

**MINUTES OF THE 2105-2016 INTERIM
ADVISORY COMMITTEE TO DEVELOP A PLAN TO
REORGANIZE THE CLARK COUNTY SCHOOL DISTRICT**

OCTOBER 12, 2015

The meeting of the Advisory Committee to Develop a Plan to Reorganize the Clark County School District was called to order by Chair Michael Roberson at 9:35 a.m. at the Grant Sawyer Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada and via videoconference at the Legislative Building, 401 Carson Street, Room 3137, Carson City, Nevada. Exhibit A is the Agenda and Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT (LAS VEGAS):

Senator Moises (Mo) Denis, Senatorial District No. 2
Senator Aaron D. Ford, Senatorial District No. 11
Senator Joseph (Joe) P. Hardy, Senatorial District No. 12
Senator Becky Harris, Senatorial District No. 9
Senator Michael Roberson, Senatorial District No. 20
Assemblywoman Olivia Diaz Assembly District No. 11
Assemblywoman Dina Neal, Assembly District No. 7
Assemblyman Stephen H. Silberkraus, Assembly District No. 29
Assemblyman Lynn D. Stewart, Assembly District No. 22

STAFF MEMBERS PRESENT:

Brenda Erdoes, Legislative Counsel, Legal Division, Legislative Counsel Bureau
Risa Lang, Chief Deputy Legislative Counsel, Legal Division, Legislative Counsel Bureau
Karly O'Krent, Deputy Legislative Counsel, Legal Division, Legislative Counsel Bureau
Julie Waller, Senior Program Analyst, Fiscal Division, Legislative Counsel Bureau
Kelly Richard, Principal Research Analyst, Research Division, Legislative Counsel Bureau
Angela Hartzler, Secretary, Legal Division, Legislative Counsel Bureau
Linda Hiller, Interim Secretary, Legal Division, Legislative Counsel Bureau

OTHERS PRESENT:

Lindsey Dalley, Chair, Moapa Valley Community Education Advisory Board Task Force
Victoria Carreón, Director of Education Policy, Guinn Center for Policy Priorities
Anna Slighting
Jeffrey Burr
Jose Solorio, Political Advancement of Latinos
Annalyn James, Moapa Valley Community Education Advisory Board Task Force

Kraig Hafen, City Council, Mesquite
Pat Skorkowsky, Superintendent, Clark County School District
Jim McIntosh, Chief Financial Officer, Clark County School District
John Swendseid, Bond Counsel, Clark County School District
Martin Johnson, President, JNA Consulting Group, LLC
Yvette Williams, Clark County Black Caucus

Senator Michael Roberson (Senatorial District No. 20):

As Chair of the Legislative Commission, I will open this first meeting as temporary Chair of the Advisory Committee to Develop a Plan to Reorganize the Clark County School District. I will open Item II on the Agenda, Public Comment.

Lindsey Dalley (Chair, Moapa Valley Community Education Advisory Board Task Force):

I represent the Moapa Valley Community Education Advisory Board (CEAB), which is an organization that has been functioning in the Moapa Valley community for more than 10 years. Our purpose is to communicate with the Clark County School District (CCSD) to help our four schools effectively educate our children. This issue is very important to our Board which consists of seven members. We organized the Moapa Valley CEAB Task Force one month ago with CEAB's direction to get involved in this reorganization process and speak for our community with meaningful input. We will present our findings to CEAB and then determine our position on this CCSD reorganization proposal.

The Task Force is currently examining Assembly Bill 394 (A.B.394), and how it will help the children in our two elementary schools, one middle school and one high school in Moapa Valley.

ASSEMBLY BILL 394: Creates an advisory committee and a technical committee to develop a plan to reorganize the Clark County School District and revises certain provisions related to collective bargaining. (BDR 22-900)

We are excited about the potential changes this process could bring. Education is important to our community.

Victoria Carreón (Director of Education Policy, Guinn Center for Policy Priorities):

We at the Guinn Center do not endorse or oppose the reorganization of the CCSD. We do have a report we hope will help define issues critical for this Advisory Committee to consider during this process.

The first issue we recommend is to establish a strong community-based communication and information process, integrating this into the work of the Committee as you proceed.

The second issue we recommend is to pay attention to demographic and educational equity. From the interactive maps on our website, www.guinncenter.org, you can see there are currently very significant levels of segregation in CCSD neighborhoods based on race, ethnicity, socioeconomic status and language. There are low levels of education achievement that are highly correlated with large concentrations of minority, low-income and English language learner (ELL) students.

We recommend a needs assessment to determine the needs of each proposed precinct and the root causes of low performance. We also recommend an ongoing comparison of student learning within and across precincts once they are established to incentivize educational equity.

The third recommendation we have is to pay attention to funding equity in the reorganization process. The first part of that analysis would be to assess how much per-pupil revenue should be in each precinct and how much should be left to the central district of CCSD. This will require determining which services the central district will perform versus the precincts. We have recommendations in our report ([Exhibit C](#)).

The fourth issue we recommend this Advisory Committee attend to is educational facilities, which are currently underfunded in the CCSD. There are options, including administering facilities centrally, which should involve a committee which could prioritize projects across the precincts. The other option would include transferring ownership to precincts, which would be a complex process.

The last issue we focused on in our report is governance. We do not find any direct effect on student achievement due to governance structure. We also found that CCSD has not taken full advantage of current laws that allow for more input from parents and community members within the schools. We recommend a new governance structure to enhance this outside input while also keeping District and precincts accountable for both fiscal and student accountability in terms of test scores and student achievement. We have more detailed recommendations for all these areas in our report ([Exhibit C](#)).

Senator Roberson:

I have read your report and hope you and the Guinn Center will be active participants in this process.

Anna Slighting:

I am a highly engaged parent of four CCSD children. I also read the Guinn Center report and especially agree with their recommendation to create avenues of input for both community members and parents at the schools.

I am particularly concerned about attendance zones since it is not the school building that determines a school's rankings; it is the children within that school. We can talk all we want about funding formulas, but until attendance zones are created, school sites

will not know their budgets. Every boundary line in determining these new precincts will disrupt attendance zones. I have submitted my written testimony ([Exhibit D](#)).

Jeffrey Burr:

As a former member and president of the Clark County Board of School Trustees, I applaud this bill and the effort of this Advisory Committee to deconsolidate the CCSD. Currently, each trustee of the Board represents almost 300,000 people. We have a disconnect between the people and the schools. We need more input, community involvement and opportunities for trustees to interact with parents to hear their concerns and bring them back to the school district. As our area has grown, we have had this disenfranchisement of the parents from CCSD. Good efforts have been made by the District to remedy this, but the only remedy is to afford elected officials more opportunities to meet with constituents. I am willing to help with this process.

Jose Solorio (Political Advancement of Latinos):

I am involved with Latino education issues and also served on the Clark County Board of School Trustees. Currently, 45 percent of CCSD students are Latino. This includes a high number of low socioeconomic students. Whatever this Advisory Committee recommends, we should take into account how it affects all our students. If we break the District up, we need to be fair and consider how it affects the children. It is all about the children and the education they will receive. They are our future and each child is important.

Annalyn James (Moapa Valley Community Education Advisory Board Task Force):

I am from Logandale, which is part of Moapa Valley. I have three children who graduated from CCSD schools and one child still in school. I volunteer with CCSD. I read the bill, [A.B. 394](#), and know that one of the intents of the bill is to give local control to the community so administrators are responsive to parents and community needs.

A few years ago, my son was attending an overcrowded CCSD middle school in Las Vegas. He experienced adverse effects because of this. When we met with an administrator, we felt we had very little parental input toward a solution. Now that I live in Moapa Valley, our administrators are responsive. However, some of the CCSD policies do not support our rural students and needs. This bill can address both the urban and rural issues. We would like to have a voice because we are a small area and we do not want to have our needs overshadowed by the urban areas.

Kraig Hafen (City Council, Mesquite):

I have been appointed by the City of Mesquite to the Technical Committee to Develop a Plan to Reorganize the CCSD. Mesquite is part of CCSD and we can see some benefits to having our own precinct to have more say in the education process. We know this is a big project that will take a lot of time. I echo Mr. Burr's comments.

Senator Roberson:

I will now open Item III, a summary of the provisions of A.B. 394, the bill that created this Advisory Committee.

Risa Lang (Chief Deputy Legislative Counsel, Legal Division, Legislative Counsel Bureau):

Section 25 of A.B. 394 is actually the section of the bill that created the Advisory Committee to Develop a Plan to Reorganize the Clark County School District. I have submitted a copy of the relevant provisions ([Exhibit E](#)). The stated purpose for the Advisory Committee is to develop a plan and recommendations to reorganize the Clark County School District into local precincts by not later than the 2018-2019 school year. In addition, the Advisory Committee is tasked with studying the distribution of federal, State and local funds and the impact of local school precincts on public school financing.

Section 25 of A.B. 394 also sets out some of the organizational requirements of this Advisory Committee. It must consist of nine members selected from districts within Clark County. During the first meeting, members are directed to elect a Chair and Vice Chair. A majority of the members present constitute a quorum, and a majority of those members present at any meeting is sufficient for any official action taken by the Advisory Committee. If a quorum of five members is present for a meeting and all vote for a measure, they can take action on that issue. Members serve without compensation but can receive per diem allowance and travel expenses for required travel.

Section 26 of the bill created the Technical Advisory Committee to Develop a Plan to Reorganize the CCSD. The Technical Advisory Committee is intended to provide this Advisory Committee with technical expertise, input, advice and assistance. The Technical Advisory Committee consists of a variety of members, including Legislators and non-Legislators.

Section 27 of A.B. 394 provides for the Advisory Committee to engage an independent consultant to assist in the development of a plan to study the distribution of funds and the impact of local school precincts on public school funding. If the Advisory Committee selects a consultant, it will need to request money from the Interim Finance Committee.

The Advisory Committee is also directed to complete the reorganization plan by January 1, 2017, so it can be implemented by the 2018-2019 school year.

Subsection 4 of section 27 of the bill requires the plan to ensure equity in the reorganization of CCSD in compliance with the Nevada Plan. This includes addressing the distribution of funding in local precincts on a per-pupil basis. This subsection further requires the recommendations of the Advisory Committee to include shared bonding capacity within the CCSD.

Section 28 of A.B. 394 provides a process for the Board of County Commissioners of Clark County to consider the proposed plan to reorganize the CCSD into precincts.

Section 28.5 provides for the Advisory Committee to submit a report at the end of the study for distribution to the 79th Session of the Nevada Legislature in 2017.

Senator Roberson:

I will open Item IV, the election of a Chair and Vice Chair of this Advisory Committee.

ASSEMBLYMAN STEWART NOMINATED SENATOR ROBERSON AS CHAIR.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Roberson:

I now will accept nominations for Vice Chair.

SENATOR FORD NOMINATED ASSEMBLYWOMAN OLIVIA DIAZ AS
VICE CHAIR.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Roberson:

Today is an organizational meeting of this Advisory Committee to Develop a Plan to Reorganize the Clark County School District. We will work closely with the Technical Advisory Committee to Develop a Plan to Reorganize the CCSD.

I will open Item VI of today's Agenda, a presentation by the Clark County School District.

Pat Skorkowsky (Superintendent, Clark County School District):

We believe student achievement has to be the main priority in this process of potentially reorganizing the CCSD. We also want to ensure that the community is engaged in the process. We have identified three goals in response to A.B. 394 and I have submitted our 66-page report ([Exhibit F](#)).

Our first goal is that any plan must increase student achievement across the board for all our students.

The second goal is to ensure that all students have equitable access and opportunity to receive a high quality education.

