



Guinn Center *For Policy Priorities*

Progress for a 21st Century Nevada



Nevada School Facilities Maintenance & Construction

April 2016



EXHIBIT G - EDUCATION
Document consists of 13 pages.
Entire exhibit provided.
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School Facilities Needs

❖ **Clark County School District**

- ❖ \$8.3 billion in capital improvements; not incl. deferred maintenance
- ❖ 50% of 331 schools are over 20 years old; 2,095 portable classrooms

❖ **Washoe County School District**

- ❖ \$1.1 billion capital need (2016-2024): \$887M in new schools + \$224M unfunded school renovation and repair needs
- ❖ 25% of schools are over 50 years old

❖ **Rural districts**

- ❖ \$450M in replacement costs (15% of schools are over 50 years old)

❖ **Current financing tools are limited**

- ❖ Recent legislation helped
- ❖ Structure of financing tools limits the potential impact of policy changes
- ❖ Rural districts have narrow tax base that makes it difficult to generate funds
- ❖ The type of taxes available to each district varies by statute
- ❖ The State does not currently contribute any funding for school facilities

#1: Strengthen Role of the State

- ❖ Historically, Nevada has not played a role in school facilities
- ❖ Consider whether there are fiscal benefits that can be realized by giving the State a greater role
 - ❖ Source of state-sponsored facility funds
 - ❖ Provider of technical assistance
 - ❖ Establishment of guidelines and standards
 - ❖ Other

#2: Establish Uniform Criteria

- ❖ Consider having the State establish uniform criteria for assessing the condition of facilities and prioritizing facilities needs
 - ❖ Develop uniform criteria for what good repair, life cycles, and prioritization of needs means
 - ❖ Conduct a statewide assessment and maintain a state database of the condition of school facilities & equipment
 - ❖ Examine how routine maintenance and operations expenditures compare to industry standards
- ❖ Require school districts to set aside a specific percentage of funds for maintenance

#3: Identify New Sources of Financial Support

- ❖ Revise existing tax policies
 - ❖ Increase population threshold of residential construction tax
 - ❖ Make governmental services tax available to all districts for capital purposes
- ❖ Require jurisdictions to collect impact fees to be paid directly to school districts when new development occurs
- ❖ Recommend that GOED consider a formal assessment of school capital needs and facilities impact prior to the approval of development incentives

#4: Consider Impact of Instructional Requirements

- ❖ Recommend that the State assess and quantify the impact of new instructional requirements/programs on school facilities issue
- ❖ Consider the financial cost of required management systems
- ❖ Recommend that the Commission on Educational Technology establish and adopt standards for the application of technology in school facilities

#5: Improve Efforts to Secure Land for Schools

- Explore ways to help contain the costs of identifying and selecting a site for new schools:
 - Standardize the amount of land that must be set-aside by developers and require jurisdictions to enforce set-asides for school sites
 - Require that land be provided to school districts without charge by developers (or at a discount), or require jurisdictions to collect impact fees that can be allocated to school districts to pay for new schools
 - Require that if the location of land set aside for a school must be moved, a new comparable site be provided
 - Require developers to pay the full share or a portion of the costs of infrastructure improvements.

#6: Develop Design Guidelines & Standards

- ❖ Assess the benefits of expanding the role of the State in developing design guidelines and standards
- ❖ Recommend that the State develop cost guidelines for architecture/ engineering fees for school facilities projects to standardize expectations and control costs
- ❖ Recommend an independent operational audit to explore opportunities for value engineering in the construction of schools

#7: Improve the Delivery Method

- ❖ Assess the benefits of asking the State to take on a role to assist small school districts with design and project management.
- ❖ Extend the ability to use the construction manager at risk (CMAR) process, which expires on June 30, 2017
- ❖ Recommend that school districts explore creating incentives for contractors to retain a portion of realized savings if they finish under budget or ahead of schedule

#8: Improve financing options

- ❖ Recommend that the Legislature review the value and/or need of the Permanent School Fund to determine whether the cap can or should be increased
- ❖ Expand the definition of capital expenditures and what items can be purchased using sources of capital financing

#9: Explore new facility funding options for charter schools

- ❖ Require school districts to set aside a proportionate share of any new bond proceeds for charter schools located within the district
- ❖ Increase the appropriation for the State's new revolving loan fund for charters and offer a matching grant program
- ❖ Allow facilities funds to be used for leasing costs at charter schools
- ❖ Consider providing Class Size Reduction funds to charter schools

Concluding Thoughts

- ❖ Balanced portfolio of options
- ❖ Solutions must seek an appropriate balance
 - ❖ Rural and urban concerns (and differences)
 - ❖ Local versus State control
 - ❖ Public versus private, market-based solutions
 - ❖ Short-term versus long-term needs
- ❖ Continue supporting choice

Questions?

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