

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Eighty-first Session
May 19, 2021**

The Senate Committee on Government Affairs was called to order by Chair Marilyn Dondero Loop at 3:52 p.m. on Wednesday, May 19, 2021, Online and in Room 2149 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator James Ohrenschall, Vice Chair
Senator Dina Neal
Senator Pete Goicoechea
Senator Ira Hansen

GUEST LEGISLATORS PRESENT:

Senator Nicole J. Cannizzaro, Senatorial District No. 6

STAFF MEMBERS PRESENT:

Alysa Keller, Policy Analyst
Heidi Chlarson, Counsel
Kevin Powers, General Counsel
Janae Johnson, Committee Secretary

OTHERS PRESENT:

Jeremy Aguero, Clark County School District
Brad Keating, Clark County School District
Lindsay Anderson, Washoe County School District
Mary Pierczynski, Rural School Districts
Jason Goudie, Clark County School District
Jeff Wagner, Chief of Facilities, Clark County School District
Chris Daly, Nevada State Education Association
Paige Barnes, Nevada Association of School Boards
Brenda Pearson, Clark County Education Association

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Alexis Motarex, Nevada Chapter Association of General Contractors
Nicole Rourke, City of Henderson
Nick Vander Poel, Reno Sparks Chamber of Commerce
Arielle Edwards, City of North Las Vegas
Thomas Warden, Howard Hughes Corporation; School-Community Partnership
Program Advisory Council
Hugh Anderson, Vegas Chamber
Alex Bybee, Communities in Schools of Nevada
Chelsea Capurro, Nevada Association of School Administrators
Peter Guzman, President, Latin Chamber of Commerce
Charlie Melvin, Power2Parent
Jeff Horn, Clark County Association of School Administrators and
Professional-Technical Employees
Lisa Guzman, Clark County School District
Jenn Blackhurst, HOPE for Nevada
Piper Overstreet, Urban Chamber of Commerce
Andy Donahue, Southern Nevada Laborers-Employers Cooperation and
Education Trust
Nickolas Vassiliadis, Carpenters Local 1977
Rebecca Garcia, President, Nevada Parent Teacher Association
Sonny Vinuya, President, Las Vegas Asian Chamber of Commerce
Zach Bucher, City of Las Vegas
Mari Nakashima, Washoe Principals and Administrators Association
Andrea Cole, Clark County School District Parents
Leonardo Amador, Clark County School District
Kevin Doty, Administrator, Purchasing Division, Department of Administration

CHAIR DONDERO LOOP:

I will open the hearing on Senate Bill (S.B.) 450.

SENATE BILL 450: Revises provisions relating to the financing of school facilities. (BDR 30-1153)

SENATOR NICOLE J. CANNIZZARO (Senatorial District No. 6):
Senate Bill 450 addresses funding for schools.

The genesis of this bill goes back to 1997 when the Legislature allowed school districts to ask for voter approval to issue bonds over a ten-year period providing certain conditions were met. When the rollover bond authority started

to expire in 2015, the Legislature granted an extension, allowing school districts to issue general obligation bonds for an additional ten years without voter approval, again subject to certain findings.

This brings us to S.B. 450 which grants school districts the authority to issue general obligation bonds for another ten-year period under the same conditions set under *Nevada Revised Statutes* 350.0201 for the 2015 extension. As with the prior legislation, S.B. 450 allows school districts to use excess revenues from the existing tax rate to fund pay-as-you-go capital improvement projects (CIP), including remodeling and other needed facility improvements. This bill ensures the debt service and reserve funds are not impacted.

Since the school districts had bonds approved at different times, they are not all on the same schedule. Clark County School District (CCSD) is coming to the end of the 2015 extension and has a list of much-needed projects ready to go. I should point out that the rollover bonds must be reviewed by the oversight panels for school facilities, which were set up by the Legislature in 1997 and continue to serve an important oversight function for Clark and Washoe Counties. In addition, rollover bonds are required to be reviewed and approved by the debt management commission in each county.

As we know, our school districts have had an ongoing and uphill battle to keep their buildings and facilities up to date and in good repair. Anything we can do to help fund these projects without increasing the tax rate is a smart move. This measure also ensures students and staff members are studying and working in buildings that are safe.

Senate Bill 450 does not require a two-thirds majority to pass. It did not require a two-thirds majority in 1997 or 2015, and we believe this remains the case. Historically, this has been because the measure is subject to local approval and certain findings by those localities. This has also been the case with other bills that contemplate granting authority to local jurisdictions to fund projects. I have asked Kevin Powers to elaborate on this matter.

KEVIN POWERS (General Counsel):

The Legislative Counsel Bureau Legal Division is a nonpartisan legal agency. We do not support or oppose any particular policy, viewpoint or piece of legislation. Instead, we provide the Legislature and its members with objective legal advice and analysis on issues of law, including issues of constitutional law.

The Legal Division has advised the Legislature on which bills require a two-thirds majority since it became effective in the Nevada Constitution in 1996. The first Session the two-thirds requirement applied in the Legislature was the 69th Legislative Session in 1997. At that time, the Legal Division advised the Legislature on certain categories of legislation that we believed did not fall within the plain language of the constitutional provision requiring the two-thirds supermajority requirement. That provision requires the two-thirds rule apply to a bill that creates, generates or increases public revenue in any form.

One of the categories of bills the Legal Division advised the Legislature on in 1997 was bills that authorized or enabled but did not require a local government or local political subdivision to impose a tax fee or assessment, increase a tax fee or assessment or issue bonds or other debt instruments. Based on analysis of the plain language, caselaw from other jurisdictions, the intent of the two-thirds requirement as expressed in the ballot materials and other background material, it was our belief that the provision did not limit those types of legislation. Through these bills, the Legislature was not creating, generating or increasing the public revenue but was authorizing a local government or other entity to decide whether to go forward with that grant of authority and discretion. Such a bill makes it possible that the local government would not exercise this discretion, in which case the bill would not create any public revenue in any form.