The third goal is to move communication and input closer to the school level.

The purpose of this response is to address the requirements and considerations of A.B. 394 to incorporate the four CCSD Strategic Imperatives—academic excellence at every level and subject; engagement of community and businesses; support to schools to ensure all are focused on supporting schools and the students therein; and clarity and focus in regard to return on investment of monies given to the CCSD.

Additionally, we believe this reorganizational plan should align with the Pledge of Achievement action plan from Governor Brian Sandoval's Education Initiatives for the New Nevada. This plan set forth by our Governor talks about proficient literacy for every third grader; reducing the achievement gaps for all students; increasing graduation rates; community, parent and business engagement; student safety and happiness; and advanced placement, career and technical education experiences for students.

We need to make sure this effort targets CCSD resources to improve student achievement. This includes changing the administrative structure so decisions are made closer to each school, incorporating input from all stakeholders closer to each school.

The bill, A.B. 394, speaks to establishing precincts, so we looked at what we term Instructional Precincts to maintain a district-wide system which ensures that equitable access is provided to all students across the District. This approach also prevents any downgrade to the CCSD bond rating, which would jeopardize capital funding. Instructional Precincts allow for individual autonomy within specific precincts to meet the needs of individual students. In the large area of communities that CCSD covers, there are varying needs. We need to provide the necessary resources to ensure the success of students in all areas, not to mention the rural areas including Moapa Valley and Mesquite.

This assurance that we align our CCSD Strategic Imperatives with the Governor's Pledge of Achievement to the school level will help us establish seven Instructional Precincts, one aligned to each of our seven CCSD Board of School Trustee area boundaries. The reason we considered this system is because these boundaries are drawn legally according to U.S. Census data, using guidelines in the Nevada Constitution and *Nevada Revised Statutes*. This precinct system will allow decisions to be made at an Instructional Precinct level to address the academic, social and emotional needs of our students. All students would then have equitable access and opportunity across the District.

If we use the boundaries that were established in 2011, students will receive services closer to their own homes via the Instructional Precincts. Looking at attendance boundaries, some of them cross the Trustee precincts but those schools within the boundaries would still be allowed to be a part of that Trustee precinct.

The Instructional Precinct model also provides an administrative structure for decisions that can be made with the input of those precinct stakeholders. With this system, we facilitate the improvement of student achievement for specific populations and provide equitable access.

This Instructional Precinct system also ensures that decisions which need to remain centralized, such as capital decisions that would impact the entire District, will be made at the central level. We will still provide a basic level of services that are centralized to maintain the economies of scale that keep our costs down.

This Instructional Precinct system would not change the State statutory authority for any of the roles and responsibilities of the School Board Trustees. Those individuals would be collectively responsible for moving the District forward and they would be collectively accountable to the public for the decisions they make.

This Instructional Precinct system would not change the State statutory authority for the role of the CCSD Superintendent. That person would still be the one employee of the School Board. The superintendent of each Instructional Precinct would report to the District Superintendent. This would eliminate some of the layers we currently have in our District structure.

This Instructional Precinct system would not change the governance model of our School Board. That has to go through Board adoption. It does hold the Superintendent responsible. The structure we are proposing in our report ([Exhibit F](#)) provides for the appointment of an Instructional Precinct Superintendent for each precinct who has the authority to make decisions for everything outside the small amount of centralized functions. Those precinct-centered decisions would include instructional programming, professional development, support to teachers and growth of teachers.

These Instructional Precinct Superintendents would be bound by the aforementioned Strategic Imperatives and Pledge of Achievement goals, just like the District Superintendent. How each Instructional Precinct Superintendent would achieve these goals and imperatives is up to that person. The ability to establish new structures and systems to support teachers and students would be part of the Instructional Precinct Superintendent's power to tailor their schools to meet the needs of the community. These Instructional Precinct Superintendents would be held accountable to the District Superintendent, who would receive input from the Instructional Precinct Advisory Council for that precinct. Each Instructional Precinct Superintendent would be evaluated regarding their effectiveness.

Funds would be available for each Instructional Precinct to provide support. We would eliminate the current 16 Performance Zones and each precinct would have an office located in the precinct, providing parents and nearby community members easier access.

There would be three avenues for input in each Instructional Precinct from stakeholders. One would be through an Instructional Precinct Advisory Council (IPAC) that would communicate directly with the Instructional Precinct Superintendent and all constituent groups. This would ensure that each Instructional Precinct would have a minimum of certain individuals who are voting members of each Advisory Council, including the Instructional Precinct Superintendent, the School Board Trustee, the County Commissioner from that precinct and elected officials from entities within the boundaries of that precinct.

For example, in Trustee Chris Garvey's District B, there are three entities: the City of Las Vegas, the City of North Las Vegas and the City of Mesquite. Within District B is also the Moapa Valley CEAB, the Community Education Advisory Board. This group has been so engaged in the process that they, too, would have a seat at the IPAC table.

In District A, we would have representation from the City of Henderson, the City of Boulder City and the City of Laughlin. For Trustee Carolyn Edward's District F, it would give Sandy Valley the opportunity to have a seat at the IPAC table to voice their needs. For District E, it would allow Indian Springs a seat on the that IPAC.

Each Instructional Precinct would have an Administrative Advisory Council (AAC) comprised of one administrator from each school within that precinct. The AAC would meet monthly. One individual from the AAC would be a representative on the IPAC for that precinct.

The same structure would be in place for the teachers, who we call the licensed employees. One teacher from every school would be a representative on a Licensed Advisory Council and then one person from that Council would be elected to sit on the IPAC. Support staff at each school would have the same opportunity.

We are working through the evaluation system to encourage and support every school to have a parent advisory group. This is important because parents need an active role in their children's schools. We would provide support through our Department of Family and Community Engagement Services (FACES) to help create parent groups in schools where they do not yet exist. Each parent group would elect one representative for their precinct's Advisory Council.

There would also be a business and community representative on each IPAC. In the past, we have worked with a regions system to align resources and put support into different geographical regions within CCSD's boundaries. The difference with this

precinct system is that not only will people be able to advise the CCSD as a whole, they will have fewer limits on funds available to these groups. This precinct system would enable precinct representatives to make decisions.

The existing region system allocated \$600,000 to each region for use in making instructional decisions. I was a member of the administrative team on the Southeast Region where we had more than 60,000 students. Decisions we could make were limited by the funds available. This new Instructional Precinct concept will allow the funding to follow the student.

There are some nonnegotiables that need to stay in place to maintain our economies of scale advantage and our very important bond rating. The CCSD Strategic Imperatives and the Pledge of Achievement are things the community spent a great deal of time on, starting 3 years ago. There were 33 community input meetings to address these topics. The State Board of Education oversees the CCSD to ensure that our curriculum standards follow the Nevada K-12 Content Standards.

It is essential that student assignment remain a central function of the CCSD. If we allow decisions on specific student assignments for magnet and choice programs to be made at the Instructional Precinct level, there could be barriers erected that could prevent every student from having equal access and opportunity to a high-quality education. This does not eliminate the potential for decisions to be made from school to school in certain situations, including zone variances. Open enrollment would still be allowed so when seats are available, parents may have choices.

Bound by federal and state laws, services for special education students must remain to keep equity. Special education students, especially those in self-contained programs, would be housed within the Instructional Precinct. This way, those students would receive services closest to home. The exception would be the four specialized schools that have a more restrictive placement.

Services for ELL students, including the ELL Mastery Plan currently under development, would stay in effect. How the services are carried out through the Instructional Precinct gives autonomy to that precinct. They may determine that funds they need to utilize can be used in a better method, as long as they stay in the instructional framework provided by the State.

Certain human resource functions would remain central so we as a District provide an overall recruiting method that ensures we are getting the best and brightest teachers.

Under *Nevada Revised Statutes*, we are required to comply with a very specific accountability system: the Nevada School Performance Framework. That accountability would remain in effect.

Lastly, regarding facilities, there would be a liaison within each Instructional Precinct to address facility issues. It is important to ensure that facility issues are addressed in an equitable fashion throughout the District. This would apply to building new schools, rehabilitating and modernizing existing schools based on facility indexes, and maintaining the debt currently associated with the CCSD. Facility functions given to the Instructional Precincts include day-to-day operations of the schools.

The development and implementation of a plan that includes strategies to align the Strategic Imperatives would be up to the Instructional Precinct which would be held accountable to those Imperatives and also the Pledge of Achievement. The method of implementation could be flexible as determined by the Instructional Precinct. This would allow for schools with specific needs to develop applications and processes for their unique population. There would be a needs assessment within that Instructional Precinct to ensure that the Instructional Precinct Superintendent and the Advisory Council come up with a strategic plan to support students within that precinct boundary. This way, the plan for schools in each Instructional Precinct would address their specific needs, not the needs that would apply to a different demographic group of students across town.

The Instructional Precinct model would allow each precinct to look at Title I and Title II funding differently. As long as that level of service is being provided to schools, the choices each school could make would not have to be bound by district-wide choices. Those funds would follow the students into the Instructional Precinct where the decisions on how to use those funds could be made closer to the school the student attends.

This plan would potentially go into effect prior to the next Legislative Session. We will still have Zoom Schools and Victory Schools prior to that. This allows those schools to stay in place with most of their supports. In the future, we would move to a weighted funding formula which would allocate the monies into the schools where the need is, based on the number of qualified students in attendance there. This would better allow schools in each Instructional Precinct to meet the needs of their specific student population.

Victory funds are currently assigned to schools by law, but the Zoom funds could move into a weighted funding formula to provide, for example, more reading skill centers or additional professional development through ELL or wraparound services to schools. All these pieces, including instructional methodology, could be given to the Instructional Precinct. Currently, certain frameworks are required by CCSD, but flexibility could be given to Instructional Precincts as long as they meet the needs of the students and show achievement increases within that precinct.

Moving forward with the Read by Grade Three Initiative and our grant, we have not yet identified the schools which that program would specifically benefit. We would look at an

equitable distribution across the Instructional Precincts to ensure we address specific needs of our students. There are certain fiscal supports to be decentralized and those decisions moved to the precincts, away from the central CCSD office—the allocation of resources to more specifically target each individual school, for example. Those populations that need the funds the most—Title I funds, Zoom School funds, Victory School funds—would see no change in funding structure, but there would be flexibility given for how the funds are used within legal guidelines.

The return on investment models that we have already been developing at CCSD would be implemented with these funds. Instead of giving the Instructional Precincts pots of money and telling them they had better get the student achievement results, we could keep a program evaluation committee at the central level of the District. It would look at instructional programs that are purchased or designed by Instructional Precincts or schools to determine the return on investment and give feedback.

There would be general budget support, based on the services provided in each Instructional Precinct, with a guaranteed per-pupil expenditure developed from that. It would maintain the monies needed to run centralized functions. Flexible budgets could then be allocated to each school, something we are working on for implementation in 2016.

Title I support would be realigned to the Instructional Precincts, maintaining a minimum level of instructional support for the District as a whole but putting those choices into the schools where the Title I choices should be made. Only essential functions will remain at the central level—monitoring and establishing the federal guidelines, looking at the support and making sure the evaluation of these funds are compliant with the law.

The remaining funds, with the exception of what is needed to run the central services, would be put out into the Instructional Precincts. In the Regions model, we still had Title I services centralized, leaving that money in central service. So whoever was best at accessing those amounts was able to provide more for their Region. This Instructional Precinct model eliminates that option, instead directing those funds to be accessed equitably at the Instructional Precinct level.

