

KEY FINDINGS

During the 2015 Nevada legislative session, Governor Brian Sandoval set out to enact a broad platform of educational reforms and funding priorities designed to improve student performance throughout Nevada. Nearly two dozen education-focused bills passed through the Legislature with broad bipartisan support, establishing a foundation for educational opportunity and success for current and future generations of Nevadans. In the 2017 session, the scope of education-related legislation was not as extensive as 2015, yet the collection of bills and budget funding passed by Governor Sandoval and legislators builds upon the foundation that was established two years ago. Below is a summary of key issues that were considered and laws that were passed during the 2017 legislative session.

EDUCATION SAVINGS ACCOUNTS

When education savings accounts, also known as ESAs, became law in 2015, the school voucher program provided Nevada families with new educational options by offering more than \$5,000 in public funding to use for private school tuition, home schooling or other educational expenses. Before the program was implemented, the Nevada Supreme Court ruled that the program was constitutional, but the funding system, which would have used money earmarked for public education, was not.

Governor Brian Sandoval attempted to revive the program this year through Senate Bill 506 and budgeted \$60 million in his proposed 2017-2019 budget. Ultimately, new ESA legislation failed to pass.

As a compromise, Governor Sandoval and legislators agreed to a one-time contribution of \$20 million, via tax credits, to the state's Opportunity Scholarship program. Opportunity Scholarships offer funding for low-income families to attend private schools or pay for other educational programs. Administered by selected nonprofit organizations, the scholarships are funded by donations to the nonprofits from businesses that earn state payroll tax credits.

SCHOOL FUNDING FORMULA

The Legislature considered implementing a weighted school funding formula that allocates additional money for higher-needs students. The estimated \$1.2 billion cost to fully fund schools under

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PAT SKORKOWSKY



CLARK COUNTY SCHOOL DISTRICT
SUPERINTENDENT

The best part of my job is visiting schools and seeing the amazing work happening in our district firsthand. The Clark County School District is home to 23 nationally recognized magnet schools and was named a "Best Communities for Music Education" for the 18th consecutive year. The district is also home to Blue Ribbon Schools that are identified by the U.S. Department of Education for high levels of achievement and closing achievement gaps. Our graduating Class of 2017 consisted of approximately 19,000 students, which is a record high number, who earned more than \$227 million in merit scholarships. Many of these young adults have acquired the necessary skills to enter career fields, while others are headed to colleges including Stanford, Yale, MIT, Harvard, Duke, UNLV and UNR.

Our students and staff continue to thrive and earn accolades all while our district's student population reached an all-time high of 322,770, creating the need for new school construction, which has been underway for more than a year. We opened seven new elementary schools for the 2017-18 school year to help alleviate overcrowding.

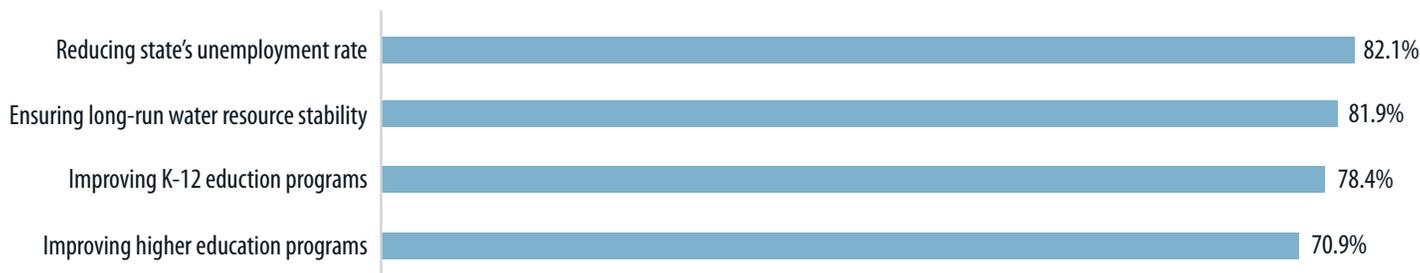
The new school year includes the continued implementation of a massive reorganization through Assembly Bill 469, an effort we call Clark County Schools Achieve. This plan will address and improve student achievement by engaging parents, community leaders and staff at each school. Empowering local schools and ensuring they pursue strategies that are tailored to the realities in their individual schools will allow for the growth we need.

