

# WILL YOU VOTE FOR A \$720 MILLION TAX INCREASE TO HELP THE CLARK COUNTY SCHOOL DISTRICT TO AVOID REFORMING ITSELF?

Prepared by Ken Small (Chairman of the Committee who wrote the opposition position for the ballot)  
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## School District Asks Voters for a \$720 Million Property Tax Increase

By Ken Small

Voters who follow the Clark County School District (CCSD) will not be surprised that the school board is again looking to a tax increase to cure it's ills. In modern memory the school board has always been controlled by at least a 6 to 1 majority of democrats and a majority who are typically current or former government employees. This makes the barrage of constant requests for more money virtually inevitable.

While CCSD public relations would have taxpayers believe that almost the entire increase is for fixing dilapidated schools a careful read of the ballot explanation written by CCSD includes the language. "The proceeds of the capital projects tax will only be used for capital projects for schools, *including but not limited to*, constructing and equipping school improvements and replacements, and acquiring school sites." leading investigators who wrote the opposition ballot item to discover that CCSD customarily used money from the 1998 capitol bond fund buy books, computers and other non-capitol items (with the last money that voters thought was going for school building and repairs) from money still remaining today from the 1998 bond vote.

The current source of capital funding is money from a long term bond vote that passed during the 1998 election. Currently CCSD has not yet fully spent all of the money from the 1998 bond vote purchases which started in 1999 and continued until they sold over 100 million in recent stimulus bonds. The stimulus bonds were sold without voter approval. While the school board put in its best effort to spend the money as fast as it could they were faced with the decision to build 5 unneeded elementary schools after enrollment was known to be declining during the recent economic bust. Despite CCSD public assertions during CCSD bond oversight committee hearings that CCSD staff disbelieved that so many children were departing in all the U-Hauls that CCSD bureaucrats had counted, the school board decided to keep on building unneeded elementary schools. One noteworthy elementary school was designed to be built in the center of an unoccupied new subdivision. When it was reported to the school board that the site had no street or utilities going to the new school location the school board decided to pay their architects about \$1 million to relocate it to a new site on the edge of the mostly vacant subdivision. When the new, unneeded, schools were complete the school board had to change the school year schedule to conceal that it had overbuilt.

The CCSD public relations machine is still reporting to the public that there are not enough schools to seat all of the students. Most tax payers do not realize that changing the school day schedule to year-around school increases capacity by 20%. This was the impetus behind the school board deciding to change all of the schools back to a 9 month calendar to reduce student capacity. If they had not then CCSD would have 5 empty brand new schools today. The school board has also spent a great deal of tax payers' money hauling away portable class room buildings to reduce student capacity and make their statistics appear to require more construction.

When tax payers voted for the 1998 bond election they were told that they had voted for \$2.5 billion in taxes. However, the increase in building construction and increases in valuations led CCSD to actually sell over \$5 billion which Clark County property owners will have to pay back. In fact CCSD never intended to stop selling bonds and kept on returning to the debt management commission for permission to sell more based upon rosy property value predictions from its bearcats. Eventually the debt management commission was forced to admit the reality that property values would no longer support bond sales.

As current property valuations will no longer support kicking the economic borrowing can down the road the school board is now advocating "pay as you go policies". Therefore they ask for this tax increase.



*Pictured above is Bonanza High School. When the ballot opposition committee investigated the list of school construction projects that the school board proposed it discovered that this school has had \$28,836,355 in renovations, construction and repairs since it reopened in 1974. This includes \$14 million from the 1998 bond vote. That is over \$1 million a year in recent history and CCSD still wants more money. All the other schools on the proposed list had significant recent expenditures on capital improvements too.*

Most people realize that this is a drag on home owners and a negative impact on business owners. Renters will also receive rent increases as landlords pass the increase along to them.

Pictured below is the CCSD Posh Headquarters building purchased and remodeled for \$16 million. 5100 W Sahara has gold doors and marble floors.

### **Does previous careful spending of the tax payer's dollars indicate that we can trust the Clark County School Board with more of our money?**

By Ken Small (Part 2 of a series)

Viewers of local television or the liberal press would think that Ballot Question 2: "Shall the Clark County School District be authorized to levy an additional property tax...?" is seemingly without opposition. Clark County School District (CCSD) would have you believe that only Scrooge-hearted cheapskates would deny our children repair of buildings with leaky roofs. Perhaps even the most fiscally conservative voter would relent if they understood just how frugally our money was spent? The following are some examples of what concerned citizens see as the history of money spent on capital improvements.



In 1998 voters were told by CCSD PR that they were voting for a \$2.5 billion bond sale to construct enough schools to house 370,000 students. The school board construed the vote to allow property value increases to escalate their ability to sell bonds. Today they have spent over \$6 billion in capital improvements as a result of that vote. (Since the voters thought that they voted to sell the \$2.5 billion in bonds). The school board continued to ask the County Debt Management Commission for permission to sell more bonds. They were eventually forced to stop escalating the debt because property values were no longer sufficient to support the debt. We are, in other words, now "House poor". Like so many others during the boom the school district hocked everything that it could to buy more schools than we needed. As the bond market sees CCSD as a big risk, further bond sales are unworkable. So the school board has gone to a "Pay-as-you-go" plan because that is the only way to keep on spending. Current enrollment is now 307,000 students.

