

Executive Summary

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Clark County School District
Nevada**

For the Fiscal Year Beginning

July 1, 2016

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Presentation to the Clark County School District for its annual budget for the fiscal year beginning July 1, 2016.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



This Meritorious Budget Award is presented to

CLARK COUNTY SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2016-2017.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink that reads 'Brenda Burkett'.

Brenda R. Burkett, CPA, CSBA, SFO
President

A handwritten signature in black ink that reads 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

Board of School Trustees



5100 West Sahara Avenue
Las Vegas, NV 89146
<http://ccsd.net/trustees/>



President
Deanna L. Wright
District A

<http://ccsd.net/trustees/details/A>



Vice President
Dr. Linda E. Young
District C

<http://ccsd.net/trustees/details/C>



Clerk
Carolyn Edwards
District F

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Member
Chris Garvey
District B

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Member
Kevin L. Child
District D

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Member
Lola Brooks

District E

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Member
Linda Cavoza
District G

<http://ccsd.net/trustees/details/G>



The Clark County Board of School Trustees is a dedicated group of community leaders who are elected to overlapping four-year terms and represent a specific geographic region of Clark County. Although each trustee represents a different region, they are dedicated to ensuring the success of every student in the district through clear, concise direction to the superintendent. The trustees bring a wealth of experience and concern for children to their position.

Vision Statement

All students progress in school and graduate prepared to succeed and contribute in a diverse global society.



This publication is designed to provide helpful information to parents, students, employees, and governmental agencies, and to better inform all readers about the District's budget and our many strengths. You also will discover a host of facts about our financial history, capital improvement projects, day-to-day operations, and a great deal of other information. With the current economic challenges facing the District and our need to reduce costs while improving performance, this publication is more important than ever. We are committed to providing the best education possible for every child.

"Together, we can ensure the success of every student in every classroom, without exceptions, without excuses."

Pat Skorkowsky

Office of the Superintendent
5100 West Sahara Avenue
Las Vegas, NV 89146

Communications Office
(702) 799-5304
newsroom.ccsd.net



Executive Cabinet



Kimberly Wooden
Deputy Superintendent



Mike Barton
Chief Academic Officer



Carlos McDade
Chief General Counsel



Greta Peay
Chief Instructional Services Officer



Nicole Rourke
*Associate Superintendent of
Community and Government Relations*



Jason Goudie
Chief Financial Officer



Edward Goldman
*Associate Superintendent of
Employee Management Relations
and Chief Negotiator*



Andre Long
Chief Human Resources Officer



Richard Neal
Chief Operating Officer



Kirsten Searer
*Chief Communications, Marketing
and Strategy Officer*

Administrative Responsibilities Descriptions - Executive Cabinet

<i>Superintendent</i>	Serves as the Chief Executive Officer (CEO) of the District. He is responsible for the effective operation of the District; general administration of all instructional, business or other operations of the District; and for advising and making recommendations to the Board of Education with respect to such activities.
<i>Deputy Superintendent</i>	Administers all activities related to educational and operational excellence focusing on the efficiencies of the district's facilities, food services, transportation, special education and gifted and talented programs.
<i>Chief Financial Officer</i>	Administers all activities related to the District's financial operations including all treasury, bond financing, budgeting, accounting, payroll, grants special services, and financial reporting activities.
<i>Chief Academic Officer</i>	Administers activities related to the improvement of instruction for all K-12 schools; by aligning student information, curriculum, instructional resources, testing and evaluation, student and family services, and school support with the District's goal of improving academic achievement.
<i>Associate Superintendent of Employee Management Relations and Chief Negotiator</i>	Represents the District in the negotiation process with all employee union groups in addition to ensuring compliance with applicable labor laws, contractual agreements, and District policies and procedures that relate to personnel issues.
<i>Chief General Counsel</i>	Serves as the chief legal officer on all matters related to the District's operations and supervises all aspects of litigation in which the District is either a plaintiff or defendant.
<i>Chief Human Resources Officer</i>	Administers all personnel activities including recruitment, development, implementing personnel policies, and maintaining personnel records.
<i>Chief of Instructional Services Officer</i>	Leads, manages, and supervises the functions in the Assessment, Accountability, Research, and School Improvement (AARSI) Division; the Educational Opportunities Division (EOD); the English Language Learner (ELL) Division; the Instructional Design and Professional Learning Division (IDPLD), and the Student Services Division (SSD).
<i>Chief Operating Officer</i>	Represents the Operations Services Unit in leading, managing, and supervising the functions in the departments of Facilities, Food Service, Human Resources, Purchasing, Risk Management, Technology and Informations Systems Services, Transportation, and Vegas PBS.
<i>Associate Superintendent of Community and Government Relations</i>	The Community and Government Relations division's mission is to support student achievement by developing productive relationships in the community, engaging and involving the public, and effectively communicating accurate and essential information to all audiences.
<i>Chief Communications, Marketing and Strategy Officer</i>	Serves to plan, direct, and execute a comprehensive communication and marketing program. Represents the District in the unified preparation, coordination, and release of communications to the media outlets.



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Business and Finance Unit

4190 McLeod Drive • LAS VEGAS, NV 89121 • (702) 799-5445 • FAX (702) 855-3114



CLARK COUNTY SCHOOL DISTRICT

BOARD OF SCHOOL TRUSTEES

Deanna L. Wright, President
Dr. Linda E. Young, Vice President
Carolyn Edwards, Clerk
Lola Brooks, Member
Linda P. Cavazos, Member
Kevin L. Child, Member
Chris Garvey, Member

Pat Skorkowsky, Superintendent

Deanna L. Wright, President
Members of the Clark County School District Board of Trustees
Residents of Clark County, Nevada:

The ***Comprehensive Annual Budget Report (CABR)*** of the Clark County School District (CCSD), Clark County, Nevada for the fiscal year ended June 30, 2018, is submitted herewith representing the financial plan for the District for the 2017-2018 school year.

The 2017-2018 CABR represents the personnel staffing and educational programs in support of the Board of School Trustees' (Board) vision statement: ***All students progress in school and graduate prepared to succeed and contribute in a diverse global society.*** To achieve this vision, the Board sets forth four strategic imperatives. These imperatives are: Academic Excellence, Engagement, School Support, and Clarity and Focus. The District works to implement the Board's vision to increase student achievement through the Superintendent's Strategic Plan known as the Pledge of Achievement. Through this pledge, the Superintendent outlines seven focus areas underlying the Board's strategic imperatives which include: Proficiency, Academic Growth, Achievement Gaps, College and Career Readiness, Value/Return on Investment, Disproportionality, and Family/Community Engagement and Customer Service. These strategic imperatives and focus areas drive the budget framework and financial management in order to support the Board vision for our stakeholders and community.