This contemporaneous, consistent and long-continued interpretation was adopted by the Legislature and has been followed consistently by the Legislature for the past two decades. Based on that interpretation, the Legislature has passed legislation authorizing local governments to impose taxes or fees or issue bonds without requiring a supermajority. For example, in 2003, the Legislature passed S.B. No. 370 of the 72nd Session authorizing counties other than Clark County to impose an additional tax on real estate property transfers. Some of those counties have since imposed that tax, and S.B. No. 370 of the 72nd Session was not challenged at any point in the past two decades. Under that bill, public and private rights, duties and liabilities have been acquired and invested, and this has not been challenged. During the 2015 Legislative Session, two bills extended the bond period that was enacted in 1997. At the time, the Legal Division advised the Legislature a two-thirds majority was not required because the bills were authorizing legislation and not requiring the local governments to do any particular activity. Instead, it was

authorizing and discretionary in those local governments. This legislation was not challenged.

Obviously, then, rights, duties and liabilities were vested under the prior legislation; in particular, it authorized local governments to issue general obligation bonds. When local governments issue general obligation bonds, they enter into contracts with the bondholders. Those contracts are protected in certain aspects by the contract clause of the U.S. and State Constitutions. Those contract clause provisions prevent impairment of those contracts under certain circumstances.

This brings us to 2019 when the Legislature was advised by the Legal Division regarding two bills that did not involve authorizing local governments to impose or increase taxes or issue bonds. The Legal Division advised the Legislature that S.B. No. 542 of the 80th Session was not subject to the two-thirds requirement because the bill authorized the Department of Motor Vehicles to continue imposing a \$1 technology fee on each transaction. That fee was set to expire on June 30, 2020, and the bill extended the fee for another two years. In addition, the Legal Division advised the Legislature on S.B. No. 551 of the 80th Session. This bill changed what was going to happen to the Modified Business Tax. The Modified Business Tax was supposed to have a reduction in rate beginning July 1, 2019. The Legislature passed S.B. No. 551 of the 80th Session and kept the rate at its current level. Both of these bills were challenged, and both ended up in the Nevada Supreme Court.

This brings us to the decision from the Nevada Supreme Court in *The Legislature of State v. Settelmeyer*, 137 Nev. Adv. Op. 21 (2021), issued on May 13, 2021. The Nevada Supreme Court, in a case of first impression, gave an interpretation of the two-thirds requirement which had not been interpreted by the Court in the past. The Court struck down both S.B. No. 542 of the 80th Session and S.B. No. 551 of the 80th Session as violating the two-thirds requirement. The Court concluded that because those bills created, generated or increased public revenue, they should have been subject to the two-thirds requirement.

All Nevada Supreme Court opinions are based on the facts and circumstances the Court addressed in deciding these issues. Courts often include in their opinions other statements known as dicta. Those are statements explicating reasoning by the court but not directly necessary to decide the issue. Language

in the Supreme Court opinion in the case of *Legislature v. Settlemeyer* speaks in broad terms of the scope and application of the two-thirds majority requirement. However, that opinion did not address a bill that authorizes or enables a local government to pass its own local ordinances or resolutions to increase taxes or fees at the local level or to issue bonds. Those types of legislations were not included in *Legislature v. Settlemeyer*, and the Court did not address this type of legislation.

In addition, there is a body of caselaw that courts must consider the consequences of invalidating legislation after a long period of time when there is contemporaneous and continued construction by the Legislature. In particular, in the case of *State ex rel. Cardwell v. Glenn*, 18 Nev. 34 (1883), the Nevada Supreme Court was interpreting another provision in Article 4, section 18 of the Nevada Constitution that dealt with the passage of legislation. The challenge involved signing legislation. Under Article 4, section 18, each piece of legislation passed by the Legislature must be signed by the presiding officer of each House as well as the Secretary of the Senate and the Chief Clerk of the Assembly. From the adoption of the Nevada Constitution in 1864 to the decision on this case in 1883, the Assistant Secretary of the Senate and the Assistant Chief Clerk of the Assembly had also been signing legislation for almost 20 years. Because they had been signing legislation and the plain language in the Constitution said it had to be signed by the Secretary of the Senate and the Chief Clerk of the Assembly and not their assistants, bills passed in 1881 and 1883 were challenged because they were signed by the assistants.

The Nevada Supreme Court looked at how the Legislature interpreted the constitutional provisions over the prior two decades and determined that the Legislature's construction was reasonable. The court concluded:

If we now declare [these bills] to be unconstitutional, and sweep away at once all the rights, public and private, which have been acquired under them, we would do an amount of mischief which no man's arithmetic can calculate. This is a proper element of legal judgment on such a subject. We are not to overlook the practice of the legislature, or disregard the consequence of doing so.

Taking all of that together, it is the opinion of the Legal Division that because:

- the interpretation of the two-thirds requirement by the Legislature since its inception in 1997 has been that the two-thirds requirement does not apply to legislation that authorizes or enables local governments to increase or impose taxes or issue bonds, and
 - this has been the long-standing construction of the Legislature, and
 - rights, duties and liabilities have been acquired or vested under that legislation, and
 - those prior pieces of legislation have not been challenged over two decades,
- therefore, S.B. 450, because it is similar to the legislation that was passed in 2015, does not require a two-thirds majority to pass but only requires a constitutional majority to pass because of the contemporaneous interpretation of the long-standing two-thirds requirement.

