



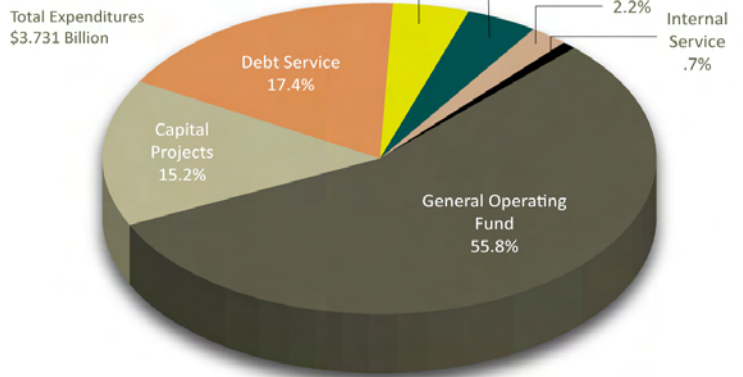
Executive Summary

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CLARK COUNTY SCHOOL DISTRICT FUNDS

The district's financial plan is developed within projected available revenues and is presented by budget units within each fund. Total resources for all funds of the district, including beginning balances and other financing sources, are \$4.863 billion. Expenditures total \$3.731 billion, with ending balances for all funds combined totaling \$1.132 billion. The amount of ending balances primarily reflects the expectation that the district will have substantial balances in the Capital Projects (\$546 million) and Debt Service Funds (\$446 million) attributed to the final stages of the district's construction improvement program. The General Fund is the largest fund, and together with the Special Education Fund, provides for the General Operating Fund and includes the budgets necessary to provide for the basic instruction of students and the day-to-day operational activities of the school system.

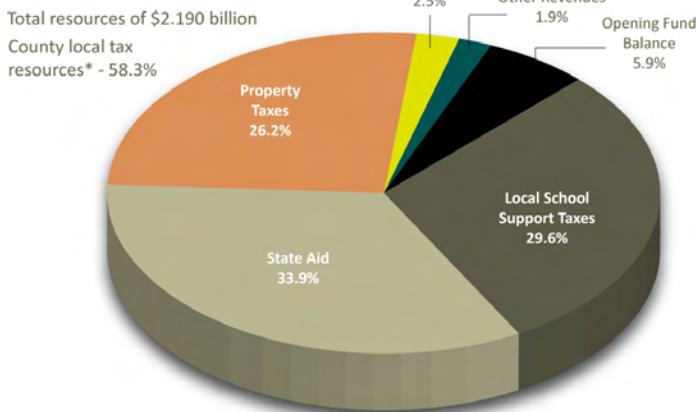
EXPENDITURES - ALL FUNDS
Fiscal Year 2009-10
Final Budget



The General Operating Budget - General and Special Education Funds Combined

Revenues- During fiscal year 2009-10, it is anticipated that General Operating Fund revenues, excluding opening balances, will increase by less than 1% compared to last year's increase of 2.4%. The major factors contributing to the slight increase are a student enrollment growth of less than 1% and an increase to the state's Distributive School Account (DSA) per pupil funding.

GENERAL OPERATING FUND RESOURCES
Fiscal Year 2009-10
Final Budget



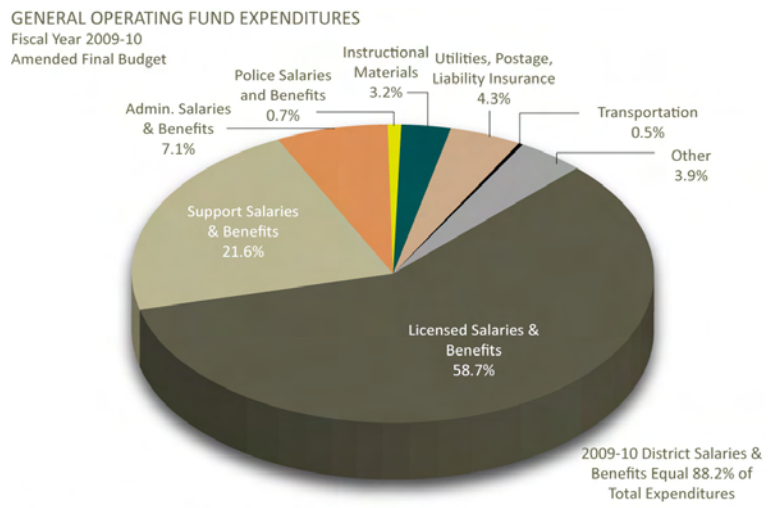
Projected General Operating Fund resources of \$2.190 billion, including revenues and beginning balances, and expenditures of \$2.083 billion generally reflect the continuation of current service levels and the governor's K-12 improvements within projected revenues and provide for an ending balance of \$102 million with no reserve for contingencies.