During 2005, flush with cash and claiming falsely that it could not use capital improvement money for operations; the school board was looking for lavish new offices for the big wheels running the district. 5100 West Sahara was selected in District F, Carolyn Edwards area. Public outcry included a November 5, 2006 expose' in the Review Journal where the building was accurately described as "Posh". Now sometimes referred to as "The Castle Building" by parents, the building is characterized by marble floors, fancy thick carpeting and wall coverings like individually hand cut wood panels. The front doors are gold and so are many of the fixtures. After buying the building for \$14.5 million the school board remodeled it to the tune of another \$1.5 million. Among the many fine features of the building are private bathrooms for all of the executive offices and an octagonal conference room on the top floor with huge windows and magnificent views of the valley from that room and many of the executive offices. Public complaints included the issue that a \$290,000 commission was paid to a company employing a member of the CCSD Bond Oversight Committee for her involvement without conducting a competitive selection process. At the time the superintendent of schools reported that he didn't see a problem because (although the money came from the 1998 capital improvement plan) the school board decided to make the capital expenditure without having the CCSD Bond Oversight Committee actually oversee it. The building is now open to the public.

And then there was money just given away. During late 2010 John Schutt wrote in a Las Vegas Tribune article "I hope that Sandoval decided to hire RINO School Board President Terri Janison to get her out of there so she could do no more harm. I'd like to believe that this is the case. When Janison took a step back and gave away \$25 million of the school districts construction bond money to the state's general fund last year I heard that it was a political deal that she would be repaid for. Many insiders at the district think that this was it. Would you buy a job for \$25 million? Maybe if it was somebody else's money.... Sandoval will soon learn where the nick name "Pea Brain" came from." Janison was hired to work in Sandoval's southern Nevada office. Would that \$25 million have gone a long way to fix schools?

Land acquisition has been a problem too. After the boom, the school board discovered that it had no reasonable explanation for why it owner most (any?) of the unused property that it had on hand, including a property purchased near Nellis AFB for elementary school construction. Sadly that property was known to be located too close to the base take off area to be used for a school when they bought it.

Despite private claims from school board members and facilities staff that the misguided and illegal activities of the past were ended when the two top level facilities staff departed in 2005-6, some leadership begins at the top with Assistant Superintendent Joyce Haldeman. During a panel discussion at RadioTribune.com it was discovered that CCSD was apparently illegally using taxpayer facilities and funds to advocate for the ballot item. NPRI later reported that CCSD had sent full color mailers to parents, called parents using the "Robo-Dialer" system that notifies parents of student absences and parent meetings. CCSD used the private phone numbers that parents provide for emergencies and for teachers to call with children's problems (not political advertisements.) CCSD staff were caught on camera delivering the materials to be distributed at CCSD facilities. CCSD staff were answering the parents calls when parents were directed to call to support the vote. "The Clark County School District does not and will not use its dollars to do a 'vote yes' campaign," Haldeman told parents during the Mega PAC meeting. When caught CCSD told *Nevada Journal* that the School Improvement Committee (political action committee) will be reimbursing the district for any costs related to the materials. However, NRS 281A.520 makes no exception for that.

Does previous careful spending of the tax payer's dollars indicate that we can trust the Clark County School Board with more of our money? If you don't mind a overspending by double, lavish extravagance, illegal activities and giving the money away then Vote Yes on Ballot question 2.

### **School District Tax Increase: For more schools? Or to delay reforms?**

(Last article in a 3 part series)

Perhaps readers who are thinking about voting for a tax increase are willing to look past the issue of the schools that have recently lost air conditioning operations, because none of those schools is scheduled to get air conditioning repairs from the new tax increase. Perhaps after reading the previous article, readers are willing to concede that prior funding was not so well spent by the school board. But, that is "water under the bridge" to them?

Perhaps what really matters is that we don't have enough capacity to seat all of the students? Let's look at the numbers. Clark County School District (CCSD) is currently spending the last of the money from the 1998 bond vote. Although voters were told in the main stream press that it was for \$2.5 billion in bond sales CCSD actually spent over \$5 billion in bond sales since that vote. The good news is that the number of schools and seats provided for in that bond was actually built albeit for close to \$6 billion. The bond summary that is posted to the CCSD web site today, they built enough schools to house 374,634 students. During the 2008-9 school year enrollment peaked at 311,240. During the 2009-10 year it was 309,476. This year on the count day enrollment was about 307,500. However they claim that enrollment is up from the prior count.