The Title II support would see a change also. Currently, we have more than \$14 million in Title I and Title II which is put into Instructional Coaches. Those are licensed teachers at the highest level who provide professional development and support. We hear from schools and teachers that this may not be the best way to provide that support. Instead, we would eliminate the Coaches at the central level and divide the funds among the Instructional Precincts and Title I and Title II eligible schools to then give them the flexibility and freedom to determine their own professional development programs. This would free up the central money tied up in Instructional Coaches and put those funds into the precinct level.

If the Instructional Precinct chooses, they could have a learning strategist at every school to support the Read by Grade Three Initiative. If they choose to look at the Present, Apply, Review model of teaching, which we are currently implementing, they may do so. If they choose to look at some other development model for providing professional development, they may do so. We are looking at ways to provide that money so choices can be made at the Instructional Precinct and school level.

Categorical funds, which must be used only for specific purposes, would still follow students in this next fiscal year. This means Zoom Schools and Victory Schools already identified would still be funded as such. However, as the weighting funded formula is implemented, the dollars would follow the student into his or her school. There are certain things that would change centrally to facilitate this. Some of the central functions we provide have been criticized by some who say they do not meet the needs of our population.

Looking at instructional design and professional development, we cannot meet the needs of 18,000 teachers with the staff we now have. I am looking at restructuring that department to have only three main functions. The first function is to support the curriculum as identified through Nevada Academic Standards and the resources needed to support that.

The second function is the return on investment program evaluation component. This would involve looking at what programs we are purchasing and supporting in our District to determine that return on investment.

The remainder of those functions currently served under instructional design and professional learning would be shifted out into schools. We would look at those funds that support those positions and provide that money to the Instructional Precincts to determine how best to provide professional development. We are currently putting out a request for proposal for professional development programs at the elementary, middle and high school levels in all content areas. If a company comes forward that meets our requirements, then an Instructional Precinct could choose to purchase those services to provide professional development to their teachers. If the Instructional Precinct chose a different development model, the money that was centrally held in instructional design and professional learning would be freed up so the Instructional Precinct could choose how to make that opportunity available to their teachers.

We are looking at revamping our Education Services Division, an area that focuses on students with behavioral needs and also adult learners. We would maintain the continuum of services we are required to provide. Currently, we have prison schools, four behavior schools, court-continuation schools and a juvenile detention center school. This would reduce, if not eliminate, three of the behavior schools because we need to ensure that services are provided at the school and precinct level. Those funds would be divided among the Instructional Precincts and added to the monies we

currently give, which is almost \$2 million to provide different methods of dealing with behavior issues in our schools. If we kept a behavior school, it would be purchased through the Instructional Precinct. If we do not need one, I do not want another school which is a barrier to students graduating.

Within this Instructional Precinct structure, we also ensure communities are engaged with us. The community representative engaged in the IPAC would also participate in the return on investment groups we currently have. The Saving and Government Efficiency, or SAGE Commission, will be looking at this down the road also.

The important piece to remember is that this is not like the past reorganizations we have had in the CCSD, which sometimes relied on providing services but not necessarily by the right people in the right position. This reorganization is focused on student achievement and allowing decisions to be made closer to a student's school. This is also different in that the funding follows the student, allowing those decisions to be made by the Advisory Councils and the people who reside within that Instructional Precinct. It takes some of those centralized licensed positions that could instead be teaching our students in this time of teacher shortages, and it puts them back into classrooms. It also lets the Instructional Precinct decide how services can be delivered.

One of the pieces we are looking at is making sure we can implement this. It could be implemented as early as the 2016 school year. We could provide the supports and structures through a phased implementation to ensure these pieces are beginning to get into place now. This way, we do not wait to increase student achievement and give input closer to the schools, essentially changing the way we do business. This gives us the opportunity and impetus to make the right decisions for students, teachers, administrators and support staff, with decisions closer to where the schools are.

We could have a phase where before December 1, we would be naming some of these key individuals to start with the Instructional Precinct planning process. Through December and February, we would realign so we can make sure individuals involved in shifting positions would be notified in accordance with our contractual agreement. This would give the Instructional Precinct team time to plan for implementation and to develop a Strategic Plan and examine the needs of their schools so the team can come up with a comprehensive plan for implementation by the Fall of 2016.

There is still work to be done. We need to look at how we provide funding to our schools. That is the equity piece still on the agenda. One of the pieces is to make sure these flexible budgets are put in place with some caveats. They need to be for every school. We have seen it in Montgomery County and Baltimore, both in Maryland. These communities have used these instructional and funding models we are proposing. They have the funding follow the student and hold accountable the school and the precinct. We would align those central Instructional Precincts, which would reduce bureaucracy at the central level by having the seven Instructional Precinct Superintendents report

directly to the District Superintendent. The reporting would be for accountability purposes only. The District Superintendent would not dictate instructional decisions or programs, only the goals of each Instructional Precinct is required to meet under the Pledge of Achievement and alignment to the Strategic Imperatives.

There would be limited central office staff functions which would remain under the District Superintendent's control. One would be a finance operation to support the schools. One would deal with operations. One would deal with centralized instructional support such as certain levels of fine arts and humanities. Every school will still have the elementary fine arts program. The middle schools will have their programs, but they need to be supported at the central level for festivals and opportunities through that. Athletics would still be supported at the central level. Educational services would still be maintained. Magnet schools would be maintained at the central level so we are not creating barriers for access and preventing opportunity for all our students.

The Instructional Precinct Superintendents would have flexibility and freedom and also the opportunity to utilize the funds that best meet the needs of their specific population. That individual would then be held accountable for moving that forward. We have an opportunity here, not only in southern Nevada, but in every one of our schools in CCSD, to change the way we do business and to give opportunities to the Instructional Precinct s to make the decisions that are essential to their students. Through this model, we believe we can meet the needs of A.B. 394 and look at all the research that was done through the 1997 Management Analysis and Planning Associates (MAPS) study, adding in the Guinn Center report, and providing access and opportunity and equitable service to all our students.

Chair Roberson:

The biggest crisis we are facing right now is the teacher shortage. We have 25,000 or so students without a teacher. How would this plan change that? Does this plan change human resource decisions by decentralizing them? Would Instructional Precinct s have more latitude to make decisions in hiring teachers? Would this necessitate Instructional Precinct s having specific bargaining groups for teachers? We have to figure out this teacher vacancy. I know you are working hard at it, but it is the elephant in the room.

Mr. Skorkowsky:

This is a priority. Putting Instructional Coaches back into the classroom will fill almost 200 openings in the Fall of 2016. There are certain functions that will remain central with this Instructional Precinct model and recruiting is one of them. That is one of our economies of scale. How it gets implemented is at the instructional level. Current law allows us to create pay-for-performance structures and incentives through the Victory and Zoom funds. We would allow the Instructional Precincts to make those decisions as long as they are maintained within the contractual agreements of the bargaining groups.

One challenge we have with flexible funding is looking at what is being done in other areas like Edmonton, Canada, Montgomery County, Maryland and Baltimore, Maryland. They give their per-pupil expenditure to the school and that school is then charged for the cost of the teacher. We currently give schools an average teacher cost, which is either \$72,000 or \$76,000, I am not sure. Instead, with the Instructional Precinct system, we would charge the school for the teachers they have in the building. Some schools would have to shift their allocated resources for those teachers. It may cause some of the teachers at the higher end of the salary scale to have to move to a different school where they are needed, such as some of the at-risk schools. There may be incentives provided through those at-risk precincts which could incentivize those teachers to come there by choice. We could then provide the equity plan that allows those dollars and decisions to be made at a level where it can change the way we do business.

There is a federal mandate that we have equity. The *Vergara v. California* (2014) decision in California could have some impact. Our best and brightest teachers are not necessarily in front of our neediest students. We need to find ways to get them there. This flexible budget may increase the opportunity to do that by having teachers shift from their current schools to schools where they are most needed.

Assemblyman Lynn D. Stewart (Assembly District No. 22):

I have a three-part question. The first concerns power. I am concerned that these Instructional Precincts will have real authority. Who will appoint the Instructional Precinct Superintendent? Will he or she have more power than the Advisory Council? If the Council agrees on a program that the majority supports, would the Instructional Precinct Superintendent have veto power? Would the Advisory Council nominate their Superintendent?

Secondly, I am concerned that there is no student input. In my experience teaching high school for 34 years, kids are smart and they know what has gone right and wrong in the 12 or 13 years they have been in school. Time and time again, when we have these advisory councils, we get very little input from the students. In my opinion, the students are the experts because they have been through the system.

Third and most important to many people, how will this affect athletics? Would we have two divisions like we do now? We are always saying academics is more important than athletics, but athletics is very important as well.

Mr. Skorkowsky:

Regarding your first question about power, there are some things we can put into place. If we allow input from the Instructional Precinct Advisory Councils toward picking their superintendent, it would be difficult because we do not have those Councils set up. By District policy, I, as District Superintendent, am required to appoint any individual into any administrative position. For checks and balances, we have the Instructional Precinct reporting directly to the District Superintendent. The Advisory Councils would also give

input into the Instructional Precinct Superintendent's evaluation. The Instructional Precinct Superintendent would be held accountable for the achievement of that precinct's students, but the Advisory Councils of that Instructional Precinct would not. The members of that Advisory Council are not under the jurisdiction of either the Instructional Precinct or the District Superintendent.

The second issue you mentioned, inviting student input, is excellent. We do have a CCSD student advisory committee that is Board-sanctioned. We could add student voices to the Instructional Precinct Advisory Councils, but the elementary schools might be challenging. Middle and high school students could have good input.

As far as athletics, they will not change. Athletics are governed by the Nevada Interscholastic Athletics Association and would stay there.

Assemblywoman Dina Neal (Assembly District No. 7):

First, how is this different from the Performance Zones with the area superintendents, the academic managers and the committees that fall under that?

Second, what data was used to formulate this plan? When I looked at your visioning statement from 2013, I was trying to connect the dots.

Third, looking at the current committees, the issue is that there are already subcommittees that give findings back to CCSD or to area superintendents. Sometimes they do not even give the findings back. Can you explain how the communication between the committees and other advisory councils would take place?

Mr. Skorkowsky:

We now have 16 Performance Zones, each with limited authority on what happens within their jurisdiction. Some funds might go into certain Performance Zones, like the Turnaround Zone and the Victory Zone. In the Instructional Precinct structure, these Performance Zones get eliminated and the money goes into the precinct for decision making. Instead of an academic manager who looks at 17-25 schools in a Zone, they would be within a group where they can build upon collective practices for professional learning between schools that are similar and may be performing at a higher level. Decisions can then be made based on that population. The funds would come to the Instructional Precinct to facilitate action. Currently, Performance Zones do not have access to this kind of funding. It is instead controlled through the Chief Student Achievement Officer who may allocate additional funds. It is done through Title I control as well. This Instructional Precinct system breaks that mold.

Looking at the funds for education services for the behavior pieces, for example, they can determine the programs and practices they want to put into effect to meet the needs of those students. Our male youth of color initiative, My Brother's Keeper, will still be in

place, but the Instructional Precincts will have some flexibility and freedom in determining how to reach the end goal. The Performance Zones do not offer that.

You asked about what data we used. We examined the District across the board, looking at school performance. We have schools within Trustee districts that are performing at a very high level, even in some of our most at-risk neighborhoods, but these are isolated pots of excellence. Even though these high achieving schools may be next to a school with a similar demographic, they may be supervised by a different Student Achievement Officer.

Regarding the communication, there are no committees underneath these Performance Zones right now. All we have are centralized curriculum committees with limited representations from our principals and schools. This new system allows committees to be created, if the Instructional Precinct so chooses, to support the needs of the students in their unique precinct. Everyone is held accountable for the same aforementioned six goals. How they get to those goals is important.

