APPENDIX C

Monetary Projections - iNVest

iNVest '05

Investing in Nevada's Education, Students and Teachers

A Funding and Accountability Proposal

by the
Nevada Association of School Boards
and the
Nevada Association of School Superintendents

iNVest in education

GAC-5465.11

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Executive Summary

In 2003, Nevada's 17 school boards and their superintendents joined together to create a blueprint for academic improvement in the State of Nevada. The result was a document known as ***iNVest*** – an acronym for **"Investing in Nevada's Education, Students, and Teachers."** While previous efforts to improve education had been focused on simply obtaining increased student funding without identifying how it would be used, the authors of ***iNVest*** asked the question, "What is needed to improve student achievement in Nevada?" Through the identification of common needs and goals, Nevada's instructional leaders developed a statewide vision that would result in increased learning for Nevada's students. Included with the description of how funds would be used, accountability measures were also built into the plan so the success of programs and the increased funding provided could be measured.

The cost of the 15-point plan as set out in Assembly Bill 266 was staggering at nearly $900 million. Superintendents and school trustees were quick to assure legislators that although the academic improvement plan was extensive, it is a long-term plan that should be funded and implemented over a period of years. When the 2003 legislative sessions were over, more than one-third of the programs identified in ***iNVest*** were approved and funded in part or in whole, including: increased funding of $50 per student for textbooks and supplies; 2% raises for employees in each year of the biennium (plus an additional .75% to offset increasing retirement premiums); a $15 million allocation to cover inflationary costs; $52 million in basic support for health insurance cost increases plus an additional $5.8 million appropriation to the Interim Finance Contingency Fund to be accessed with Committee approval if costs ran higher; signing bonuses for new teachers; and the flexibility to reconfigure the number of students in elementary school grades funded with class size reduction funds was given to most Nevada counties.

Although the ongoing task of finding additional funding for education is never easy, ***iNVest '05*** once again asks, "What is needed to improve student achievement in Nevada?" While the answers to that question are expensive, they cannot be altered or ignored simply because they come with a price tag. While educators and legislators agree on the importance of preparing a highly educated workforce, many of Nevada's 385,414 students face hurdles that serve as obstacles to student achievement. Statewide, 40.5% of our students attend Title I schools; 34.1% are eligible for Free and Reduced Lunch, a common indicator of students living in poverty. Of all students, 15.9% are ELL and 11.5% are in special education. Meanwhile, Nevada continues to hover in the lower quartile of education funding in the nation, as does our student achievement. Critical programs that will help our students improve academically must be funded and implemented if education in Nevada is to improve.

When the original ***iNVest*** plan was developed, an underlying theme that influenced its educational strategies was the newly enacted enhanced state curriculum standards and the requirement of passing the Nevada High School Proficiency Exam for students to graduate. All schools now face further challenges of making Adequate Yearly Progress as required by the No Child Left Behind Act. Educators embrace these responsibilities and challenges; however, it is imperative that all students have the time and opportunity to learn what is expected of them. It is equally important that adequate funding is provided to school districts as they provide those opportunities.

iNVest is based on three tenets:

- Districts must have adequate basic support;
- Districts must have the capacity to attract and retain a quality work force;
- Districts must improve student achievement by increasing instructional time and expanding educational opportunities.

Many of the items included in ***iNVest '05*** are similar to those in the original ***iNVest*** plan, although some programs have been modified and/or combined with other programs. Although not included in this document, the superintendents and school boards also expressed interest in adopting programs that provide additional compensation for teachers who demonstrate certain skills, knowledge, and responsibilities. Additionally, it is requested that legislators be mindful of the difficulties encountered by school districts when additional requirements are mandated without providing adequate funding. School districts cannot be expected to absorb the costs of unfunded or under-funded mandates.

Following the procedure used in 2003, the boards of school trustees in all 17 counties are in the process of passing resolutions in support of ***iNVest '05*** and its three tenets. Additionally, a bill draft sponsored by the Nevada Association of School Boards will once again bring the ***iNVest '05*** plan to the State Legislature for consideration. Educational leaders across the state – the 17 school superintendents and the elected boards from each of the counties – encourage policy makers and other stakeholders to give serious consideration to this proposal to improve student achievement, and to take the steps necessary to invest in Nevada's most promising resource, our students.

Include Annual Inflation in the DSA

Attachment 1

Description: Like all consumers, school districts have experienced a dramatic increase in the cost of commodities, which increase the cost of the services they are required to provide. In the ten-year period from 1994 to 2004, the cost of a postage stamp has risen by 28%, from $0.29 to $0.37; the cost of gasoline has undergone a 110% increase, from $1.09/gallon to $2.29/gallon; and the cost of milk has nearly doubled, from $2.29/gallon to $4.54/gallon. In some districts, liability insurance has also increased dramatically, and the cost of utilities for Nevada's school districts, in spite of aggressive conservation efforts, is expected to grow to $19,622,600 over the next biennium (based on an assumption of a 10% price increase). Costs of health insurance and educational materials continue to increase on an annual basis, as well. From transporting students to school to feeding them lunch to heating and cooling their classrooms to providing basic educational materials, essential expenses for Nevada school districts continue to increase.

Since school boards cannot create or increase revenue streams, resources for public education provided by the state must be realistic in terms of funding expenses. Adequate and appropriate inflation cost adjustments, based on the best information available, must be built into expenditure calculations for non-salaried and benefit accounts in the construction of the biennial distributive school fund budget and calculations of state basic support. School districts request that the state utilize inflationary assumptions from recognized sources specifically for school districts for the basic support calculation and when constructing the biennial budget for the Distributive School Account (DSA) in all budget categories.

