

Capital Planning Update



Board Work Session
February 1, 2012

Overview

1. Determining our Need

- A. Enrollment
- B. Education Equity
- C. Facility Condition
- D. Technology Plan
- E. Equipment Requirements

2. Economic & Demographic Data

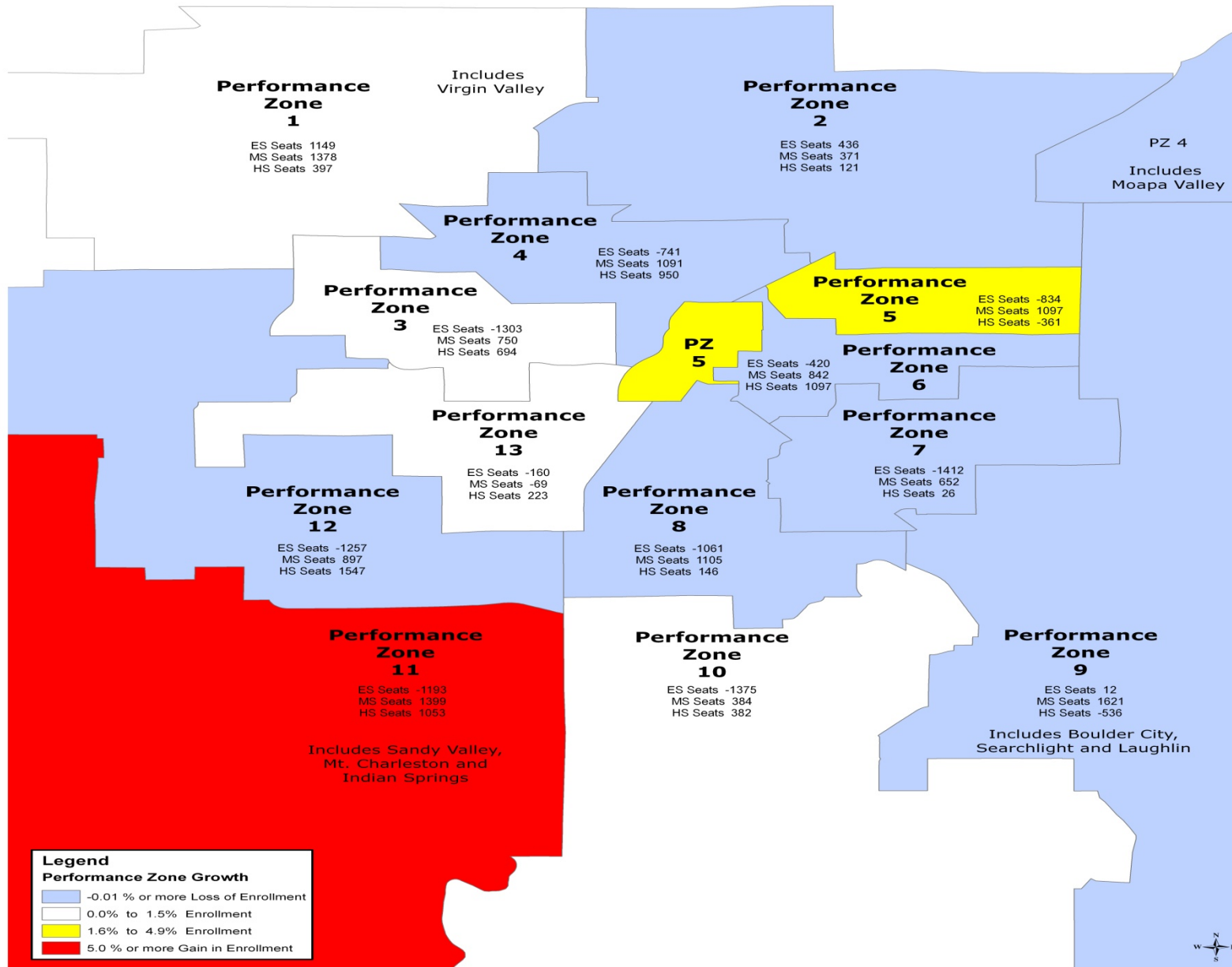
A. Enrollment

Seat Deficits by Performance Zone

Performance Zone	3 year Average Enrollment Growth	Elementary Capacity	2011-2012 Elementary Enrollment	Elementary Seats available	Middle School Capacity	2011-2012 Middle School Enrollment	Middle School Seats available	High School Capacity	2011-2012 High School Enrollment	High School Seats available
1	0.08%	15,532	14,383	1,149	9,051	7,673	1,378	11,019	10,622	397
2	-1.03%	10,608	10,172	436	4,746	4,375	371	5,078	4,957	121
3	0.18%	10,237	11,540	-1,303	6,843	6,093	750	7,149	6,455	694
4	-2.76%	7,768	8,509	-741	5,509	4,418	1,091	6,290	5,340	950
5	1.80%	8,010	8,844	-834	5,805	4,708	1,097	5,077	5,438	-361
6	-4.45%	7,928	8,348	-420	4,658	3,816	842	5,025	3,928	1,097
7	-0.73%	10,098	11,510	-1,412	5,862	5,210	652	7,005	6,979	26
8	-1.41%	8,074	9,135	-1,061	5,145	4,040	1,105	6,733	6,587	146
9	-1.04%	10,899	10,887	12	7,193	5,572	1,621	5,556	6,092	-536
10	0.01%	15,119	16,494	-1,375	9,531	9,147	384	12,466	12,084	382
11	6.47%	8,390	9,583	-1,193	6,130	4,731	1,399	6,667	5,614	1,053
12	-0.93%	12,175	13,432	-1,257	7,540	6,643	897	9,613	8,066	1,547
13	0.50%	9,821	9,981	-160	5,421	5,490	-69	5,096	4,873	223
P6	0.56%	4,556	3,697	859	0	0	0	0	0	0
Total	-0.51%	139,215	146,515	-7,300	83,434	71,916	11,518	92,774	87,035	5,739

Note: Totals do not include Alternative and Special Programs

CLARK COUNTY SCHOOL DISTRICT Enrollment Change by Performance Zone Official Enrollments, SY2009 to SY2011



B. Educational Equity

Typically, equity improvements include adding and/or replacing:

- Classrooms for overcrowding
- Cafeterias
- Multipurpose rooms
- Gyms
- Auxiliary gyms for outlying schools

C. Facility Condition

Replacement Schools

- 9 schools
- \$245,000,000 or 4.6% of 10-year plan
- Average building age is 55 years
- Current requirements are 37% of replacement value on average
- Total 5-year need grows to 72% of replacement value
- Needs encompass all six core system classes
 - Heating, Ventilation, Air Conditioning (HVAC)
 - Plumbing
 - Electrical
 - Communications, Safety, and Security
 - Building Envelope (Roofing and Fenestration)
 - Interior Construction and Finishes

Examples of condition at replacement schools

90% of Requirements are Planned



Electrical
Switchgear



Boiler

10% of Requirements are Unplanned



Weather Event



Exposure



Corrosion

Phased Replacement Schools

- 4 schools (Boulder City HS, Hoggard ES, Twin Lakes ES, SECTA)
- \$112,960,000 or 2.1% of 10-year plan

Major Modernizations and Targeted System Renewals

- \$3,067,040,000 or 58% of 10-Year Plan
 - Identified need through Revision 17 is \$1.8 billion for 230 schools
 - Remaining \$1.26 billion is estimated based on life-cycle replacement projections
- Heating, Ventilation, Air Conditioning (HVAC)
- Plumbing
- Fire Sprinklers
- Kitchen and Classroom Upgrades
- Cafeteria Expansions
- Electrical Service
- Communications, Security, and Safety
- Roofing
- Site Work

D. Technology

- A total of **\$500 million** will be needed to meet basic technology requirements over the next **10 years**.
- This includes:
 - Local Area Network (LAN) wiring and hardware
 - Instructional computers and servers
 - Classroom and office telephones
 - Instructional Wall
 - Online Learning Opportunities

D. Technology

Goals

- Through effective uses of technology tools and practices, establish a 21st century learning and teaching environment using sound pedagogy and personalization of learning.
- To conduct the business of education through a vibrant, data-informed, streamlined “system of systems,” which is aligned to the vision and mission of the organization.