The Superintendent's Education Opportunities Advisory Committee (SEOAC) has recommendations for reducing the disproportionality of suspensions and expulsions. I will hold those Instructional Precinct Superintendent's accountable for that data and for utilizing their funds to meet District goals. The committees would not be district-wide. The only district-wide committees would be the advisory committees that set direction, including SEOAC and my return on investment advisory committee.

Senator Aaron D. Ford (Senatorial District No. 11):

I think A.B. 394 presents some opportunities for us. I am not pro or con, but I am concerned about certain things that could occur if we are not careful, as outlined in the Guinn Center report and by you here today. I want to make sure the new plan, if we are to adopt it, ensures educational, demographic and financial equity. Of the seven identified Instructional Precincts, I asked for current demographics and received it. I think we all know where the pockets of diversity are in our current system. I am interested in understanding how the seven precincts differ demographically, racially and economically.

I am also interested in understanding how the precinct approach is going to affect Title I. I haven't heard you address how it will affect federal requirements for, say, special education. I am concerned they are not considered comparably at the central level as opposed to the precinct level. Can you explain how Title I funds will be allocated and how that will affect the demographic breakdown of the Instructional Precinct model?

I am also concerned about gender issues that might arise relative to Title 9 funding. I have not heard conversations on the gender equity issues we have to address under federal regulations.

Mr. Skorkowsky:

We have the demographics on the last page of my report ([Exhibit F](#)). There are varying levels of demographic equity and inequity across the District. We used the 2010 U.S. Census data to create these seven Instructional Precincts, going through 23 different iterations through numerous public input meetings, trying to achieve the best balance we could. Knowing there are inequities when it comes to race and minorities, you will see that these have been balanced as much as they possibly could through that process. When you look at free and reduced lunch, there are still issues when you look at the ELL inequity pieces. We understand that. This is where the funding pieces come in.

As we go forward, Title I funds can only be used for students in Title I schools. That is the intent of Title I—to equalize the playing field with financial support to economically disadvantaged students. Those funds would be used. The Title II funds are funds that have been tied up, unfortunately, through the use of Instructional Coaches that give every other school the opportunity for professional development and growth. Title I is meant to support those students in the equity pieces and Title II is for all students. We would look at the distribution of those based on the population of students, with the dollars following the kids.

In short, Title I funds would follow Title I students. Title II funds would be dispersed into other Instructional Precincts to meet the needs there. All this is being done in keeping with the guidelines and regulations set forth by federal and state requirements.

Regarding gender equity, this deals with students and their academic success and the opportunities when it comes to behavioral and specific obligations. That support should come from the Instructional Precincts as they have the opportunity to determine their Strategic Plan based on the needs of their population, whether it is by ethnicity, subgroup population or gender. There will be no barriers when it comes to Title IX or athletics and related activities, and this applies to magnet schools. All students will have equal opportunity and access. It may revise the way we provide transportation, but we will work to ensure every student has access to those programs.

Senator Ford:

Looking at the last page of your report ([Exhibit F](#)) we have quite a range in demographics among the Board of School Trustee Districts that would eventually be Instructional Precincts. The range is from 78 percent Hispanic in District D to 23 percent in District A, and for the African-American populations, we go from around 16 percent in District C to around 5 percent in District A. I understand you are looking at the demographic issues based on the 2010 U.S. Census, but I am not convinced this breakdown is going to ensure against a pseudo segregation or de facto segregation approach, even inadvertently. That concerns me. What other arrangements have you looked at to make these precincts more equitable relative to the demographic differences?

Mr. Skorkowsky:

We engaged the services of our Washington, D.C. attorney who dealt with the original desegregation plan. If you look at the 1997 study, which is labeled Attachment A in our report ([Exhibit F](#)) there was no equitable way to divide the District at that time to ensure that the demographics were consistent across the board.

In the Guinn Center report ([Exhibit C](#)) trying to come up with precincts was met by challenges at every turn to balance them ethnically. The only way that could be done would be to take schools out of their geographic areas and hand-select schools to create precincts with no geographical connections. It is just not possible and that is one reason the deconsolidation study in 1997 did not go through. Every boundary that was drawn put up a barrier to access for a certain group of students. We tried to maintain what we have already developed through the process with data to make sure there were no barriers. That is the challenge we have faced over the decades when we have looked at making a change in CCSD.

Senator Moises (Mo) Denis (Senatorial District No. 2):

How do the logistics of the Instructional Precinct work? If the Advisory Committee wants one thing and a Trustee disagrees with them, how would that play into the CCSD School Board decisions?

Mr. Skorkowsky:

The Trustee is an elected official who would be part of the group made up of elected officials and employee groups. That Trustee would have input into the plan set forth by the Instructional Precinct, but they have to remember that since we will have decentralized the funding piece, there would be no additional funds available. So every decision would have to be made by the Trustee in a Board meeting for the greater good of the District.

San Diego has realigned their school district into Trustee districts. They put certain checks and balances into their school board procedures to prevent a trustee favoring their own Instructional Precinct over the greater good of the district. We would look at putting those practices into place also. The Instructional Precinct Superintendent would have the final decision-making authority based on that input from the IPAC.

Senator Denis:

How would this affect the magnet programs?

Mr. Skorkowsky:

The magnet programs would remain and the assignment of students would stay centralized. That is essential to the legality of anything we do when it comes to access equity and opportunity. We have added magnet schools and we added seats into the magnet schools. This would cause us to rethink the transportation issues to ensure there are no boundaries so every student can have access to every program. The

seven magnet high schools and six career and technical academies would remain centrally supervised under the magnet program.

We have no comprehensive magnet school at the middle school level, but we do have schools within schools, which would remain in the Instructional Precinct with the quality assurance supervision of the program maintained at the central level. The same is true for the elementary schools.

Senator Denis:

Would there be changes on the facilities side? Some of the schools in the District have air conditioning issues and they are down for a few days.

Mr. Skorkowsky:

Facilities would remain centralized. According to Board policy, all these pieces go through our Bond Oversight Committee (BOC). All those capital pieces including the replacement of major equipment, the rehabilitation and modernization of schools will go through that centralized committee so we can keep things equitable. We know there are issues out there now, especially when it comes to instructional technology and the networks put into schools. Our plan is to make sure we meet those needs and provide the level of standards be brought up equally. We know \$4.1 billion in the current bond rollover will not meet the need. We have an \$8 billion need, but we will be adding schools and modernization projects, additions and replacements of key systems according to recommendations of the BOC, which is an independent committee that makes recommendations directly to the CCSD Board of School Trustees.

Senator Denis:

Would the Instructional Precinct Advisory Councils have any input in facility issues, especially ongoing issues where they feel things are not getting fixed in a timely manner?

Mr. Skorkowsky:

We believe that might cause major problems if the IPAC tries to decide on one project over another. If it remains centralized, we feel we can make it more equitable for all.

Senator Denis:

I understand, but this is one of the big issues that comes up. Maybe we have to figure out a different solution. Lastly, in the at-risk schools, one of the biggest issues we have is long-term substitute teachers, 70 percent of which are at those schools. Are we going to be able to shift that reality so those long-term subs are not mostly at the schools that need good, permanent teachers the most?

Mr. Skorkowsky:

That is the intent of this equity plan, to ensure that every student has a qualified, licensed teacher. I was recently at a Council of the Great City Schools meeting, and

teacher shortage was on the mind of every one of the 68 superintendents at that meeting. Unfortunately, we are all competing for the same teachers. If we can put incentives and pay-for-performance structures in place to support the growth within those Instructional Precincts that are most at risk, we should do so.

Senator Joseph (Joe) P. Hardy (Senatorial District No. 12):

In the rural areas outside of Las Vegas, they have a different set of circumstances, so when they read the title of this committee, the Advisory Committee to Develop a Plan to Reorganize the Clark County School District, many think it is a plan to break up the District. They do not see their vote counted with the same weight as someone in the city. One thing I am curious about is the per-pupil funding between the rural versus the urban schools in the Instructional Precinct model. How do I get an elected official in a rural place connected to someone who can make a decision? The rural people are interested in having access to someone in their area so they can say to them; you have to pay attention to me because I vote for you. How do I compare Humboldt County or Mineral County to my rural areas in Clark County vis-a-vis funding per pupil and how my people get represented?

Mr. Skorkowsky:

I think that is a legislative issue more than a CCSD issue. When we look at per-pupil funding and the way it has been done in the past, we know that our rural counterparts have always gotten more than southern Nevada. Every county in the State has some sort of structure within which there are towns and groups or municipalities. For Moapa Valley, incorporating themselves would help with that, but there is a struggle with that across the State. It is not just a Clark County issue; it is the equity of the funding formula we have dealt with since 1967 that is the bigger challenge. How do we look at that from within so rural students are viewed in a different way? Right now, I have challenges in neighborhoods where the funding per student is still not enough to meet the needs of those communities. I understand the rural needs and have worked with them. Could we change the amount of funding that goes to rural schools within CCSD? Sure, but then I would have to take it from some other student.

Senator Hardy:

That is what we do with other rural counties. I did not hear anything on the reorganizing plan to allow rural Instructional Precincts to give those in that precinct a vote or input.

Mr. Skorkowsky:

If you look at the design according to the bill, a rural area like Moapa did not necessarily need to have a seat at the table. Yet it was something I felt was important. The same happened with Indian Springs and Sandy Valley. They did not necessarily qualify for a seat at the table, but I felt it was important that they be there. Within the Instructional Precinct if they feel there are things that need to be done to reflect their rural communities, then that can happen. Now we have Mesquite and Moapa having a rural seat at Trustee Garvey's table in that precinct. There are major challenges at the State

level when it comes to the funding and the way we do business to help support not just our students in central Clark County, but our rural students as well.

Senator Becky Harris (Senatorial District No. 9):

You referenced having a licensed representative at each of the school facilities, is that correct?

Mr. Skorkowsky:

Yes, they would sit on a License Advisory Council (LAC) for the precinct. One person from each school would be a licensed representative to sit on the precinct's LAC, and that group would elect one person to sit on the overall IPAC.

Senator Harris:

My concern was in having enough parents to give input. Would then the parent advisory groups at each school elect one representative to sit on the overall IPAC?

Mr. Skorkowsky:

Yes.

Senator Harris:

With the proposal that each precinct be in the Trustee's district, how will that affect schools that sit on the boundaries? We know that by law every 10 years we will be involved in redistricting. My concern is whether those boundary schools would be constantly undergoing change, creating a disruption of student instruction.

Mr. Skorkowsky:

It is a concern. Consulting with attorneys on how we could mitigate that, it does come into play when we start talking about redistricting in the future. Maybe there would be some allowances made. Any time you redistrict, there are major challenges to the system. We would try to protect the instructional integrity of that Instructional Precinct so we are not eliminating supports for those schools.

Senator Harris:

Would it be possible to identify which schools could be impacted and then determine whether or not they are any of our severely at-risk schools so we are not heaping more challenges on them? I think the goal for the Legislature is to stabilize those at-risk schools and make sure those children are getting a quality education.

In terms of Victory Schools and Zoom Schools, you mentioned that for the next year those schools will remain in place, but once we go to a precinct model, the money will follow those children. Are you saying we are eliminating the concepts of these schools so the extra funding can then be placed at the school level for individual students?

Mr. Skorkowsky:

Yes, we know that the weighted funding is going to change the way we do business for the District. We set it up so that if they decided to do so, the funding for Zoom Schools would be given through the weighted piece into the Instructional Precinct to the student at the school. We could create reading skill centers and continue the best practices that are working. So yes, the money would go down through the Instructional Precinct to the school level so they can determine the funding for that. We also have the opportunity to look at best practices within the Instructional Precinct, to say ok this is working over here, so maybe we need to build this structure in this school that did not quite get to the level it needs to, and maybe support them with a little extra funding to make it happen. It gives the Instructional Precinct the flexibility, but the ultimate decision for the funds is made at the school level with the students.