Educational Benefits: Schools cannot operate without utilities and other basic necessities. Inadequate funding of the true inflationary costs of basic expenditures results in cuts to instructional programs, or leaves school districts without adequate resources to provide academic interventions for students, and to purchase supplies, equipment, or other necessary resources. Inadequate provisions for inflationary costs clearly erode school districts' existing instructional programs, which is particularly devastating in times of higher standards and the need to increase student achievement. If cost increases must be carved out of the existing operating budget, it is at the expense of class size, educational programs, and other resources essential to a good education.

Accountability: Program reductions will not have to be implemented as a result of losses through inflation, nor will class sizes be further increased. School districts will continue to implement every cost-saving measure feasible, including energy-savings programs. Design of all new buildings will accommodate the latest in energy conservation features and, where appropriate, explore alternative sources of energy.

Annual Inflation Costs:	**FY06:**	**$ 9,992,310**
	FY07:	**$ 21,133,508**
Total for Biennium:		**$ 31,125,818**

Calculations: Estimated cost based on overall estimated blended inflation index of 3.0% applied to all non-salary and benefit accounts.

[Source: Doug Thunder, Administrative and Fiscal Services, Nevada Department of Education, DSA 2006-2007 Biennia Preliminary Report

Continue Augmented Funding for Books, Educational Supplies, and Equipment

Attachment 2

Description: The 2003 Nevada State Legislature provided a $50 per student textbook allocation in a designated fund. The 17 school boards and superintendents appreciate the Legislature's commitment to students as evidenced through this funding. That allocation has helped districts meet the ongoing challenge of keeping pace with the never-ending need to supply up-to-date textbooks, classroom supplies, and equipment necessary for Nevada's students. The cost of textbooks, instructional supplies, and instructional equipment continues to increase. The continuation of this designated funding, as well as expanding the allowable use of the funds to include the purchase of computer software, library books, and a provision that doesn't penalize districts that have expended more funds than usual for a textbook adoption in a particular year, is of paramount importance.

Educational Benefits: Information and technology are increasing at an exponential rate. Students who are hampered by insufficient materials will not be competitive either in higher education or post-secondary employment.

Accountability: Students will have sufficient access to textbooks and other educational materials. Textbooks will be in good repair and up-to-date. Districts will continue to use the increased allocation to supplement, not supplant, current expenditures.

Other Information: The average cost of an elementary textbook is over $44 per student for one subject and each student needs to be provided, at a minimum, a book for reading/language arts, mathematics, science, and social studies, totaling at least $176 per student. The average cost of a secondary textbook is approximately $54 per student, and each student needs textbooks for 5-6 courses, easily totaling over $270 per student. School districts typically replace textbooks every five to six years because of changes in curriculum, state content standards or graduation requirements. (State guidelines require a seven-year textbook replacement cycle.)

Additionally, essential student supplies and equipment needed in classrooms include paper and pens/pencils, hands-on learning materials for mathematics and science, calculators, computers, software, printers, televisions, CD players, reference materials/books, maps and globes, and selected art materials. Many of these supplies and equipment items are consumed and need to be continuously replenished. Schools must also purchase additional equipment, such as copy machines, music instruments, and physical education and athletic supplies.

Cost of Books, Supplies, Equipment:	**FY06: $ 20,221,950**
	FY07: $ 21,056,950
Total for Biennium:	**$ 41,278,900**

Calculations: This calculation is the cost of continuing the allocation of $50 per year per student (over and above the state's textbook allocation), using a growth assumption of 4.5%.

[Source for estimated student population: Doug Thunder, Administrative and Fiscal Services, Nevada Department of Education, DSA 2006-2007 Biennial Preliminary Report.]

Protect Ending Fund Balance

Attachment 3

Description: Districts believe it is imperative to statutorily protect any budgeted or actual unreserved ending fund balance of 5% or less from consideration in a district's ability to pay in labor negotiations and arbitration. Although NAC 354.660 states that an ending fund balance of not more than 8.3% of budgeted expenses (one month's expenses) is not subject to negotiations with employee organizations, without the legislative authority to protect an ending fund balance, this administrative code requirement is routinely ignored by arbitration officers.

Educational Benefits: Protecting funds from the bargaining and arbitration process by statute will allow school districts to maintain adequate ending fund balances. Finance experts (such as Ian J. Allen, a manager with the Government Finance Officers Association) and major credit rating agencies (such as Moody's Investor's Service and Standard and Poor's Corporation) state the importance of maintaining at least a 5% fund balance.

The unreserved fund balance is a district's protection against program cuts when unanticipated costs (e.g., fuel, utilities, insurance, etc.) and/or potential shortfalls in local revenues occur. The maintenance of a "rainy day fund" affords school districts the financial accountability and flexibility to meet sudden and unusual cost increases without being required to cut educational services to students. For example, ending fund balances were used in Douglas County to pay the costs associated with the mercury spill experienced in one of its schools. Other counties were required to replace Carpenter school busses, also accomplished by utilizing their ending fund balances.

Moreover, it is critically important to note that bond ratings for some counties are adversely affected when an adequate ending fund balance is not maintained. The Department of Taxation notices districts and requires an explanation for unreserved budgeted ending fund balances of less than 4%.

Accountability: Districts will maintain an ending fund balance for fiscal stability. A statutory requirement to protect a 5% unreserved fund balance from salary negotiations, arbitration, and other non-emergency uses will assure instructional programs can be maintained and appropriately supported.