This document reflects the 2017-2018 Final Budget adopted by the Board of School Trustees on May 17, 2017. It is developed by individual administrative units and includes historical financial information for purposes of comparison and analysis. The Final Budget for 2017-2018 reflects basic state support of \$5,726 per student, an increase of \$152 from the 2016-2017 per pupil support of \$5,574. The District's enrollment is projected to increase more than 2,119 students, an increase of 0.66%, during 2017-2018. The budget reflects additional funding for seven new elementary schools and additional program expansions with a focus to increase student achievement, promote diversity, and create an awareness of career opportunities relative to the fields of study in which students may be interested. There were numerous challenges to the process of preparing a balanced budget; however, the ability of the District to successfully manage budget pressures while striving to improve student achievement with a major focus on classroom instruction continues to be essential to the District's ability to provide comprehensive educational services to ensure the success of **"Every student in every classroom, without exceptions, without excuses!"**

Prior year CABRs have earned the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) and the Meritorious Budget Award from the Association of School Business Officials (ASBO) International. This report continues to conform to the award requirements and will be submitted for consideration.

The District previously implemented an online and interactive budget information portal at www.ccsd.net/openbook. Should questions arise, please contact the Budget Department at (702) 799-2666 for additional information. To the many students, parents, citizens, and employees whose input and suggestions continue to help improve the operations of the Clark County School District, our deepest appreciation is offered.

Sincerely,

A handwritten signature in blue ink, appearing to read "Pat Skorkowsky".

Pat Skorkowsky
Superintendent of Schools

A handwritten signature in blue ink, appearing to read "Jason A. Goudie".

Jason A. Goudie
Chief Financial Officer

Main Office: 5100 WEST SAHARA AVENUE • LAS VEGAS, NEVADA 89146 • TELEPHONE (702) 799-CCSD (2273)

Executive Summary

Budget Presentation

The **Comprehensive Annual Budget Report** is intended to provide a comprehensive disclosure of all budgetary matters impacting the District's financial plan. It is prepared in accordance with the professional best practices provided by the Government Finance Officers Association (GFOA) and Association of School Business Officials International (ASBO) budget preparation award programs for the benefit of the citizens and other users of its financial information.

The District's budgeted financial information is prepared and maintained using the modified accrual basis of accounting for all governmental funds and the accrual basis of accounting for all proprietary funds. These bases conform with generally accepted accounting principles (GAAP). Unencumbered appropriations are not carried forward into subsequent fiscal periods.

The **Comprehensive Annual Budget Report** conforms to recommended practices put forth by the ASBO's Meritorious Budget Award (MBA) program while maintaining its practices acceptable to the GFOA's Distinguished Budget Presentation Award program. This report is organized into an executive summary and organizational, financial, and informational sections. Please reference the table of contents for indexed location of financial information.

Financial Reporting Entity

The **Comprehensive Annual Budget Report** includes all of the activities that comprise the financial reporting entity of the Clark County School District ("District"). The District is governed by an elected, seven member Board of School Trustees ("Board"). The Board is legally separate and fiscally independent from other governing bodies; therefore, the District is a primary government and is not reported as a component unit by any other governmental unit. The District's boundaries are contiguous with Clark County, Nevada and encompass 8,012 square miles of the southern tip of the State.

Comprehensive educational services are provided to all resident students in grades kindergarten through twelfth. The District operates 358 schools and will serve an estimated 323,380 students during 2017-18.

Major Goals and Objectives

The District maintains its commitment to the vision set forth by the Board even through economic recessions and funding difficulties. That vision directs the superintendent to ensure: "All students progress in school and graduate prepared to succeed and contribute in a diverse global society." To achieve this vision, the Board sets forth four strategic imperatives. These imperatives are:

1. Academic Excellence - literacy across all subject areas Pre-K through 12th grades
2. Engagement - family, student, community and employee engagement in learning
3. School Support - focused support, preparation, training and resources for staff in the schools
4. Clarity and Focus - fiscal and data transparency, accountability and strategic oversight

The Board directs the Superintendent to develop Strategic Imperatives, Pledge of Achievement, and other support strategies; identify work streams; define measurement indicators; and devise tracking and reporting protocols.

After gathering input from the Trustees, families, and the community, the Superintendent, as directed, outlined seven focus areas underlying the Board's strategic imperatives which include Proficiency; Academic Growth; Achievement Gaps; College and Career Readiness; Value/Return on Investment; Disproportionality; and Family/Community Engagement and Customer Service.

Budget Priorities

To purposely allocate and strategically expend those allocated resources to carry out the [Pledge of Achievement](#) for every student in every classroom, without exceptions, without excuses.



These strategic imperatives and focus areas drive the budget framework and financial management in order to support the board's vision for our stakeholders and community which is detailed in the Organizational section on page Org-19 and Org-20.



Budget Process

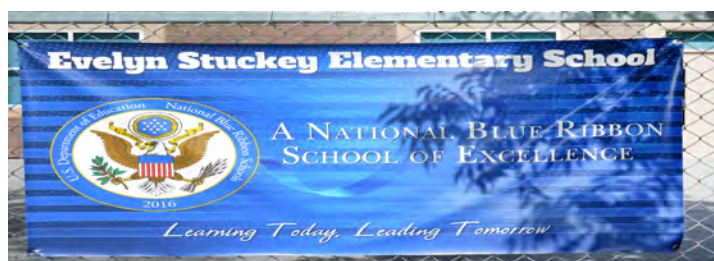
Budgeting in the District is on a July 1 through June 30 fiscal year basis and is a year-round process. The cycle begins in the fall of the prior school year and continues until a final budget is filed with the Nevada Department of Education and the Nevada Department of Taxation in the spring of the following year. After the Average Daily Enrollment (ADE) is calculated for the first quarter of the fiscal year, the District is required to adopt an amended final budget on or before January 1, reflecting any adjustments necessary as a result of the Average Daily Enrollment.

The process of budget formulation begins with the Budget Department. This process of budget formulation is a participation process, led by the Chief Academic Officer, that includes the Superintendent's Executive Cabinet (Superintendency). After reviewing their various budget needs, the Superintendency submits their requests for staffing, supplies, and equipment to the Budget Department. These requests are then summarized by the Budget Department, whose responsibility is to prepare a tentative budget for consideration by the superintendent and presentation to the Board for approval.

An amended budget may be approved by the Board in any year in which the legislature increases (or decreases) the revenues of a local government, if the increase (or decrease) was not included or anticipated in the local government's final budget as adopted. The 2017-18 Final Budget was adopted by the Board on May 17, 2017. This *2017-18 Comprehensive Annual Budget Report* reflects the final budget.

After the Board approved the amended final budget, it became the responsibility of the Budget Department to implement and monitor the budget. A system of budget allotments is established for each departmental unit (reference unit budgets in the General Operating Budget section). Daily review of transaction data is available with user access through network connections which reflect appropriation levels, encumbrances, and year-to-date expenditures. This reporting system also enables the Budget Department to monitor all of the District's budgets on a regular basis and provides the necessary controls.

If it becomes necessary during the course of the year to change any of the departmental budgets, transfers are initiated by department heads and approved by the appropriate administrator. Transfers between programs or function classifications require approval of the Board.



Budget Policies and Organization

Resource management is guided and constrained by Board policies. These policies, as they relate to budget and finance, are established through Board regulations 3110 and 3130. These Board regulations set forth the authority and expectations to manage District resources based on established guidelines.