Major Technology Needs

Technology Maintenance and Standards

- Technical components and central systems that support instruction and operations.

Student Information System

- Current system is obsolete and unsupported by vendor.
- No real-time data access.
- Limited educational and operational efficiencies.


Human Resources and Payroll Systems


- Decades old, functionally obsolete systems and processes.
- Not integrated with finance systems.
- Limited ability to effectively support strategic needs.

Ten Year Technology Costs

Technology Maintenance and Standards Approximately \$48 Million/Year

- Laptops (3 to 5 year cycle)
- Desktops and Servers (5 year cycle)
- Switches and Routers (7 year cycle)
- Telephone System (12 to 15 year cycle)
- Cabling (15 to 20 year cycle)

Student Information System \$23 Million 

Human Resources/Payroll System \$10 Million 

Approximate total cost over next 10 years = \$513 Million

E. Equipment

- A total of **\$475 million** will be needed to replace and standardize equipment over the next **10 years**.
- This includes:
 - Classroom Furniture
 - Athletic Equipment
 - Custodial Equipment
 - Audio/Visual Equipment
 - Printers, Projectors, Cameras, etc.

Standard Safety Replacement Program

Replacement of unsafe standard furniture and equipment. Examples of previous replacements:

Sports Equipment

- Pole vault pits
- Wrestling mats

Classroom Furniture

- Desks, chairs, & tables
- File cabinets

Cafeteria Tables

Science Equipment

- Corrosive cabinets
- Flammable cabinets
- Science tables

Standard Beyond Economical Repair (BER) Replacement Program

Replacement of BER standard furniture and equipment that is unsafe or obsolete. Recent examples include:

Music & Theater Equipment

- Musical instruments
- Choral risers

Classroom & Office Furniture

- File cabinets & storage cabinets

Office & Workroom Equipment

- Copiers, printers, & scanners
- Shredders, coin counters

Bring Up To Standard Programs

Placement of new standard furniture and equipment to provide equity across all schools when standards change. Recent programs include:

Theater Equipment

Library Book-stacks

Classroom Equipment

- Document cameras
- Projectors
- Interactive whiteboards
- Classroom amplification

Workroom Equipment

- Copiers

Summary of Need

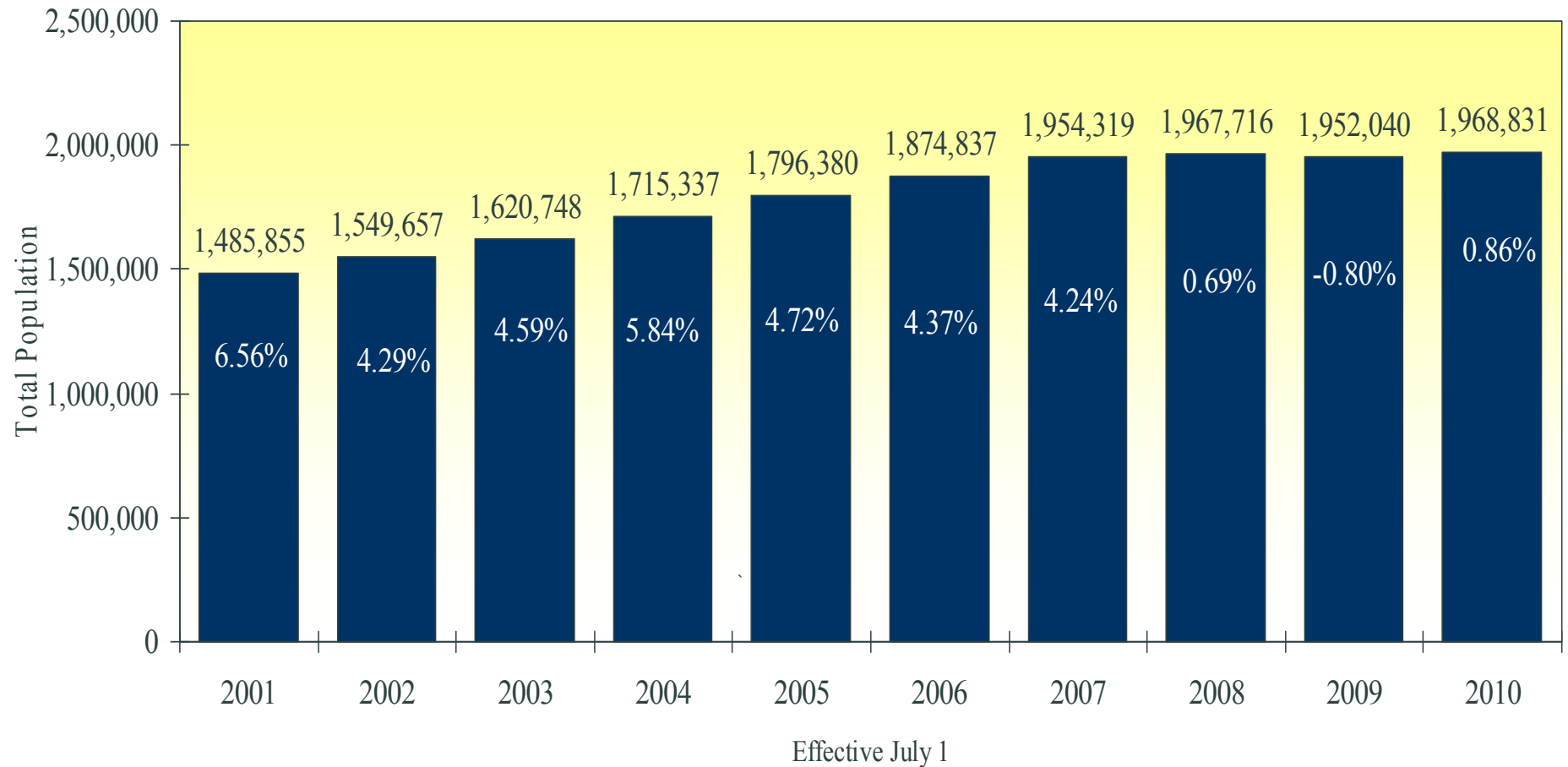
New Schools (9 ES schools and/or additional classrooms needed)	\$ 216,000,000
Renovation & Replacement	3,425,000,000
Educational Equity	670,800,000
Technology	500,000,000
Equipment	475,000,000
Total	\$5,286,000,000

CCSD will need **\$5.3 billion** over the next 10 years to provide and maintain an equal educational environment for the District's students.