Other Information: Districts across the state have dangerously low fund balances, which are still vulnerable to arbitration awards. Waiving their board's own policy, in FY02, Clark County's ending fund balance dipped dangerously low to 1%, enough money to operate the district for only 2.5 days, primarily as the result of an arbitration award. Although Clark County's ending fund balance has been restored to 2% in FY04, the protection of a 5% ending fund balance is preferable. Washoe County has an ending fund balance of $3 million, less than 1% of its budget. Meanwhile, county and city governments throughout the state typically have balances over 20%. All Nevada districts are committed to providing the best salary and benefits package possible for all employees. However, negotiations must not take precedence over the primary mission of the districts – the education of our children.

Cost to Protect Ending Fund Balances: No Cost

Salary Increases for Educational Personnel

Attachment 4

Description: The growing student population in Nevada and the retirement of large numbers of licensed educational personnel present major challenges to the state's school districts, challenges that will only increase over the next decade. Compounded by the teacher quality mandates of the No Child Left Behind Act of 2001, many school districts find it difficult to impossible to hire new teachers who meet or exceed the Highly Qualified Teacher requirements.

In the recent past, the attractive benefit package and the low cost of living in Nevada have helped attract teachers to our state. However, with escalating housing costs and with new teachers more interested in purchasing power than retirement benefits, recruiting teachers is becoming increasingly difficult. For the 2004 school year, Clark County hired more than 2,000 teachers. Seventy-five percent of those teachers came from outside of Nevada. Some teachers, after initially accepting an offer to teach in Clark County, subsequently rejected the offer after visiting Las Vegas and finding the housing available to them within their budget to be unacceptable for their families. As challenging as hiring is for large districts, the challenge for rural districts may be even greater. Attracting qualified teachers to remote areas is difficult, particularly when teachers can earn more money in more populous areas in nearby states.

Adequate compensation is a critical element in hiring teachers. If we are to make significant progress in educating our youth, we must provide salary increases that enable school districts to attract and retain highly qualified educational personnel who are not penalized by increases in the cost of living.

Dr. Dan D. Goldhaber and his colleagues have published findings specific to teacher compensation for the Educational Research Service in a document titled "Teacher Compensation and Teacher Quality" (2003). Among their findings supporting the need to increase teacher compensation, they cite information from the U.S. Department of Education stating that, "Although average starting salaries in teaching increased in the 1990s, they continue to lag far behind salaries in other occupations."

Salary increases for school personnel are essential to keep up with increases in the cost of living. In recent years, salaries for educational personnel have fallen behind the cost of living and, as a result, the value of salaries paid to Nevada's educational employees has been eroded. The following salary increases were funded by the Legislature since FY00:

FY00	0%	FY02*	0%	FY04**	2%
FY01	0%	FY03	2%	FY05	2%

The purchasing power of educational personnel has continued to decrease over this period. For example, according to S. Morgan Friedman at www.inflationdata.com, what cost $1.00 in 2000 would cost $1.06 in 2003. This same source indicates that the inflation rate from January 2004 to July 2004 has been 2.27%. As a result, 2% salary increases as funded by the 2003 Legislature, though greatly appreciated, did not keep educational personnel even with or ahead of increases experienced in the cost of living. Salary increases, at a minimum, should be tied to cost of living increases.

Educational Benefits: Competitive salaries are essential to attract and retain quality educational personnel. Attracting and retaining quality educational personnel will promote significant long-term school improvement and close the achievement gap among Nevada's students.

Accountability: Through the proposed database recommended by the National Governors' Association, Center for Best Practices, it will be possible to provide longitudinal information about teacher satisfaction and retention as correlated to salary.

Cost of 3% Salary Increase:	**FY06: $ 55,234,492** **FY07: $ 117,298,259**
Total for Biennium:	**$ 172,532,751**

**A legislated 3% bonus was given in FY02, but it was not part of the salary schedule and did not represent an increase in ongoing earnings.*

*** .75% was also allocated to offset retirement premiums for employees.*

[Source: Budget projections provided by the Nevada Department of Education, August 2004.]

Health Benefits

Attachment 5

Description: The biennial Distributive School Account (DSA) must include funding for the maintenance of reasonable active employee health benefits. These annual funding increases should be at least equal to the anticipated increase in medical costs as supported by national or regional medical cost indices. Districts seek legislative action that would require that the distributive school fund budget be constructed with health benefit funding that keeps pace with the cost of medical services in the State of Nevada, including the unintended consequences of the passage of AB286.

Districts recognize that the costs of AB286 from the 2003 Legislative Session are not limited to school districts. However, since school districts have no ability to generate funds to off-set these expenses over which they have no control, these obligations reduce the districts' resources needed to deliver student instruction. Rather than channel retiree health care subsidies through school districts, the legislature is requested to make a direct AB286 appropriation to the PEB program. A direct appropriation would avoid co-mingling with DSA funding, as well as prevent diversion of funds away from classrooms and curriculum.

The 2003 Legislature, recognizing the escalating costs associated with health benefits, set aside $5.8 million (via AB257) to be available for additional appropriations based on need. Applications to use these funds totaled over $18 million, leaving school districts to fund the difference from instructional dollars.

Educational Benefits: Maintaining a quality instructional work force is essential to delivering quality instruction to students. Competitive benefits are an essential part of compensation, and reasonable health benefits are at the top of the list of benefits sought by existing and prospective educators. Over the last six years, funding for health benefits has been inadequate, forcing school districts to divert instructional dollars to cover unfunded health care costs. Increased premiums and co-pays on the part of the enrollees in some counties have, in effect, translated to a cut in pay to our education employees. According to ABD Insurance and Financial Services and other recognized health benefit experts, employers will face 10-15% annual increases in the cost of providing the current level of health benefits in 2005-06 and in the next several years.