CHAIR DONDERO LOOP:

Thank you. I appreciate the information and knowing that we have confirmed S.B. 450 is not a two-thirds bill.

JEREMY AGUERO (Clark County School District):

I have an overview presentation of S.B. 450 ([Exhibit B](#)) that includes the goals and needs of the Clark County School District to be met by the passage of this bill, as well as the history of the bond program. [Exhibit B](#) is extensive and contains much useful information.

BRAD KEATING (Clark County School District):

We support S.B. 450 because the funding it will provide will help build much-needed schools and rehabilitate and modernize existing schools throughout the District. Our schools are aging, and many remain overcrowded. The district has over \$10.8 billion of identified school construction project needs. Furthermore, 64 percent of schools in CCSD are at least 20 years old. Over 41 percent of schools have reached or exceeded 100 percent capacity. These needs will continue to compound in the coming years. Nearly 100 schools between 10 and 19 years old will require predictable but significant capital investments in the next 10 years.

Senate Bill 450 will allow school districts across the State to pledge their current property tax rate for the repayment of additional bonds after the 2025 sunset. There would be no increase in the current tax rate. The proposed change simply stops the current district capital rate from decreasing as bonds are paid off well into the future.

How does CCSD intend to use these funds if the Legislature approves S.B. 450? Extensive research and deliberations by and in between the CCSD Board of School Trustees and the Bond Oversight Council have pointed to several key considerations.

The first issue is available seats. As evidenced by CCSD's hotspot maps ([Exhibit C](#)), we have few available seats in areas where dense student population and growth exist. We currently have 2,456 portable classrooms. The useful life of a portable classroom is 20 years; we have 651 portables that are 20 years old or older and 30 portables that were built before 1969. A strategy that utilized these available seats would not resolve capacity challenges, would require massive rezoning and would result in long commutes, in some cases to rural areas such as Laughlin. This is an impracticable solution and the reason the District has focused on the limited targeted school construction in high-need areas.

Second, of equal or greater importance is the modernization and rehabilitation of existing schools. Known capital replacement needs exceed the district's revenue generating capacity by \$5.3 billion. This amount includes general rehabilitation and renovation of aging education infrastructure and major modernization of older schools, specialized programs to provide equity for all schools such as science labs, improved security for schools and technology upgrades. Modern education requires modern technology. Unfortunately, older schools in certain areas have yet to be fully retrofitted due to the infrastructure limitations. This creates gaps in access to digital learning as well as assessment and accountability programs.

Like everyone, CCSD has experienced significant budget cuts during the economic downturn. We cut roughly 20 percent of our budgets, which resulted in reduction of force. We did our best to avoid cutting things that directly impacted the classroom. To preserve teaching positions, the District reduced custodians and preventive maintenance staff. These reductions resulted in fewer

people doing more work and caused a much larger backlog of deferred maintenance.

Senate Bill 450 will not only allow the District to complete this work, it will accelerate project timelines. The CCSD will immediately add projects to the development pipeline and increase construction output. The bill's central purpose is to ensure teachers and staff have a safe and effective teaching environment and students have a safe and effective learning environment.

Senate Bill 450 is also a jobs bill. Extension of the bond rollover will free up approximately \$3 billion in additional resources directly and indirectly. This will support 24,000 person-years of employment and generate \$1.3 billion in wages and salaries for Nevada's workers.

Think of the students in CCSD and the 11 other school districts across the State. Each of those children deserves the opportunity to learn in an educational environment that is safe and sound.

LINDSAY ANDERSON (Washoe County School District):

The Washoe County School District's journey to properly address school construction needs has been long and winding. Prior to 2016 and unlike other districts across the State, our only source of funding for school construction was this rollover bond revenue. In Washoe, the rate is \$38.85 per \$100 of assessed valuation. A failed attempt to increase revenue for school construction funds at the Legislature in 2013 led to legislation from Senator Debbie Smith in 2015 to allow community stakeholders to craft a ballot question and allow voters to decide on an additional revenue stream for this purpose. Through the work of the Public Schools Overcrowding and Repair Needs Committee and the Save Our Schools initiative, the ballot question was approved by voters in 2016 to increase sales tax in Washoe County to fund additional school construction projects. This sales tax, along with the property tax rate, have become a comprehensive combination of funds to support a robust capital program, averaging over \$100 million in annual local investments. That addresses both new construction and refurbishing our existing aging schools.

Washoe County schools are old, with an average age of more than 43 years. These aging systems need to be repaired and replaced to ensure adequate learning environments. As we build new schools, keeping our older schools on a

level playing field is important to fulfill our commitment to equity and access for our students.

Currently, rollover bond proceeds pay for approximately half of our funds for school modernization and revitalization projects. Losing access to these funds would significantly impact our ability to keep up with these projects. Our current ten-year projection for school CIP totals more than \$1 billion, compounded by the fact that current construction escalation costs are alarming and risk negatively impacting our ability to complete these projects with the available revenue. Loss of the property tax revenue stream would decimate our ability to meet the needs of this rapidly growing community.

Examples of our renewal and revitalization projects include an average of \$50 million a year of district-wide renewal projects such as roofing, air conditioning and heating (HVAC) and other existing equipment replacements; new schools, primarily in areas of enrollment growth, particularly the north valleys and Spanish Springs; and major expansions and renovations to existing schools on all levels, including possible expansions to Billingshurst, Mendive and Shaw Middle Schools.

Our school construction program has a tremendous amount of oversight between the Capital Funding Protection Committee, the Oversight Panel for School Facilities and the Board of Trustees. Our capital projects team has a proven track record of delivering projects in full compliance with Nevada law and to our educational specifications on time and on budget for the benefit of students.

We ask this Committee to acknowledge this track record and the clear need to continue investing in school construction so current kindergartners, the class of 2032, can be assured a school facility to meet their needs going forward.