Additional guidelines are provided through performance measurements set in the negative. These performance measurements, as they relate to budget and finance, are communicated through Superintendent Evaluations (SE). Superintendent Evaluations communicate expectations for management by limiting the abilities of management to harm the organization through strategic planning and/or day to day operational decision making.

The accounting and budgeting policies of the District conform to the accounting principles and budgeting best practices for local districts as prescribed by the Nevada Department of Education and generally accepted accounting principles.

Basis of budgeting refers to when revenues and expenditures or expenses are recognized in the accounts and reported on the financial statements. Basis of budgeting relates to the timing of the measurement made, regardless of the measurement focus applied.

Funds included in the preparation of the fiscal year 2017-18 budget are reflected on the following page titled District Funds.

Governmental Accounting - Funds Overview

The District maintains 22 governmental funds that are used to account for all tax funded activities, including Federal and State aid. Through the *current financial resources measurement focus* the following funds classifications are used to group District activities:

General Fund - This major governmental fund is the District's operating fund and is used to account for all financial transactions and expenditures associated with the administration and daily operations of the schools except for Federal and State grant-funded programs, school construction, debt service, food service operations, and interdepartmental services.

Special Revenue Funds - the District maintains one major governmental and six non-major governmental special revenue funds. These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds - The District operates two major debt service funds that are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds - the District maintains three major governmental and three non-major governmental capital projects funds to account for all resources used exclusively for acquiring and improving school sites, constructing and equipping new school facilities, and renovations.

Proprietary Funds - These funds account for the District's business-type activities. The economic resources measurement focus is proprietary in nature relying on the determination of operating income, changes in net position, financial position and cash flows. There are two types of proprietary funds: enterprise and internal service funds.

There are three distinctions between enterprise and internal service funds: first, a fundamental difference between the customers serviced; second, the extent to which expenses are recovered through charges and fees; and thirdly, the application of private sector reporting requirements. The District maintains one enterprise fund and two internal service funds that provide for food services, risk management services and graphic arts services.

Financial Plan

The District's financial plan is developed within projected available resources 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 \$4.8 billion. Expenditures total \$4.5 billion, with ending balances for all funds combined totaling \$607 million. The amount of ending balances primarily reflects the expectation

District Funds

General Funds

0100 ¹	General Fund
0140 ¹	Indirect Cost Fund
0160 ¹	Donations And Trusts Fund
0170 ¹	District Projects Fund

Special Revenue Funds

0200	Class Size Reduction Fund
0220	Vegas PBS Fund
0230	Adult High School Diploma Program Fund
0250 ¹	Special Education Fund
0279	State Grants/Projects Fund
0280	Federal Projects Fund
0285	Medicaid Fund

Debt Service Funds

0400 ¹	Debt Service Fund
0401 ¹	Debt Service Revenue Bonds Fund

Capital Projects Funds

0308 ¹	Bond Fund - 1998 Building Program
0315 ¹	Bond Fund - 2015 Capital Program
0330	Building And Sites Fund
0335 ¹	AB 353 Fund - 1998 Building Program
0340	Governmental Services Tax Fund
0370	Capital Replacement Fund

Enterprise Fund

0600	Food Services Fund
------	--------------------

Internal Service Funds

0700	Insurance And Risk Management Fund
0710	Graphic Arts Production Fund

(1) Major funds in the government-wide financial statements.

that the District will have balances in the General Operating Fund (\$47.1 million), Capital Projects (\$474.7 million), and Debt Service Funds (\$41.7 million). The General Fund together with the Special Education 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.

The final budget summary reflects a total decrease in ending fund balances of over \$249.4 million, or 29.1%. The Capital Projects Funds has a planned decrease of \$175.5 million, or 27.0% for the spending of bond proceeds as the District operationalizes the 2015 Capital Improvement program.

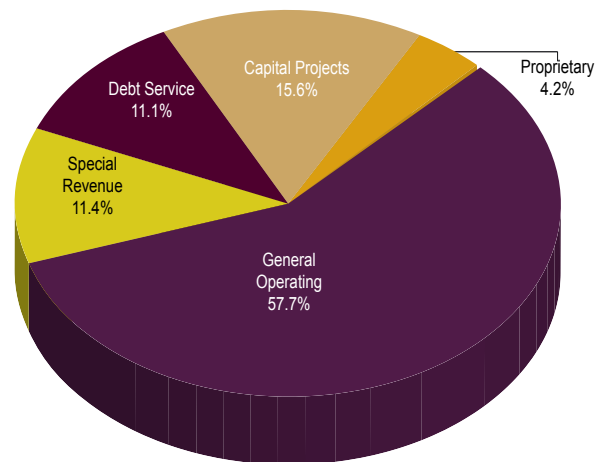


Districtwide Funds Analysis

Revenue Highlights: In addition to the discussion of the General Operating Fund revenues on page 14, most funds will experience increases in total revenues with the largest increase in the Capital Projects Fund. The Capital Projects Fund is expected to increase over \$9.3 million from 2016-2017; this is related to the issuances of new bonds.

Expenditure Highlights: Page 15 presents an overview of the General Operating Fund expenditures. The 2017-2018 General Operating Fund Expenditures will increase by \$202.2 million from 2016-2017. In the Capital Projects Funds there is an increase of \$368.8 million from the new school construction to relieve crowded classrooms. As well as, a \$31.6 million increase in the Debt Service Fund, related to new bond issuances.

All Funds - Expenditure Summary
Fiscal Year 2017-18
Final Budget



Source: CCSD Budget Department

All District Funds - Final Budget Summary

Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Year 2017-18

Description	General Operating Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Proprietary Funds¹	Total All Funds
Revenues:						
Local sources	\$1,532,332,000	\$10,223,986	\$344,025,000	\$166,332,800	\$39,890,000	\$2,092,803,786
State sources	799,848,500	251,047,637	-	-	450,000	1,051,346,137
Federal sources	200,000	207,951,130	-	5,656,000	116,500,000	330,307,130
Total revenues	2,332,380,500	469,222,753	344,025,000	171,988,800	156,840,000	3,474,457,053
Expenditures:						
Salaries	1,459,467,032	255,333,203	-	10,095,000	32,471,563	1,757,366,798
Employee fringe benefits	626,332,558	93,794,047	-	4,020,000	12,273,676	736,420,282
Purchased services	92,505,315	35,272,220	-	563,800,000	12,782,000	704,359,535
Supplies	151,848,460	74,524,940	-	41,065,000	96,273,231	363,711,631
Property and equipment	62,525,902	2,825,700	-	32,000,000	-	97,351,602
Other expenditures	4,584,233	10,144,520	-	20,000	17,729,000	32,477,753
Depreciation	-	-	-	-	1,885,000	1,885,000
Debt service	-	-	462,258,490	-	-	462,258,490
Total expenditures	2,397,263,500	471,894,630	462,258,490	651,000,000	173,414,470	4,155,831,091
Excess (deficiency) of revenues over expenditures	(64,883,000)	(2,671,877)	(118,233,490)	(479,011,200)	(16,574,470)	(681,374,038)
Other sources (uses):						
Gain on disposal of assets	-	-	-	-	-	-
Sale of bonds	32,000,000	-	-	400,000,000	-	432,000,000
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-
Transfers from other funds	343,374,605	-	96,485,390	-	-	439,859,995
Transfers to other funds	(343,374,605)	-	-	(96,485,390)	-	(439,859,995)
Total other sources (uses)	32,000,000	-	96,485,390	303,514,610	-	432,000,000
Fund balances, July 1	80,000,000	15,753,798	63,440,250	650,207,262	46,873,836	856,275,146
Fund balances, June 30	\$47,117,000	\$13,081,921	\$41,692,150	\$474,710,672	\$30,299,366	\$606,901,108
Percent increase (decrease)	(41.1%)	(17.0%)	(34.3%)	(27.0%)	(35.4%)	(29.1%)

(1) Proprietary funds ending fund balances are reflected as cumulative unrestricted net assets.