Accountability: An appropriate compensation package will reduce the number of teachers leaving the district and help attract a quality teaching force in a growing state.

Cost of Health Benefits:	**FY06: $ 20,067,029**
	FY07: $ 45,113,007
Total for Biennium:	**$ 65,180,036***

Calculations: From the State Department of Education, using the biennial budget formulas required by the State Budget Office and a 12% increase in each year of the biennium.

*Calculation does not include retiree health care subsidy costs required by AB286.

[Source: Doug Thunder, Administrative and Fiscal Services, Nevada Department of Education, DSA 2006-2007 Biennial Preliminary Report].

Incentives for Licensed Educational Personnel

Attachment 6

Description: It is proposed that the Nevada State Legislature continue to fund initial signing bonuses in the amount of $2,000 per teacher, and expand eligibility for this bonus to other licensed educational personnel new to Nevada (i.e., librarians, counselors, nurses, etc.), and provide full state funding for the program. Effective incentives are needed to attract:

- novice teachers to fill existing positions, regardless of where schools are located;
- experienced, highly-qualified licensed educational personnel to serve at schools "demonstrating need for improvement" and schools with high rates of children in poverty; and
- highly-qualified licensed educational personnel in critical shortage areas such as math, science, special education, and ELL.

Educational Benefits: Matching skilled teachers with the students who need them most is a tremendous challenge for school districts. In large districts, teachers often have many options available to them, and to choose to teach at an at-risk school many miles from home can be an expensive decision in terms of time and travel expenses. In rural districts, the distances – and the challenges – may be even greater. With the increased expectations of the No Child Left Behind Act, it is increasingly important to ensure that schools with struggling student populations have access to the best and brightest teachers available. Additionally, as enrollment continues to increase, the need to attract competent teachers from across the United States to Nevada's districts is essential.

A broad range of national research demonstrates the importance of prepared, experienced and well-supported licensed educational personnel to promote long-term school improvement and to close the achievement gap, both goals of the No Child Left Behind Act of 2001 and Senate Bill 1 of the 19th Special Session of the 2003 Nevada Legislature. School reform research shows that if a school is to make academic strides, its administrators and faculty must stay together and build new practices collaboratively for at least five or more years.

To reach the ambitious achievement goals set forth in NCLB and SB1, schools must reduce high teacher turnover rates. The "revolving door" syndrome for schools with students in poverty or schools designated as "needs improvement" often leaves students with one beginning teacher after another. Students who are most in need of qualified teachers end up with what one researcher calls a "relentless stream of untried novices who do not have the skills to help them reach high academic standards." Just as important is the need to retain the teachers we have. According to the American School Board Journal, August 2004, "By the end of five years, the cumulative attrition rate is 46%." That is a national statistic. Unfortunately, the situation is even worse in Nevada's largest district where approximately 50% of the teachers leave before the end of five years. Not only is it challenging to have teachers leave the classroom in an environment where so many teachers are needed, it also imposes real costs in terms of the need for constant training and retraining, as well as educational costs in terms of a lack of stability and continuity in our classrooms.

For the purpose of iNVest '05, funding is requested to continue the signing bonuses for licensed educational personnel new to Nevada. In addition, legislators are encouraged to explore and support other methods of attracting and retaining highly qualified teachers through methods used in other states, with whom we compete for available, qualified teachers. These programs include things such as tuition-free graduate courses; loan forgiveness programs; and stipends for licensed educational personnel who receive satisfactory evaluations for four consecutive years and who teach either in rural or remote areas, at high-poverty schools, or who teach in critical shortage areas such as math, science, special education or ELL.

Accountability: Accountability reporting about the percentages of High Quality Teachers and other licensed educational personnel will evidence that children in high poverty schools or at schools designated as "demonstrating need for improvement" have as many or more Highly Qualified Teachers as are found elsewhere in school districts.

Estimated Costs for Signing Bonuses:	**FY06: $ 5,600,000**
	FY07: $ 6,000,000
Total for Biennium:	**$ 11,600,000**

Calculations: Base expanded by 11% to include licensed educational personnel (excluding administrators) plus school nurses and increased at a rate of 4.5% per year.

Adequate Yearly Progress for All Students

Attachment 7

Description: In accordance with the goals of the No Child Left Behind Act (NCLB), it is imperative that additional time and opportunity to learn be provided for students who do not achieve Adequate Yearly Progress (AYP).

Educational Benefits: The Nevada State Legislature led the way for educational reform with the Nevada Education Reform Act, passed in 1997, which required students to demonstrate knowledge of specified curriculum standards as established by the Council to Establish Academic Standards For Public Schools. Prior to that time, the high school diploma for most Nevadans was earned primarily by fulfilling the required amount of "seat time" and earning the number of high school credits needed to graduate. For those students, time was the constant and achievement the variable. Some students clearly learned more than others, but students who met the time and credit requirements still received a diploma. In the age of standards and accountability, achievement is the constant, and time is the variable. Requiring the alignment of the High School Proficiency Exam (HSPE) with the state content standards added a dimension for graduation that has resulted in increasing numbers of students who have met the specified time and credit requirements, but have not mastered the standards expected of a graduate.

