative Counsel's Digest will be changed as follows:

Legislative Counsel's Digest:

1 Existing law declares that "the proper objective of state financial aid to public education
2 is to ensure each Nevada child a reasonably equal educational opportunity" and establishes the
3 Nevada Plan as a formula for distribution of state financial aid to the public schools in this
4 State to accomplish that objective. (NRS 387.121) As part of the Nevada Plan, the Legislature
5 establishes, during each legislative session and for each school year of the biennium, an
6 estimated statewide average basic support guarantee per pupil. (NRS 387.122) This is the per
7 pupil amount that is "guaranteed" on a statewide basis through a combination of state money
8 and certain local revenues, supplemented by other local revenues which are not "guaranteed"
9 by the state. The basic support guarantee for each school district is computed by multiplying
10 the basic support guarantee per pupil that is established by law for the school district for each
11 school year by pupil enrollment. (NRS 387.121-387.1223) In addition to the basic support
12 guarantee per pupil, state financial aid to public education is provided through various
13 programs, commonly known as "categorical funding," that target specific purposes or
14 populations of pupils for additional support. Such programs include, without limitation, the
15 Account for the New Nevada Education Funding Plan, Zoom schools and Victory schools.
16 (NRS 387.129-387.139; section 1 of chapter 544, Statutes of Nevada 2017, p. 3768; section 2
17 of chapter 389, Statutes of Nevada 2015, p. 2199)

18 Beginning with the 2021-2023 biennium, this bill generally replaces the Nevada Plan
19 with the Pupil-Centered Funding Plan, which combines money raised pursuant to state law at
20 the local level with state money to provide a certain basic level of support to each pupil in this
21 State which is adjusted: (1) to account for variation in the local costs to provide a reasonably
22 equal educational opportunity to pupils; and (2) for the costs of providing a reasonably equal
23 educational opportunity to pupils with certain additional educational needs. **Section 15** of this
24 bill designates the plan created by this bill as the Pupil-Centered Funding Plan and expresses
25 the intent of the Legislature regarding its creation. Specifically, **section 2** of this bill creates
26 the State Education Fund and identifies numerous sources of revenues to be deposited into the
27 Fund, in addition to direct legislative appropriations from the State General Fund. **Section 2**
28 also authorizes the Superintendent of Public Instruction to create one or more accounts in the
29 State Education Fund for the purpose of administering money received from the Federal
30 Government. **Section 3** of this bill creates the Education Stabilization Account in the State
31 Education Fund and provides for the funding of the Account and the use of the money in the
32 Account. **Sections 13, 26, 27, 49, 51, 52, 59-61, 64 and 66-73** of this bill direct certain
33 sources of revenues to the State Education Fund. **Sections 17, 19, 22-25, 31-35, 37-42, 45, 47,**
34 **48, 50, 53-56, 62, 63 and 65** of this bill make conforming changes for the direction of such
35 sources of revenues to the State Education Fund and the replacement of the State Distributive
36 School Account with the State Education Fund.
37

Section 4 of this bill requires the Legislature, after making a direct legislative appropriation to the State Education Fund, to determine the statewide base per pupil funding amount for each fiscal year of the biennium. **Section 4** expresses the intent of the Legislature that the statewide base per pupil funding amount should increase each year by not less than inflation. **Section 4** requires the Legislature to appropriate the whole of the State Education Fund, less the money in the Education Stabilization Account or any account created by the Superintendent to receive federal money, to fund, in an amount determined to be sufficient by the Legislature: (1) the operation of the State Board of Education, Superintendent of Public Instruction and the Department of Education; (2) the food service, transportation and similar services of the school districts; (3) the operation of each school district for all pupils generally through adjusted base per pupil funding for each pupil enrolled in the school district; (4) the operation of each charter school and university school for profoundly gifted pupils for all pupils generally through a statewide base per pupil funding amount for each pupil enrolled in such a school, with an adjustment for certain schools; and (5) the additional educational needs of English learners, at-risk pupils, pupils with disabilities and gifted and talented pupils through additional weighted funding for each such pupil. **Section 4** specifies that additional weighted funding be expressed as a multiplier to be applied to the statewide base per pupil funding amount and that a pupil who belongs to more than one category receive only the additional weighted funding for the single category with the highest multiplier. **Section 4** generally prohibits the use of additional weighted funding for collective bargaining. **Section 58** of this bill generally prohibits the use of a school district's ending fund balance for collective bargaining.