After spending all of the bond money that voters allowed in the 1998 vote the school board took it upon themselves to sell another \$100 million in "Stimulus bonds" and build another 4 unneeded elementary schools. Each elementary school can hold 900 students with classroom size reduction. As soon as those 4 schools came available for use the school board had to switch the school year to 9 month from 12 month to reduce the capacity. Elementary schools can only hold 720 students in a 9 month session. They then began hauling away portables and skewing the figures to further conceal that we now have the added cost of running more buildings. That is right. Part of the reason why we don't have enough money for operations is that more school buildings means more air-conditioners to maintain. Therefore the overhead has gone up. So kids lose money for books and crayons and paper to pay to run more schools and haul away portables.

So take a look at the numbers and you will realize that under the scenario of the number of kids per classroom that we had last year there were too many seats for the number of enrolled students. Have you heard that classroom sizes just went up? Yes we were told that class sizes went up about 2 to 6 students per class depending on the grade level and the class. Let us assume that number to be conservatively a 10% increase. Now multiply the school capacity of 374,634 that we already paid for times 110% and we can seat, according to CCSD's own assertions 412,097 with only elementary school attending 12 month sessions. If middle schools went to a 12 month calendar the capacity would top 500,000.

Tell us anything that we would want to hear just to get us to vote for a tax increase? Because if you have read the series you know that the excuses that tax payers are given for this increase are just that, excuses... And not truth.

Perhaps although we hear "Reforms" are ongoing, providing more money just enables the agonizing slow pace of reform as opposed to expediting it? Nevada is the lowest ranked public educational system in the nation and Clark County School District is the largest offender in the state. Many other states have been successful in improving education through reforms. In this time of austerity the school district needs to be dramatically reformed not enabled to avoid reforms. This is the true road to improved education.

The information below is copied from your sample ballot and was vetted by County Lawyers via Larry Lomax Registrar of Voters

**CLARK COUNTY QUESTION NO. 2**

**Clark County School District Capital Projects Funding Question**

**Shall the Clark County School District be authorized to levy an additional property tax...?**

**ARGUMENT OPPOSING PASSAGE**

**CCSD wants a 28% PROPERTY TAX INCREASE** over what it gets for Maintenance & Operations. That is absurd!

That is \$720 MILLION over the next 6 years and can cost the average new homeowner over \$880. When home values rise, taxes will rise. When has a temporary tax increase ever gone away? We'll probably see an extension in 2018. By then, new spending programs will be permanently in place, leaving voters no choice but to approve. The \$720 million dollars is not limited to bricks and mortar buildings, but can also be spent by bureaucrats on other things. Worst of all, CCSD is out of touch with the community: We are hurting! The last thing we need is a tax increase. This hurts the elderly, vulnerable homeowners, renters, and particularly harms small businesses that are already struggling.

We do not need new schools. Enrollment is projected to decrease. Year-round school scheduling will add 20% seating capacity in schools. CCSD has already spent \$1.25 BILLION for "renovations to existing schools, including phased replacements, additions, modernizations, lifecycle replacements, and life and safety upgrades" in the last 14 years. How is it possible that 44 schools need more major repairs? Every school on the proposed work list received renovations. Bonanza High has had \$28,836,355 in capital improvements since it opened in 1974. Something is seriously wrong. We don't believe CCSD knows how to design, build, or maintain schools properly. The 2011-2012 capital projects budget was \$465 million, with another \$225 million for Operation and Maintenance of Plant. Why aren't preventative maintenance and critical repairs being done with that money? We don't need more taxes, CCSD needs better management. Tell them so by voting NO. CCSD's budget for the 2011-2012 school year was \$3.3 billion. That's \$10,704 per student for just one year! What are they doing with all that money? Voting NO on this new tax will force CCSD to spend your tax dollars more carefully. Higher taxes hurt us as much as poor education does. Families are losing their homes. Unemployment is at record levels. Now is not the time for CCSD to tax residents of Clark County. THE MASSIVE BUREAUCRACY RUNNING CCSD NEEDS TO LEARN HOW TO LIVE WITHIN ITS MEANS, just as we do and enact efficient management with significant financial and educational reforms. Vote NO.

**REBUTTAL TO ARGUMENT ADVOCATING PASSAGE**

What has CCSD done with the billions its had? Since 1998, CCSD built 101 new and 19 replacement schools to seat a projected District enrollment of 374,636 students. Enrollment is 307,574 (estimated). We already paid for all the classrooms we need. In August 2012, CCSD "found" \$44.6 MILLION... and immediately decided to spend \$6.6 MILLION to build a gym instead of fixing schools. Did CCSD really need to spend \$14.5 million on its new plush headquarters instead of buying a more modest building to house its top executives? What do taxpayers pay for such great management? THE TOP 5 CCSD BUREAUCRATS MAKE OVER \$1.16 MILLION COMBINED A YEAR IN SALARY AND BENEFITS.

**Why should CCSD make significant reforms to fix the school system, when it's easier for them to ask for more money and change little?**

Teachers work hard and get paid little. Bureaucrats just keep getting paid a lot. CCSD's top money makers need to earn their money! Do whatever it takes to fix your problems, but stop begging for more money.

**CCSD get your house in order: Close bad schools. Go year-round to increase capacity. Manage the billions you have better.**

**Vote NO.**

The above argument was submitted by the Ballot Question Committee as provided for in NRS 295.121  
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