MARY PIERCZYNSKI (Rural School Districts):

You have heard about the aging schools and overcrowding of the urban school districts. The rural districts have some very old schools as well. These rollover bonds, which 10 of our 15 school districts are engaged in, are very important for building maintenance. The ten rural districts with rollover bonds are Carson City, Churchill, Douglas, Humboldt, Lyon, Mineral, Nye, Pershing, Storey and White Pine.

When I talked with the superintendents of these districts, I was told that the rollover money has been used for maintenance. This is critical because the oldest continuously operating schools are in the rural districts. White Pine County's David E. Norman Elementary School was built in 1909; it still has students and has been in operation for 112 years. White Pine Middle School has been in operation for 108 years. The bonds have been important to the rural counties to keep these buildings alive and for the kids to continue their education. Humboldt County School District has also relied on its rollover bond, with buildings with an average age of 59 years. Humboldt County has a small bond of only 13.5 cents. It is enough for some critical building maintenance but not for new construction. Pershing County reports the same thing; the bond rollover is not enough for new construction, but it has enabled maintenance work over the years. The superintendent noted the last time a bond was allowed to sunset, the County made up the difference. Churchill County reports doing a lot of safety projects with rollover money. Carson City is the same way, with bond money helping with safety features and eliminating portable classrooms.

The rollover bond is not just important for the urban districts; it is also important for the rural districts. We hope you give S.B. 450 serious consideration.

SENATOR NEAL:

At the Bond Oversight Committee meeting on April 15, 2021, it was said there would be a bond offering statement of \$200 million. What is expected to be leveraged from this amount?

JASON GOUDIE (Clark County School District):

The District issues around \$450 million each year in bonds. There are two tranches, one in April through June and one in October or November, based on the need. We do this because we spend approximately \$400 million a year on construction projects and \$30 million to \$40 million on medium-term bonds, which primarily fund the buses and some other items. Those would be a standard bond issue that goes out to market. We utilize a third-party firm to issue bonds and receive the proceeds, which then fund all of the different projects in the CIP version 4. That CIP is presented to the Bond Oversight Committee, which was presented at the meeting you referred to.

SENATOR NEAL:

In the same meeting, it was said that there would be an expenditure of \$413 million on a modernization project, but the district did not say what that project was or which school it applied to.

JEFF WAGNER (Chief of Facilities, Clark County School District):

The \$413 million allocated to renovation projects has not been specifically identified. We have 14 projects in assessment and 17 major modernization projects undergoing assessment to properly scope those projects. Those 31 projects will eventually exhaust all of the \$413 million. I can give you a more complete list if you wish.

SENATOR NEAL:

No need, but I would like to see that list after this meeting.

The testimony has been on aging schools, but the bill in no way, shape or form prioritizes or ranks older schools. It does not even give a priority, such as saying the bond money should be used for schools 25 years or older. Why is this language not provided in S.B. 450? This debate about older schools has been going on since the 1998 bond. We need that ranking so older schools are taken care of before the newer schools, which were supposedly built to require less maintenance.

MR. WAGNER:

Our bond proceeds are prioritized by a facility condition index (FCI). We have identified 51 projects if these funds are approved. Of those, 13 are new schools and 30 are replacement schools. These schools have been identified based on their need. The FCI is done through an assessment every five years to identify the total need of that campus. All the money is prioritized using an objective system.

SENATOR NEAL:

In that case, it is just a matter of putting it in statute. You say you do the FCI assessment every five years, but it is a ten-year bond. Why not put it in statute, since this is the public policy goal?

CHAIR DONDERO LOOP:

Can you give the Committee five examples of schools on this list?

MR. WAGNER:

Five schools that are being considered for replacement are Ed Von Tobel Middle School, Red Rock Elementary School, Kenny C. Guinn Middle School, Cashman Middle School and William G. Bennett Elementary School in Laughlin.

CHAIR DONDERO LOOP:

What about other schools that have been around for decades? I am thinking about Mabel Hoggard Elementary School, Matt Kelly Elementary School, C.H. Decker Elementary School and George E. Harris Elementary School.

MR. WAGNER:

We have been fortunate to have the 2015 capital program to address some of those campuses. Mabel Hoggard Elementary School is under construction and will be complete and welcoming students in the fall. George E. Harris Elementary School is under construction. Again, these funds are prioritized based on the FCI, which takes into account work that has been done to the school over its life and the cost of replacing the school. Just because a school is not on the list for replacement does not mean it will not receive modernization work. Major modernization work would consist of major system replacement, such as HVAC, roofing, asphalt systems and things of that nature. I am happy to provide this information to the Committee after the meeting.

CHAIR DONDERO LOOP:

The angst we have is that we are giving the okay for funding in the Legislature. Sometimes, there is no accountability or ways to chase the project to make sure it actually happened. For example, some of our schools, such as Helen J. Stewart School, are designed for students who are medically fragile or have special needs. Are those on the list? How will there be accountability for what schools are on this list?

MR. KEATING:

I have distributed a list of all the schools in CCSD we will be working on ([Exhibit D](#)). Helen J. Stewart Special School is included in that list. We provided a similar list to the Legislature in 2015 ([Exhibit E](#)), which I have also provided for comparison.

SENATOR HANSEN:

We are talking about \$5 billion to \$10 billion in possible costs. The initial start of this was a bond approval by the voters. This had a ten-year extension, and

now we are going to add another ten-year extension without going back to the voters, essentially bypassing the original arrangement the voters agreed to when it was on the ballot. We should have heard this bill the first week of the Session so we could have talked with our voters.

