

Good Afternoon, Mr. Chairman

I am Joyce Haldeman, representing the Clark County School District. I have with me Mr. Jim McIntosh, CCSD's CFO. Before we begin:

We know that every time there is bad news everyone knows about it, we want to make sure that you are also aware of the many good and even great things that are happening in schools throughout the Clark County School District. This will include student successes, staff accomplishments, and school awards. So for today, I'd like to tell you: *The National Center for Education Statistics ranked Nevada 2nd in the nation in 2013 for the rate of gain in average reading scale scores for 8<sup>th</sup> grade students.*

Today we are here in support of Senate Bill 119 because of the substantial funding it would provide to build much-needed schools and to rehab existing schools in Clark County School District. Mr. Chair, we appreciate you bringing forth this bill for consideration.

In 1998, CCSD received voter approval to issue bonds for school construction and renovation for a 10-year period – this authorization expired in 2008. The ability for the Clark County School District to ask for a 10-year span came from legislation passed by the Nevada Legislature in 1997. That body also authorized two additional revenue sources to be used for school construction by the Clark County School District -- hotel room tax and real property transfer tax.

In 1998, when the ballot question was taken to the public, we expected the question to generate \$3.5 billion in revenue and construct 77 schools, as well as provide funding for renovations and technology needs at existing schools. Because of the robust economy during that decade, the program generated \$4.9 billion. Instead of the 77 schools promised, CCSD was able to build 101 schools; an additional 13 replacement schools; and spent just under \$1.3 billion on renovation projects and technology upgrades that touched every school in the District.

CCSD has a record of excellent management of the dollars and the projects related to the 1998 building program – with very few exceptions (due to conditions out of our control), these projects were delivered on time and under budget and the result was a building program that became a model for school districts across the country to admire. I am very proud of the CCSD Facilities Division and the work they accomplished during that hectic decade. It became commonplace for us to produce the equivalent of a school a month . . . for several years in a row, we opened at least 12 new schools. In 2006, we opened 16 new schools!

Our ability to issue new bonds expired June 30, 2008. When Mr. McIntosh speaks, he will provide some graphics that will help you see the flow of revenue against the debt service. In addition to the management of the construction program by our Facilities Division, the Finance Division also did a commendable job of managing the

- d. Number of schools needed to deal with growth
  - I think our returning growth has surprised all of us. We had been growing at an average rate of about 5% per year for nearly two decades, and during the recession our student enrollment actually dipped slightly two years in a row, by about 1,000 students.
  - But in 2012 our growth returned – we had a 1% increase in students. While 1% doesn't sound like a large number, when you have over 300,000 students, 1% = 3,000 children.
  - On count day, we had 318,592 students, 1% higher than last year.
  - As of 11:00 this morning, in our elementary grades, we have increased 1,922 students since count day!
- e. Technology needs
  - Inequitable opportunities for students from school to school due to infrastructure limitations
  - Movement to online assessments for school accountability require technology that doesn't exist in some schools
- f. Renovation needs
  - Using the life cycle replacement formula for existing schools, we predict needing approximately \$6.5 billion. That's the cost of doing business today: the longer we wait, the more expensive it will become.
  - This dollar figure includes projects such as regular renovations required as major systems reach the end of their anticipated life. It also includes things such as
    - Major modernization of older schools
    - Specialized programs to provide equity for all schools, such as science labs
    - Security
    - Technology upgrades
  - During the economic downturn, CCSD experienced extreme budget cuts, like everyone else. We roughly cut 20% from our budgets, which resulted in a reduction in force.
  - We did our best to avoid cutting things that directly impacted the classroom. So, for example, instead of cutting teaching positions, we reduced custodians and preventative maintenance workers. This resulted in fewer people doing more work and indirectly led to a much larger backlog of deferred maintenance.

We also had two presentations that were not based on identifying need. They were based on what types of solutions could we utilize if we are not able to find legislative relief or if we're required to place this on the ballot and it should fail again.

- g. Non-traditional solutions – these were viewed as long-term options we might consider if everything else fails.
  - Presented options ranging from converting vacant grocery stores to classroom space to double sessions to creating online learning programs where students would spend roughly 50% of their time at a

school campus and 50% learning at home, online. Each of the solutions offer major challenges, but represent some unique out of the box thinking.

- h. Contingency plans – this presentation centered on how we would deal with system failures that require us to immediately relocate students from an existing school.
- Air conditioning failures resulted in loss of instructional time for students at Durango HS.
  - Superintendent tasked a committee to develop plans of how we would handle system failures such as that at Durango
  - These plans are also ready in the event any of the schools on the school replacement list end up having major system failures that require us to close the schools.

These were sobering presentations. Without forcing you to sit through the 8+ hours of presentations we gave to the trustees since April, we have identified just under \$7.4 BILLION dollars of new construction and renovation needs.

Although I'm aware that SB 119 is not the bill Debbie Smith prepared before she left Nevada for her medical treatments, it would not seem right to have this discussion about a legislative solution without mentioning her and the hard work she has done on this issue over the years. I feel pretty confident in saying this isn't exactly the bill she envisioned to take care of school construction needs, but the language in sections x – x mirrors the language she proposed in SB....

SB 119 contains a controversial measure related to prevailing wage. We are not here to weigh in on that topic or provide an opinion one way or another. We are here to tell you the need for school construction and renovation is significant in Clark County. We hope that the adult issues surrounding this bill don't get in the way of taking care of the needs of our students.

I would now like to ask Mr. McIntosh to walk you through the details of how CCSD would utilize the funds.

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