

Update on School Efficiency Review Program:

A Briefing for the Senate Finance Education Subcommittee

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

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Goal of the Reviews

- The goal of the school efficiency review program is to ensure that non-instructional functions are running efficiently so that as much funding as needed goes directly into the classroom.

Areas Examined in Reviews

The following are the subject areas covered by school efficiency reviews:

- ✓ Division Administration
- ✓ Human Resources
- ✓ Finance
- ✓ Purchasing
- ✓ Educational service delivery costs
- ✓ Special education
- ✓ Facilities
- ✓ Transportation
- ✓ Technology Management
- ✓ Food Service

39 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

2008

29. Franklin County
30. Loudoun
31. Norfolk
32. Rappahannock

2009

33. Charlottesville
34. Hampton

2010

35. Martinsville
36. Chesterfield

2011

37. Hanover

2012

38. Arlington

2013

39. Fairfax County

2014 Reviews Underway

School Division	Average Daily Membership
Bedford	10,600
Fluvanna	3,700

Note: Enrollment data is approximate.

Results Summary

- Program-identified savings: \$75.9 million in annually recurring savings identified in 39 reviews to date - more money that is now available to be used in the classroom without increasing state support beyond the initial investments to complete the studies.
- Net annual savings: \$43.1 million.

Recommended Annual Savings

(Presented in order of completion)

Division	Average Net Annual Savings	Division	Average Net Annual Savings	Division	Average Net Annual Savings	Division	Average Net Annual Savings
New Kent	\$238,768	Lancaster	(\$4,152)	Alleghany*	\$878,892	Norfolk	\$2,555,680
Roanoke County	\$294,816	Dinwiddie	\$1,582,806	Covington*	\$428,155	Loudoun	\$447,678
Richmond City	\$2,139,292	Winchester	\$68,361	Montgomery	\$734,511	Charlottesville	\$3,376,508
Stafford	\$865,298	York	\$324,998	Roanoke City	\$1,842,945	Hampton	\$8,570,476
Portsmouth	\$2,204,954	Isle of Wight	(\$432,491)	Mecklenburg	\$1,029,206	Martinsville	\$801,676
Surry	\$327,218	Culpeper	\$352,154	Alexandria	(\$554,768)	Chesterfield	\$4,563,384
Spotsylvania	\$1,392,764	Louisa	\$686,287	Prince William	\$244,443	Hanover	\$535,796
Williamsburg	(\$284,590)	Bath	\$461,366	Prince Edward	\$382,854	Arlington	\$635,062
Campbell	\$350,199	Clarke	(\$60,441)	Rappahannock	(\$72,443)	Fairfax County	\$2,347,300
Smyth	\$9,356	Petersburg	\$3,887,477	Franklin County	(\$63,866)		

*A portion of these net savings are shared between Alleghany and Covington.

- Negative numbers indicate that the efficiency review contained net costs to implement all the suggested recommendations.
- These reviews include many savings opportunities as well.
- Since the purpose of the reviews is school efficiency, there are instances where recommendations suggest school divisions spend money in order to become more efficient and effective in delivering services.

Total Net Savings = **\$43,087,929** Average Net Savings = **\$1,104,819**

Are the Divisions Implementing Recommendations?

On average, school divisions are implementing **90.7%** of recommendations.

Division	Implementation %	Division	Implementation %	Division	Implementation %	Division	Implementation %
New Kent	86.96%	Lancaster	94.44%	Alleghany*	78.00%	Norfolk	92.31%
Roanoke County	81.25%	Dinwiddie	91.82%	Covington*	87.50%	Loudoun	86.67%
Richmond City	85.19%	Winchester	90.91%	Montgomery	87.06%	Charlottesville	90.32%
Stafford	96.77%	York	92.68%	Roanoke City	93.00%	Hampton	91.92%
Portsmouth	90.00%	Isle of Wight	93.68%	Mecklenburg	97.46%	Martinsville	98.91%
Surry	96.67%	Culpeper	90.43%	Alexandria	88.73%	Chesterfield	92.21%
Spotsylvania	98.55%	Louisa	90.67%	Prince William	84.62%	Hanover	72.92%
Williamsburg	88.89%	Bath	80.52%	Prince Edward	96.61%	Arlington	88.89%
Campbell	91.03%	Clarke	98.92%	Rappahannock	90.67%	Fairfax County	N/A
Smyth	95.40%	Petersburg	98.90%	Franklin County	81.48%		

Cost Sharing by Divisions

- Budget language and legislative action changed the local share of payment for this program to 50 percent or the composite index, whichever is higher, plus an additional 25 percent if certain implementation targets are not met.
- The 2013 General Assembly also added a new locally funded review option where the school division pays for 100 percent of the review.
- All divisions have paid their respective costs.

Cost Sharing by Divisions

Fiscal Year of Review	Amount Paid	Amount to be Paid	Total
2007	\$192,593	N/A	\$192,593
2008	\$109,955	N/A	\$109,955
2009	\$63,635	N/A	\$63,635
2010	\$50,858	N/A	\$50,858
2011	\$34,006	N/A	\$34,006
2012	\$39,051	N/A	\$39,051
2013	N/A	\$67,694	\$67,694
2014	\$103,802	\$47,028	\$150,830
Grand Total	\$593,899	\$114,722	\$708,621

- The local share for the Fairfax review is due in May 2014.
- The time frame for local payments was revised in 2014 so Bedford has paid, and the Fluvanna payment is in the mail.
- The Bedford payment of \$103,802 was collected by the Department of Planning and Budget instead of the General Fund.

Waiting List

- Five school divisions have submitted formal requests for a FY 2015 review.
 - Washington County – on waiting list since 2008 but has not been able to participate due to the local share
 - Falls Church – on waiting list since 2010
 - Pulaski County – on waiting list since 2010
 - Charlotte County – on waiting list since 2012
 - Caroline County – on waiting list since 2012
- In addition to these five, 20 school divisions have expressed an interest in the program but have not submitted a formal request for a 2015 school review.

Questions?