This is huge, and I am certain Mr. Aguero and the others had to have been aware of it prior to the time when it had to become an emergency measure, with ten days left in the Session. It seems disingenuous to bring this bill at the last minute, to bypass the voters and expect us to say, "Well, it's for everybody's good because it's a jobs bill." Anyone with even the most basic, fundamental understanding of economics knows that if you spend \$5 billion or \$10 billion, no matter how you spend it, it is going to be a fantastic job opportunity for somebody somewhere. This is simply rediverting monies from what could have been done in the private sector. I would suspect this would also sell easily to the voters.

I am exceptionally uncomfortable with the idea that here in the last week of Session, we are ramming and jamming everything through, and that we are going to bring an emergency measure that deals with \$5 billion to \$10 billion with concerns over the amount of metrics in place to ensure it is spent well. In northern Nevada, the costs for schools have gone through the roof. The cost to build the newest high school was five times what the last one was just ten years earlier.

I am glad to help the schools, and I agree that we have a lot of aging schools with all sorts of problems. However, I am uncomfortable with the way this is being presented and the fact that we are essentially reneging on an agreement with the people who supported those bond measures understood at the time they voted on them.

CHAIR DONDERO LOOP:

I would tell you that we are not reneging. You are right that there are older schools, and our children, of which you have eight and many grandchildren, are important. Our children deserve everything we can possibly do for them.

SENATOR HANSEN:

I agree with that, and I withdraw the word "reneging." I am just saying if we pass this, we are changing what the voters understood at the time.

SENATOR GOICOECHEA:

I am assuming, because we extended this in 2015, that most of these bonds have been rolled over. I have not seen bond notices or a new bond voted in quite some time.

Also, is the pay-as-you-go aspect not new? Typically, bonds were for school construction, and we have not been allowing it. It concerns me because Elko County had a pay-as-you-go scheme for 20 years until the voters rejected it last fall. I am nervous about that, and I know we are all. The people in Elko County are also concerned about that, and they are talking about bringing it back for another ballot question. They did not pursue it as they needed to.

In one sense, I agree with Senator Hansen. This is a voter decision.

MR. AGUERO:

Senator Goicoechea is right. There are different sequences relative to those bonds. The CCSD issues bonds every year to fund their program. Taking advantage of low interest rates today and trying to accelerate projects is beneficial to urban and rural school districts.

Regarding Elko County's pay-go program, I share your concerns about that and school capital. However, it points to the challenges we are talking about today. As those bond rollovers start to roll off, they are going to be absorbed by other municipalities, which will make it more difficult for Nevada to fund K-12 education. Because of the property tax abatements, they will be lost as a result of the gap year challenge if that rate is not imposed.

Your points are all excellent. I do not think any of those are mutually exclusive with the analysis provided, but they underscore the need to consider the capital and take a long-term view of this. The capital needs of Nevada are not going to go away any time soon.

SENATOR NEAL:

Section 1, subsection 2, paragraph (c) of the bill says the excess revenue may be transferred to the school district's fund for capital projects. That "may" is new language. Can you explain the operational effect of "may" in this section?

MR. KEATING:

That might be a question for the Legal Division. The language in S.B. 450 is the same as that of S.B. No. 207 of the 78th Session. The only thing different is the effective date, which changes from 2025 to 2035.

SENATOR NEAL:

That is what I thought, but it is not in statute. I will leave it there.

Can you tell me what the Coronavirus Aid, Relief, and Economic Security (CARES) Act dollars were spent on? How much went to operational expenses and how much to capital issues?

MR. GOUDIE:

We received around \$85 million in CARES second round 1 (SR1) funding. I do not have the exact breakdown; we are currently putting that together. A lot of it was spent on connectivity devices and distance learning programming as we were working through the pandemic. Another large expenditure was personal protective equipment. I will have a breakdown of how the \$85 million was spent.

In SR2, that is an allocation of \$347 million, and we have not yet identified our full strategic objectives around how to spend this money.

In SR3, there is approximately \$750 million. We have not gotten the full allocation from the State on that.

We will be working within our group as well as with community groups and the Board in identifying the strategic objectives of how to best utilize this funding to ensure we meet the needs of the students and the community. We do not know how that breaks down between operational and maintenance or building. Language within those bills at the federal level allows us to spend monies on certain things like HVAC and carpet for health and safety in the learning environment. Once we get this information, we will provide it to the Committee.

CHAIR DONDERO LOOP:

Can you give the Committee an overview of what has happened since 2015?

MR. WAGNER:

In 2015, the State passed a \$4.1 billion bonding capacity. The shovel-ready list identified 59 projects at approximately \$850 million. To date, 12 new schools were identified on the list, and all schools have been completed. We have completed three additional schools. Two replacement schools were identified on the list and have been completed. Two major renovation projects were identified on the list and have been completed. Forty-three additions were identified on the list to address capacity within elementary schools and were addressed in the following way: 25 of the additions on the list were completed and are open to students; 12 additional additions not on the list but needed to relieve overcrowding have been completed; 1 addition is scheduled for 2023; and 5 schools that called for additions had to be replaced in their entirety due to condition issues.

The 12 remaining schools that did not receive additions have been addressed in the following way: Harriet Treem Elementary School and Jim Thorpe Elementary School received enrollment relief when Josh Stevens Elementary School was built in 2015. Wayne N. Tanaka Elementary School received relief due to rezoning. Mark L. Fine Elementary School received enrollment relief when Beverly S. Mathis Elementary School was built in 2015, as did Marion B. Earl Elementary School when Sandra B. Abston Elementary School was built in 2015. John Vanderburg Elementary School will receive enrollment relief this fall when Hannah Marie Brown Elementary School opens. Stuckey Elementary School received enrollment relief from the new Dennis Ortwein Elementary School. One school was identified to receive an addition; however, since that school is located next to a major freeway interchange, there were concerns about air quality, and the school was closed.