Source: CCSD Budget Department

All District Funds - Final Budget Analysis

For Fiscal Years 2015-16 Through 2017-18

Description	Actual 2015-16	Estimated 2016-17	Final Budget 2017-18	FY 2016-17 vs. FY 2017-18 \$ Change	% Change
Revenues:					
Local sources	1,961,450,524	\$2,035,283,768	\$2,092,803,786	\$57,520,018	2.8%
State sources	960,079,025	1,025,853,193	1,051,346,137	25,492,944	2.5%
Federal sources	283,268,617	321,478,825	330,307,130	8,828,305	2.7%
Total revenues	3,204,798,166	3,382,615,786	3,474,457,053	91,841,267	2.7%
Expenditures:					
Salaries	1,659,115,226	1,705,677,215	1,757,366,798	51,689,583	3.0%
Employee fringe benefits	681,538,668	714,409,778	736,420,282	22,010,503	3.1%
Purchased services	201,206,558	410,717,628	704,359,535	293,641,907	71.5%
Supplies	264,500,342	305,212,050	363,711,631	58,499,581	19.2%
Property and equipment	36,708,140	11,968,094	97,351,602	85,383,508	713.4%
Other expenditures	36,403,096	37,529,260	32,477,753	(5,051,507)	-13.5%
Depreciation	1,689,292	1,768,000	1,885,000	117,000	6.6%
Debt service	411,502,262	430,693,073	462,258,490	31,565,417	7.3%
Total expenditures	3,292,663,584	3,617,975,098	4,155,831,091	537,855,993	14.9%
Excess (deficiency) of revenues over expenditures	(87,865,418)	(235,359,312)	(681,374,038)	(446,014,726)	189.5%
Other financing sources (uses):					
Gain on disposal of assets	-	-	-	-	-
Sale of bonds	419,178,281	250,978,253	432,000,000	181,021,747	72.1%
Proceeds of refunding bonds	580,530,787	359,184,768	-	(359,184,768)	-100.0%
Payment to escrow agent	(576,702,315)	(357,778,774)	-	357,778,774	-100.0%
Loan proceeds	-	-	-	-	-
Prior period restatement (GASB 68)	-	-	-	-	-
Interfund transfers in	429,400,928	448,441,344	439,859,995	(8,581,349)	-1.9%
Interfund transfers (out)	(429,400,928)	(435,575,063)	(439,859,995)	(4,284,932)	1.0%
Total other financing sources	423,006,753	265,250,528	432,000,000	166,749,472	38.6%
Fund balances - July 1	491,242,595	826,383,930	856,275,146	29,891,216	3.6%
Fund balances - June 30	\$826,383,930	\$856,275,146	\$606,901,108	(\$249,374,038)	-29.1%

Source: CCSD Budget and Accounting Departments

The General Operating Budget - General and Special Education Funds Combined

Revenues - During fiscal year 2017-18, it is anticipated that General Operating Fund revenues will increase by 6.0% to \$2.3 billion compared to \$2.2 billion from the prior year. The largest factors contributing to the net change in financial resources is the \$152 increase to the per-pupil funding and the student enrollment, which is projected to grow by 2,119 to over 323,380.

Projected General Operating Fund resources of \$2.4 billion, including revenues, bond proceeds, and beginning balances, and expenditures of more than \$2.4 billion generally reflect the continuation of current service levels and implementation of budgetary reductions and cost saving measures within projected revenues and provide for a projected ending balance of \$47.1 million with no reserve for contingencies.

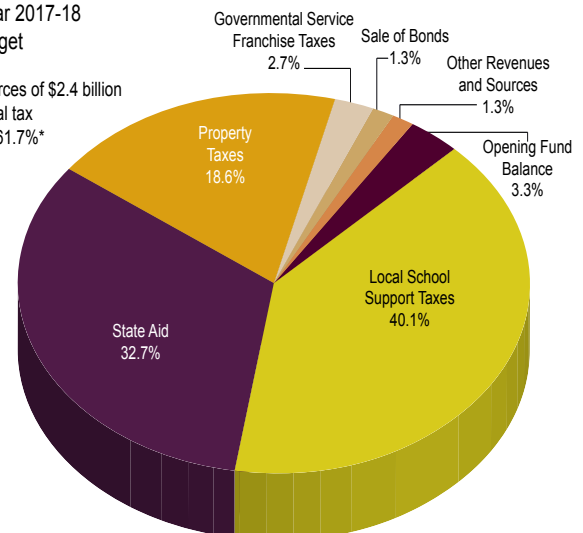
Local sources are projected to total \$1.5 billion, or 65.7% of the General Operating Fund revenues, while State funding is projected to total \$800 million, or 34.3% of total revenues.

General Operating Fund Resources

Fiscal Year 2017-18

Final Budget

Total resources of \$2.4 billion
County local tax
resources 61.7%*



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

Source: CCSD Budget Department

General Operating Fund - History Of Resources

For Fiscal Years 2008-09 Through 2017-18

Year	County Taxes	% of Total	State Sources	% of Total	Federal Sources	% of Total	Other Sources ⁴	% of Total	Opening Balances	% of Total	Total Resources
2008-09	1,263,951,844	57.4	666,045,473	30.2	82,265,377 ²	3.8	27,802,582	1.3	163,474,529	7.4	2,203,899,805
2009-10	1,300,965,604	59.2	692,694,166	31.5	303,570	-	37,188,412	1.7	167,310,793	7.6	2,198,462,545
2010-11	1,206,926,415	56.3	686,744,074	32.0	337,954	-	106,618,891	5.0	145,055,694	6.8	2,145,683,028
2011-12	1,222,078,785	58.7	688,533,420	33.1	839,281	-	75,042,101 ³	3.6	96,620,752	4.6	2,083,114,339
2012-13	1,238,522,974	59.5	693,193,421	33.3	374,155	-	73,960,066 ³	3.6	76,982,721	3.7	2,083,033,337
2013-14	1,284,847,936	57.9	752,389,804	33.9	237,429	-	90,901,504	4.1	92,596,487	4.2	2,220,973,160
2014-15	1,349,860,724	59.4	736,734,504	32.4	340,659	-	64,009,929	2.8	119,902,569	5.3	2,270,848,385
2015-16	1,409,496,515	61.6	700,582,079	30.6	157,399	-	71,405,217	3.1	105,624,469	4.6	2,287,265,679
2016-17 ¹	1,464,409,000	63.6	708,993,000	30.8	215,000	-	58,576,500	2.5	71,835,199	3.1	2,304,028,699
2017-18 ¹	1,507,154,000	61.7	799,848,500	32.7	200,000	-	57,178,000	2.3	80,000,000	3.3	2,444,380,500