With the addition of NCLB, the stakes for our students and schools are even higher. NCLB requires schools to measure the AYP of specific categories of children, including ethnic groups, children in poverty, and those with special learning needs. If students within those specific categories do not make adequate yearly progress, the school, regardless of the performance of the rest of the student population, is labeled as "In Need of Improvement." Nevada currently has 127 schools on the "In Need of Improvement" list; with an additional 103 on the "Watch List." Educators and parents agree that it is important to be aware of every child in every school, and recognize that not all students learn in the same way or at the same speed. This means schools must be prepared to offer additional time and opportunities for students who have fallen behind. Being a school "In Need of Improvement" leads to federal sanctions, a demoralization of both student body and staff, and results in a decrease of confidence in public schools.

Although schools on the "In Need of Improvement" list are eligible for some federal funds for certain targeted programs, additional support could be provided by their parent districts in various ways. For schools whose issues are multiple and serious, the establishment of a district support team could provide a comprehensive review of the school's curriculum and programs, allocation of instructional dollars, and remediation/intervention strategies to meet instructional needs of all students. A district support team could also provide comprehensive data analysis, and/or audits of a school's curriculum, professional development, instructional programs, and staff to identify areas in which a school may more effectively target personnel and fiscal resources to improve student achievement.

For some schools, targeting efforts at a select group of students may be all that is needed. Programs such as summer school, intersession, tutorials, strategies for students whose first language is not English, and distance education provide additional instructional time for students striving to meet proficiency, as well as enrichment classes for students seeking new challenges. Summer school helps students retain knowledge and maintain skills acquired during the traditional 180-day school year, as well as providing the opportunity for credit recovery so they can graduate on schedule. Intersessions help students "catch up" or "beef up" skills and knowledge necessary for proficiency. Tutorial programs allow schools to meet each student's individual needs in a focused learning environment. Distance education programs give schools and districts increased ability to meet the diverse education needs of their students, and, in some cases, provide required curriculum or advanced placement classes that would otherwise be unavailable.

While various districts already offer some of these programs, they are limited by resources and many require tuition, which restricts participation. These programs and resources are essential to address schools on the "Watch List" for not making AYP and those labeled "In Need of Improvement." Focusing upon these schools sooner will save both time and money in the long run, and will help many more students achieve proficiency. Additionally, intervention strategies must be employed for individual students whose progress is lagging even if the school they attend is reaching AYP goals. Failure to help struggling students will eventually lead to the entire school being named "In Need of Improvement," based on the performance of relatively few students.

As the student achievement information on the following page illustrates, a significant number of students are failing all high-stakes tests: Criterion Referenced Tests (CRT), Norm Referenced Tests (NRT) and the High School Proficiency Exam (HSPE). Intervention programs will be specifically designed to improve student achievement by providing additional learning opportunities. Furthermore, all students would benefit from certain specialized classes,

including courses designed to prepare them for high-stakes tests such as the HSPE, SAT, and ACT. Because students have different learning abilities and do not achieve at the same rate, achieving proficiency for all students – including meeting AYP and successfully passing the HSPE – requires increased flexibility for programs designed to ensure students achieve local, state, and national standards.

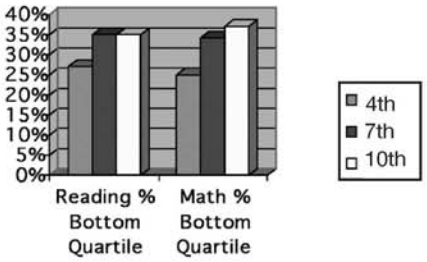
Accountability: Additional instructional time and opportunities – whether through summer school, intersession, tutorial, or distance education programs – will decrease the knowledge gap between students in the classroom. Results of NRTs and CRTs, passing rates on the HSPE, and improved scores on other state exams will show measurable improvements as a result of these additional learning opportunities. Providing additional resources and learning opportunities to schools on the "Watch List" will prevent many of them from being designated "In Need of Improvement," as well as help those so designated leave the category, and meet the requirements of the No Child Left Behind Act and Nevada's sister legislation, SB1 (19th Special Legislative Session, June 2003). This will save time and money, and will serve to keep more of our students on track to achieve proficiency.

Other Information: Individual schools within each district should be given the flexibility to use the resources to implement the programs that will be most effective with their students. For instance, all Nevada school districts now have the capability to use distance education to improve student learning. Others now offer or would offer intersession programs providing targeted instruction to specific student populations. Many high schools would choose to implement an HSPE course to review test-taking skills, and to concentrate on the specific content areas needed by students who have not yet passed the HSPE.

2003-2004 State Accountability Report Data

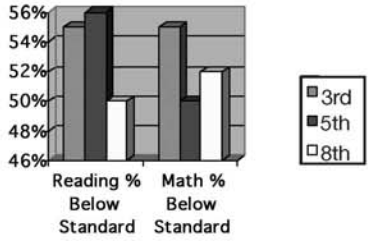
Norm Referenced Test results indicate that the percentage of students scoring in the bottom quartile in reading and math for grades 4, 7, and 10 is:

NRT		
Grade	Reading % Bottom Quartile	Math % Bottom Quartile
4th	27%	25%
7th	35%	34%
10th	35%	37%



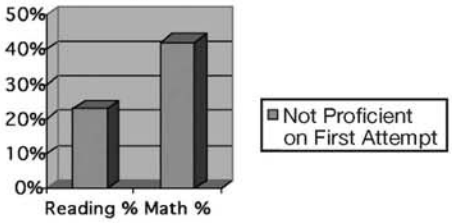
The percentage of 3rd, 5th, and 8th grade students who are below standard at the emerging and approaching level is:

CRT		
Grade	Reading % Below Standard	Math % Below Standard
3rd	55%	55%
5th	56%	50%
8th	50%	52%



According to the same report, the percentage of students who did not pass the reading and math HSPE on the first attempt is:

HSPE		
	Reading %	Math %
Not Proficient on First Attempt	23%	42%



Additional Learning Opportunities:	**FY 05**	**$ 23,000,000**
	FY 06	**$ 24,000,000**
Total for Biennium:		**$ 47,000,000**

Calculations: The projected student enrollment for FY 05-06 is 417,780 and 435,025 for FY 06-07. Currently, 55% of the students are not proficient or scored below the 50th percentile as determined by state CRT and NRT performance, or approximately 230,000 students in FY05 and 240,000 in FY06. This calculation is based on increasing funding by $100 per student, to be utilized in one of the various methods mentioned above.