Local sources are projected to total \$1.3 billion, which is 59.4% of the General Operating Fund, while state funding is projected to total \$743 million, or 33.9% of total resources. Federal revenues from Impact Aid and the National Forest Service are projected to total \$300,000. The other resource component is comprised of the beginning fund balance total of \$130 million. The opening fund balance component reflects the General Fund's estimated 2008-09 ending fund balance and is subject to change based on the verification of the annual financial audit to be completed in October.

*County taxes include: Local School Support Taxes (Sales Tax), Property Taxes, Governmental Service Taxes, and Franchise Taxes.



Expenditures- Expenditure appropriations for continuation of current programs and enrollment growth account for most of the change to the 2009-10 General Operating Fund for which expenditures total \$2.083 billion. Although total expenditures are expected to increase by \$23 million more than the 2008-09 total, it should be noted that an increase in student enrollment of 2,467 is projected. Revenue increases are more than expended by adjustments required in the budget to support enrollment increases in addition to providing funding for general inflationary costs, utility and fuel increases, and the negotiated employee salary schedule step and educational advancement increases.



Based on total appropriations of \$2.083 billion for fiscal year 2009-10.

Capital Projects Funds

The district is currently one of the few growing school districts in the nation. Enrollment is expected to reach 341,000 students by 2014, or an increase of 8.8% from 2010. The Capital Projects Funds budget includes revenues of \$149 million, along with a draw down of the opening fund balance of \$523 million, to fund expenditure appropriations in the amount of \$566 million. This budget outlines the district’s plan for the capital improvements scheduled to be funded from the proceeds of the 1998 bond program described in the Other Funds Section.

Debt Service Funds

The Debt Service Funds budgeted revenues are projected to total \$440 million using a continued tax rate of 55.34 cents per \$100 of taxable property in Clark County. Statutory debt capacity is established by Nevada Statutes and is approved annually by the Board and filed with the Nevada Department of Taxation and the Clark County Debt Management Commission. The Statutory Debt Limitation Schedule shown in the Other Funds Section reveals that, despite the district’s ambitious capital programs, outstanding debt is slightly more than 33% of statutory limits based upon the Department of Taxation’s estimate of assessed valuation.



Balances in the district’s Debt Service Funds are restricted by statute only for debt service and reflect the substantial growth in property valuations in Clark County during the past decade. These balances, being restricted from other use, provide both a margin of security for the district’s school construction bonds and the opportunity to support substantial increases in bonded debt while maintaining stability in property tax rates.

Maintenance of the current property tax rate will be sufficient to retire the existing bonded debt since the district issued previous bonds based upon the factors of growth in assessed valuation in addition to increases in student population. The Capital Improvement Program, approved by voters in November 1998, provided authority to issue general obligation bonds until June 2008, to be repaid from a fixed tax rate of 55.34 cents per \$100 of net taxable property. School districts in the state receive operational funding on a per student basis, which recognizes growth in enrollment. This funding is the basis for offsetting costs (school site staffing, additional instructional materials, utilities, etc.) to the General Operating Fund associated with the acquisition of new school facilities.



Other Funds

Special Revenue Funds, Internal Service Funds, and the Enterprise Fund comprise a small percentage of the total budget and are discussed in more detail in the Other Funds Section.

FISCAL YEAR 2009-10 BUDGET DEVELOPMENT CONSIDERATIONS

Budget planning for the fiscal 2010 budget began in October 2008. Budget calendars shown in the Budget Policy Section reveal the input and discussion received from all levels of the district. In addition to input from district administrators, work sessions were conducted throughout the year with the Board of School Trustees and the public to determine priorities and adjustments necessary to operate within a balanced budget.