¹ Projected amounts

² Includes \$82,239,829 from the American Recovery and Reinvestment Act

³ Class Size Reduction transfer reversal as reflected in previous years

⁴ Chart includes transfers in and medium-term financing

Source: CCSD Budget and Accounting Departments

Federal revenues from claims for Medicaid administration, Impact Aid, and the National Forest Service are estimated to total \$200 thousand. Other resource components are the sale of \$32.0 million in medium-term financing bonds and the projected beginning fund balance is \$80.0 million. The opening fund balance component reflects the General Fund's estimated 2016-17 ending fund balance and is subject to change based on the verification of the annual financial audit to be completed in October.

Expenditures - Expenditure appropriations are just shy of more than \$2.4 billion to fund the District's strategic priorities and reflect the intent to address and accomplish the Board's strategic imperatives directed at improving student achievement with a major focus on classroom instruction. Total expenditure allocations are projected to increase by \$202.2 million from 2016-2017 and are aligned with budgetary priorities established by the Board of Trustees.

Tax Base and Rate Trends

The taxable assessed valuation is expected to increase slightly by \$4.7 billion, or 6.1%, to \$81.3 billion in the fiscal year 2018. General Operating Fund property tax collections are projected to grow by \$10.7 million to \$455.7 million and Debt Service Fund collections by \$3.0 million to \$343.0 million, while maintaining the prior year's total tax levy ratio of .013034.

Projections - Looking Forward

Distributive School Account (DSA) funding is a significant component (84.1%) of the General Operating Fund revenues and is mostly determined by the biennial Nevada State Legislature. Key funding elements involve LSST (sales) taxes and property tax collections based upon fluctuating local property valuations. It is highly likely that the revenue projections below could vary somewhat. Expenditures for salaries and benefits could also fluctuate based upon final agreements from the ongoing negotiations with each of the employee unions.

General Operating Fund - Projected Budgets

For Fiscal Years 2017-18 Through 2020-21

Description	2017-18 Budgeted	2018-19 Projected	2019-20 Projected	2020-21 Projected	Projected Growth Rate
Revenues	2,332,380,500	2,385,900,000	2,419,980,000	\$2,462,060,000	1.7%
Expenditures	2,397,263,500	2,400,600,000	2,421,000,000	2,463,000,000	1.7%
Deficiency of revenues over expenditures	(64,883,000)	(14,700,000)	(1,020,000)	(940,000)	(7.8)%
Other sources and (uses)	32,000,000	32,050,000	50,000	50,000	-
Opening fund balance - July 1	80,000,000	47,117,000	64,467,000	63,497,000	(1.5)%
Ending fund balance - June 30	\$47,117,000	\$64,467,000	\$63,497,000	\$62,607,000	(1.4)%
Fund Balance:					
Nonspendable	\$4,500,000	\$5,000,000	\$5,100,000	\$5,200,000	2.0%
Restricted	-	500,000	500,000	500,000	-
Assigned	1,800,000	11,267,000	3,497,000	1,507,000	(56.9)%
Unassigned	40,817,000	47,700,000	54,400,000	55,400,000	1.8%
Total Fund Balance	\$47,117,000	\$64,467,000	\$63,497,000	\$62,607,000	(1.4)%

General Operating Fund - Major Expenditure Areas

For Fiscal Years 2013-14 Through 2017-18

Description	Actual 2013-14	Actual 2014-15	Actual 2015-16	Estimated Actual 2016-17	Final Budget 2017-18	Percentage Change
Salaries and benefits:						
Licensed salaries	\$856,417,175	\$883,714,719	\$905,396,977	\$901,366,589	\$974,005,687	8.1 %
Licensed benefits	331,581,710	338,999,844	365,893,144	365,077,150	396,409,479	8.6 %
Total licensed staff	1,187,998,885	1,222,714,563	1,271,290,121	1,266,443,739	1,370,415,166	8.2 %
Support salaries	320,945,018	327,141,205	335,086,930	341,262,934	353,742,058	3.7 %
Support benefits	144,191,376	146,624,070	157,121,161	160,711,904	173,958,934	8.2 %
Total support staff	465,136,394	473,765,275	492,208,091	501,974,838	527,700,992	5.1 %
Administrative salaries	110,372,507	117,264,356	117,185,358	130,724,584	120,316,318	(8.0)%
Administrative benefits	38,412,352	40,266,278	42,775,522	43,256,571	50,491,744	16.7 %
Total administrative staff	148,784,859	157,530,634	159,960,880	173,981,155	170,808,062	(1.8)%
Police salaries	10,055,810	10,046,439	11,141,484	10,908,779	11,402,969	4.5 %
Police benefits	4,929,825	4,909,703	5,405,062	5,059,311	5,472,401	8.2 %
Total police staff	14,985,635	14,956,142	16,546,546	15,968,090	16,875,370	5.7 %
Total salaries and benefits	1,816,905,773	1,868,966,614	1,940,005,638	1,958,367,822	2,085,799,590	6.5 %
Services and materials:						
Instructional materials	76,595,955	74,431,792	51,213,340	75,761,000	79,121,861	4.4 %
Transportation	43,119,724	48,243,578	49,151,926	20,709,000	73,953,741	257.1 %
Utilities, postage, property liability	84,618,104	92,380,881	92,391,625	94,623,544	97,297,350	2.8 %
Other expenditures	74,921,562	79,149,031	76,850,898	45,567,332	61,090,958	34.1 %
Total expenditures	\$2,096,161,118	\$2,163,171,896	\$2,209,613,427	\$2,195,028,698	\$2,397,263,500	9.2 %
Expenditures per student	\$6,908	\$7,050	\$7,175	\$7,080	\$7,457	5.3 %
Source: CCSD Budget and Accounting Departments						

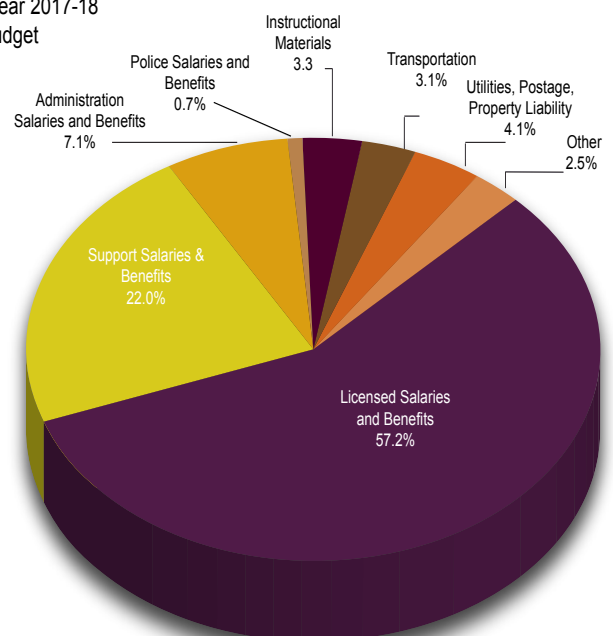
Future LSST tax collection projections are based upon a conservative vision for a local economy. Future property tax collection projections are based on a flat growth due to the 0.2% cap in place for the 2016-2017 year. Expenditure projections were determined through a conservative historical trending that assumes no cost of living increases to employee salary schedules and contained expenditure appropriations to arrive at a nominal ending fund balance.