Four schools of the 59 projects have not been addressed. We have completed \$2 billion in improvement projects and allocated nearly \$3.7 billion to projects for modernization, replacements and new schools. The \$4 million left over is being dedicated to comprehensive renovation projects as outlined in [Exhibit E](#).

CHRIS DALY (Nevada State Education Association):

We support S.B. 450 as noted in my letter of support ([Exhibit F](#)).

PAIGE BARNES (Nevada Association of School Boards):

We represent all trustees in the State, but I am here today to provide specific information about rural districts. Due to their size, rural districts have small

budgets, which make large expenditures close to impossible. Bonding allows rural districts to make capital improvements and fund construction projects. Many of our rural districts have old school buildings, some dating back to the early 1900s. The districts must make improvements, such as repairing air conditioning units and fixing leaks, to ensure safe and supportive learning environments. Some of the districts have used the bonds for larger projects, such as a new gym in White Pine School District built a couple a years ago.

Senate Bill 450 allows for a smooth continuation of current practice. Bonding authority is crucial to support districts across the State and most importantly our students. As representatives of our communities and the voters, we are in strong support of S.B. 450.

BRENDA PEARSON (Clark County Education Association):

I support S.B. 450 and have submitted a letter of support ([Exhibit G](#)).

ALEXIS MOTAREX (Nevada Chapter Associated General Contractors):

We support S.B. 450. This is a necessary tool for growth and an adequate investment in school construction for improvements in Washoe County. Senate Bill 450 will create thousands of prevailing jobs that will help us recover from the economic havoc caused by Covid-19.

NICOLE ROURKE (City of Henderson):

We support S.B. 450. The issuance of general obligation bonds for the construction of new schools and maintenance and repairs for existing schools will provide three elementary schools, one high school and one replacement school in the City of Henderson. Over the next three years, southern Nevada is expected to add approximately 100,000 new residents on our way to 3 million residents by 2045.

The City of Henderson had more than 150 construction projects underway last year, and we are already back to prepandemic levels this year. West Henderson is booming and becoming a first-class business hub for the region. As we strive to diversify our economy by attracting more and better-paying jobs to the area, like Google, Amazon, Haas Automation and others, education is a critical consideration in a company's decision to invest in our community. It is also a key factor in attracting and retaining a highly skilled employee base.

In previous times of high growth, Clark County has struggled to keep up with student enrollment, resulting in overcrowded schools and year-round schedules. The few schools built in recent years only served to catch up to current enrollment numbers. It is imperative that we prepare now for future students and invest in existing schools with upgrades to ensure equity for all students. This year has shown more than ever the value of the physical school building and the important role it plays in all our lives.

The City of Henderson looks forward to partnering with the State to prepare for a time of exciting growth and supporting education in Nevada.

NICK VANDER POEL (Reno Sparks Chamber of Commerce):
We support S.B. 450. I have submitted a letter of support ([Exhibit H](#)).

ARIELLE EDWARDS (City of North Las Vegas):
The City of North Las Vegas supports S.B. 450. This will provide jobs, improve the school buildings in North Las Vegas and ensure the quality of education continues to be a priority for all students.

THOMAS WARDEN (Howard Hughes Corporation; School-Community Partnership Program Advisory Council):
We support S.B. 450. I have served on the School-Community Partnership Program Advisory Council for more than 20 years. During that time, I and the other members have supported great programs such as Focus School Project and others, and have come to appreciate the pressing need for capital improvements and capital funding to refurbish or rebuild many of the aging schools across southern Nevada. Those two necessities, coupled with the need to also construct new schools in the growing community of southern Nevada, are the reason we are in strong support of S.B. 450. We also agree with Mr. Aguero's analysis that the jobs creation will be impressive with S.B. 450.

HUGH ANDERSON (Vegas Chamber):
The Vegas Chamber supports S.B. 450 because it will help fill a critical need in our community: access to quality school facilities. The Vegas Chamber has a long history of supporting ballot questions and legislative measures to allow for the construction and renovation of K-12 facilities. The reality is the community continues to grow at a rapid pace, and we must keep up with the demands for schools. We also support this bill because it will help class size reduction efforts within the CCSD. As we heard from CCSD, there is approximately \$10.8 billion

in construction needs. This figure will continue to grow over the next few years as the student population continues to expand. Many of the schools built in the late 1990s and early 2000s will need to be renovated with technological advances that students and parents want in the classroom.

From the taxpayer's perspective, the CCSD has done an excellent job of managing bond dollars and has built quality education facilities for our students. This bill will also allow for other resources currently committed to construction to be reallocated to other program needs within the school district. These reallocation of dollars will have a direct positive impact on the students in the class.

ALEX BYBEE (Communities in Schools of Nevada):
We support S.B. 450. I have submitted a letter of support ([Exhibit I](#)).

CHELSEA CAPURRO (Nevada Association of School Administrators):
We support S.B. 450 and expanding the ability for Nevada school districts to roll over bonds for capital projects for an additional ten years. This legislation will help with overcrowding and make sure students have access to a quality education.

PETER GUZMAN (President, Latin Chamber of Commerce):
Senate Bill 450 is a critical part of improving the quality of education for our students. Take a quick drive through east Las Vegas, and you will realize how much our schools are in need of modernization. Some of the schools simply cannot be repaired; they need replacement.

We are also in favor of this bill because it will create construction jobs, which are good for the community and needed more than ever. It will have a positive economic impact throughout our community.

I find it disgusting that portables have become so many kids' classrooms. Portables are not supposed to be permanent. When construction happens, you see portable toilets, but they go away after the construction is finished. They do not become residential bathrooms. It is time to pass this bill so we can start construction and get kids in a better environment for their education.

