

The Best of Both Worlds

Public-private partnerships result in more rapid and lower-cost school construction.

By Ronald D. Utt

Over the past decade, concern over the adequacy of existing public school facilities has become an important component of the national education debate, as parents, teachers, and other public education advocates contend that many school buildings are overcrowded, obsolete, and/or unsafe.

With popular public wants confronting limited resources, many communities are looking for alternative sources of funding, and this in turn has led to a number of innovative solutions emerging in communities throughout the United States, Canada, and the United Kingdom.

Many of those innovations involve partnerships with private sector developers, builders, other service providers, community non-for-profits, and other branches of government.

England and Wales

In 1997, The Department for Education and Employment began selecting a number of public/private partnership (PPP) school project proposals as a comprehensive pilot project of nation-wide scope to demonstrate the feasibility of alternative forms and techniques of partnerships for school facility improvement.

The United Kingdom system began as an experiment consisting of a few demonstration projects to see if the concept would work. It did, and as of November 2004 new construction and/or renovations had been completed on 256 school buildings, work was underway on another 291 schools, and an additional 222 schools were in various stages of the procurement process for planned renovation or new construction.

The UK now has the most extensive school partnership program in the world. In keeping with the goal of experimentation, the projects reflect an eclectic mix of techniques and facilities. The lessons learned from these experiments will help guide the development of a more ambitious and comprehensive program in the future.

In addition to many projects involving the construction or renovation of school facilities, approved projects also include a long-term contract to replace the school kitchens in 66 Lewisham schools and provide all school meals; a joint venture to provide energy repair and supply at more than 120 schools in Stoke-on-Trent; and land swaps with developers of new schools that allow the developer to redeploy the schools' former sites for other purposes such as housing.

Scotland

The Scottish Office — the governing body responsible for policy initiatives allowed Scotland as part of its limited home rule — has implemented PFI Scotland (where PFI stands for Private Finance Initiative) to encourage the use of private financial resources to fund the construction and renovation of public infrastructure such as waste water treatment facilities, hospitals, and “state” schools through public/private partnerships.

Within a year of implementation, over 70 schools with approximately 50,000 students were scheduled for replacement or renovation.

Nova Scotia

One of the earliest places in North America to adopt the partnership technique for schools was Nova Scotia, which in 1997 established what it titled the “P3” (public/private partnerships) program.

With limited public funds and already too-high taxes, Nova Scotia turned to the private sector for help and created an ambitious and comprehensive program to encourage the private sector to build new school facilities that would be leased on a long-term basis to the province's public school system.

During the program's first few years, 33 new partnership schools were approved for construction, and 22 of these came on stream at the beginning of the 2000-01 school year.

Unfortunately, a change in government — from Liberal to Conservative — led to its termination within a few years of implementation.

Florida

One of the first partnership-type schools in America was a develop-design-build-operate charter school in Pembroke Pines, Florida by the Haskell Company. The primary school was the first to be completed. Construction costs were between 22% and 34% less per student-station than the public primary schools built in Florida during the same period.

Public/private partnerships demonstrate significant advantages over the traditional public sector construction approach.

- Unencumbered by the multitude of regulations that govern public sector construction, **schools can be built in a much shorter period** of time.
- **Construction costs are generally much lower** than public sector construction costs, averaging savings of around 25-30%.
- **The community is exposed to innovative approaches** to public infrastructure, bringing a greater mix of other public activities such as libraries, recreation, and continuing education within a public school complex.
- **Public school systems experience additional savings** because they are leasing the building for only a portion of the time that the facility is available for use.

(Adapted with permission from “[Public/Private Partnerships Offer Innovative Opportunities for School Facilities](#)”, Dr. Utt is the Herbert and Joyce Morgan Senior Research Fellow of the Thomas A. Roe Institute for Economic Studies at the Heritage Foundation and an adjunct fellow of the Maryland Public Policy Institute.)