Economic & Demographic Highlights

CLARK COUNTY POPULATION

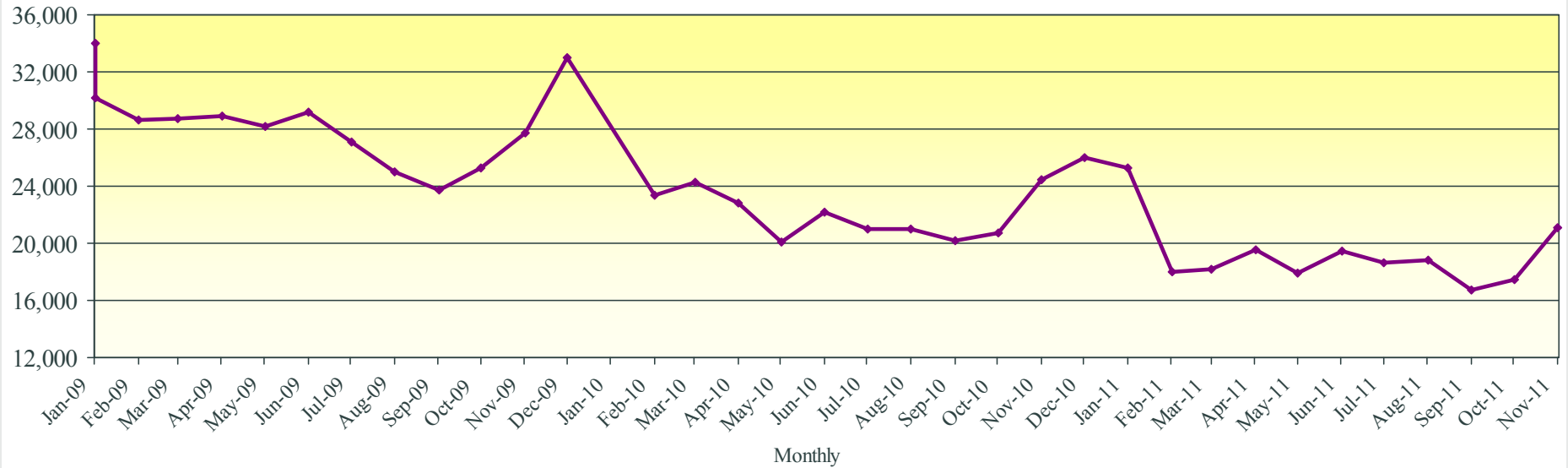
▶ 3.54% Average of the Annual Population Growth Since 2001



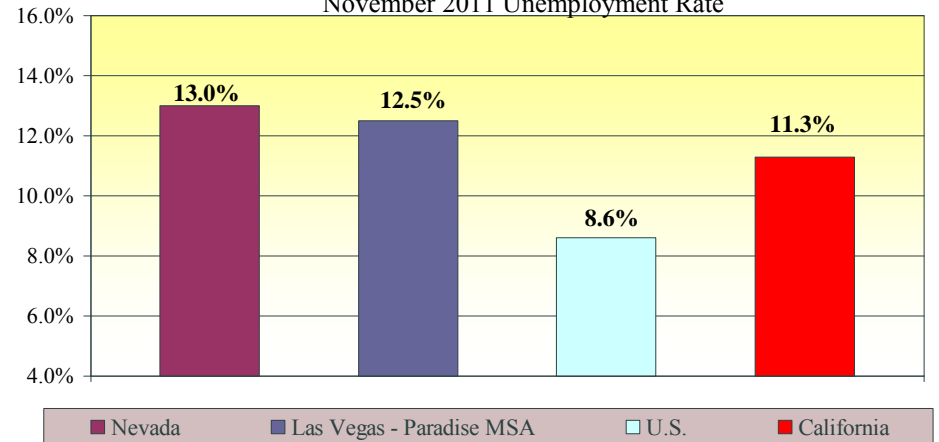
Source: Nevada State Demographer

STATE UNEMPLOYMENT

Initial Unemployment Number of Claims

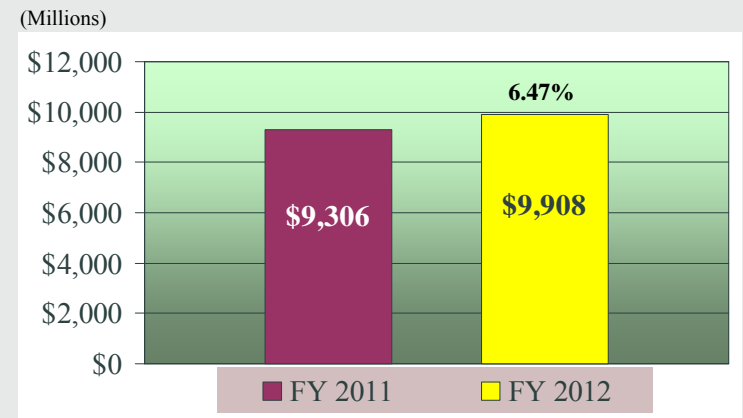
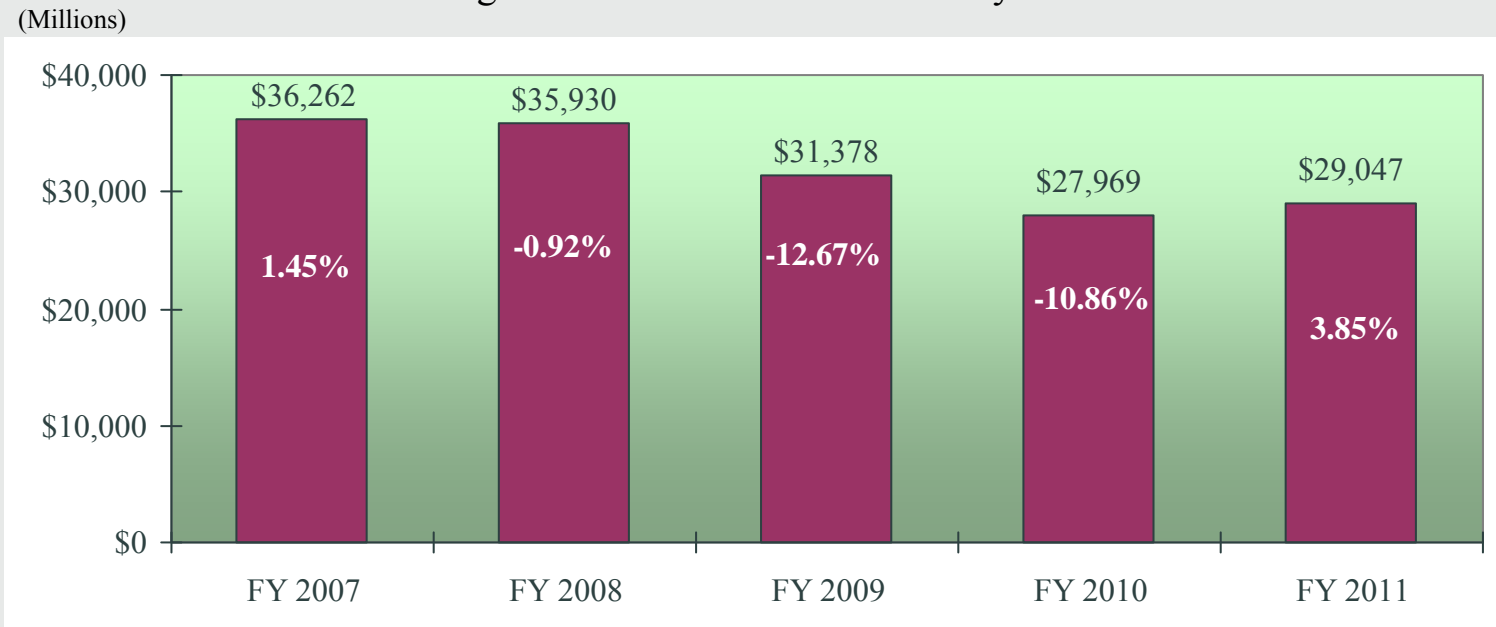


