GOVERNOR WARNER ANNOUNCES EXPANSION OF EFFICIENCY REVIEWS TO SIX SCHOOL DIVISIONS
Education for a Lifetime initiative identified $2.6 million in potential savings in three school divisions

WILLIAMSBURG - Governor Mark R. Warner today announced the extension and expansion of a yearlong pilot program to review management structures and administrative spending by local public school divisions in an effort to direct more dollars into classroom instruction. The efficiency reviews, launched as part of the Governor's Education for a Lifetime initiatives last fall, already have identified a combined $2,672,908 in potential savings for public school divisions in New Kent County, Roanoke County, and the City of Richmond.

Today, Governor Warner announced an expansion of the project to six additional school divisions: the City of Portsmouth, and Stafford, Surry and Campbell counties this fall, and Spotsylvania and Williamsburg/James City counties this spring. These reviews will be conducted by private contractors under the close supervision of management experts at the Virginia Department of Planning and Budget.

"One of the highest priorities of our administration has been to improve the efficiency of government and to give the taxpayers of Virginia a better return on their investment," Governor Warner said. "Today, I am pleased to announce the expansion of one of our most exciting and promising innovations in state government, and I salute these local school boards and administrators for volunteering to participate in this important project. All of us share an obligation to make sure that the nearly $9 billion in local, state and federal support we send to our local schools each year is spent as efficiently as possible, and that as much money as possible is applied to classroom instruction."

Efficiency reviews are intended to identify savings that can be gained in local school divisions through best practices in organization, service delivery, human resources, facilities, finance, technology management and transportation. Today's announcement was made at the Williamsburg/James City County Public Schools Operations Center.

Late last year, auditors and management specialists from the Best Practices Unit of the
Department of Planning and Budget began working with the Counties of New Kent and Roanoke, and the City of Richmond, to determine how these divisions could achieve savings:

The team recommended $238,800 in annual savings for the New Kent County schools. The review team recommended, for example, that the division and its employees could save money by participating in Local Choice, an optional health insurance program administered by the state's Department of Human Resource Management. It also suggested things as mundane as $1,500 in potential savings on copier paper, and better, cheaper ways to procure school buses.

In Roanoke County, the team identified $294,816 in potential savings. Those savings included a recommendation that the school division replace older lighting in schools to cut down on energy costs, a move that could save more than $194,000 alone. They suggested that the school division could purchase janitorial supplies from the Virginia Distribution Center, saving almost $14,000.

The team identified $2,139,292 in potential savings for schools in the City of Richmond -- the equivalent of the starting salaries with benefits for 47 teachers. The review recommended significant savings in fuel purchasing and the administration of the transportation program, including $1.2 million in potential savings through the reduction of overtime costs for bus drivers.

Results of the efficiency reviews are shared with local schools statewide and the public to promote adoption of best practices and other procedures that could maximize resources and personnel.

"At a time when we are sending historic levels of new state support to our public schools, it is vitally important to demonstrate that local schools are doing their part to achieve maximum efficiency," Governor Warner said. "We are not making any statement about how our schools are run now. Instead, these efficiency reviews recognize what any good business executive already knows: even the best-run enterprise can undergo continuous improvement and operate in a more cost-effective way."

The individual school system reviews are modeled after successful programs in Texas and Arizona. Since its inception in 1991, the Texas program has conducted nearly 100 audits of public school districts and recommended net savings totaling $750 million dollars.

To view the completed school efficiency reviews for Richmond, New Kent and Roanoke counties, visit <http://www.pen.k12.va.us/VDOE/efficiencyreview.html> on the Virginia Department of Education Web site.