

**Update on School Efficiency Review Program:**  
**A Briefing for the House Appropriations Committee**

September 17, 2007



**Office of the Secretary of Finance  
Department of Planning and Budget**

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- Past, Current and Future Reviews
- Savings Identified and Implementation of Recommendations
- Cost Sharing by Divisions

# 28 Completed Reviews

## 2004

1. New Kent
2. Roanoke County
3. Richmond City

## 2005

4. Stafford
5. Portsmouth
6. Surry
7. Spotsylvania
8. Williamsburg/James City County
9. Campbell

## 2006

10. Smyth
11. Lancaster
12. Dinwiddie
13. Winchester
14. York
15. Isle of Wight
16. Culpeper
17. Louisa
18. Bath
19. Clarke

## 2007

20. Petersburg
21. Alleghany
22. Covington
23. Montgomery
24. Roanoke City
25. Mecklenburg
26. Prince William
27. Alexandria
28. Prince Edward

# 2007-08 Reviews Underway

<b>City/County</b>	<b>Fall Membership 2007</b>
Franklin County	7,602
Loudoun County	50,445
Norfolk City	35,657
Rappahannock County	1,002

Note: Enrollment data is from September 30, 2006 Student Membership – Total full and part-time students data from DOE

# Recommended Annual Savings

Division	Savings	Division	Savings	Division	Savings	Division	Savings
New Kent	\$238,800	Williamsburg/ James City County	(\$195,890)	Isle of Wight	(\$432,490)	Covington*	\$573,651
Roanoke County	\$294,816	Campbell	\$350,199	Culpeper	\$352,154	Montgomery	\$734,511
Richmond City	\$2,139,047	Smyth	\$45,026	Louisa	\$686,286	Roanoke City	\$1,842,945
Stafford	\$3,000,000	Lancaster	\$18,928	Bath	\$461,366	Mecklenburg	\$1,029,196
Portsmouth	\$2,123,821	Dinwiddie	\$1,604,706	Clarke	(\$60,440)	Alexandria	(\$554,768)
Surry	\$327,638	Winchester	\$134,103	Petersburg	\$3,885,197	Prince William	\$245,363
Spotsylvania	\$3,949,407	York	\$325,538	Alleghany*	\$712,663	Prince Edward	\$382,854

**Total Savings = \$24,214,626.54**

\*A portion of these net savings are shared between Alleghany and Covington. The amount reflected here includes the unshared costs, as well as the shared costs which have been divided equally between the two localities.

# Examples of Budgetary Savings

<b>Recommendations</b>	<b>Savings</b>
Implement a comprehensive energy management program throughout all schools and facilities (Lancaster)	\$39,831.20
Reorganize central office administration (Isle of Wight)	\$58,833.00
Reorganize the Administrative and Educational Services Department to include responsibility for custodial services (Isle of Wight)	\$46,740.00
Optimize bus capacity and give total control of bus drivers and buses to the Transportation Supervisor (Isle of Wight)	\$64,382.00
Quantify potential revenues that could be collected by billing for Medicaid services for eligible students and determine whether the costs of filing would make the revenues worth while (Dinwiddie)	\$28,130.40
Purchase and use computer-based route scheduling software for all routes (Dinwiddie)	\$293,115.00
Sell 26 Excess Buses, and Eliminate One Mechanic (Campbell)	\$32,963.20

# Results Summary

- Program-identified savings: \$25.5 million in annually recurring savings identified in twenty-eight reviews -- more money that is now available to be used in the classroom without increasing state support.
- Four divisions with a net annual cost of \$1,243,588.
- Net annual savings: \$24.2 million.

# Are the Divisions Implementing Recommendations?

School Division	Total	%Implementing	Implemented	In Process	Implemented by Substitute	Will Implement Later	Considered and Abandoned
Alleghany	79	75.95%	29	30	1	8	11
Bath	78	84.62%	23	38	5	1	11
Campbell	145	62.76%	30	44	17	29	25
Clarke	94	61.70%	46	11	1	26	0
Covington	99	66.67%	17	49	0	29	4
Culpeper	94	70.21%	23	41	2	28	0
Dinwiddie	110	90.91%	41	59	0	1	9
Isle of Wight	97	75.26%	47	16	10	16	7
Lancaster	56	62.50%	6	27	2	16	1
Louisa	76	86.84%	56	8	2	3	7
New Kent	23	86.96%	14	2	4	0	3
Petersburg	90	56.67%	27	21	3	34	5
Portsmouth	30	70.00%	13	6	2	6	3
Richmond City	27	77.78%	17	2	2	2	4

This data represents the most current update from each division and is continued on the next page.

# Are the Divisions Implementing Recommendations?

School Division	Total	%Implementing*	Implemented	In Process	Implemented by Substitute	Will Implement Later	Considered and Abandoned
Roanoke County	16	75.00%	9	1	2	1	3
Smyth	87	79.31%	24	45	0	1	0
Spotsylvania	69	95.65%	49	17	0	2	1
Stafford	62	93.55%	47	9	2	2	2
Surry	60	91.67%	28	27	0	3	2
Williamsburg - James City County	81	85.19%	31	10	28	3	9
Winchester	110	62.73%	44	23	2	35	6
York	82	76.83%	26	36	1	14	5
<b>Grand Totals</b>	1665	75.38%	647	522	86	260	118

This data represents the most current update from each division.

# Cost Sharing by Divisions

- Budget language and legislative action increased the local share of payment for this program. Divisions participating are now required to pay 25 percent of the cost of the study, 25 percent of internal direct costs to be reimbursed, plus an additional 25 percent of each if certain implementation targets are not met.
- All divisions who owe a cost share of their studies have been notified of the amount due and the date due.
- Local financial obligation has resulted in some localities seeking more local control of the process, protocols, and selection of consultants.

# FY07 Cost Sharing by Divisions

Division	Cost of Study	25% of Study	DPB Overhead	Invoice Total	Amounts Received to Date
Alleghany	\$61,500.00	\$15,375.00	\$1,217.86	\$16,592.86	\$16,592.86
Covington	\$61,500.00	\$15,375.00	\$1,217.86	\$16,592.86	\$16,592.86
Montgomery	\$104,875.00	\$26,218.75	\$2,161.28	\$28,380.03	\$0.00
Alexandria	\$118,565.00	\$29,641.25	\$1,684.30	\$31,325.55	\$31,325.55
Prince William	\$94,718.00	\$23,679.50	\$1,296.06	\$24,975.56	\$24,975.56
Mecklenburg	\$98,950.00	\$24,737.50	\$1,429.17	\$26,166.67	\$0.00
Roanoke City	\$108,397.00	\$27,099.25	\$1,506.82	\$28,606.07	\$28,606.07
Prince Edward	\$72,250.00	\$18,062.50	\$1,839.60	\$19,902.10	\$0.00
<b>TOTALS</b>	<b>\$720,755.00</b>	<b>\$180,188.75</b>	<b>\$12,352.95</b>	<b>\$192,541.70</b>	<b>\$118,092.90</b>

# Recent Events

- Seven school divisions have volunteered for reviews in FY08. Reviews will be conducted on a first come, first served basis as the budget allows.
- All reports are available on DOE's website at <http://www.pen.k12.va.us/VDOE/efficiencyreview.html>