November 2011 Unemployment Rate



CLARK COUNTY TAXABLE SALES

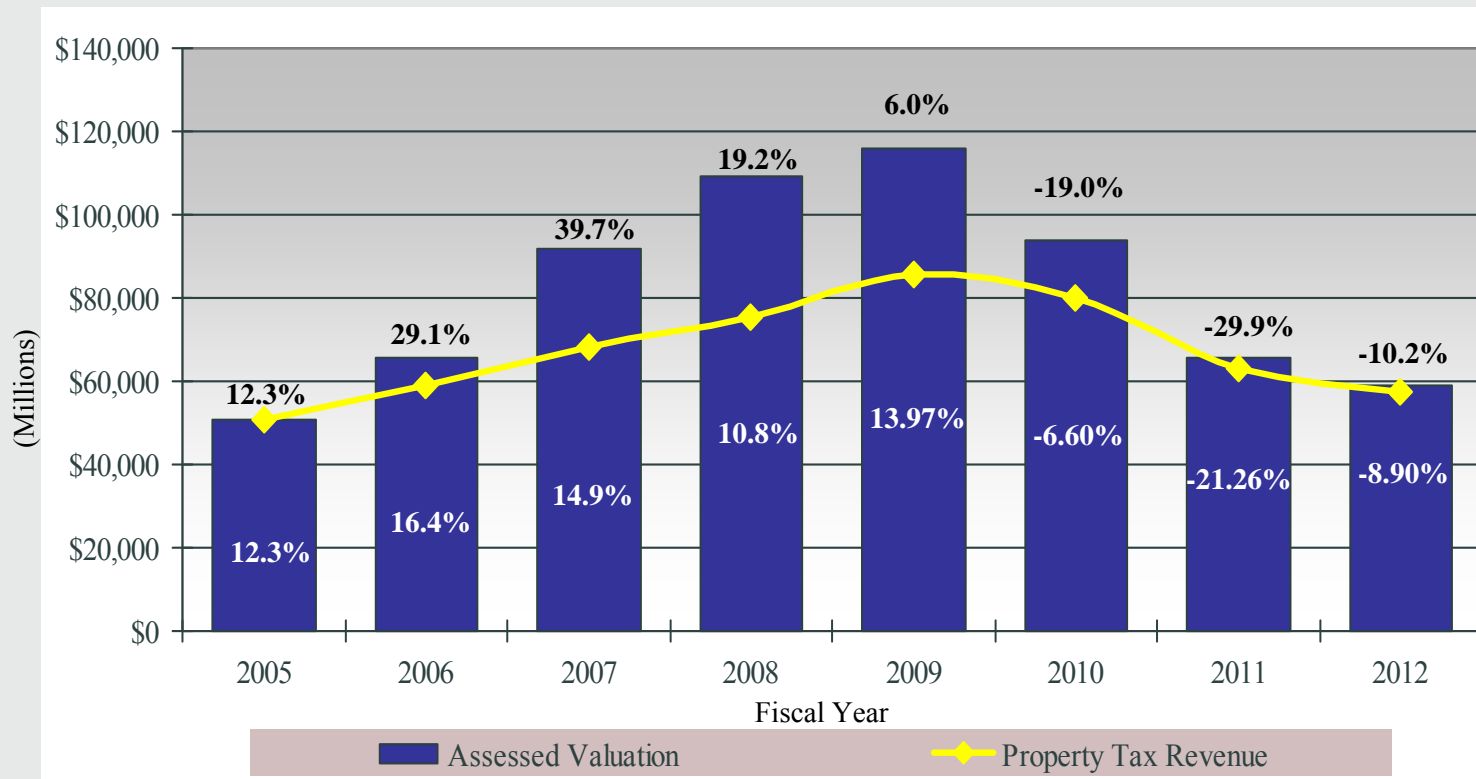
► Positive growth in taxable sales since July 2010



SOURCE: State of Nevada Department of Taxation

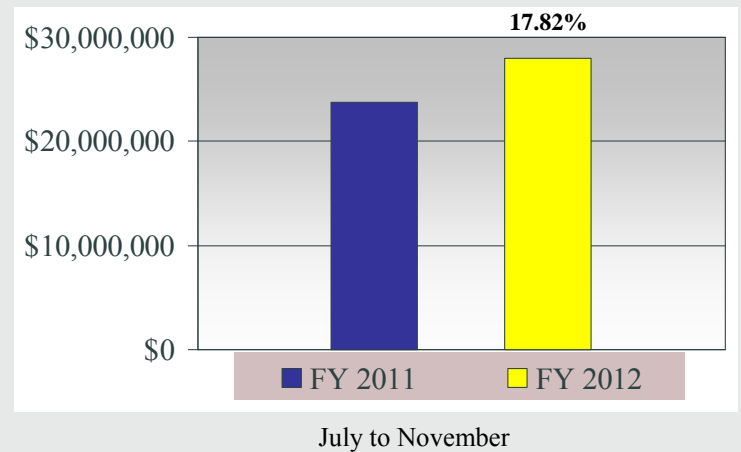
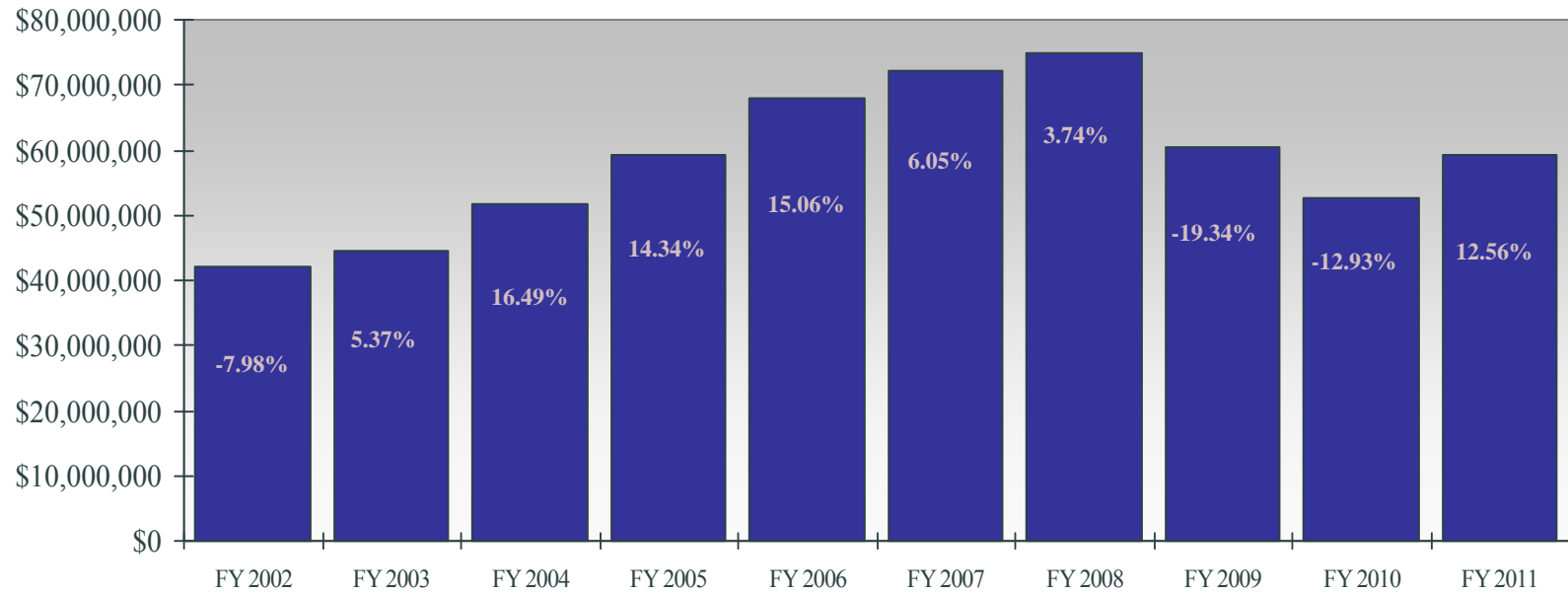
HISTORY OF CLARK COUNTY ASSESSED VALUATION & PROPERTY TAX REVENUE