We will continue to improve, as we are home to the Nevada 2017 National Distinguished Principal, the Nevada Assistant Principal of the Year, two music teachers who are quarterfinalists for the Music Educator Award presented by the Recording Academy and the GRAMMY Foundation, and countless outstanding teachers and staff who are dedicated to making sure our students reach their full potential.

I am honored every day to say that I serve the more than 320,000 students and 40,000 employees who make up the Clark County School District. I began my teaching career as a first grade teacher in this district more than 28 years ago and I proudly call this community home.

EDUCATION AMONG TOP ISSUES OF CONCERN FOR NEVADA'S HIGH NET WORTH HOUSEHOLDS

Percentage of Survey Respondents Who Called the Issue Somewhat Important or Very Important



Source: Nevada State Bank High Net Worth Household Survey 2014

the formula proved fiscally prohibitive for full implementation, leading to a compromise that many considered a positive step toward improving statewide education. Under Senate Bill 178, the state committed \$72 million over the next two school years in additional funding for higher-needs students, such as English-language learners or those receiving free or reduced-price lunch. School districts will receive an additional \$1,200 per student under the bill, which also directs the state to revisit and update a 2012 study on the weighted funding formula. The new funds were included in the \$2.4 billion of state school funding support through the Distributive School Account, representing an 8.2 percent increase in funding compared to the 2015-2017 biennium.

CLARK COUNTY SCHOOL DISTRICT REORGANIZATION

Since it passed late in the 2015 legislative session, the plan to reorganize the nation's fifth-largest school district has been contentious at times and involved opposition and litigation by the Clark County School District. In the 2017 session, state legislators overwhelmingly passed Assembly Bill 469, which sought to address the district's concerns and ease implementation of the reorganization plan. The reorganization aims to give individual schools greater control over the use of funds and curriculums. It takes effect this school year, dividing the district into 16 performance zones, with each overseen by an associate superintendent. The goal of the reorganization is to help schools and neighborhoods better address the specific needs of their students, which can vary significantly from school to school, and create a more equitable distribution of resources throughout the system.

UNLV MEDICAL SCHOOL

With its inaugural class starting courses this fall, the University of Nevada, Las Vegas School of Medicine received significant funding for operations and its future campus. The budget passed by the Legislature and signed by Governor Sandoval earmarked \$53 million for school operations over the next two years. The

Legislature also passed Senate Bill 553, allocating \$25 million toward construction of the medical school's new permanent home. That funding was made possible by an anonymous matching donation of \$25 million. The medical school's first class of 60 students begins classes this year, and the school plans to expand to 120 students per class over the next 10 to 15 years.

UNR ENGINEERING BUILDING

Funding for a new building at the University of Nevada, Reno's College of Engineering was approved in the state capital improvement plan passed during the legislative session. The plan allocates \$41.5 million from the state toward construction, with private donations and university funds accounting for the remaining construction costs of the new \$84 million building. The 90,000-square-foot facility will provide much-needed room for the rapidly growing college, which has seen enrollment nearly double over the past decade. Governor Sandoval's budget also included \$1.75 million to begin planning a new state-of-the-art engineering building at UNLV.

HIGHER EDUCATION SCHOLARSHIPS

Two notable state college scholarship programs received critical funding during the session. The Millennium Scholarship, which is available to all Nevada high school graduates with at least a 3.25 grade-point average, received \$20 million in funding over the next two years. Created in 1999 by Governor Kenny Guinn using tobacco settlement funds, the program has been operating in a deficit in recent years as costs exceeded revenues, which now include support from the state and the Unclaimed Property Fund.

A new program, the Nevada Promise Scholarship, was created during the session and funded with \$3.5 million. The program covers any community college tuition that isn't paid for through state or federal college aid programs. The scholarship was modeled after a similar program in Tennessee that helped significantly boost community college enrollment.

The Private Bank by Nevada State Bank retained the team at Applied Analysis to explore the high net worth segment of the community. Specifically, the team has been working to better understand the size, consumer trends, needs and other aspects of this key segment of the market. Research efforts focused on selected demographic and economic data, as well as information garnered through direct surveying techniques and other cutting edge research methodologies. This reporting series has been designed with these high net worth individuals in mind. We hope you find the elements of our research and analysis helpful in assessing the market.

The High Net Worth Report can be found at www.nsbank.com/HNWreport.
For more information, please call The Private Bank by Nevada State Bank at 702.855.4596.

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