District Staffing and Resource Allocation

Over 90% of General Operating Fund positions are allocated at school site locations where it is deemed essential towards fulfillment of Board goals and objectives. District salaries and benefits represent 87.0% of total expenditures while purchased service expenditures have been constrained within the confines of the available financial resources that continually challenge the Board's ability to address new initiatives and realize its vision statement. With the increased funding from the State's DSA revenue source and increased student enrollment, the District was able to increase staffing by over 636 positions.

General Operating Fund - Expenditures

Fiscal Year 2017-18
Final Budget



Based on total appropriations of \$2.397 billion.
Source: CCSD Budget Department

2017-18 District salaries and benefits equal 87.0% of total expenditures

Debt Service Funds

The Debt Service Funds budgeted revenues are projected to total \$343.0 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, notwithstanding the District's significant capital programs, outstanding debt is only 20.0% 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 fluctuations 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 through fiscal 2018 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 provided authority to issue general obligation bonds until 2025 and will 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.

Capital Projects Funds

The District has previously been ranked as one of the fastest growing school districts in the nation. Total enrollment increased by 12,159 students since 2009, or an increase of over 3.94%. For new growth in enrollment the District plans to construct of 37 new schools, 16 replacement schools, and 54 additions to schools financed through the proactive Capital

Summary of Debt Service

As of July 1, 2017

Fiscal Year	Principal	Interest	Total Requirements
2018	\$307,535,000	\$118,734,928	\$426,269,928
2019	287,950,000	104,537,665	392,487,665
2020	233,745,000	90,334,065	324,079,065
2021	229,460,000	78,650,715	308,110,715
2022	204,155,000	67,116,215	271,271,215
2023-27	855,350,000	187,294,897	1,042,644,897
2028-37	319,925,000	62,648,700	382,573,700
Totals	\$2,438,120,000	\$709,317,683	\$3,147,437,683

Source: Schedule of Debt Repayment as of 7/1/17

Improvement Program approved in the 2015 Legislative Session per Senate Bills 119 (SB119) and 207 (SB207). The Capital Projects Funds budget includes revenues of \$571.9 million, including proceeds of \$400 million and an increase of the opening fund balance of \$4.0 million from FY17 estimated, to fund expenditure appropriations in the amount of \$651.0 million and transfers to other funds totaling \$96.5 million. This budget outlines the District's final stages for the capital improvements that are to be funded from the proceeds of the 1998 and the start up of 2015 bond program described in the Other Funds Section.

Capital Improvement Plan For Fiscal Year 2017-18

Descriptions	FY 2017-18
1998 Capital Improvement Program:	
New Construction:	
Replacement/Phased Replacement Schools	\$ -
Additions to Existing Schools	15,000,000
Rehab/Modernization	10,000,000
Fund Total	25,000,000
2015 Capital Improvement Program	
Land Acquisition/Land Improvements:	30,000,000
New Construction:	
New Schools	165,000,000
Replacement Schools	110,000,000
Additions for Capacity	115,000,000
Rehab/Modernization	125,000,000
Rehab/Modernization	35,000,000
Fund Total	580,000,000
Building and Sites	
Land Acquisition:	-
Site Improvements:	1,000,000
Fund Total	1,000,000
Governmental Services Tax	
New Construction:	
Other Buildings	-
Rehab/Modernization:	37,500,000
Purchase Portable Classrooms	2,000,000
Relocate Portable Classrooms	5,500,000
Fund Total	45,000,000
Capital Replacement Fund	
Rehab/Modernization:	-
Technology/Equipment:	-
Fund Total	-
Total All Capital Funds	\$ 651,000,000

Source: CCSD Facilities and Bond Financial Management



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 2017-18 Budget Development Considerations

Planning for the fiscal 2018 budget began in October 2016. 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 the Chief Academic Officer and the Superintendency, work sessions were conducted throughout the year with the Board of School Trustees and the public to determine priorities, strategic imperatives, and focus areas to operate within a balanced 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 (since 2010) has been forced to temporarily suspend the regulation that seeks an unassigned ending fund balance that is equal to approximately 2.0% of revenues. Now, the fiscal 2018 budget projects an unassigned ending fund balance of 1.75% of revenues with no reserve for contingencies. It still remains the goal of the Board to reach 2.0% in 2019, was achieved and the District is now in good standing with Regulation 3110.

Employee salary and fringe benefits represent over 87% of total expenditure appropriations and are projected to increase by almost \$55 million, this increase is primarily due to new Clark County Education Association's agreement. No cost of living increases have been added to existing salary schedules for 2017-18. Employee group health insurance premiums are unchanged from 2016-2017 with no increases forecast. Should provider premiums increase subsequently, contract negotiations with employee association groups may be necessary to operate within a balanced 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, because the cap is based on a 10-year average of property value growth, and that average has fallen below zero because it contains the years immediately after the housing downturn when values tanked, the limit will sink to 0.2% in fiscal year 2017. All other real property categories are limited to an increase in tax of no more than 8%. Assessed valuations in the County are anticipated to increase by 6%.

Assembly Bill 469 (AB469), provides for the reorganization of large school districts in the State of Nevada. The bill applies to Clark County School District and brings many challenges in regards to transferring centralized operations to each school precinct with a goal of providing 85% of the unrestricted budget to the school precincts. AB469 and further details can be found at <https://www.leg.state.nv.us/>.

Economic Environment 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 previously challenged by an associated growth in student enrollment. Over 28 years ago, the District was ranked by the Educational Research Service as the 18th largest school district in the country. The District currently ranks as the fifth largest. The projected enrollment count for 2017-18 is 323,380, as compared to 321,261 last year's estimated enrollment, or a increase of 0.7%. The 2017 population of Clark County is estimated to be 2,198,682 an increase of 32,501 residents (1.5%) over the 2016 population of 2,166,181.

Only within the last eighteen years, Las Vegas, as a city, joined the classification of "major city". 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 somewhat cushion the effects from the

substantial decline in the new housing construction market. In 2016, Las Vegas is home to the largest 15 hotels in the nation. With a room inventory of over 149,000, an occupancy rate that increased slightly to 89.1%, convention delegates of over 6.3 million, and a visitor volume of over 42.9 million, southern Nevada received an economic impact benefit of over \$60.0 billion from the tourism industry.