- ▶ Fiscal years 2010 through 2012 Tax Revenues Decline Less than Assessed Value Decline Due to New Construction and Previously Abated Tax Revenues

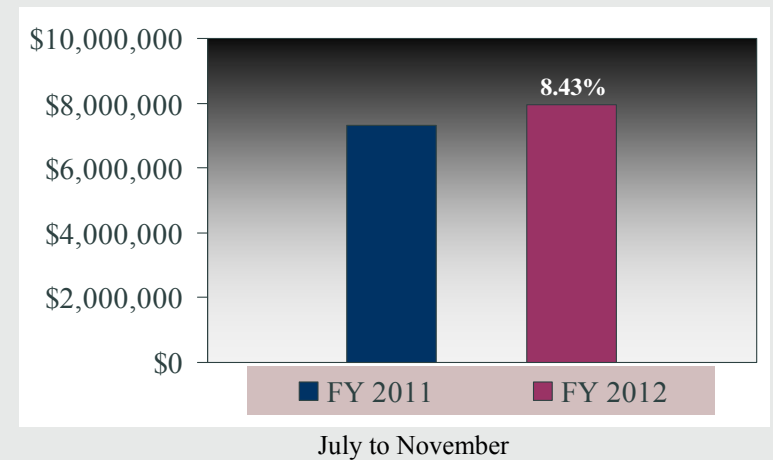
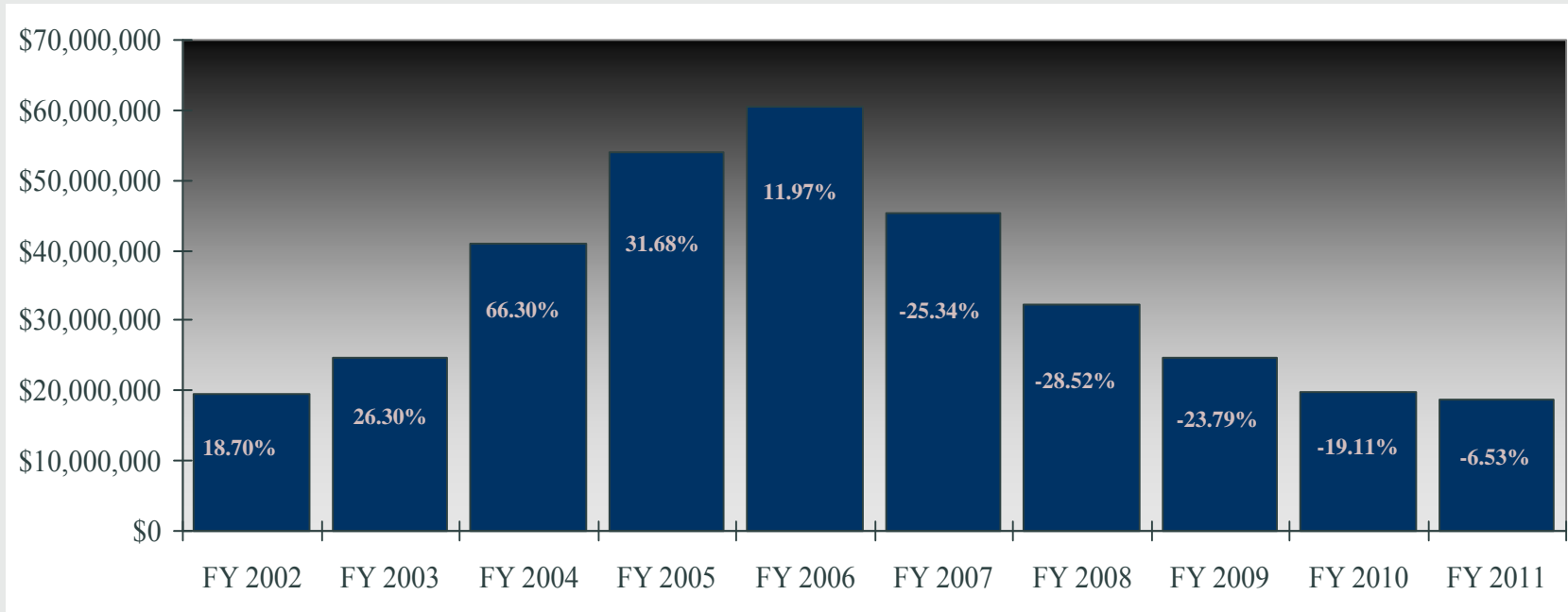