Senate Bill 450 is a win-win for the students and for the community. We are proud to support this bill.

CHARLIE MELVIN (Power2Parent):

We support S.B. 450. We support investing these funds into our school districts to construct new schools and improve older schools, essentially investing in and improving education and safety for the children of Nevada. We agree with Mr. Guzman about the portable classrooms.

JEFF HORN (Clark County Association of School Administrators and Professional-Technical Employees):

Our organization represents 1,300 school district administrators, of which 98 percent of those eligible to join the association are members. We support S.B. 450. As a former principal and school associate superintendent, I am well aware of the need to build, modernize and replace school systems that are in constant need of repair and have far exceeded their expected lifespan. Each year, like clockwork, HVAC systems go down in 100 degree-plus weather, sometimes forcing the evacuation of schools. Older buildings that have served their lifespan are routinely unable to be repaired due to lack of available parts or equipment. Students, parents and community members grow impatient as older, overcrowded, inefficient buildings are serviced over and over again in hopes that permanent fixes are on the way.

Senate Bill 450 will provide school board trustees the flexibility to approve bonds to rectify these deficiencies. This will allow students, staff and administrators to work, learn and play in a more suitable and comfortable educational learning environment. New and improved facilities instill pride and a sense of ownership with members of school communities. Increased retention and recruitment of highly qualified staff is a byproduct of well-maintained, modern and efficient systems. We ask for your support of S.B. 450 so our communities can continue to keep pace with the growing needs of our school districts.

LISA GUZMAN (Clark County School District):

I am here today in strong support of S.B. 450. It will help the CCSD continue to address ongoing capital needs. This extension will go a long way toward fixing many issues with school buildings throughout the district. It will result in many updated building environments so students can focus on their assignments and teachers can focus on lesson plans instead of worrying about a leak in the restroom or a lack of air conditioning. The safety and comfort of staff and students is of paramount importance. Replacing 33 schools in southern Nevada not only ensures this but also ensures a sense of community is kept intact for

families in these historical neighborhoods. The ability to build new schools will help with overcrowding as the valley's population continues to grow. This bill will provide much-needed relief for staff and enable students to get the personalized instruction they need in order to succeed. The number of stakeholders who came today to express support for this proactive measure shows that education only works when the community comes together to support it.

JENN BLACKHURST (HOPE for Nevada):

We support S.B. 450. If you have ever watched a CCSD Bond Oversight Committee meeting, you know the difficulty in determining which capital needs should be prioritized, as the bond is only able to accommodate half of the construction and repairs needed. This is just one example from one district in the State. We are maxed out in capacity at hundreds of schools, which further taxes buildings and equipment. Our children struggle to excel in overcrowded classrooms with nonworking air conditioning and heat, flooding, asbestos, pest control and a myriad of other problematic circumstances each year. The ability to roll over a district's bonding capacity will provide the much-needed dollars to address these unsafe learning conditions, as well as the stability to address future planning.

PIPER OVERSTREET (Urban Chamber of Commerce):

We support S.B. 450. New school construction and renovation of existing schools are vitally important to our growing community and local economy. We echo other comments made in support of the bill.

ANDY DONAHUE (Southern Nevada Laborers-Employers Cooperation and Education Trust):

We support S.B. 450.

NICKOLAS VASSILIADIS (Carpenters Local 1977):

We support S.B. 450. Our members need work, and this bill is desperately needed.

REBECCA GARCIA (President, Nevada Parent Teacher Association):

We support S.B. 450 as a needed measure to ensure students and staff have safe and modern schools in which to learn. As our State grows, it is essential new schools can be built to address chronically overcrowded classrooms and make certain aging schools are repaired or replaced to provide the best possible

education environment for all students. All public school students should have access to facilities that meet their needs in order to succeed. Senate Bill 450 provides districts with the ability to address construction needs into the future.

SONNY VINUYA (President, Las Vegas Asian Chamber of Commerce):

We support S.B. 450. We support the much-needed modernization of schools, especially those that truly need upgrades. We support building new schools to avoid overcrowding as our population continues to grow. We support job creations for these projects, which will help the community as we recover from the economic effects of the pandemic. We need to support our children's education by providing them with the best and most updated facilities we can.

ZACH BUCHER (City of Las Vegas):

We support S.B. 450. This legislation will benefit students and substantially assist in addressing school construction and maintenance needs of our community.

MARI NAKASHIMA (Washoe Principals and Administrators Association):

We support S.B. 450. We believe investing in physical learning environments is critical for student achievement. Public education infrastructure in the form of campuses, schools, classrooms, technology and ongoing maintenance is a tangible demonstration of the value we place on education. This bill continues a policy that publicly demonstrates our shared values of prioritizing students.

ANDREA COLE (Clark County School District Parents):

I am calling in support of S.B. 450. Students and staff deserve to learn and teach in safe and modern school buildings. Portables are supposed to be temporary, and overcrowded classrooms are not good for anyone. It is essential that new schools be built to address the constantly overcrowded classrooms kids and teachers deal with, and that aging schools be repaired or replaced to provide the best possible learning environment for all students. All public school students in Nevada should have access to facilities that meet their needs.

LEONARDO AMADOR (Clark County School District):

I support S.B. 450. I am the principal of Ed Von Tobel Middle School, which would be a great recipient of any of these funds that would come through to help us. Over the past year, students and teachers have stepped up to the plate to show growth in our academic achievements. We have seen some limitations due to the building we currently have, which was built in 1965. We are in

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desperate need of a new building, and funds provided by S.B. 450 would benefit us in that process so we can stay competitive academically with everyone in the district.

SENATOR CANNIZZARO:

Senate Bill 450 is an extremely important piece of legislation to make sure we can keep our schools as places where we want our students to be learning.

