



Office of the Governor

February 26, 2016

The Honorable Brian Sandoval
Governor of Nevada
101 North Carson Street
Carson City, Nevada 89701

Dear Governor Sandoval:

I am pleased to provide you with the latest 90-day report from the Spending and Government Efficiency (SAGE) Commission for the System of K-12 Public Education, pursuant to the requirements of Assembly Bill 421 of the 78th Regular Session (Chapter 414, Statutes of Nevada, 2015).

The SAGE Commission met for a full day on February 11, 2016 to address the topics of performance management, instructional technology, and capital construction and maintenance. Commissioners reviewed a briefing paper from the Guinn Center for Policy Priorities and heard testimony from school districts, charter school representatives, business and labor organizations, and other stakeholders. A number of recommendations were approved by the Commission at this meeting, while others were deferred to a subsequent meeting.

While minutes of the meeting are not finalized, I have prepared a preliminary list of those recommendations approved during this 90-day period. This list will be slightly edited for grammar and may include additional content that I overlooked; such changes will be transmitted in the Commission's final report. However, the themes and core recommendations reflected on the pages below may warrant action on your part and are therefore submitted in compliance with state law.

On behalf of all Commissioners, let me close by saying it remains our pleasure to serve.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dale A. Squiggen".

Chair
Spending & Government Efficiency Commission

SAGE Commission Recommendations Approved on February 11, 2016

1. With regard to the topic of performance management and ensuring a return on investment, the Commission recommends as follows:
 - 1.1 The Legislature should require that school districts regularly conduct a performance management review of all instructional and other school-based programs. The review should occur every three years and should link programs to student achievement so as to ensure a return on investment for programs purchased by districts and/or schools.
 - 1.2 The state and/or districts should create a clear delineation of centralized (or district) decision making vs. school (or facility) decision-making authority. The objective would be to push as much decision-making authority to the local school level as is feasible and responsible. Consideration should be given to decision makers' experience and training.
2. With regard to technology in the schools, the Commission recommends as follows:
 - 2.1 Any major rollout of curriculum or technology should be done with a planned methodology to include measureable thresholds of success in order to improve the likelihood of desired results.
 - 2.2 The state should continue to support the Nevada Ready 21 strategy and provide funding for the purchase of devices for a phased program to ensure 1:1 technology and "digital citizenship" in middle school and high school, with requirements for standards as required by NRS 388.795 (with collaboration at the local level). In addition, the state should lead the development of a plan for adding technology at the elementary school level.
 - 2.3 The state and districts must assess, through quantifiable measurements, the instructional results of technology in the classroom to determine the most effective devices and the appropriate training materials in order to set district/statewide policies.
 - 2.4 The state and districts should collaborate on an analysis of cost-savings in other areas that can be realized by moving to 1:1 technology.
 - 2.5 As part of its state plan, the Commission on Educational Technology should conduct an assessment of both administrative and instructional technology capabilities at the district level, including a needs assessment, total investment required, and replacement costs.
 - 2.6 The state and districts/charter schools should explore statewide procurement agreements for technology purchases.
 - 2.7 Districts should review the possible cost savings of using local government building inspectors and plan review processes in lieu of having their own in-house inspectors.

3. With regard to capital construction and maintenance costs, the Commission recommends as follows:
 - 3.1 The Legislature should consider providing funding for the Fund to Assist School Districts in Financing Capital Improvements (NRS 387.3335) or establishing a new statewide funding vehicle.
 - 3.2 The state should identify new funding for deferred maintenance and other major maintenance items to provide for a matching grant program to aid districts in meeting a total set-aside of 3% of Current Replacement Value for a uniform maintenance standard.
 - 3.3 The Legislature should consider reforms to existing tax policies as a way of increasing the potential revenues available to school districts, particularly small districts, for capital expenditures, including:
 - 3.3.1 Increasing the population threshold of the residential construction tax to 100,000.
 - 3.3.2 Making the Governmental Services Tax available to all school districts for capital purposes, regardless of whether they have general obligation bonds.
 - 3.3.3 Revisiting AB46 of the 2013 Legislative Session and extending the deadline for action.
 - 3.4 The Legislature should require local government jurisdictions to collect impact fees to be paid directly to school districts when new development occurs and will impact schools.
 - 3.5 The Legislature should require the Governor’s Office of Economic Development to consider a formal assessment of school capital needs prior to the approval of development incentives, including an impact study and a funding plan that either uses an existing funding mechanism or proposes a new funding mechanism to address future facility needs.
 - 3.6 The Legislature should require each school district to submit a long-term capital strategic plan and update it prior to each regular legislative session.
 - 3.7 The Legislature should review the value and/or need of the Permanent School Fund to determine whether the cap of a maximum \$40 million in guaranteed bonds can or should be increased in statute.
 - 3.8 The Legislature should consider expanding the statutory definition of capital expenditures and what can be purchased using sources of capital financing.
 - 3.9 The State should consider removing the “sunset” provision from the construction manager at risk (CMAR) process (NRS 338.165), which expires on June 30, 2017, and should also consider removing the restrictions for smaller districts which limit them to two CMAR projects per year (NRS 338.169).