Note: Includes Assessed Valuations for the Redevelopment Agencies

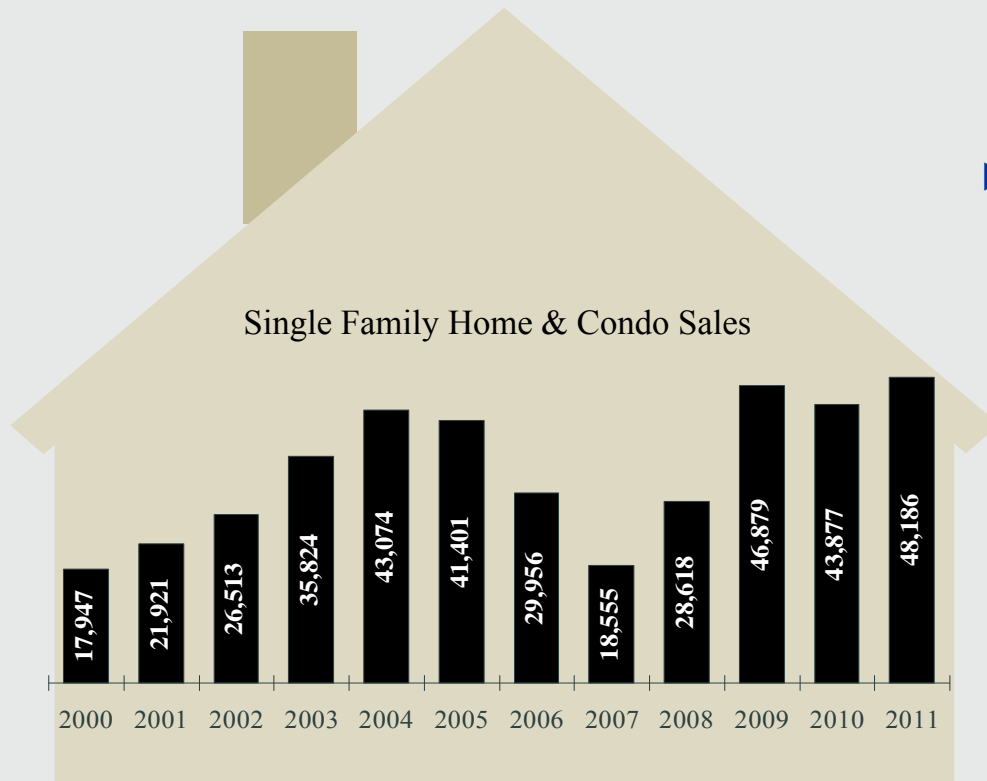
ROOM TAX REVENUES RECEIVED BY THE DISTRICT



REAL PROPERTY TRANSFER TAX REVENUES RECEIVED BY THE DISTRICT



SOUTHERN NEVADA REAL ESTATE



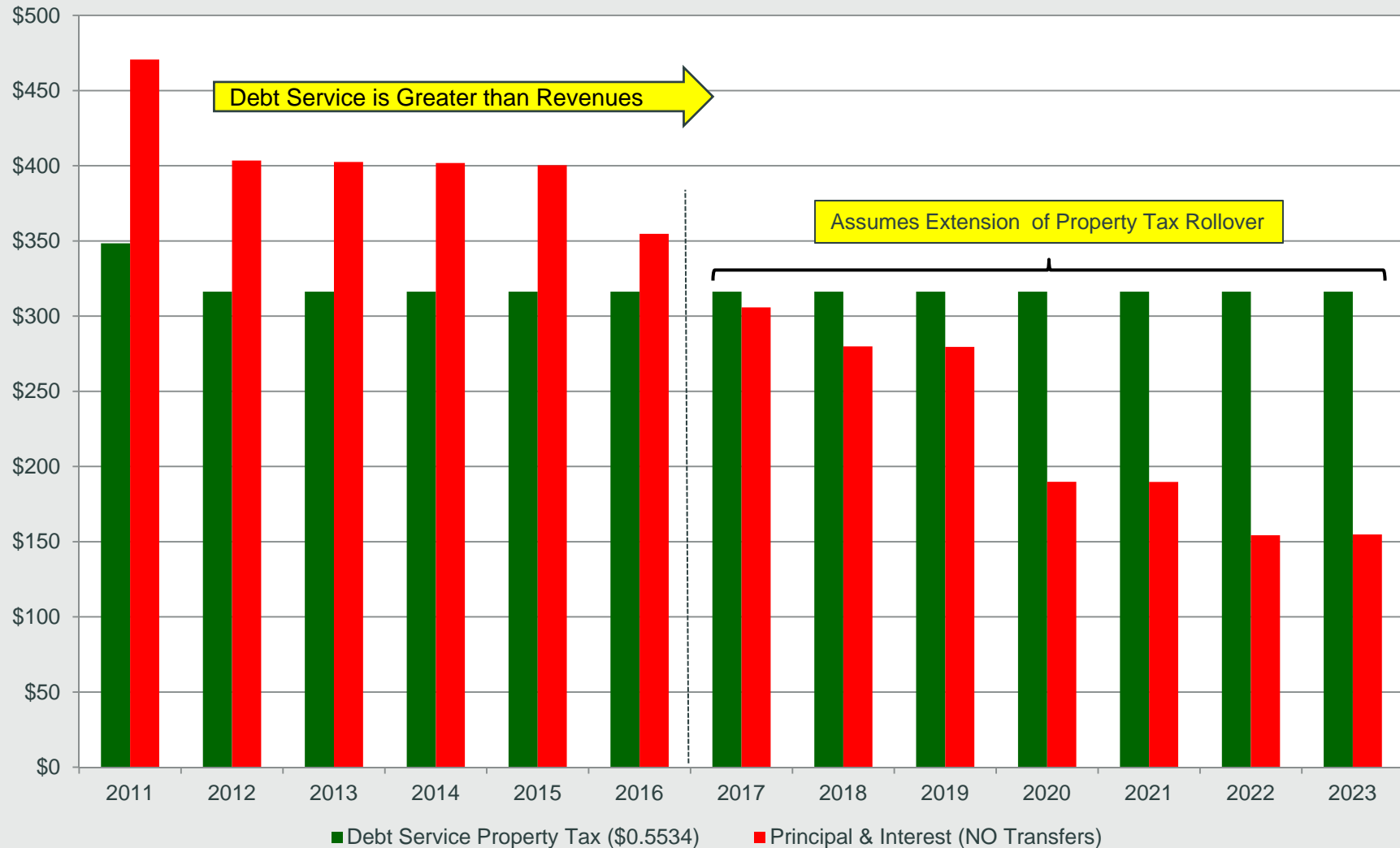
- ▶ Median single family home price ↓ 9.1% from a year ago
 - \$120,000 as of December 2011
- ▶ 48,186 Single family homes and condos sold in 2011, topping previous record of 46,879 set in 2009