The Nevada Constitution requires that the revenue from a tax upon the net proceeds of all minerals be appropriated to each county and apportioned among the respective governmental units within the county, including the school district. (Nev. Const. Art. 10, § 5) Sections 2 and 61 of this bill require the proceeds of such a tax that are apportioned to each school district to be deposited to the credit of the State Education Fund. Section 4 deems such money to be the first money appropriated as part of the adjusted base per pupil funding and weighted funding to the county school district from which the money originated. To the extent that money exceeds the adjusted base per pupil funding and weighted funding for the county school district to which it was apportioned, paragraph (b) of subsection 6 of section 4 of this bill requires the excess to be transferred to the county school district from which the money originated, section 4 also authorizes the expenditure of that money as a continuing appropriation. Section 4 also specifies that the purposes for which the money may be used include mitigating the adverse effects of the cyclical nature of the mining industry on the school district. These effects include, without limitation, significant and rapid changes in the number of pupils enrolled in the school district which are a unique impediment to pupils receiving a reasonably equal educational opportunity in the counties in which the mining industry is pervasive and cannot be reasonably addressed in a uniform statewide funding plan.

Sections 5-7 of this bill establish certain factors which are applied to the statewide base per pupil funding amount to create the adjusted base per pupil funding for each school district and certain charter schools and university schools for profoundly gifted pupils. Specifically, **section 5** of this bill establishes a cost adjustment factor by which the statewide base per pupil funding amount is multiplied for each school district and certain charter schools and university schools for profoundly gifted pupils to account for variation between the counties in the cost of living and the cost of labor. **Section 6** of this bill establishes a formula to calculate an additional amount of funding for each necessarily small school in a school district to account for the increased cost to operate certain schools which must necessarily be smaller than the school could be most efficiently operated. **Section 7** of this bill establishes a small district equity adjustment by which the statewide base per pupil funding amount is multiplied for each school district to account for the increased cost per pupil to operate a school district in which relatively fewer pupils are enrolled. **Sections 5-7** authorize the Commission on School Funding to revise the method by which these adjustments are calculated in certain circumstances.

Section 8 of this bill requires each school district to account separately for the adjusted base per pupil funding received by the school district and deduct an amount of not more than the amount prescribed by the Commission on School Funding by regulation of the adjusted base per pupil funding for the administrative expenses of the school district. **Section 8**

requires the remainder of the adjusted base per pupil funding to be distributed to the public schools in the school district in a manner that ensures each pupil in the school district receives a reasonably equal educational opportunity. Similarly, **section 8** requires each school district to account separately for all weighted funding received by the school district. **Section 8** requires all weighted funding to be distributed directly to each school in which the relevant pupils are enrolled. **Section 8** also: (1) requires each public school to account separately for the adjusted base per pupil funding and each category of weighted funding the school receives; (2) requires weighted funding to be used for each relevant pupil to supplement the adjusted base per pupil funding for the pupil and provide such educational programs, services or support as are necessary to provide the pupil a reasonably equal educational opportunity; and (3) limits the use of weighted funding for at-risk pupils and English learners to certain services. **Section 8** additionally contains certain provisions relating to the separate accounting of money for pupils with disabilities and gifted and talented pupils which are moved into this section from a separate provision of existing law. **Sections 14, 16, 18, 20, 21, 28-30, 36, 43, 44, 46, 57, 74 and 80** of this bill make conforming changes.