Senator Harris:

So the Victory Schools as we know them today would change?

Mr. Skorkowsky:

I believe that is up to the Legislature and how they implement that new funding formula and the weighted funds. We have to see what comes out of the Legislature in the next Session to see how it would be implemented. If they chose to continue the categorical funding for Victory and Zoom, then we will comply with that. If they put it into the funding formula, then we would comply with whatever the Legislature established. We want to ensure the students identified in these at-risk subgroups will receive the supports they need as identified through the Legislature.

Senator Harris:

It is convenient to utilize the Trustees' district as a precinct. Might we give some thought to having a precinct at the central level which could then administer magnet schools, behavior schools, special education, Zoom and Victory and etc., so these children who do not have access to the funds they need for an equitable and productive education, have some measure of protection built in in their own precinct? That way we are making sure we are putting our resources in the right places, independent of the different geographical precincts.

Mr. Skorkowsky:

We would have to look at the legality of that, but sure.

Assemblywoman Olivia Diaz (Assembly District No. 11):

Are you saying that if the Zoom monies were already allocated for this biennium, then those Zoom schools will remain, regardless of implementation? Would this be the same for the Victory schools?

Mr. Skorkowsky:

Yes, that is correct.

Assemblywoman Diaz:

As you have been talking about this proposal for the reorganization of CCSD, the empowerment model kept coming to my mind in terms of the level of autonomy you are providing for these schools. Do you think this plan will help increase magnet school expansion efforts? It seems like we are giving a lot more autonomy at the school level for them to decide what is best for the students. How do we see this taking off? How are we opening the door to the avenues by which these schools can grow in different ways?

Mr. Skorkowsky:

The piece that is important to remember is that those magnet programs are literally some of our most successful programs. Six of our magnet programs have a 100 percent graduation rate, which is fantastic. We want to replicate that, which is why we expanded the magnet programs this year. We do want to be careful, though, because we do not want to allow Instructional Precincts to create magnets that would then provide a barrier for their own kids. That would go against the desegregation plan and all the guidelines put in force by the U.S. Department of Education's Office for Civil Rights to protect access equity for every student.

What we can talk about is unique programming within schools to meet the needs of their students or to reach a specific population. That flexibility and freedom is given to the Instructional Precincts as long as it does not exclude kids from being able to participate or create unnecessary barriers. There is also the opportunity for the District to look at expansion of the magnet programs by going to the Board of School Trustees and talk about how we would like to expand those programs and potentially apply for grants and utilize funds to expand the seats so we are reaching more kids.

Assemblywoman Diaz:

As we went through your recommendations, I kept thinking about what we currently have in place, but it is kind of fuzzy. So, we have the Instructional Precinct Superintendent at the top and then the Principal. Is there anyone between those two aside from the advisory councils and parent groups? Right now, the assistant chief superintendents do that job to check in and make sure the school is on the right track. I would be a little afraid if that position is done away with, leaving only the Instructional Precinct Superintendent and the Administrator.

Mr. Skorkowsky:

What we would give each Instructional Precinct is one of the current Assistant Student Achievement Officers who would be selected by the Instructional Precinct. I would then give them money for a second Student Achievement Officer to supervise schools. Or, if they chose to come up with another model, this precinct system gives them the flexibility to do so as long as we are meeting all our contractual and statutory guidelines. Within each Instructional Precinct, they use existing CCSD positions so we would not incur surplus or rifting issues contractually.

Assemblywoman Diaz:

Looking at the different Trustee districts, my concern as a teacher is morale. I was at a school that continually did not make adequate gains and was constantly on the naughty list. When I look at District D for Trustee Child, I am concerned that when you group so many schools together that are having challenges and issues, it works counter to helping the staff embrace the dynamics to try and overcome those issues. Sometimes you do not see the bright spots very often. Have you thought about morale and how the makeup of an Instructional Precinct based on Trustee boundaries would affect the teachers? We do not want to burn out more teachers. We need the good work they are doing in our schools.

Mr. Skorkowsky:

I think culture and climate is an essential piece of this. Right now, we struggle with that as a District, but being able to have an identity as an Instructional Precinct may counter that. It may not, though. It will be the leader of that Instructional Precinct who will set the tone and celebrate the successes. While everyone is moving toward those goals in the Pledge of Achievement, we know they will progress and achieve at different levels. We have to honor those making the growth as they go forward. That is where true celebrations can come. We need to look at all the pieces and how we might be able to celebrate milestones, creating that culture and climate within the Instructional Precincts. At a performance zone level like we have now, it is harder to create that culture because there is never the opportunity to reach all the constituent groups. They do not have the structure where they hear from their teachers, administrators, support staff and parents on a regular basis. We are trying to build that structure so climate and culture can be pervasive throughout all the stakeholders in that Instructional Precinct.

Chair Roberson:

Vice Chair Diaz brought up the issue of the empowerment model. The Guinn Center did raise the issue of the CCSD discontinuing that model. They also made the point that the District has not fully utilized the current statutory authority they have in some areas, such as parental engagement. Under NRS 386.4154, the board of trustees of a school district is to create school councils as part of a model of school-based decision making. What is your take on the empowerment school model and the statute that provides the Clark County Board of School Trustees the ability to create these school councils?

Mr. Skorkowsky:

The empowerment model has not gone away, it has just shifted. Certain aspects of that model hurt the District. We are seeing some of the challenges with that currently, and in legal issues. I think everything about the empowerment model was important and it is alive and well in many of our schools. The key is to train principals to develop that culture and climate within a school.

But the piece that was most difficult for the District was where we had flexibilities for a teacher or administrator to opt someone or themselves out of the building. In the past,

empowerment models meant that some teachers who were not meeting the quality level of instruction in a specific school were opted out by the principal and required to go into other schools. As a District, we were required to place them without any documentation. That was bad practice because we did not take care of some teachers we should have. We can prevent that with our new laws that are in place.

That autonomous concept of being able to make decisions at the school level, and giving the Instructional Precincts the same autonomy is important. We can start moving toward that by requiring that each school have a council as they develop their flex budget. I want to prevent some of the pieces of the empowerment model that actually hurt kids—where we did not take care of business with the teachers who were lower quality, and then they were moved into some of our schools where they remained hidden, in a sense, and hurt students in the process.

Chair Roberson:

Are you singling that out as the primary issue with empowerment schools or were there other issues as well? My experience at C.T. Sewell Elementary School in Henderson, which is an empowerment school, is a great success. I am still left with the question, why did we abandon the empowerment school model?

Mr. Skorkowsky:

We did not abandon it, we morphed it. Part of the problem is the principal training piece of it. When we went through our budget cuts, one of the things cut was the administrative leadership training department. If we are going to make this work, we have to train every principal on the concept of flex budgeting and what autonomies can be given and what decisions can be made. That is what we missed in the empowerment model.

Some of the empowerment schools have been extremely successful because of the principals at those schools. Some empowerment schools have not been nearly as successful, or saw success under one principal and then when that person left, the successes went away. We did not sustain the climate and culture of empowerment.

Going forward, we are recreating that leadership training development department to train our administrators. We will also look at initial service training for principals to understand that concept and implement it. I think the problem was that we only went so far with that and then did not commit to going all the way.

Assemblyman Stephen H. Silberkraus (Assembly District No. 29):

I know you are looking at several Clark County Commissioner districts that would overlap the Trustee districts. Would you envision then having multiple Commissioners on each IPAC?

Mr. Skorkowsky:

No, just one. We would then look at the majority of the population within the Trustee District and then assign the Commissioners accordingly.

Assemblyman Silberkraus:

One of the more unique situations is looking at the City of Las Vegas, which is broken up across four of these Instructional Precincts. Do you anticipate any difficulties dealing with that situation?

Mr. Skorkowsky:

When you look at the way it is broken up, it gives those people the opportunity to have specific input into the areas they represent. That is the most important piece with this Instructional Precinct model. The alignment of the Las Vegas City Council wards and where they reside within the Trustee district allows them to have a seat at the table within the Trustee district where they are represented by their population. There are specific programs we are working on with each entity right now that will continue. For example, the Downtown Achieves project would still be active, even though it would be housed in two different Trustee's Instructional Precincts. We would still work with them as a conglomerate of schools to support the work of that collective impact model. It would still allow flexibility, not to deter the involvement of the City of Las Vegas, but hopefully to enhance it.

Senator Ford:

I want to clarify my earlier statement about being for or against the deal. It was the procedural aspect of how this bill, A.B. 394, presented in the Senate that afforded me a "no" vote. However, this substantive conversation can now really inform us in trying to make the right decision going forward.

Senator Denis asked about facilities. Can you speak to the relationship between school facilities and the demographic make-up of the school within the current system? It occurs to me that upon immediate creation of the Instructional Precincts, it will become a fact that older facilities will be concentrated in Instructional Precincts where there are higher ethnic minority representations. To me, that is cause for concern.

Mr. Skorkowsky:

I agree. Even prior to this bill, we looked at the facility situation across the Las Vegas Valley and saw specific areas of concern. We do have a large number of older facilities within certain areas of town. There are facilities in dire need or what we consider beyond economic repair and thus deemed for replacement. The challenge is to balance the new growth in certain areas of high growth and maintain the older buildings with rehabilitation and modernization, ensuring that those students have that adequate facility.

We looked at trying to downsize some of our elementary schools. What we found is that there is no land to build on. We require approximately 10 acres to build a facility that maintains all the educational standards in our other schools. So we are looking at rehabilitation and modernization of those older schools, providing additional seats for students. That is how we can balance the percentage of older schools that need improvement. That will be done at a District level with the Bond Oversight Committee, which is an outside committee. Those decisions would not be made at an Instructional Precinct level; it would be made at a District level.

Senator Ford:

That is important to hear from you. Currently, we have a situation where higher ethnic minority populations have older buildings. It sounds like we will have a clear demarcation if this Instructional Precinct model is enacted. You would see a clear demarcation of older, less adequate facilities and resources, including teachers and support personnel, in Instructional Precincts with higher ethnic minority representation. That is something we need to keep in mind.

Since we have talked about the teacher shortage, what about teacher salaries? Do you anticipate the Instructional Precinct approach having an effect on teacher salaries, to increase salaries for our current teachers as opposed to those who will be participating in the incentive program to come to inner city schools?

Mr. Skorkowsky:

We have to address that issue. We also have to stick within the confines of the bargaining agreement we are currently under with the Clark County Education Association. One way we can look at pay is through incentive programs where the Instructional Precinct may be able to provide additional support through monies given to them through various funds. We do have to stick to the bargaining agreement because that is what guides everything we do when it comes to that. Our intent is to move to a salary schedule that both attracts and retains teachers in CCSD, and also gives the Instructional Precincts the opportunity to reward and incentivize those teachers within their boundaries.

Senator Ford:

Regarding parental involvement, what impact will the Instructional Precinct approach have on parental input at the school level, especially in schools where parents have less flexible schedules to come to their children's schools? What concrete examples can you give that the Instructional Precinct approach will better impact parent involvement?

Mr. Skorkowsky:

There are two things currently in place to help with that issue. First, the Family and Community Engagement Services (FACES), which is a centralized service providing support at the school level. One piece we would provide at the precinct level would be

to put one of those FACES liaisons in each precinct to work directly with school populations within the precinct.