Based upon this input and projected funding levels for fiscal 2010, the following are some of the more significant adjustments required to balance the budget:

- Benchmarks for Contingency and General Fund ending balances are specified in Clark County School District Regulation 3110. Due to limited funding resources and in order to achieve a balanced budget, the Board of School Trustees temporarily suspended the regulation that seeks an unreserved ending fund balance that is equal to approximately 2% of revenues and a contingency reserve at .25% as outlined in policy. It is anticipated that the fiscal 2009 General Fund will close with a fund balance at 2%. The fiscal 2010 budget projects an unreserved ending fund balance of 1% of revenues with no reserve for contingencies.



- Employee fringe benefit adjustments, along with existing salary schedule step and column advancements, accounts for \$44.8 million of the increase in this budget. In addition, the Nevada Public Employees Retirement System (PERS) contribution rates were increased from 20.5% to 21.5% of qualifying salaries for all employee groups except for school police employees whose rates increased from 33.5% to 37% of contract salaries. The budgetary impact of these increases totaled \$13.4 million in the fiscal 2010 budget. Employee group health insurance premiums are unchanged with no increases forecast. Should provider premiums subsequently increase, contract negotiations with employee associations may be necessary.
- During 2008 and 2009, the State of Nevada experienced substantial revenue shortfalls estimated to have exceeded \$2 billion. The 2009 Legislature session finalized the biennial financial support for public education on June 1. Based upon the previous uncertainty, subsequent reductions in anticipated funding from the state is a possibility as it strives to balance funding fluctuations created by the downturn and stagnation experienced in sales and gaming taxes that fund most agency appropriations.
- Funding for additional staffing is due to an anticipated 2,467 student increase in enrollment, along with the opening of six new schools, which includes three elementary schools, one senior high school, and two career and technical academies. Additional funding has also been designated to cover the pre-opening staffing costs for the five schools scheduled to open during fiscal 2011.
- Negotiations with employee groups are being conducted to address salary and benefit issues compounded by the current weak economic conditions in a desired renewal of all contract agreements that expired on June 30, 2009.
- Of the district’s 213 elementary schools, 76 will operate on a year-round schedule. There are currently no secondary schools on the year-round schedule.
- Funds for all administrative General Operating Fund capital equipment purchases are not included in individual department budgets. A separate pool has been established to fund only high priority equipment requests.
- An operating subsidy is included for the Class Size Reduction (CSR) program. This subsidy enables the district to maintain student to teacher ratios at 16:1 for first and second grades and 19:1 for third grade.
- The district has a partnership agreement with Edison Schools, the nation’s largest private manager of public schools, to operate six elementary schools. Expenditures attributed to the Edison Schools are reported separately in Cost Center 0049 as reflected in the budget.
- Legislation was enacted in 2005 to provide partial abatement of ad valorem taxes to provide relief from escalating assessments resulting from previous increases to the market values of real property in Clark County. The cap limits each property’s tax increase

to no more than 3% above that assessed during the prior year on all single-family, owner-occupied residences. All other real property categories are limited to an increase in tax of no more than 8%. This capping is projected to reduce potential tax collections of \$100 million in the General Operating Fund and \$75 million in the Debt Service Funds during fiscal 2010.

ECONOMIC GROWTH IN SOUTHERN NEVADA

Southern Nevada's commitment to diversification in the business sector and a favorable tax base has made it an ideal area for relocation and business expansion. Nevada does not impose corporate or personal income taxes, or inventory, special intangible, inheritance, estate, or gift taxes. Nevada continues to maintain one of the most beneficial tax structures for both personal as well as business growth. Las Vegas' offerings and infrastructure continue to affirm the desirability of living within this metropolitan area.

Situated in one of the nation's fastest growing areas, the district has been challenged by an associated growth in student enrollment. Over 15 years ago, the district was ranked by the Educational Research Service as the 14th largest school district in the country. The district now ranks as the fifth largest. The projected enrollment count for 2009-10 is 313,688, as compared to 311,221 last year, or an increase of .7%. The population of Clark County decreased during 2008 for the first time in decades by slightly over 10,000 residents or .5%, with a current population estimated to be at 1,986,000.