Enrollment

During the past decade, the District has added more than 12,000 students creating a strain on facilities and service levels. Since 2012, the District has returned to being among the fastest growing school districts in the nation. The slow economic upturn should be a positive impact on the District's future funding resources. The upward enrollment trends demand that the District utilize flexible, realistic methods of projection.

It is anticipated that total enrollment will consistently increase on an annual basis over the foreseeable future. New strategic imperatives and academic initiatives are directed at retention and improving student achievement. The chart below reflects expectations and projections for going forward into subsequent school years:

Summary Of District Enrollment

For Fiscal Years 2008-09 Through 2020-21

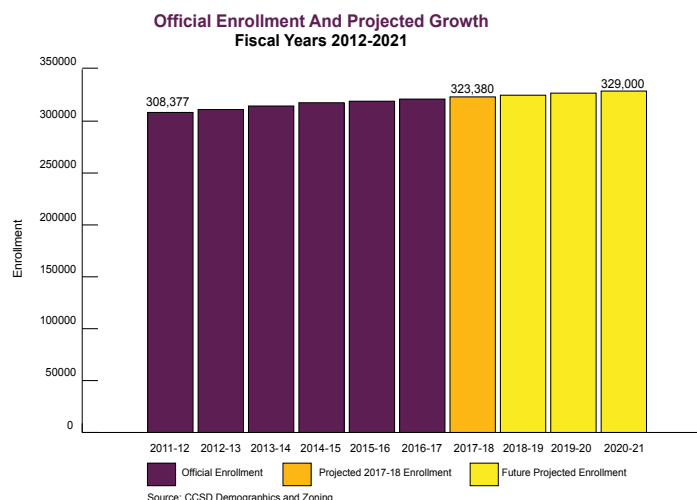
Year	Average Daily Enrollment	Percent Increase	Weighted Enrollment ²	Percent Increase
2008-09 ¹	311,221	0.80 %	300,817.0	0.76 %
2009-10 ¹	309,442	(0.57)%	299,058.6	(0.58)%
2010-11 ¹	309,899	0.15 %	299,325.2	0.09 %
2011-12 ¹	308,377	(0.49)%	297,659.2	(0.56)%
2012-13 ¹	311,218	0.92 %	300,081.8	0.81 %
2013-14 ¹	314,598	1.09 %	303,447.2	1.12 %
2014-15 ¹	317,759	1.00 %	306,831.8	1.12 %
2015-16	319,203	0.45%	307,974.2	0.37%
2016-17(Est) ³	321,261	0.64%	310,024.9	0.67%
2017-18(Proj) ³	323,380	0.66%	321,465.5	3.69%
2018-19(Proj)	325,000	0.50%	323,005.5	0.48%
2019-20(Proj)	327,000	0.62%	324,510.5	0.47%
2020-21(Proj)	329,000	0.61%	326,525.5	0.62%

⁽¹⁾ 4th Week - This is the number of students enrolled on the Friday of the fourth week of school. This enrollment figure is unweighted and includes students from other districts receiving an education in the district as reported on the Final Budget.

⁽²⁾ This is the number of students enrolled with Kindergarten and Pre-K students counted as .6 per student. The weighted enrollment figure excludes students from other districts receiving an education in the district as reported on the Final Budget. As of FY17-18, Kindergarten is now counted as .1.0 per student.

⁽³⁾ Annual average of the quarterly average daily enrollment (ADE).

Source: CCSD Demographics, Zoning and GIS



District Organization Plan

In the past, the District has structured its central administrative services to provide more mission-driven guidance and support to direct more focus on improving student achievement into 16 performance zones. All schools in each of these zones were vertically aligned, forming a cluster around a high school feeder school pattern. Although they were clustered by academic performances, they tended to cluster geographically.

Each performance zone included an average between 10 and 27 schools. Where lower-performing schools faced greater challenges, fewer schools were included in the zone. Those schools receive more oversight and less autonomy. Benefits such as having the first opportunity to hire new talent or professional development funds are granted to schools in higher-need zones. Schools in a higher-performing zone receive less oversight and more autonomy.



“ACHIEVE” - Reorganization of the District

Currently, the District is undergoing a major reorganization which has been branded as “ACHIEVE” by CCSD.

Assembly Bill No. 469. During the 2015 legislative session, the Nevada Legislature adopted, and the Governor signed, Assembly Bill No. 394 (“AB 394”), which required the development of a plan to reorganize the District. On September 1, 2016, the Nevada State Board of Education approved a plan for reorganization (the “Reorganization Plan”) and adopted Regulation No. R142-16 (the “Regulations”). On September 9, 2016, the Nevada Legislative Counsel

Bureau approved the Reorganization Plan. During the 2017 legislative session, the Nevada Legislature adopted, and the Governor signed, Assembly Bill No. 469 ("AB 469"). AB 469 repealed AB 394 but still requires reorganization. AB 469 codifies the Regulations into law and applies it to any large school district, which is defined as a school district that has an enrollment of 100,000 or more students.

Pursuant to AB 469, an advisory committee and a technical committee which previously worked on the Reorganization Plan pursuant to AB 394 are required to continue to monitor the reorganization to ensure autonomy is granted to schools and that Reorganization Plan is put into place no later than the 2018-2019 school year. AB 469 takes into consideration 20 factors involving precinct boundaries, curriculum, staffing, safety, ensuring equity with response to the Nevada Plan and other issues. The listed factors related to debt and finance include: (a) the allocation, dedication and transfer of revenues to schools for capital projects and programming; (b) the authority to issue bonds or otherwise raise revenue; (c) the application for and receipt of any grant; (d) the creation and administration of accounts to manage any money for the individual schools; (e) financial planning for programs, pupil funding and capital projects; (f) the liability of schools with respect to any duties and obligations of the Board which will be assumed by the governing body of an individual school. The advisory committee is required to continue to ensure that the District is funded in accordance with the Nevada Plan; authorize the schools to request that the District issue bonds on their behalf; require the District to issue bonds upon receiving such a request, except for good cause; and require a school on behalf of which bonds are issued to use the proceeds on a "per pupil basis."

Procedural History. The advisory committee held eight public meetings commencing October 12, 2015. The technical advisory committee held 12 public meetings commencing November 10, 2015. In July 2016, the advisory committee proposed a Reorganization Plan to the Board of County Commissioners. The Board of County Commissioners held eight public meetings in July and August 2016. Revisions were made to the Reorganization Plan and it was then submitted to the State Board of Education on August 22, 2016. On September 1, 2016, the State Board of Education approved the Reorganization Plan and adopted the Regulations. On September 9, 2016, the Legislative Counsel Bureau approved the Reorganization Plan. The Reorganization Plan and Regulations then had the force of law and no additional public meetings or approvals were necessary to implement AB 394. During the 2017 legislative session, AB 394 was repealed and replaced with AB 469 as described above.