We have also assigned a parent center in each of the Trustee districts to build that advocacy group. They would work with the FACES office to go into school populations where the parent engagement is limited. That combined effort would work to engage that group of parents, create a parent group at the school and help the parents have an active role in their children's school. There would then be one parent to sit on the Parent Advisory Council for the Instructional Precinct. It is part of the Nevada Educator Performance framework that administrators work on parent engagement within their schools. We are pushing that to a new level to ensure every school has a parent group and that it is represented at the Parent Advisory Council at each Instructional Precinct. It is hard, because we cannot force parents to engage. We have to teach them how to be engaged.

Our FACES department is working with different faith-based groups and different employers to find ways to access parents who cannot participate during school hours, but who can still participate in their children's school. The FACES bus has been in neighborhoods teaching parents how to use computers, which are provided in all the employee dining rooms across all our major employers. This helps parents to engage in their children's success. We have to expand that to build core groups of parents to teach their neighbors how to be engaged in their children's public education.

Assemblywoman Neal:

The unanswered question for me is still what benchmarks have you achieved under the strategic vision of 2013. For example, when you looked at your communication structure, what deficits did you find and what variables did you measure in order to indicate that this new plan would fix those deficits or change those variables?

Secondly, I have seen all these parent engagement pieces of legislation, and I want to ask the same questions regarding that topic. Where have we faltered with the parent engagement model or with the legislation that was put forth? Where have you seen deficits? How are you fixing those deficits?

Cited on page 15 of your report ([Exhibit F](#)) is that under the 1997 Management Analysis and Planning Associates (MAPS) study, we created community-based citizen advisory councils. So if we had these councils that were supposed to do the exact job as the Parent Advisory Council, or a segment of the community structure that is in the current model, where did we fail in that advisory community-based model? Was it ever truly implemented? If so, where did we go wrong within that model?

Mr. Skorkowsky:

None of this was enacted. It was recommendations for the study to the Legislature, but it was not anything the District was bound to at that time. I cannot speak to why it was

not enacted, but it was not. We used the reference material to say that this is a recommendation that was good then and it is good now, and we need to put these pieces in place now to engage the community and be a support to our schools and increase student achievement.

The first part of your question about benchmarks is directly in the Pledge of Achievement. If you look at the CCSD website under Pledge of Achievement, you can see where schools are measuring up to that. The challenge is to ensure we are meeting the differing needs of our schools in any structure we have. We have not been doing that to the best of our ability. Decisions were made at a central level for specifics that may or may not have been the best choice for an individual school or for that group of schools. In other situations, we allowed schools to have autonomy when we may not have needed to.

When you look at some of the success of our Turnaround Zone, because we have put a focused approach into how we do business, that approach has been successful in many of those schools. Three schools came off Turnaround this year because of that focused support. What we had to do was pull them out of their feeder school alignment and disconnect pieces that should have been put in place from grades K-12, when they were not because they were pulled out and put in the Turnaround Zone. Case in point, some of our schools that feed into Western High, grades 9-12, which was one of our Turnaround schools, were not in Turnaround. The middle school and elementary schools in that feeder alignment were not Turnaround schools with the exception of Hancock Elementary School. There was no cohesion.

That is what the Instructional Precinct system is trying to do, to provide support so we understand the needs of that grade K-12 continuum and can look at what supports need to be continued for that child through transition from 5th grade into 6th grade and 8th grade into 9th grade. While we have had pockets of excellence, we need to take what we have learned from that process and apply it to the Instructional Precinct level where they can do a deep needs assessment for what is necessary for these schools to be successful. We are providing the funds to those schools to help make them successful. There are certain autonomies we gave to Turnaround schools that we did not give to other schools. That is a problem. It is like the autonomies given to charter schools and not to other public schools. We need to give that flexibility to those instructional leaders at the school and precinct level. We have not done that in the past. This is what we are proposing today, to allow them to do that with the funding to support their goals.

Senator Harris:

Will each precinct be responsible for its own facilities? Will students that reside within a precinct only attend schools within those boundaries?

Mr. Skorkowsky:

The facilities will be the responsibility of the District. Some of the autonomous schools in Edmonton, Alberta, Canada were given full responsibility for all the school's needs. The challenge was that instructional decisions were made while some of the facilities suffered. We need the minimum level of standard so that facility money does not get put into instruction. We have to guarantee that everyone has a level playing field.

Regarding the zoning for attendance, there are some alternatives, namely the magnet schools, select schools, open enrollment and zone variances. There are many ways a student can go outside their Instructional Precinct for schooling.

Senator Harris:

Pertaining to elementary schools, in the southwest part of the Las Vegas Valley, which is overpopulated and in need of new schools, would there be the flexibility similar to the Attendance Zone Advisory Commission (AZAC) which currently has to look at where they would like to place children so they are in a less crowded environment?

Mr. Skorkowsky:

Yes, there are still options. Our goal is to open four schools in that area by 2018. We heard loud and clear from parents that they do not like year-round schools. We need to remove some of the barriers within the monies set aside for 35 elementary schools through the current bond program. We know there are more needed. If there are open seats available in a District area, we will allow parents that flexibility.

Senator Harris:

What if a parent says they live in a certain precinct and yet you want to move my child to another precinct because of overcrowding?

Mr. Skorkowsky:

We will allow parents to go through that. We will maintain the AZAC so input is taken at all levels. The zoning concept will remain central so parents have a voice in that process.

Senator Ford:

One argument for breaking up the CCSD is that it would help with efficiencies and budgetary needs. Do you anticipate the precinct model helping that? Will there be budgetary benefits?

Mr. Skorkowsky:

We believe the use of the funds will allow flexibility and enhance the precinct and the school. As we decentralize certain functions and delegate those funds to precincts, it will enhance their instructional programs and their opportunity for decisions that are made.

Senator Ford:

Will it save money?

Mr. Skorkowsky:

I do not know if anything will save money at this time. I am trying to make this as budget-neutral as we can. The monies need to go to the students. If we looked at precinct boards, there would be existing overhead that would have to be duplicated in different departments and divisions in precincts outside of that. Moapa Valley, having their own precinct or district, could not afford their own teachers or the overhead.

Senator Ford:

So is this proposal budget-neutral? I am receiving emails from people opposed to this model because they think it will cost more. Even though you are not doing separate school districts for Boulder City or Mesquite, for example, you are still going to be adding expenses by converting to this IP system. Do you think this will be true?

Mr. Skorkowsky:

We are doing everything we can to not add expenses. There may be the elimination of two Assistant Chief Student Achievement Officers, so that would be a savings. Central office support could be placed within school functions, but that money would go back into the system to the Instructional Precincts. We are doing everything we can to make it budget-neutral, but until I get everything finalized and we move forward, we won't know for sure.

Chair Roberson:

We have scratched the surface today and will meet again about these issues.

Mr. Skorkowsky:

It goes back to the goals—that we increase student achievement, meet the intent of the law and that we do not create barriers for any student, thus providing access, equity and opportunity.

Chair Roberson:

Next we will open Item VII, the financing of capital projects.

Jim McIntosh (Chief Financial Officer, Clark County School District):

Most of the Statutes pertaining to the District being able to borrow are found in Chapter 350 of *Nevada Revised Statutes*. I have submitted a document for reference ([Exhibit G](#)). There are two important things I want to discuss. One, that this Advisory Committee will be making determinations regarding the reorganization of the CCSD. Currently, the District has general obligation debt which is outstanding. In the past Legislative Session, Senate Bill 119 (S.B. 119) and Senate Bill 207 (S.B. 207) both did a very similar thing in reauthorizing funding for the CCSD to begin bonding against the property tax rate for the future.

SENATE BILL 119: Revises provisions relating to educational facilities. (BDR 28-732)

SENATE BILL 207: Revises provisions relating to financing of school facilities.
(BDR 30-1256)

So we are talking about current obligations and prospective obligations. Our goal with current obligations is to ensure that nothing happens in the reorganization that would impair the contract with CCSD and the bond holder. When we look at our prospective obligations, we are looking to ensure that nothing happens in the reorganization to affect or impair the credit rating of CCSD. If the credit rating on future debt was affected, it would cost the District additional costs in interest, which is money that would be going to institutional investors instead of building schools.

The general obligation bonds of the District, Section A of ([Exhibit G](#)), is the largest section of general obligation debt that the District has. District-wide, current outstanding debt is approximately \$2.5 billion. This is due to a series of bond programs the District has had since 1988 and 1994. We are about to pay off the final amount of the 1994 bonds.

Prior to 1996, voters would vote in a principal amount that was paid off through a tax rate in the property tax. Since 1998 and thereafter, there is a rollover vote which is \$.5534 for every \$100 of assessed valuation. That is the tax rate that comes to the CCSD that the District is authorized to bond against to help with its capital programs. This money cannot be used for anything else, only to construct, modernize, rehabilitate or equip schools.

This general obligation power is secured and payable from a county-wide property tax under Chapter 350 of NRS. The word “county-wide” is important here. When the bond holders enter into an agreement to loan the District funds, they expect it to be repaid by a county-wide levy of property taxes. We do not want to do anything in the reorganization that would impair that county-wide revenue stream.

The District has \$1.71 billion in general obligation bonds that are backed by property tax. Based on the two aforementioned bills, S.B. 119 and S.B. 207, we are in the process of issuing three rounds of financing in the amount of \$500 million which will assist the District in its first 14 projects, which includes 12 new schools and 2 replacement schools.

In addition to the property tax, the District receives a 1.625 percent component of the room tax which is paid on lodging and a tax paid on the transfer of rights of real estate, the real property transfer tax, which is approximately \$.60 for every \$500. The District can bond against these two revenue streams. We call these the pledged revenues. Many times when we issue the debt, we call these bonds our general obligation revenue

bonds because we use these two revenue streams to borrow. Currently, there are approximately \$583 million outstanding in general obligation revenue bonds.

There are two other ways the District can borrow funds. Item C of ([Exhibit G](#)) shows the medium-term bonds, which have a duration of 10 years, while the general District bonds are 20 years. The medium-term bonds are secured and payable through general or other funds with the exception of property taxes levy. We can use revenues and many of our other funds, including our General Fund, to issue medium-term debt over that 10-year period. The District has done this in its General Fund in the past when there was a need to purchase school buses and/or equipment for schools during the interim period when the District no longer had the authority to use bond funds to purchase those items. The current debt is approximately \$25 million in this medium-term financing.

The final way the District can borrow is through lease-purchase and installment purchase agreements, Section D of ([Exhibit G](#)). These loans are secured by security interest. Whatever property is financed, this is known as a capital lease in accounting and not an operating lease. This would be a lease to purchase something in an installment payment. Currently, there is no outstanding debt from this option.

Adding \$700 million in interest to the total District debt of \$2.5 billion, the all-in debt is around \$3.2 billion over the next 20 years with the prospect of borrowing \$500 million. Regarding the contract between the bond holder and the CCSD, our goal would be that the Committee not do anything to impair that contract.

John Swendseid (Bond Counsel, Clark County School District):

On page 2 of ([Exhibit G](#)), we list the specific Constitutional provisions and one Statutory provision that deal with impairment of the contract. There is a clause in the United States Constitution and one in the Nevada Constitution that indicate a Legislature cannot take actions that impair contracts. There is a promise in *Nevada Revised Statutes* that the Legislature is made the holder of bonds like the school districts bonds, and that it will not change the law in such a way as to impair the contract the bond holders have with the school district. Why is that important? The bonds themselves represent a contract between the bondholders and the CCSD.

When the bondholders advance money to the school district, they do it on the basis of a certain agreement or deal. In this case, the deal they expect on the general obligation bonds is that they will be paid back with a county-wide property tax. On the revenue-backed general obligation bonds, bondholders are advancing that money based on a specific county-wide room tax and a specific county-wide real estate transfer tax. What the bondholders are expecting is that the Legislature will not change those taxes while these bonds are outstanding.