Las Vegas joined the classification of "major city" only during the last ten years. As a result, there are fewer older neighborhoods than in most other major cities, and the popular concept of master planned communities has become more desirable in residential planning. These communities are planned with a variety of amenities, including parks, schools, churches, libraries, and shopping. Some of the nation's most successful master planned communities are located in southern Nevada.

Tourism and gaming jointly remain southern Nevada's largest industry, and new hotel/casino construction continues to occur despite substantial economic difficulties. Las Vegas is home to the largest 15 hotels in the nation. With a room inventory of over 140,000, an occupancy rate that declined slightly by 4% during 2008 to 86%, and a visitor volume of over 37 million, southern Nevada benefited by an economic impact of over \$42 billion from the tourism industry.

MAJOR CHALLENGES

The district is among the fastest growing school districts in the nation. During the past five years, enrollment has grown by over 32,000 students. The projected increase for the 2009-10 school year of almost 2,500 students is equal to the total enrollment of many school districts in the United States. It is anticipated that by 2012-13, total enrollment will reach over 331,000 students, or almost 18,000 students more than the projection for 2009-10.

District Reorganization Plan

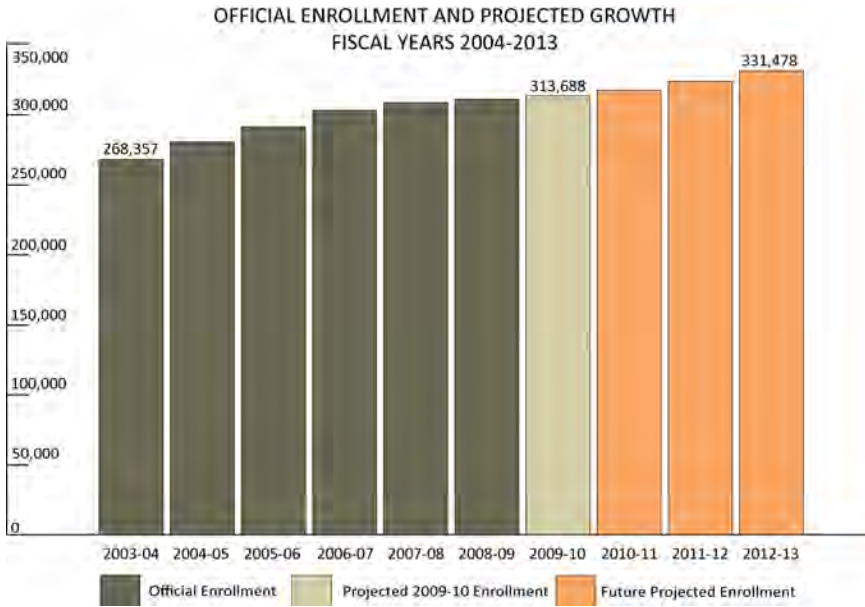
A reorganization plan to downsize central and regional administrative services was phased in beginning July 1, 2009, wherein four distinct area service centers were created. This restructure provides services to schools and local school communities to serve as liaisons to central office departments and divisions to ensure compliance with district, state, and federal procedures, regulations, and laws. Area service center offices broker resources, services, and support for schools to fulfill expectations outlined in the Quality Assurance Framework as prescribed by the Board in direct alignment to the educational needs of students. Site-based decision-making occurs at schools to address unique needs and to encourage commitment to improving instructional programs. Alternative school sites continue to report to the Education Services Division. Implementation of the reorganization plan should result in a projected reduction of administrative expenditures by over \$1 million annually.

The Superintendent's Schools Division was consolidated into the Instruction Unit to assist schools to advance the capacity of the learning community while providing targeted supervision and support for the Superintendent's Schools in order to increase student achievement and to effect school improvement.



Empowerment Schools - These unique and innovative schools empower staff with greater decision making authority with fewer central constraints. Through the collaboration of students, parents, teachers, administrators, school support staff, and community partners, each school's unique challenges and the plan to address them have been determined. Empowerment allows the school community to tailor a program to meet the diverse needs of the neighborhood it serves. Decisions regarding budget, time, staff, governance, and instructional programs are made at the school level, by the people who know the students best. Empowerment schools are required to make progress toward goals for student achievement, educational equity, and fiscal integrity to earn incentives and maintain their empowered status.