Source: Greater Las Vegas Association of Realtors

General Obligation Debt Service & Revenues

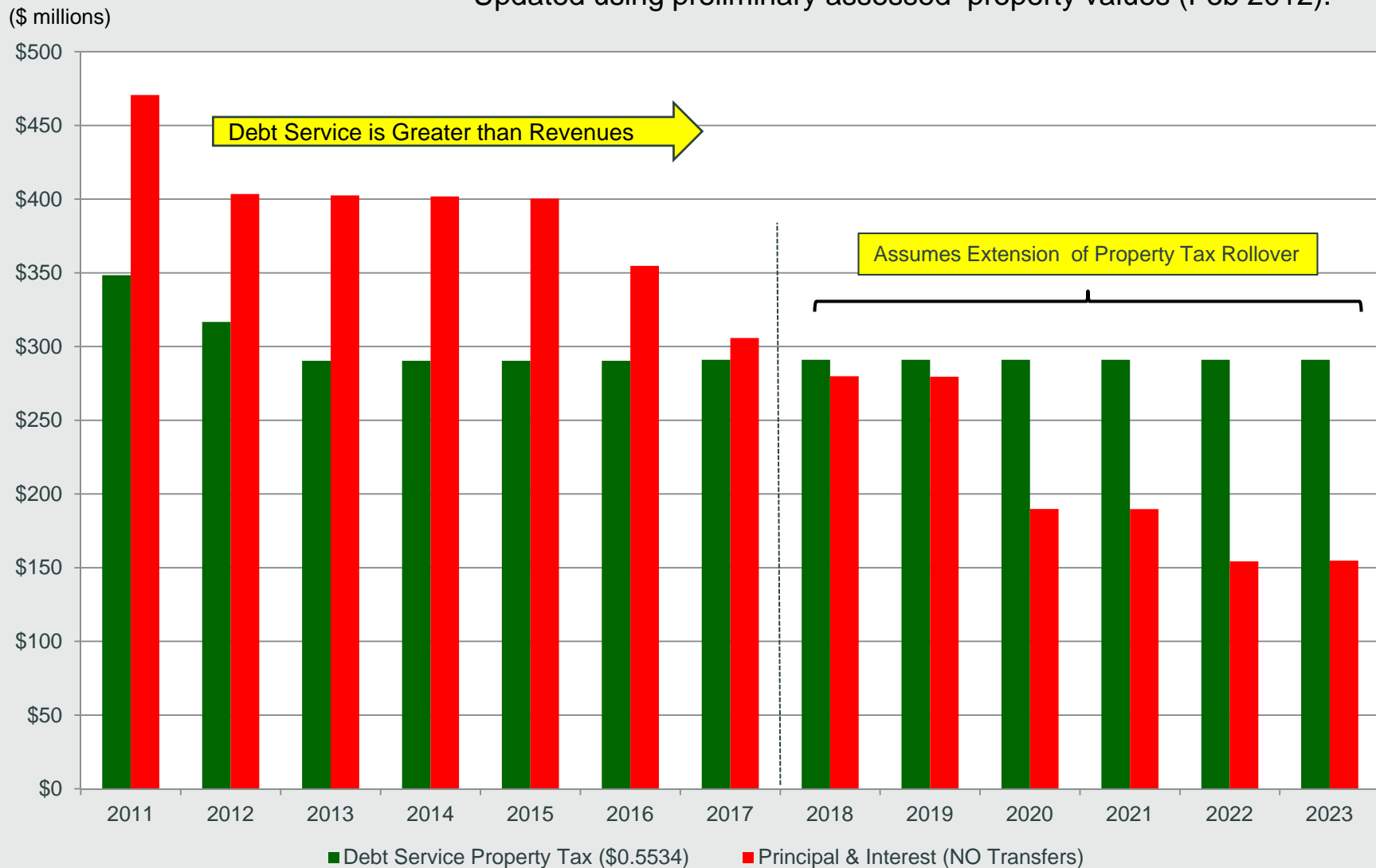
(\$ millions)

Based on December 2011 projections.



General Obligation Debt Service & Revenues

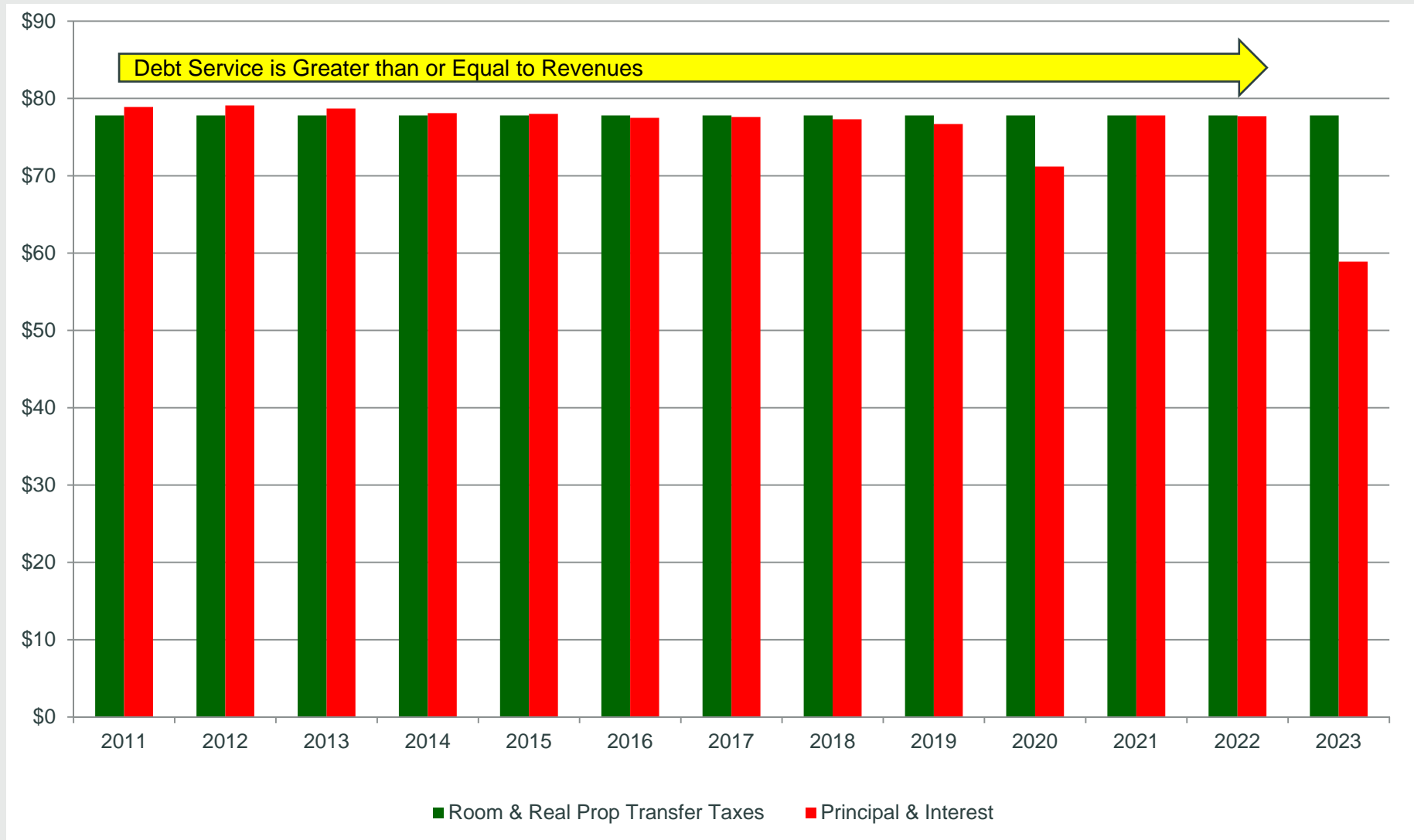
Updated using preliminary assessed property values (Feb 2012).