Description of the Reorganization Plan. The Reorganization Plan "envision[s] turning the present administrative structure upside down, or, more accurately, right-side up, with the schools becoming front and center at the heart of the operation of the school district" (see pages Org-16 and Org-17). The Reorganization Plan reconfigures the District's

structure in a manner that provided public schools with autonomy regarding certain operations, management and financial decisions. This model places the decisions that have an immediate impact on student achievement in the hands of parents, teachers and principals. The Reorganization Plan requires the District to allocate financial resources on a per-pupil basis, such that each school may carry out these responsibilities. The Reorganization Plan gives the District an organizational structure focused on the needs of each individual school, along with transparency and higher levels of efficiency with regard to budgeting and spending decisions. During the initial phase of the implementation of the Reorganization Plan, any costs incurred by the District in carrying out the Reorganization Plan were paid for through the redistribution of existing District funds.

The Superintendent is required to make financial estimates and determinations regarding the schools on a yearly basis. Each school is overseen by the school's principal, who will be responsible for the school's Plan of Operation. The Superintendent transferred to each school the authority to: 1) select and supervise staff, 2) procure necessary equipment, services and supplies to carry out operational plans and 3) develop a balanced budget. In return, schools are held to a higher level of accountability. To serve as a linkage between the principals and the Superintendent, a new position was developed within the District's central administration: "School Associate Superintendent." Each School Associate Superintendent shall oversee a group of no more than 25 schools and in conjunction with the Chief Academic Officer, report directly to the Superintendent. The School Associate Superintendents are also required to provide supervision and training to principals, and ensure that the schools remain in compliance with all federal, state and local laws. Each school is also required to be guided by an organizational team made up of licensed, support and administrative employees, as well as parents and community leaders. Utilizing the advice of the School Associate Superintendents and the organizational team, the principal of each school is required to develop a Plan of Operation based on the needs of the students and the surrounding community.

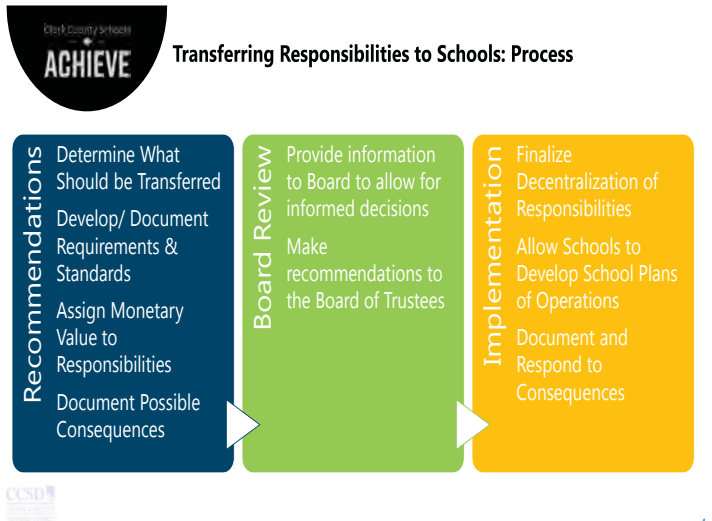
With this administrative revision, the local school precincts are expected to have a direct link to the central administration, removing the need for an intermediate level of bureaucracy. A Central Services team, an entity separate and distinct from the Superintendent, will remain in place to render certain services to all of the local school precincts. Such services are expected to include, among other things: financial services, including payroll services, transportation services, food services and certain human resource services. The District is currently identifying services provided by Central Services and the costs associated with those services that may be transferred to local school precincts. The local school precincts will then have the flexibility to continue to purchase services through Central Services or from external vendors.

Since the Reorganization Plan stated that it would go into

effect for the 2017-2018 school year, one year earlier than required by AB 394, District officials immediately began the training of all central office administrators and principals, who in turn trained thousands of teachers, support staff and parents. In addition, the Superintendent stated that the 2017-2018 school year would serve as a transition year in which certain portions of the Reorganization Plan would be implemented. In particular, the Superintendent continued the use of Central Services as the sole provider of goods and services to local school precincts during the 2017-2018 school year.

The district, currently and aggressively, is working on the following objectives in the “ACHIEVE” reoganization process:

- Developing a process to transfer more authority and decision making to Local Schools (increasing autonomy)
- Evaluating how to transfer centrally controlled money to school budgets
- Transferring responsibilities to schools based on the following guidelines:
 - 1.Each school precinct shall receive funds based on prescribed allocations
 - 2.All Federal, State, and Local laws and District polices and regulations must be followed including safety guidelines
 - 3.Prescribed curricular guidelines and licensure requirements must be met, and
 - 4.Decisions made by the local school precinct must align with the Principles of Organization (located in Supplemental Section).



Need for Future 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 2008, which resulted in no increase to the existing property tax debt levy. In the 2015 Legislative Session, Senate Bills 119 (SB119) and 207 (SB207), authorized the District to begin to issue general obligation bonds until 2025, while maintaining the current tax levy of .5334. Funding for school construction is also provided from portions of the hotel

room tax and the real property transfer tax.

The 2015 Capital Improvement Program provided proceeds of \$4.1 billion for:

- Construction of 26 new schools - 23 elementary schools, 2 high schools, and 1 alternative school at a cost of \$1.3 billion.
- Construction of 13 replacement schools at a cost of \$561.7 million.
- Phased replacements at 5 schools for \$155.0 million.
- Additions for capacity at 54 elementary schools at a cost of \$547.0 million
- Rehabilitation and modernization projects at a cost of \$1.5 billion.

Student Achievement

The District is committed to its pursuit of the goal to focus on every student in every classroom, without exceptions, without excuses. This becomes more difficult given the reality that a significant segment of the student body brings with them a variety of challenges, including poverty and limited English language skills. During fiscal 2017, more 267,000 free or reduced-price meals were served with breakfast participation at 33.0% and lunch participation at 53.0% of the District’s enrollment. Also, over 58,000 students come to school every day with little or no English skills.

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

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 **Comprehensive Annual Budget Report**.

In December 2015, President Obama reauthorized the Elementary and Secondary Education Act (ESEA) by signing the bi-partisan Every Student Succeeds Act (ESSA). Under ESSA, Nevada’s ESEA waiver which describes the current Nevada accountability system expired in August of 2016. ESSA does not require states to post ratings for schools until the fall of 2018.

The Nevada Department of Education’s Superintendent of Public Instruction has called upon a group of stakeholders from across Nevada to serve as an Advisory Group in the development of a state education plan. With the passage of the Every Student Succeeds Act (ESSA) at the federal level, Nevada now has unprecedented control over its Pre K-12 education vision. The Advisory Group -- composed of

parents, teachers, principals, superintendents, students, and business groups -- will come together to outline a path forward tailored to meeting the unique needs of Nevada students.

The 2015 Legislature passed the Governor's education reform initiatives for Nevada's PreK-12 education system. The Nevada Department of Education looks forward to working with the Advisory Group to use the new ESSA flexibility to align the Governor's historic 2015 education agenda into a coherent strategy that will ensure all Nevada students are college and career ready.

The New Nevada ESSA Plan - For Initial Public Comment can be found at www.doe.nv.gov.

Prior School accountability information may be obtained by accessing the District's website at www.ccsd.net.