Magnet Schools and Career & Technical Academies – Schools offer learning opportunities related to various themes for interested students. Students from across the district may apply regardless of the area in which they reside. The purposes are to improve student achievement, promote diversity, and create an awareness of career opportunities relative to the fields of study in which students may be interested. As an added benefit, many of these schools offer an extended day and reduced student-to-teacher ratios.



Year	Enrollment	Increase	Percent
2003-04	268,357	13,029	5.10%
2004-05	280,795	12,438	4.63%
2005-06	291,329	10,534	3.75%
2006-07	303,547	12,218	4.19%
2007-08	308,745	5,198	1.71%
2008-09	311,221	2,476	0.80%
2009-10 ¹	313,688	2,467	0.79%
2010-11 ¹	318,053	4,365	1.39%
2011-12 ¹	323,952	5,899	1.85%
2012-13 ¹	331,478	7,526	2.32%

Source: Clark County School District, Demographics

¹ Projected Enrollment

Recruiting Qualified Teachers

The district will hire over 500 new teachers for the 2009-10 school year and continues to develop creative and innovative techniques to recruit a pool of quality teacher candidates in an extremely competitive market. In addition, the legislature strives to support incentives designed to bring more qualified teachers into Nevada.

The legislature also provides for continuation of a process whereby retired teachers are allowed to re-enter the system to teach again in areas of critical shortages and still collect retirement benefits. Funding is available to entice teachers who specialize in critical areas, including math, science, special education, and bilingual education, to re-enter the teacher workforce in Nevada. Retired teachers who do not teach in one of these subject areas are not eligible for this program.

Need for Additional Classrooms

In November 1998, voters approved a freeze of property tax rates for long-term bonding for school construction. This approval enabled the district to issue general obligation bonds through June 2008, which resulted in no increase to the existing property tax debt levy. Funding for school construction is also provided from portions of the hotel room tax and the real property transfer tax. Since enrollment growth is anticipated to continue into the foreseeable future, the district plans to request voter approval for a similar ten year building program, while maintaining the current tax levy of .5534.

The 1998 Capital Improvement Program provided:

- Construction of 101 new schools - 61 elementary, 22 middle, 16 high schools (including 5 career and technical academies), 1 alternative high school, and 1 special school - at a cost of \$3.039 billion
- Renovations to existing schools, including phased replacements, additions, modernizations, lifecycle replacement, and life and safety upgrades at a cost of \$1.107 billion
- Construction of 11 replacement schools, including 10 mandated by the Nevada Legislature, at a cost of \$374 million
- Land acquisition funding for future school sites in the amount of \$300 million
- Construction of three regional bus transportation centers at a cost of \$80 million

Student Achievement

The district continues to face enrollment growth as previously described in the Capital Projects Funds Section. The impact of this growth is further compounded by the fact that increasing numbers of students bring with them a variety of challenges, including poverty and limited English language skills. During fiscal 2009, more than 45% of the district’s enrollment (approximately 138,000 students) qualified for free or reduced-price meals, while 20% (62,000 students) received English language learner services.

The effects of the student demographics and funding issues currently facing the district are major factors in the explanation that ACT and SAT scores are slightly below those of students nationwide.

ACADEMIC PERFORMANCE TEST SCORES

		1997-98	2007-08
ACT Scores:	Clark County School District	21.4	20.9
	National	21.0	21.1
SAT Scores:	Clark County School District	504	489
Reading	National	505	497
SAT Scores:	Clark County School District	513	497
Math	National	511	510
SAT Scores:	Clark County School District	N/A	469
Writing	National	N/A	499

SCHOOL ACCOUNTABILITY

Nevada Revised Statutes require each school district to provide school accountability information to both residents of the district and to the State Board of Education by March 31 of each year. Due to the size of the district, much of this information is not repeated in this **Budget and Statistical Report**.

A four-page report is produced for each school and sent to parents of students within the school, as well as made available to the general public and the State Board of Education. These reports include the educational goals and objectives of each school and the progress towards meeting these goals. Statistical information is included such as test scores; dropout/retention rates; enrollment distribution by programs such as special education, English language learners, gifted and talented, etc.; education level and experience of teachers; and expenditure per student comparisons. Information on parental involvement and “celebrations” recognized by the school in the past year are also included.



School accountability information may also be obtained by accessing the district’s website at www.ccsd.net.