Gen. Obl. Revenue

Debt Service & Revenues

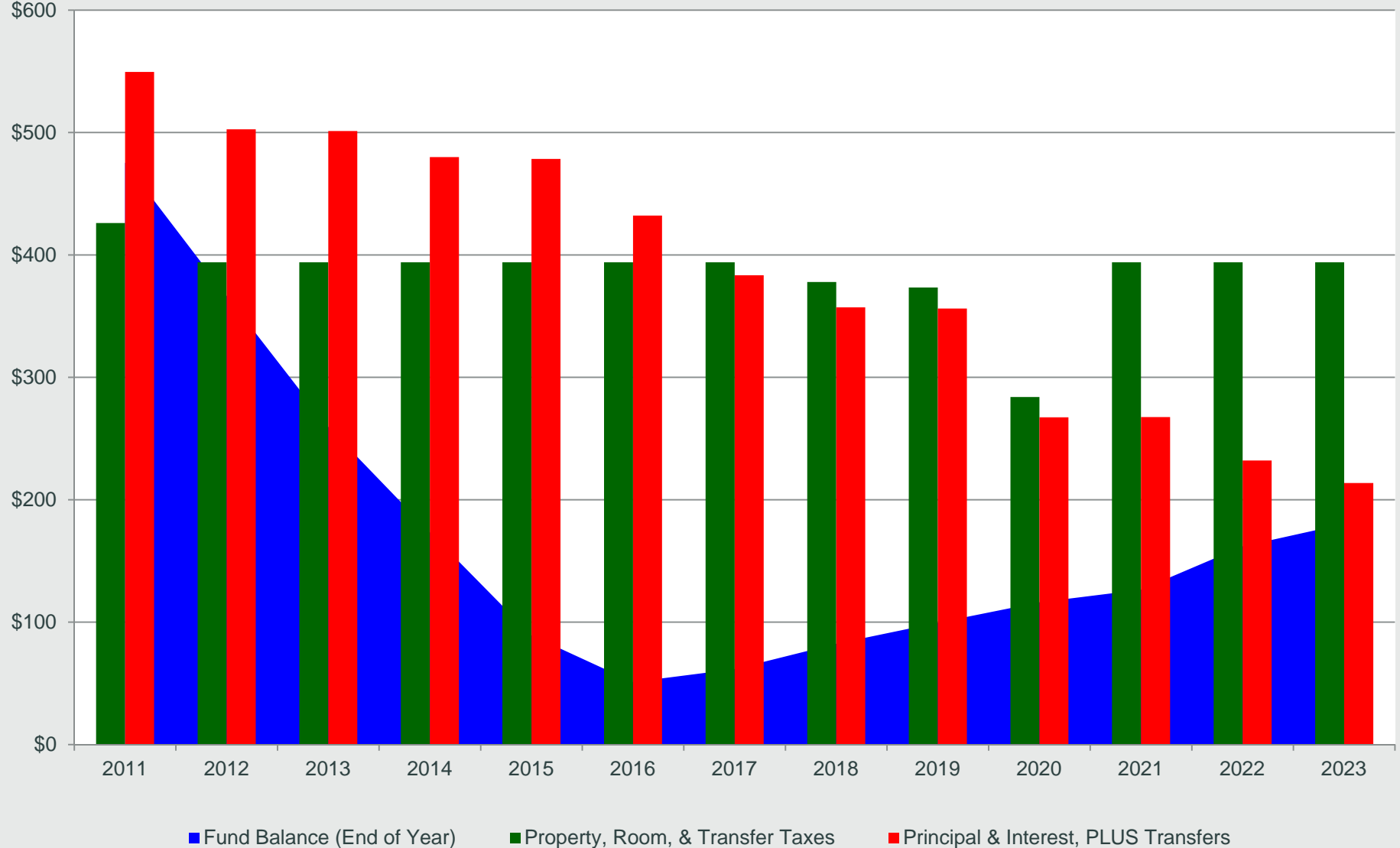
(\$ millions)



Combined Debt Service & Revenues

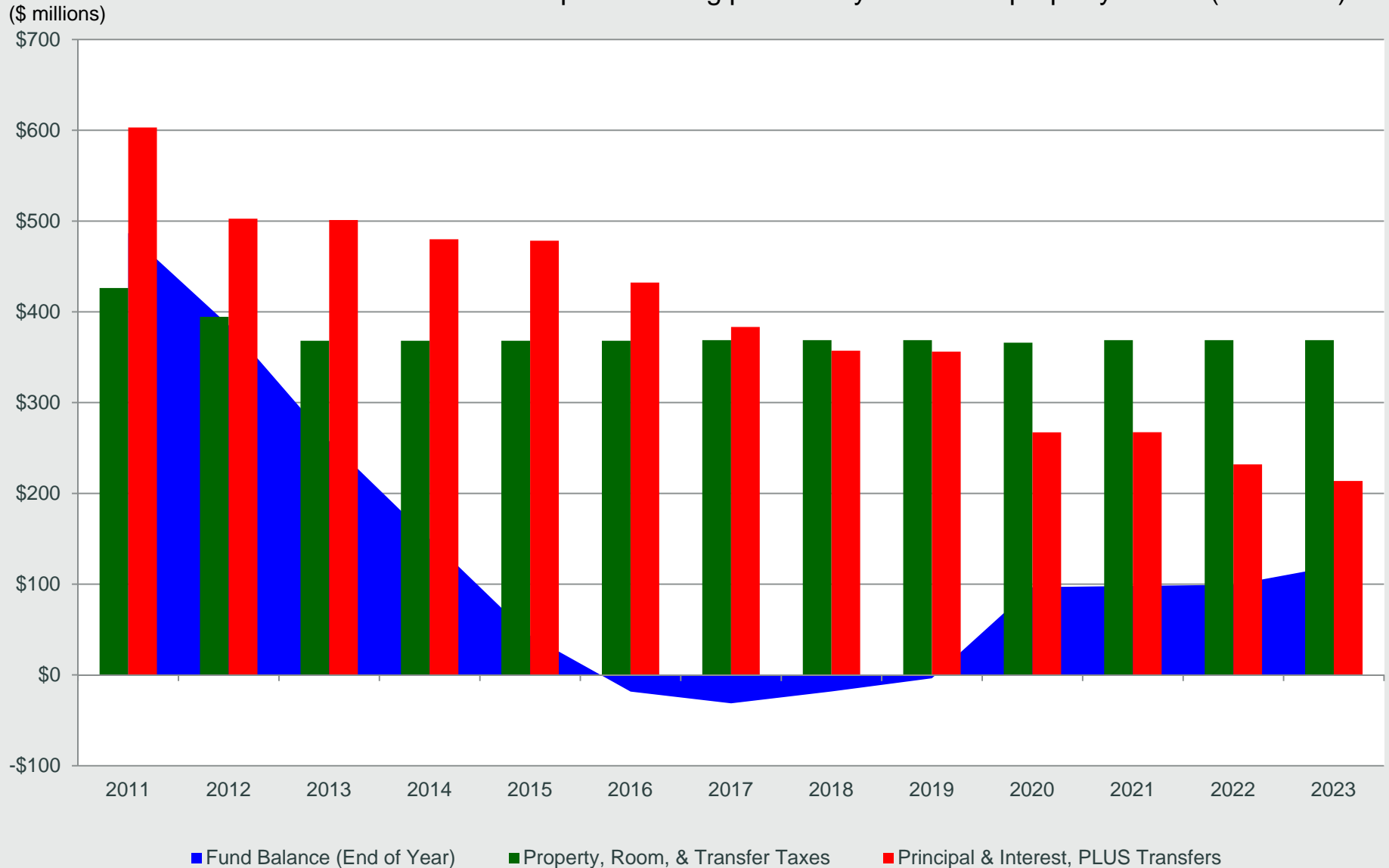
Based on December 2011 projections.

(\$ millions)



Combined Debt Service & Revenues

Updated using preliminary assessed property values (Feb 2012).



Factors Constraining Future Capital Capacity

- Property Tax Revenue
 - Assessed values of property within Clark County have not stabilized
- Bond Rating
- State budget
 - Over a 4-year period, the State has required the District to transfer \$85 million in pledged revenues from the capital fund to the general operating fund

Without the Following, the District cannot Issue Additional General Obligation Bonds

- Authorization of Voters
- Property Tax revenues must be at least equal to next year's principal and interest payments
- Debt Service Reserve must be at least 25% of the next year's principal and interest payments
- Clark County Debt Management Commission must approve
- Oversight Panel for School Facilities (AB353 Panel) must approve

Questions...?