Funding for English Language Learners

Attachment 8

Description: Nevada is one of the fastest-growing states in the nation, and English Language Learners are the fastest-growing segment of our student population. [Note: Several acronyms exist to classify students who are not fluent in English. Among them are ESL (English as a Second Language), LEP (Limited English Proficiency) and ELL (English Language Learners). Throughout the document, references are made to ELL, but could also refer to ESL and/or LEP, as well.]

According to a study from the U.S. Department of Education published in Education Week, January 2004, the number of ELL students across America grew 73% from 1992 to 2002. In Nevada, over a similar ten-year period (1994 to 2004), Nevada's identified ELL student enrollment increased from 14,296 (about 6% of the student population) to 65,372 (approximately 16% of the population), a phenomenal growth rate of 457%. In Clark County, the number of ELL students over the past ten years increased by 517%; approximately 14% of Washoe County's and 20% of Clark County's total student population are English Language Learners. Although the Hispanic population is growing faster than any other segment of students, Spanish is only one of approximately 65 languages spoken in Nevada's schools. The need for teachers who are able to effectively teach students whose native language is not English and for programs designed to reach this growing population is dramatically increasing every year.

According to data generated by In$ite, the statewide average expenditure for services to ELL students was $286 per student in FY03-04 – a total of $18.7 million. As the growth of ELL enrollment continues to escalate, districts must pay for ELL services from the general budget, impacting other academic programs. Districts request an allocation of $300 per student enrolled in an ELL program. At a minimum, this will allow districts to maintain current levels of ELL services.

Educational Benefits: The requirements of the No Child Left Behind Act emphasize the need to effectively reach ELL students. In 2003-04, on the English Language Arts portion of the High School Proficiency Exam (HSPE), 45% of ELL students in high school were unable to meet the Adequate Yearly Progress (AYP) targets. On the math portion, 76% of ELL students did not make AYP. In April 2004, 52% of 10th grade ELL students failed the reading portion of the HSPE and 80% failed the math portion. ELL students are more likely to leave high school before graduation. Improving ELL programs would help transition students who are English Language Learners more quickly into the regular school curriculum, accelerate their achievement, and increase graduation rates, ultimately resulting in a positive impact on the work force in Nevada.

As Nevada is not the only state facing an increase in ELL students, we can benefit from the best practices of other states and from successful programs now in place in various districts, such as:

- "Sheltered Instruction" training Such as Sheltered Instruction Observation Protocol (SIOP) or High Quality Sheltered Instruction (HQSI) for teachers to develop strategies necessary to address the needs of ELL students
- "Welcome Centers" for high school students who need an environment concentrating on transition skills
- Additional testing in their home language for students new to the district to determine the appropriate placement
- Bilingual and TESL (Teaching English as a Second Language) endorsement for teachers
- Smaller class sizes
- English language development through ELL supplemental materials (such as the Waterford Program for Kindergarten and 1st grade ELL students)
- Increased parent involvement

Accountability: Increased funding for ELL programs will result in:

- Improved standardized test scores of ELL students.
- Increased passage rates on the Nevada High School Proficiency Examination.
- A decrease in dropout rates for this segment of the student population.
- Non-English speaking students being verbally functional in regular English-speaking classrooms within three years and proficient in reading and writing skills within five years.

Costs of Weighted Funding for ELL Students:	**FY06: $ 27,838,800** **FY07: $ 33,016,800**
Total for Biennium:	**$ 60,855,600**

Calculations: Additional $300 per projected ELL student. Past three years of data show an average growth of ELL students of 18.6% per year.

Full-day Kindergarten

Attachment 9

Description: School districts seek funding to expand current half-day kindergarten programs to full-day programs.

Educational Benefits: NRS 392.040 requires children entering first grade to complete a licensed private or public school program, be home schooled, or demonstrate through testing that they are developmentally ready to learn before entering first grade.

Research strongly supports that full-day kindergarten results in academic and social benefits for students, at least through primary grades, as compared to their counterparts in half-day programs. Full-day students performed better on standardized assessments and are less likely to be retained and/or referred for special education programs. Research also strongly supports the benefits of full-day programs for students within minority populations or deemed "at-risk" students.

Research also shows that students who are at-risk for school problems due to delayed development, disabilities, or limited preschool experiences, and who attend rigorous and nurturing full-day programs, are more likely to have stronger achievement in basic skill areas and generally better preparation for first grade. For all children, full-day kindergarten programs help increase academic achievement while reducing the probability that they will be retained in the early elementary grades.

