

February 5, 2021

SB543 Commission
C/o Chair Karlene McCormick
Nevada Commission on School Funding
2080 E. Flamingo Road; Suite 210
Las Vegas, NV 89119

Re: **Public Comment for February 5, 2021 SB543 Commission Meeting**

SB 543 Commission Members:

The Clark County Education Association is committed to enacting SB543 as the new funding formula for our k-12 system. We are also committed to finding the revenue to fund the plan in this Legislative Session and beyond. To that end we offer the following for your consideration.

1. We advise the Funding Commission to make a request to present your work to the Senate and Assembly Committees on Education and Finance and Ways and Means. We believe there is a significant gap in understanding what the SB543 legislation is and furthermore we believe the work you have done needs to be shared with the Legislature so they understand when making decisions regarding this law.
2. We do not support the Governor's proposal regarding SB543 in the upcoming biennium. We do not support it first for policy reasons. We do not believe it is a sound plan to rollout the new funding plan but more of a fix on a budget short gap. We believe the proposal is anything but SB543 implementation. Second, we do not support it because the proposal underfunds our k-12 education system at a time when we should be investing in education.
3. On funding, we suggest that the Commission look at multiple approaches to funding SB543. We believe multiple sources of revenue dedicated to funding k-12 should be on the table. We also believe that the Commission could recommend a multi biennium plan of increasing revenue that correlates with funding the Pupil Centered Funding Plan to optimum levels over time. We would advise that the first six years of a plan invests primarily in funding the per pupil baseline.
4. We recommend the Commission look at the sales tax and property tax in tandem as funding streams for the PCFP. First, we agree with the idea of looking at broadening the sales tax to increase revenue i.e. to include services and a claw back on certain exemptions. We would also suggest looking at the Local School Support Tax which is a dedicated funding stream for our schools. Raising that ½ percent would bring in over \$300 million a year.

Second, we strongly advise proposing property taxes to fund education. It is more stable and sustainable revenue in the long run. It was up until the 1980s when the Nevada Legislature reverted to sales tax in lieu of property taxes to fund education. There is a symbiotic relationship between

property taxes and our school system- positive or negative. Good schools improve property values. A report titled, "Using Market Valuation to Assess Public School Spending," issued by the National Bureau of Economic Research, found that for every dollar spent on public schools in a community, home values increased \$20. In other words there is a definite correlation between school expenditures and home values.

5. On optimal funding we recommend that be defined as meeting student performance outcomes to improve Nevada's education delivery system. This approach would focus on raising Nevada's k-12 education system from the bottom to say mid-range nationally in math, science, and reading. The most recent APA study can be used to help guide the Commissions' recommendations in determining the cost of meeting performance outcomes. That study identified what the resources are needed to hit key academic performance outcomes.

Finally, we want to share with you what we said yesterday. Our economy can no longer continue to be dependent on two industries. We must diversify and attract new industries. But we need an educated and skilled workforce to do that. Investing in education at this time for our State is critical. The pandemic has already cost a year of education for hundreds of thousands of students in our State. And they will never get that back. Nevada's k-12 system is the base of Nevada's k-20 education delivery system. We must invest in the base. Your recommendations must be incorporated into any discussion that lawmakers have regarding SB543 so that sound decisions and not budget short gap decisions can be made.

Respectfully,



John Vellardita, Executive Director
Clark County Education Association (CCEA)