There have been cases in the U.S. Supreme Court and the supreme courts of our sister states that indicate the deal between the Legislature and the holders of those bonds is that the Legislature agrees, in authorizing the District to issue those bonds, that it will not change the financial framework or agreement that bondholders have entered into with the District without replacing it with an equally advantageous framework. Regarding outstanding bonds, we ask that whatever you do in this reorganization, do not take any action that would adversely affect the contract these holders have with CCSD. This is the duty of the Legislature from a constitutional point of view.

Future bonds are different because you do not have the constitutional consideration. Rather, you do not want to take any action that will harm the District in being able to borrow in the future because when your credit rating goes down, there will be less money available to borrow.

Mr. McIntosh:

To summarize, the three main components of our bond program are the room tax, the real property transfer tax and the recently-authorized capital component of the property tax—what we call the rollover rate. These three components comprise the 2015 Capital Improvement Program, which is our bond program.

We have talked about not impairing our current obligations and, under Superintendent Skorkowsky's proposal, he has been careful to make clear that these are not negotiable in the reorganization. We do not want to affect our capital construction and/or our debt rate or impair the contract between the bond holder and CCSD.

We are moving forward with three rounds of financing that will total \$500 million for capital construction which, by Statute, will only be for constructing, rehabilitating, modernizing and equipping schools. What is very important is to retain our high-level credit rating. This is very important to the District, much like it is to any individual because it affects the amount of interest we pay when borrowing.

The credit quality of an entity like the Clark County School District is not just based on the ability to service the debt or pay it back. There are other aspects that rating agencies will take into account, including financial operations of the District, governance of the District and the financial management of the District. We caution this Committee to take all this into account and try not to do anything that will impair the credit rating of the CCSD.

In the past, the District has received high marks for many of these items, especially during the recession. The District was always able to service its debt from the 1998 bond program which was a 10-year authorization given by the voters through 2008. Part of that success is due to our conservative projections and revenues and the healthy reserves we maintained in the bond program.

We conservatively estimate the current 2015 program will bring in approximately \$4.1 billion over the next decade. We have begun work on 14 projects including 12 new schools—6 to open August 2017 and 6 to open August 2018—and replacement schools for Rex Elementary School and Lincoln Elementary School in August 2017. The Clark County Board of School Trustees recently authorized a high-level 10-year facilities master plan that we are currently fleshing out. At a very high level, the Board authorized an approximately fifty-fifty split between capacity and building new schools and modernizing older schools. In addition, as part of passing this bill we made a commitment to the Legislature for some specific projects. We are ensuring that we complete those.

Senator Ford:

To confirm what you said, as long as this Committee does not do anything to move the bonding agreements from a central organization to the precinct, you should be okay with the current obligations. Is that correct?

Mr. Swendseid:

Yes, with the current obligations. As long as you keep the current tax levies in place and the payback is done by the central organization, we should be okay with the current bonds.

Senator Ford:

Assuming the precinct approach is adopted by this Committee, what recommendation do you have to ensure we could continue our bond rating and ability to build new schools at the precinct level? Does it need to go to the precinct level where they issue requests for bonds, or would it need to stay centralized?

Mr. McIntosh:

I would reinforce what Superintendent Skorkowsky said; the capital program should remain central. We have a data-driven process to determine how we go about building new schools, using very specific building indexes to determine what schools require modernization and what level is the most equitable. What a rating agency looks at is governance and financial management, so if we were to push some of those dollars into the precincts, there could be concerns about a weak link in the chain. It would be an inefficient way for us to issue bonds. We believe the most efficient model is to keep that function central, allowing us to use our process to equitably distribute those funds.

Chair Roberson:

No one on this Committee wants to approve a plan that would impair the capital financing of the District. As Superintendent Skorkowsky said, this is a nonnegotiable central function of the District. I doubt there is anyone on this panel who would want to move that function.

Senator Hardy:

I agree. If we do not mess around with the District's current way of managing its financial matters. But if we enact the precinct model and a precinct wants to have some autonomy, even though they have a commitment to keep doing what they're doing county-wide and District-wide, has anybody ever done a break-off of some kind and still maintained their obligation to the centralized system? I am referring to some of the other school districts with precinct systems that were discussed earlier.

Mr. McIntosh:

I am not familiar with an organization that has done that. The CCSD has in the past internally broken itself up into regions. As long as we maintain financial management and some level of governance at a central level, including the distribution of capital funds, we have not had any issues. In fact, during the 1998 bond program is when the District had some of its highest bond ratings and was recognized for its governance in financial management.

Senator Ford:

Say Precinct X decided they want to levy a property tax from their precinct only and use those funds for that precinct only. Do you contemplate that happening? If it did, what would that mean to the District?

Mr. McIntosh:

No, I do not contemplate that. It would be an incredibly inefficient way to borrow and build capital structure. Outside of all the complexities of getting a property tax increase and building your own bonds, all the rules would apply to a separate entity like a precinct when a rating agency looks at them. There might be a weak link. Maybe the precinct does not have good financial governance or the ability to cover the principal and interest on their debt with the revenues they are bringing in. They may end up with a lower rating than the District at a central level. We believe in maintaining our high level credit rating instead of having a smaller district trying to borrow with a lower rating, which would equal higher interest payments and more money going to investors outside of Nevada rather than building schools here in the State. It makes more sense and it is much more efficient to keep the capital program central.

Senator Harris:

I would like to understand how you determine which areas get schools. I am concerned that if we go to a precinct model, the communities may become more competitive in terms of star ratings and resources. How do you ensure there is equity? Particularly when you have high growth areas and cannot accurately predict which areas will be the hotspots in the Las Vegas Valley. You would always be working behind the growth to catch up. What if you have five precincts that need schools, some maybe more than others, with limited resources, how do you fairly decide who gets the schools? I would like to think we gave you a way to solve that issue with S.B. 119 and S.B. 207 but the Valley continues to grow, and there are many overcrowded schools. Since most parents

do not like year-round schools, how do we equitably distribute those capital monies among precincts?

Mr. McIntosh:

That is an issue in the District regardless of the precinct possibility, and we have struggled to address it. We recently held eight public input meetings regarding our capital program: one in each Trustee's district and one in Mesquite to address rural needs. We are growing, specifically in the southwest. The core of the Valley has schools that are not to the technical standards of the schools we are now building, so they need modernization. The Board of Trustees had to make difficult decisions about how to prioritize funding. Our goal regarding new schools is data driven. We look at areas where schools are already over capacity by 25 percent, schools that have already triggered to the year-round calendar and areas of high growth. The southwest part of the District has all three of those things, so it was a no-brainer that we needed to build new schools.

During the 2015 Legislative Session, we tried to come up with shovel-ready projects where the District already owns land, for example. Now with this 10-year program, we are going to have to make determinations beyond 2017 and 2018 as to where we place schools. We will continue to follow that data process utilizing those three factors I mentioned earlier. We are watching housing developments that went into hibernation during the recession come to life now. We need to begin planning today for those locations. We always need to balance the older neighborhoods and schools that need modernization, especially to the technical standard of the newest schools.

The School Board did a good job examining the data and coming up with a plan to split the funding with \$2 billion toward new schools and \$2 billion toward modernizing, rehabilitating and in some cases replacing an old school with a new one on the same site. The demographics department, which is one of the departments that oversees our attendance and zoning committee and helps us identify where those areas are, is an area that will remain central in the District.

Our Bond Oversight Committee (BOC) is an advisory committee to the Board on capital matters. Board members are able to appoint committee members and the Superintendent can as well. The BOC helps us with our process, and we agree the procedure we are using is the best so far. The need always outweighs the available funding.

Assemblywoman Diaz:

What would be the effect of splitting up the District instead of going to the precinct model? How would it affect our bond obligations and the current system?

Mr. Swendseid:

You would need to look at the effect on outstanding bonds and the effect on future bonds. On outstanding bonds, if you were to take an action that impaired the contract, like saying that all the bonds issued last year are going to be paid by Precinct X and Precinct Y will pay some other bonds—maybe those precincts have the same assessed value or tax roll value this year, but they will have changed next year since things always fluctuate—you will have changed the deal you made with those bond holders and some will suffer as a consequence.

People with lower bond ratings because of actions that violate a contract often sue. If you sue, the lawyers make all the money instead of that money going to schools. You do not want to take an action that gives bond holders an argument that there is a contractual impairment that could lead to a lawsuit. You want to leave the financial structure of the outstanding bonds alone.

The future bonds are a different story. There, you could say Precinct X and Precinct Y could issue their own future bonds. Not all precincts will have the credit rating that the District now has. The consequence of this is that for the same tax rate, you cannot raise as much money. If you have a B-rated bond instead of an A-rated bond, you would pay a higher interest, so more of your money would go to pay interest and less would be available for schools. If you change the way the District is now, for future bonds there would be less money available for capital projects without allowing an increase in the tax levy. It becomes more inefficient.

There are some other peculiar issues under our tax structure, which has a maximum tax on any overlapping piece of property. If one precinct levies a tax that harms the ability of other county-wide entities, including a school district, because they use up the overlapping maximum, you have a double whammy. It hits not only the credit rating, but the peculiar way our tax structure is set up in Nevada.

Assemblyman Silberkraus:

Assuming we broke up into multiple districts, could we create a central agency that would act as a bond authority instead of the District as it is now, so it could oversee bonding for all the districts?

Mr. Swendseid:

Yes, you could if you left the existing bonds alone. If a central bonding authority was different than the school district, it may not have the same credit characteristics. You would have to worry about whether a new setup would be as creditworthy as what exists with the District now. If not, then again, you would be paying more for less money for schools. It would be legal, though.

Chair Roberson:

We are going to item VIII on the Agenda. I asked for it to be added to ensure we have a balance in the information we receive concerning capital financing decisions Statewide.

Martin Johnson (President, JNA Consulting Group, LLC):

I have worked with every school district in the State during the past 25 years. For the other 16 school districts in the State besides CCSD, the primary funding source is property tax. There are other revenues available. I have listed some on page 2 of my presentation ([Exhibit H](#)). There is also a residential construction tax on new housing which is available to some districts. Districts with bonds outstanding that levy a tax rate to repay debt do participate in the allocation of the governmental services tax, or the car registration fee.

The real key is that with the limited tax base out there in a number of school districts, their ability to generate revenue from anything other than property tax is limited, and in some cases even raising enough from property taxes is a challenge. They do not control their own destiny. The Legislature and the individual county commissions have to impose these other revenue sources, so the only revenue stream the districts have control over is property tax. Most districts use property taxes to repay bonds. The majority of those have rollover bonds outstanding as Mr. McIntosh described. The overlapping tax rate cap, the \$3.64 cap on tax rates, impacts almost every rural school district. We are within pennies of the cap in 11 counties.

The abatement caps, the 3 percent/8 percent cap, also have an impact. This is a cap on property tax revenue growth. The way the formula works, it is the lesser of twice the Consumer Price Index (CPI), or the 10-year rolling average of assessed value growth. That rolling average of assessed value growth is negative or a very low number. So for purposes of the cap, it is usually two times the CPI. In many counties, the cap is not 3 percent and 8 percent. It is usually 3 percent and 3.2 percent; something very low.