CHAIR DONDERO LOOP:

I will close the hearing on S.B. 450 and open the work session on that same measure.

SENATOR OHRENSCHALL MOVED TO DO PASS S.B. 450.

SENATOR NEAL SECONDED THE MOTION.

SENATOR GOICOECHEA:

A comment was made about the "new" school in White Pine County, but you have to understand that school was completed in 1995. It does not take long for schools to get old.

I am all about public education and the need to build new schools. Unfortunately, I struggle with not having voter approval. This will be twice we have rolled this bond issue, and I would prefer the voters said yes or no.

SENATOR HANSEN:

I agree with Senator Goicoechea. I am all for education too. However, we are talking about \$15 billion to \$20 billion worth of spending potential on this bill. With that kind of volume of dollars, I am exceptionally uncomfortable supporting a measure like this. That is all going to be paid for by property taxes. I think it should go back to the voters. It is irresponsible of us to ignore the fact that we made an agreement with the voters that had a maximum window of 20 years, and now we are going to extend it without their approval. For that reason, I am a definite no on this.

CHAIR DONDERO LOOP:

I would point out that we heard from over 25 groups in support of this bill, and many of those groups consist of hundreds of people from all over the State. I think our voters are aware of this measure.

THE MOTION CARRIED. (SENATORS GOICOECHEA AND HANSEN
VOTED NO.)

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CHAIR DONDERO LOOP:
The next item in work session is S.B. 445.

SENATE BILL 445: Revises provisions relating to state purchasing.
(BDR 27-1075)

ALYSA KELLER (Policy Analyst):
Senate Bill 445 was heard on May 17. I have a work session document
([Exhibit J](#)) that summarizes the bill and its proposed amendment.

SENATOR NEAL:
I had heard that the Purchasing Division had an additional amendment on
section 3, subsection 4 of the bill.

KEVIN DOTY (Administrator, Purchasing Division, Department of Administration):
I do not have any other proposed changes to the language. The one I submitted
is the one we have. I understand there are suggestions to make significant
changes to section 3, subsection 4 of the bill.

SENATOR NEAL:
Did you agree with those changes to be able to appeal a debarment?

MR. DOTY:
Yes, I do agree with the suggestion to be able to appeal a debarment. The
conceptual amendment I saw was quite lengthy, and I was not sure there was
enough time to complete it this late in the Session. I am certainly amenable to
having an appeal set forth clearly in the record and to have the administrator
promulgate regulations regarding how this will take place.

SENATOR OHRENSCHALL:
I will support the bill out of Committee, but I am troubled by deletion of the
language in section 4 about placing the bids in the newspaper for general
circulation. The notice needs to be as robust as possible, and I hope there can
be a possible amendment to correct this. More notice is better than less, even

though there is a cost to that notice. This is something the public expects and needs. I reserve my right to change my vote on the floor.

SENATOR GOICOECHEA:

I am going to have to oppose this bill at this point. It is too wide open, and it does need an appeal process. I trust you, but you might not be there next year, and I am afraid someone else with a little hammer could be awful tough. I hope we can continue to work on this bill, but I will be a no.

CHAIR DONDERO LOOP:

We have quite a bit of conversation about not putting notices in newspapers. We need to remember that we have a lot of rural communities that depend on these avenues for information. I will vote it out of Committee, but I would like to continue to have this conversation.

SENATOR OHRENSCHALL MOVED TO AMEND AND DO PASS AS AMENDED S.B. 445.

SENATOR NEAL SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS GOICOECHEA AND HANSEN VOTED NO.)

* * * * *

CHAIR DONDERO LOOP:

We will open public comment.

MS. ANDERSON:

I have a good news minute. Kindergartners in Michele Hampton's distance learning class at Nick Poulakidas Elementary School in Reno won the Public Broadcasting Service compassion writing contest this year for the area of northern California and Nevada. They were selected from over 2,000 essays. Ms. Hampton says, "The theme of compassion hits home with their class, as they unexpectedly lost a classmate over winter break. The students, families, schools and community came together to support that classmate's family." We are proud of the kindergartners at Nick Poulakidas Elementary School.

MR. KEATING:

I also have a good news minute. I want to bring to your attention a student named Trelas A. Dyson IV. His friends call him Tre, and his family calls him Q—short for Quad, because he is the fourth Trelas Dyson. Now he is known across the Las Vegas Valley as the high school student with a 5.037 GPA who got accepted into 59 colleges and earned over \$2.5 million in scholarship offers. Dyson is a 17-year-old from Shadow Ridge High School in Las Vegas and will attend the University of Southern California this fall. We are proud of him and all the students graduating in the coming weeks.

CHAIR DONDERO LOOP:

Seeing no further business, I adjourn this meeting at 5:46 p.m.

RESPECTFULLY SUBMITTED:

Janae Johnson,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
S.B. 450	B	2	Jeremy Aguero / Clark County School District	Bond Rollover Analysis Presentation
S.B. 450	C	1	Brad Keating / Clark County School District	Hotspot Maps
S.B. 450	D	1	Brad Keating / Clark County School District	2025 CIP Budget Revise with Replacement Schools
S.B. 450	E	1	Brad Keating / Clark County School District	2015 CIP Building Additions Schedule
S.B. 450	F	1	Chris Daly / Nevada State Education Association	Letter of Support
S.B. 450	G	1	Brenda Pearson / Clark County Education Association	Letter of Support
S.B. 450	H	1	Nick Vander Poel / Reno Sparks Chamber of Commerce	Letter of Support
S.B. 450	I	1	Alex Bybee / Communities in Schools of Nevada	Letter of Support
S.B. 445	J	1	Alysa Keller	Work Session Document