Section 9 of this bill requires the Governor, when preparing the proposed executive budget, to reserve an amount of money in the State General Fund for transfer to the State Education Fund which is sufficient to fully fund certain increases in the amount of money in the State Education Fund if the Economic Forum projects an increase in state revenue in the upcoming biennium. If the Economic Forum projects a decrease in state revenue, **section 9** requires the Governor to reserve an amount of money in the State General Fund sufficient to ensure that the amount of money transferred from the State General Fund to the State Education Fund does not decrease by a greater percentage than the projected decline in state revenues. **Section 9** requires the Governor to include in the proposed executive budget recommendations for the statewide base per pupil funding amount and the multiplier for each category of pupils. **Section 9** requires the Governor to consider the recommendations of the Commission on School Funding for an optimal level of school funding and authorizes the Governor to reserve an additional amount of money for transfer to the State Education Fund to fund any such recommendation. **Section 9** authorizes the Governor, as part of the proposed executive budget, to recommend revisions to education funding or additional education funding, but requires the proposed executive budget to include a minimum amount of total funding for the State Education Fund based on the projections of the Economic Forum for the upcoming biennium.

Section 10 of this bill creates the Commission on School Funding and prescribes its membership. **Section 11** of this bill prescribes the duties of the Commission. **Section 76** of this bill requires the Commission to project the distribution of education funding for the 2019-2021 biennium as if the Pupil-Centered Funding Plan were in effect, compare that projection to the actual distribution of education funding for the 2019-2021 biennium, and make recommendations for the implementation of the Pupil-Centered Funding Plan to the Governor and Legislature.

Section 12 of this bill establishes certain reporting requirements for the Department of Education and for each school district and public school relating to educational expenditures. **Section 74.5 of this bill makes an appropriation for the costs of implementing this bill.**

Section 4 of Senate Bill No. 543 is hereby amended as follows:

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, 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

1 *money contained in the State Education Fund decreases from the preceding*
2 *fiscal year.*

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

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

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

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

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

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

29 *(2) Adjusted base per pupil funding for each pupil estimated to be*
30 *enrolled in the charter school or university school for profoundly gifted pupils*
31 *other than a pupil identified in subparagraph (1).*

32 *(e) To each school district, charter school or university school for profoundly*
33 *gifted pupils, an amount of money determined to be sufficient by the Legislature,*
34 *when combined with any other resources available for this purpose, to provide*
35 *additional weighted funding for each pupil estimated to be enrolled in the school*
36 *district, charter school or university school for profoundly gifted pupils who is:*

37 *(1) An English learner;*

38 *(2) An at-risk pupil;*

39 *(3) A pupil with a disability; or*

40 *(4) A gifted and talented pupil.*

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

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

1 *applies to the charter school or university school by the statewide base per pupil*
2 *funding amount.*

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

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

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

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

22 6. *For any money identified in subsection 4 of NRS 362.170 which is*
23 *deposited to the credit of the State Education Fund:*

24 (a) *The amount of such money for the county from which the money was*
25 *collected that does not exceed the total amount of money appropriated pursuant*
26 *to subsection 2 to the county school district is deemed to be the first money*
27 *appropriated pursuant to subsection 2 for that county school district.*

28 (b) *The amount of such money for the county from which the money was*
29 *collected which exceeds the total amount of money appropriated pursuant to*
30 *subsection 2 to the county school district must be transferred to the county school*
31 *district and is hereby authorized for expenditure as a continuing appropriation*
32 *for the purpose of mitigating the adverse effects of the cyclical nature of the*
33 *industry of extracting and processing minerals on the ability of the county school*
34 *district to offer its pupils a reasonably equal educational opportunity.*

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

37 (a) *May not be used to settle or arbitrate disputes between a recognized*
38 *organization representing employees of a school district or the governing body of*
39 *a charter school and the school district or governing body or to settle any*
40 *negotiations; and*

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

NEW section 74.5 of Senate Bill No. 543 is hereby added as follows:

1 *Sec. 74.5. 1. There is hereby appropriated from the State General*
2 *Fund to the Interim Finance Committee the sum of \$6,551,530 for allocation to*
3 *the Department of Education for the implementation of this act.*

4 *2. Any remaining balance of the appropriation made by subsection 1*
5 *must not be committed for expenditure after June 30, 2021, by the Interim*
6 *Finance Committee or any entity to which money from the appropriation is*

1 granted or otherwise transferred in any manner, and any portion of the
2 appropriated money remaining must not be spent for any purpose after
3 September 17, 2021, by either the Interim Finance Committee or the entity to
4 which the money was subsequently granted or transferred, and must be
5 reverted to the State General Fund on or before September 17, 2021.