The majority of research cites positive and long-term benefits associated with full-day programs. The following summarizes results of current research comparing the effectiveness of full-day versus half-day programs. Compared to half-day kindergarten, full-day programs are typically associated with:

- Higher long-term achievement
- Higher achievement for disadvantaged and low income children, and for those receiving Title I services
- Higher reading scores in early grades
- Fewer grade retentions
- Higher test scores
- More time spent in individualized instruction
- Greater progress in social skills for disadvantaged and low income children
- More reinforcement of positive social behaviors
- Higher self-esteem and independence
- Greater creativity
- Access to nutritional breakfast and lunch
- A more relaxed, less hurried school day with more varied experiences

Accountability: Impact can be demonstrated by reductions in retention and special education referrals, increases in primary grade academics, and advancement towards meeting AYP.

Other Information: This proposal includes the cost of placing portables within districts to act as classrooms. Clark County will absorb costs associated with the portables for their district. As a result, costs only reflect portables for the remaining districts. A general supplies template has been agreed upon by each district and will be used as the basis for all new class supplies purchases. Teacher salaries reflect a state average, and will vary from district to district.

Full-Day Kindergarten:	**FY06: $ 12,045,000** **FY07: $ 59,907,821**
Total for Biennium:	**$ 71,952,821**

Calculations: Calculations are based on the costs of acquisition and installation of 73 modulars, with bathrooms, at the cost of $150,000 each (to provide 146 classrooms), plus $7500 per classroom for furniture and instructional materials to take place in FY06. Implementation of the program will begin in FY07, which will require the increase of the $4656 basic support for an estimated 32,167 kindergarten students from .6 to 1.0.

Note: FY06 costs do not include the cost of the 146 classrooms needed by Clark County, as those costs will be borne through their existing capital improvement program.

Professional Development for Student Achievement

Attachment 10

Description: Currently, the Legislature allows each school district to use not more than five days within the existing 180-day school year for the purposes of professional development. Although these days are essential, each day utilized by a district decreases the amount of instructional time for its students. It is proposed that five days be added to the contract of teachers to be used for professional development, ensuring that each student in Nevada receives 180 days of instruction.

Additional Information: Recent changes in the Nevada Administrative Code now impose a limitation of five "minimum" days per school year. Minimum days have shortened instructional time for students, so the rest of the contract day can be used for staff development. Many districts use minimum days throughout the year to provide teacher training relevant to specific needs.

Educational Benefits: In effect, this would add five days to the students' school year, thereby increasing instructional time and time on task. Research clearly shows a link between teacher training and increased student achievement. In addition, this would serve to ensure a guaranteed 180 days of instruction and also help accommodate various testing requirements.

Accountability: A definite correlation can be shown between the amount of training a teacher receives and an increase in student achievement levels, not to mention the correlation between student achievement and time on task.

Cost of 5 Additional Days:	**FY06: $ 32,051,820** **FY07: $ 33,812,635**
Total for Biennium:	**$ 65,864,455**

Calculations: Calculations are based on the cost per-day of all teachers multiplied by the five additional days being requested.

[Source: "Per Day Cost" of $6,410,364 (FY06) and $6,762,527 (FY07) from Nevada Department of Education. Figures do NOT include additional salaries for administrators, since administrators already work the additional days.]

Classroom Discipline

Attachment 11

Description: Districts request additional funding to be used to implement effective classroom discipline programs. One of the most frustrating experiences for both the serious student and the teacher alike is a disruptive pupil who has no desire to participate in a successful learning environment. Classroom discipline is becoming one of the most serious challenges faced in public schools. Students who are persistently disruptive detract from the learning of all students. Teachers who can spend their time teaching, as opposed to disciplining a few disruptive students, are more effective, and the classroom environment is safer, calmer, and more conducive to learning if disruptive students can be removed.

Accountability: More instructional time will result in higher test scores. Programs geared specifically to the needs of disruptive students will reduce the number of schools labeled as "persistently dangerous" under the mandates of the No Child Left Behind Act.

Other Information: The 1999 Nevada State Legislature passed AB521, which provided funding for pilot programs to help teachers deal with the small population of disruptive students whose behavior dramatically impacts the ability to learn for an entire classroom of students. C.P. Squires, an elementary school in Clark County, had a high second language population, high poverty rate, high teacher turnover, and low test scores. Utilizing the grant money from AB521, the school designated one teacher as the school's behavior specialist and instituted a program called "Choice Theory." The first year of the program, 66 students spent at least one day in a specialized classroom created for students with inappropriate classroom behavior. Of those 66 students, 20 were repeat offenders who returned to the intervention classroom more than one day. The second year, 35 students spent time in the behavior classroom, with 12 repeaters. The third year, student behavior so significantly improved that the specialized classroom was disbanded, and the behavior specialist became a roving intervention specialist. In the past two years, only four students' parents were required to meet with the principal due to the disruptive conduct of their children. This contrasts sharply with the required parent conferences before the behavior intervention program was instituted, and with the number of required parent conferences at most other schools. C.P. Squires has experienced a reduction in the number of teachers transferring from the school, a dramatic improvement in the students' norm-referrend test scores, and last year they met the standards of Adequate Yearly Progress as required by the No Child Left Behind Act, a shining example of closing the achievement gap.

Since every school district is unique in its needs, an allocation of funds based on providing additional teachers for 3% of the student population should be set aside for school discipline programs. Schools or districts would develop a program and submit the plan to the Nevada Department of Education for approval and funding.

Cost of Classroom Discipline:	**FY06: $ 32,759,559**
	FY07: $ 34,112,259
Total for Biennium:	**$ 66,871,818**

Calculations: Data from 03-04 School Accountability reports indicate that 10,384 students were suspended or expelled from Nevada schools, representing 2.7% of the entire student population. This calculation is based on providing one teacher (at an average cost for salary and benefits of $60,000) per 20 students of 2.7% of the projected student enrollment for FY05 and FY06.