Page 3 of ([Exhibit H](#)) lists a variety of taxes available in Nevada that are other than property taxes. There are sales taxes available, one only in White Pine County. There is a 0.25 percent sales tax levied by the individual county commissions that is available to schools, under Chapter 377B of NRS on the chart, but none of the school districts currently receive money from this source. The residential construction tax is available in smaller counties. Churchill, Douglas, Lyon and Nye Counties utilize that source. With the state of construction as depressed as it is right now, no one is receiving many funds generated from that. The room tax and real property transfer tax, the last two columns on the chart, are only available in Clark County.

On page 4, you can see how the other 16 counties fund their capital projects, and you can also see their capital tax rates. In Elko County, there is a capital projects tax rate. They use that revenue on a pay-as-you-go basis, and their rate is \$0.75. All other counties to the extent that they have a property tax rate, use the money to repay bonds.

In Carson City, there is a rollover in place with the legislative action taken last Session. That rollover will expire in 2030. Carson City also has some governmental services tax money available. Both Douglas County and Washoe County are taking advantage of the provisions of Senate Bill 411 (S.B. 411); both are putting together committees to look at putting a question on the ballot to provide additional revenue sources.

SENATE BILL 411: Allows the imposition of certain taxes in a county to fund capital projects of the school district based on the recommendations of a Public Schools Overcrowding and Repair Needs Committee and voter approval. (BDR S-140)

Esmeralda, Eureka and Lander Counties do not have funding outside the State General Fund. Eureka and Lander Counties pay cash for their projects with the money from net proceeds received over the years. Mineral County does not have bonding authority and will likely lose their tax rate if the voters do not renew it in 2016. The county would then have to levy that tax rate, and that school district will be basically out of luck. They will have no ability to finance capital projects because there will not be any tax rate available under the \$3.64 cap.

Chair Roberson:

I will open Item IX, Equity of the Distribution of Funding Within CCSD.

Julie Waller (Senior Program Analyst, Fiscal Division, Legislative Counsel Bureau):

My office prepares an overview document prior to each Legislative Session to assist Legislators in understanding the basics of school funding formulas in the State. I have submitted a copy to the Committee ([Exhibit I](#)). Funding that supports Nevada's public elementary and secondary schools is a shared responsibility between federal, State and local resources.

On page 2, there is a pie chart that illustrates the 2011 funding contributions to Nevada public education from kindergarten to grade 12. That year, 56 percent of funding came from local resources; 33 percent of funds came from State resources and 11 percent of funding came from Federal sources. A large portion of local funding in the State comes from two sources: the State-mandated local school support tax, also known as the LSST sales tax found in Chapter 374 of *Nevada Revised Statutes*; and the ad valorem property/mining tax, which is a property tax found in NRS 387.195. As a result, the local share contribution of revenue has historically been one of the highest in the nation.

On page 3 the table illustrates Nevada K-12 public education revenues by funding source in 2014. It was obtained from the annual report required by NRS 387.303 for all school districts and charter schools. You can see the various funding mixes for each of the 17 public school districts in the State as well as the charter schools.

Pages 4 and 5 list the history of major tax policy changes that have impacted revenues of K-12 public school funding in the last 50 years.

Page 6 has a description of the Nevada Plan, which is the formula-based funding mechanism established in 1967 by the Legislature and described in NRS 387.121. The Nevada Plan has not significantly changed since its adoption. It does not include targeted, formula-based funding for individual student differences. However, there has been some student-specific State funding for programs such as class size reduction, full-day kindergarten, career and technical education programs, adult high school diploma programs and special education programs.

Page 7 explains how the Nevada Plan works. Every biennium the NRS 387.303 report is compiled from data provided by the school districts. This report is then presented to the State Department of Education (DOE). The Department then compiles this data into a statewide annual report that provides the primary information used in preparing the biennial budget for the Nevada Plan. Under the Plan, the State develops a guaranteed statewide average basic support per pupil.

For the 2015-2017 biennium, the Legislature approved a guaranteed statewide average basic support per pupil of \$5,710 in 2016 and \$5,774 for 2017. These are operating expenditures and do not include funding for capital or debt repayment. From the statewide average basic support per pupil, the DOE calculates a separate basic support per pupil figure for each district using a formula that considers the economic and geographic characteristics of each district, factoring in average operating and transportation costs and local wealth. A wealth adjustment, based on each school district's ability to generate revenue in addition to the guaranteed level of funding, is also included in the funding formula.

The basic support per pupil varies for charter schools and is determined by the school district of origin for each student. The corresponding basic support amount per pupil is then multiplied by a school district or charter school's weighted apportionment enrollment to arrive at the total guaranteed Nevada Plan funding. The difference between the total guaranteed support, as approved by the Legislature, and local revenues guaranteed in the Nevada Plan is State aid, which is funded through the State Distributive School Account (DSA).

The local revenues guaranteed in the Nevada Plan are the 2.6 percent LSST and one-third of the \$0.75 property tax dedicated to schools. Those revenues are deducted from a district or charter school's total basic support guarantee to determine the amount of State aid. State aid from the DSA is currently paid on a monthly basis to each school district and charter school and comes from multiple funding sources as listed on page 9 of ([Exhibit I](#)). If the local revenues from the aforementioned two guaranteed sources are less than anticipated, State aid is increased to cover that shortfall. If the local revenues are more than anticipated, State aid is reduced.

In addition to the guaranteed revenue through the Nevada Plan, school districts receive other local revenues considered outside of the Plan. Those outside funds are listed at the bottom of page 9 and the top of page 10 of ([Exhibit I](#)). While projections of these revenues are considered in developing the statewide basic support per pupil, because the other local revenues are not guaranteed by the State, the aid from the State is not increased or decreased based on actual revenues realized, even if they fall short or exceed budget projection.

Once the Nevada Plan formula funding is distributed from the State to each school district and charter school, those monies are distributed according to the policy of that entity. Districts and charter schools may also receive categorical funds from State and Federal sources and from private organizations. These funds are often targeted for specific purposes, such as early childhood education, class-size reduction, Zoom Schools, English language learning, etc., for the State. Federally funded categorical programs include Title I and the Individuals with Disabilities Education Act, or IDEA.

These categorical funds must be accounted for separately in special revenue funds. Funding for capital projects which may come from the sale of general obligation bonds, pay-as-you-go tax levies or fees imposed on the construction of new residential units are also accounted for in separate funds. School districts have their own methodologies and formulas for providing school-based funding. Representatives of the CCSD will discuss the equity of the distribution of funding within the District and the potential challenges in developing a plan to reorganize the District.

Senator Ford:

Is someone else going to speak on the equity of distribution within CCSD? I understand the Nevada Plan, but the agenda item talks about equity of distribution within CCSD.

Ms. Waller:

That is correct.

Chair Roberson:

Who would that person be? I think there is some confusion. This is the last person to testify today. Unless someone in the audience wants to come up and speak on that subject, we will have to do that at the next meeting.

Ms. Waller:

My understanding was that there would be a representative of the CCSD available to discuss that agenda item. I am happy to work with them to come back and provide that information to the Committee.

Chair Roberson:

It does not sound like there is someone to talk today. I contemplated that we would have a discussion today about the current equity issues within CCSD. We may need to have that discussion at our next meeting.

I will open public comment.

Yvette Williams (Clark County Black Caucus):

We have no position on this issue at this time. We do know how difficult this challenge will be for all of you, just based on the work we have done with CCSD. We want to put on the record that we have 32,371 African American students on free and reduced lunch through the National School Lunch Program. Those students represent 10 percent of the CCSD student population, and they have a proficiency gap, even within the free and reduced-price lunch population. Those 32,371 students' proficiency rates are lower than any other group outside of individual education plan (IEP) students. This is a group of students we need to be concerned about in whatever decisions we make.

Chair Roberson:

Seeing no more public comment, I want to invite members of this Committee to give any final thoughts on today's topic. For me, I have no predetermined outcome in mind for this process. This is a very complex subject matter. Many issues have been raised today and more will follow. This is a valuable process. We know the many challenges our community faces with education. I am proud to say that as a group, we the Legislature passed an historical level of funding to the school districts this past Session. We also passed historic education reforms that are in the process of being implemented. We all know there is still a great deal of work left to do.

Whether restructuring the Clark County School District is the right thing to do, that is for this Committee to determine over the next 18 months. We will also have input from the Technical Advisory Committee to Develop a Plan to Reorganize the CCSD and the larger community. This is a valuable process and an opportunity we have not had in a long time to address and potentially make decisions regarding the direction of CCSD. I would hope that wherever you think you stand today on the issue of reorganizing the fifth largest school district in the country, by the end of this process we do not end up looking back and saying we missed an opportunity to improve the school district. There are a lot of smart people in this community who will have the opportunity to put input into this process. I hope the nine of us, on a bipartisan basis, will be able to arrive at a consensus to moving this District forward in a positive way, so we can give our kids the best opportunity to succeed.

Senator Ford:

Speaking of the larger community and speaking to what Ms. Williams just indicated, there are members of this community with specific questions related to the education of

African American male youths in our school district. For the District to hear these questions and be prepared next time, Dr. Robert Green presented questions to me during the break that I want to put on the record, specifically regarding young men of color. We are interested in understanding how a precinct approach would address these issues: poor achievement in reading, suspension rates, expulsion rates, behavior school placement rates, drop-out rates and the prison pipeline. According to Dr. Green, who is an expert in education policy, particularly when it comes to African American youths, there is a disproportionate effect of these issues on young African American boys in our school district. His question is: what will be done regarding those issues?

Assemblywoman Neal:

Are we going to discuss the adequacy study and how there were per-pupil funding recommendations that were projected or told to be phased out over a 9-year period but never got done? One area of concern is how resources are applied, especially with this freer flow of resources being proposed in the precinct plan. How does it all work together? I saw a trend where people told you to do the right thing and then you never did it. We keep having a conversation about the same thing because people will not implement the good idea that you were told 10 years ago.

Chair Roberson:

I appreciate that. We know the three goals laid out by the sponsors of this bill are to improve the responsiveness of the school district to local needs, improve student achievement and improve efficiency of the school district. Those are broad goals and there are a lot of specific areas that need to be addressed to achieve those goals. It is my interest that every member of this community start thinking about what topics they want to see addressed through this process. I am also expecting every member of this Committee to work with me and with Vice Chair Diaz to develop an agenda of specific concerns you have about the current education system and how those issues can be addressed through this process. I encourage you to reach out to us and to staff so we can get these issues on the agenda for the several meetings we will need to have to cover this complicated issue. This way, we can get the appropriate experts to come testify and inform us. We are just scratching the surface here. This will be a long process, but it is an incredibly important one.

Chair Roberson:

Seeing no more comments from the Committee, I will adjourn this meeting at 2:06 p.m.

Respectfully submitted:

Linda Hiller, Interim Secretary

Approved by:

Michael Roberson, Chair

Date: _____

Exhibit	Witness / Agency	Description
A		Agenda
B		Attendance Roster
C	Victoria Carreón, Director of Education Policy, Guinn Center for Policy Priorities	Breaking Up Is Hard To Do: Issues to Address in the Reorganization of the Clark County School District
D	Anna Slighting	Written Testimony
E	Risa Lang, Chief Deputy Legislative Counsel, Legal Division, Legislative Counsel Bureau	Provisions of Assembly Bill No. 394 (2015) Related to the Advisory Committee to Develop a Plan to Reorganize the Clark County School District
F	Pat Skorkowsky, Superintendent, Clark County School District	CCSD's Response to <u>A.B. 394</u>
G	Jim McIntosh, Chief Financial Officer, Clark County School District	Financing Capital Projects- Clark County School District
H	Martin Johnson, President, JNA Consulting Group, LLC	Capital Funding for Nevada School Districts
I	Julie Waller, Senior Program Analyst, Fiscal Division, Legislative Counsel Bureau	The <i>Nevada Plan</i> For School Finance; An Overview