Career & Technical Education

Attachment 12

Description: Nevada districts urge the legislature to provide funds to support the additional cost of ensuring that Career and Technical Education (CTE) Programs meet industry standards as established by business and industry representatives serving on technical skills committees.

Educational Benefit: Over 70% of the jobs available to Nevada's work force do not require a 4-year college degree, yet many require advanced technical skills beyond a high school diploma. In the fall of 2002, over 33,000 students were enrolled in post-secondary occupational programs in Nevada. At the same time 45% (44,142 students) of all high school students were enrolled in one or more career and technical education courses. Many students begin taking elective technical courses in high school, earn college credit through the Tech Prep program, and complete their career-related course requirements at the community college level. Programs of study ranging from architecture, construction, manufacturing, information technology, retail sales and service, to tourism, business, health and human services are included. While mastering course work in CTE courses helps students achieve occupational skills facilitating their placement in employment, future education, and the military, it also plays a role in assisting students to learn academic skills through applied hands-on learning.

Student participation in CTE programs in Nevada secondary schools has a strong impact on reducing the dropout rate. This is evidenced by the fact that 6 percent of Nevada students in grades 9-12 dropped out of school during the 2002-03 school year, compared to only 1.7 percent of students enrolled in CTE courses.

Funds should be distributed to districts based upon the official enrollments in Career and Technical Education courses, which are reported annually to the Nevada Department of Education. Funds should be used to purchase equipment, supplies, software, and related technology to allow districts to meet the standards set forth in the newly developed state skill standards for career and technical education courses.

Accountability: Data and follow-up information will be collected and will demonstrate increased attendance, passage of the High School Proficiency Exam, and graduation rates for students enrolled in Career & Technical Education.

Other Information: Economic diversification in the state of Nevada is dependent upon a skilled work force. By targeting programs that support growing demand industries such as construction, education, manufacturing, information technology, automotive, biotech/biomedical, agriculture, retail sales and service, nursing, tourism, film, and business, the educational system can help produce the needed work force of tomorrow.

Cost of Work Force Preparation:	**FY06: $ 6,000,000**
	FY07: $ 6,000,000
Total for Biennium:	**$ 12,000,000**

Class Size Reduction Flexibility

Attachment 13

Description: Since 2001, Elko County has been given flexibility in their use of class size reduction funds, allowing them to adjust class sizes in grades 1-6 as they deem most beneficial for their students. During the 2003 session, that flexibility was extended to all Nevada counties except Washoe and Clark. The authorization for that flexibility expires June 30, 2005, and districts seek to have the flexibility permanently enacted by the legislature. Washoe and Clark seek the same flexibility afforded to all other Nevada districts.

Educational Benefit: According to the U.S. Department of Education, Center for Educational Statistics, Nevada has some of the largest class sizes in the nation. Student benefits from class size reduction will increase by allowing districts flexibility in implementing class size reduction. By retaining class size reduction funds while allowing local districts to establish the best use of these funds, there will be increased student achievement from K-12. Direct services will be based on unique district knowledge of growth trends and student needs.

Accountability: Data and case studies from districts where CSR flexibility is implemented will be collected and will demonstrate increased student achievement. The effectiveness of the implementation of a flexible CSR program in each district and across Nevada will be researched and measured through the collection and analysis of data obtained from classroom observations, student CRT scores, parent-guardian surveys, teacher interviews, administrative interviews and teacher surveys, as has been completed and published in the Report on the Elko County School District Class Size Reduction 22:1 Demonstration Project.

Other Information: Washoe and Clark, as required by Section 189.16 of Senate Bill 8 from the 2003 session, are currently preparing to report to the 2005 session of the Nevada State Legislature how they would utilize CSR flexibility should the legislature decide to expand it further.

CSR Flexibility Costs: No Cost

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Investing in Nevada's Education, Students, and Teachers

Description	Attachment		Cost	
		FY06	FY07	Biennium
Provide Adequate Basic Support				
Include Annual Inflation in the DSA	1	$ 9,992,310	$ 21,133,508	$ 31,125,818
Continue Augmented Funding for Books, Educational Supplies, and Equipment	2	$ 20,221,950	$ 21,056,950	$ 41,278,900
Protect Ending Fund Balance	3	No Cost	No Cost	No Cost
Attract and Retain a High Quality Work Force				
Salary Increases for Educational Personnel	4	$ 55,234,492	$ 117,298,259	$ 172,532,751
Health Benefits	5	$ 20,067,029	$ 45,113,007	$ 65,180,036
Incentives for Licensed Educational Personnel	6	$ 5,600,000	$ 6,000,000	$ 11,600,000
Increase Student Achievement				
Adequate Yearly Progress for All Students	7	$ 23,000,000	$ 24,000,000	$ 47,000,000
Funding for English Language Learners	8	$ 27,838,800	$ 33,016,800	$ 60,855,600
Full-day Kindergarten	9	$ 12,045,000	$ 59,907,821	$ 71,952,821
Professional Development for Student Achievement	10	$ 32,051,820	$ 33,812,635	$ 65,864,455
Classroom Discipline	11	$ 32,759,559	$ 34,112,259	$ 66,871,818
Career & Technical Education	12	$ 6,000,000	$ 6,000,000	$ 12,000,000
Class Size Reduction Flexibility	13	No Cost	No Cost	No Cost
	TOTALS:	**$244,810,960**	**$401,451,239**	**$646,262,199**