

School Efficiency Review: New Kent County School Division

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Executive Summary

Overview

In September 2003, Governor Mark Warner announced his intent to establish a pilot program to measure school efficiencies in three school divisions as part of his larger *Education for a Lifetime* initiative. The efficiency reviews consist of two components: 1) deploying auditors and management specialists to conduct intensive reviews of individual school systems, helping them realize greater efficiencies and identifying good practices that can be shared with other school divisions; and 2) conducting a statewide performance review to give parents, policymakers, and all taxpayers a clear picture of how their schools are performing. This report reflects efforts of the first component. Virginia spends over \$9 billion in state, federal and local money for K-12 education; approximately \$1,300 for every man, woman, and child in the Commonwealth. For this reason, Governor Warner wants to assist local school divisions in finding savings in non-instructional areas that can be redirected to classroom instruction.

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. The goal of the reviews is to identify administrative savings that can be gained through best practices in organization, service delivery, human resources, facilities, finance, transportation, technology management, and other non-instructional expenditures thereby allowing divisions to put administrative savings back into the classroom.

New Kent County School Division (NKCS D) is one of three school divisions announced as part of the pilot program.¹ The Governor charged the Best Management Practices Division of the Virginia Department of Planning and Budget to identify ways NKCS D has already adopted best practices in several categories or functions in the hopes other school divisions could successfully replicate these practices. The Governor also directed the Best Management Practices Team (study team) to determine ways NKCS D could realize greater savings and efficiencies in non-instructional areas so as to redirect those savings to classroom activities. The study team, consisting of five analysts with extensive audit, management, and organizational expertise is being assisted by former Chesterfield County Public School Division Superintendent Thomas Fulghum for this pilot project. This report identifies NKCS D's exemplary operating practices and suggests concrete ways to improve division management and operations to increase efficiencies in non-instructional areas. If fully implemented, the recommendations contained herein

¹ The others are Roanoke County and Richmond City School Divisions. These studies are underway and pending, respectively.

could result in net savings of more than \$238,800 annually, or 5 percent of its 2003-04 nonpersonal services budget of \$4.86 million.

Virginia's local school divisions are independent entities, far removed and insulated from the orders and directives of the Executive Branch, however benevolent or progressive their intent may be. Section 5 of the *Virginia Code* acknowledges this independence in its case notes by stating, "The power to operate, maintain and supervise public schools in Virginia is, and has always been, within the exclusive jurisdiction of the local school boards and not within the jurisdiction of the State Board of Education." It is within this framework that the pilot program is structured, relying on the completely voluntary participation and compliance of the school divisions.

New Kent County School Division

New Kent County is located between Richmond and Hampton Roads. Interstate 64 is the major east-west corridor that traverses the entire length of the county. The 2000 U.S Census data reports that New Kent County has a population of 13,462 and enrolls 2,511 students in its four schools. The student population is growing around 2.5 percent annually as the county's location makes it an attractive site to live for commuters who work in the Richmond and Tidewater areas. The school population is about 80 percent white, 15 percent black with the remaining five percent distributed among several race/ethnic categories. The County is 472 square miles and has a population density of 30.6 people per square mile. The County's 2001 average per capita salary is \$28,310.

NKCSD employs 350 FTE staff including 209 full-time instructional staff (i.e., teachers, aides, librarians, counselors, etc.) operates and maintains four schools, and operates at least 48 buses daily on a 2003-04 budget of \$18,813,725. In 2002, the average NKCS D teacher salary was \$35,188.

Comparison Data

Comparing data between school divisions is not an exact science. Though school divisions report massive amounts of data to the Virginia Department of Education (DOE) on standard reports ostensibly using standard definitions, direct comparisons can be at times a risky supposition. Most reports are self-reported by the school division, thus the data is only as accurate as the interpretations of the staff reporting the data. That being said, the study team is confident that the cluster comparisons used for this report are valid and serve as an excellent medium to provide parents, school division officials, and policy makers the best environment for division comparisons.

In order to ensure only similar school divisions are compared to each other, DOE contracted with Virginia Commonwealth University (VCU) to develop peer clusters. The peer clusters were developed using statistical analyses of four primary criteria for all

school divisions in the state. The criteria used were population density, average daily student membership, percentage of students eligible for free lunches, and the composite index. With additional statistical filters applied, the end-result was the creation of seven school division clusters. For this report, NKCS D is compared to 30 other peer school divisions.

NKCS D spends \$204.25 per pupil in administration costs ranking it 11th among its peers. While NKCS D ranks 17th in the total percentage of the budget spent on pupil instruction (64.2 percent), it ranks last in total dollars spent per pupil for instruction (\$4,521.60).

NKCS D ranks third highest in the percentage of the budget it spends on transportation (8.0 percent), while its \$564.70 per pupil transportation costs rank it 20th among its peers. It should be noted that the higher per pupil transportation costs may be the result of policy decisions and not necessarily higher operating costs. NKCS D adheres to a policy whereby no student's transport time is greater than 60 minutes each way.

Best Practices

Though NKCS D ranks 22nd *lowest* in total per pupil spending and 34th *lowest* in total budget in Virginia, NKCS D proved on many levels that its staff are very creative, resourceful, and efficient in providing services for its customers. For instance, it has long been a canon of best practices to encourage employee cross-training across an organization. In several areas, transportation and human resources most notably, NKCS D has adopted the concept and makes use of it nearly every day. The transportation director and everyone who reports to him is a trained school bus driver and are frequently pressed into service when the need arises. The current administrator for instruction also serves as the Division's gifted students program director. In addition, from 1992 to 2003, she also assumed the duties as the Division's human resources director. She still maintains some of her human resources duties even though a new human resources director was hired in July 2003.

Cross training by necessity would cause larger school division's knees to buckle. With larger budgets it is an administrative truism that hiring additional staff is preferred to having fewer staff assuming more diverse duties. That said, the study team believes NKCS D must be commended for accepting with grace the resources they are given and adopting a "can do" approach instead of developing cynical and skeptical attitudes that often cause bureaucracies to tire and falter. It is arguable that perhaps NKCS D could do an even better job in realizing greater savings if the staff had the time from their multi-tasked day to explore the options available. Thus, for this report the study team serves as the Division's agent in exploring options that may yield savings for the NKCS D administration.

The study team reviewed many practices across several functions during the study period including the funding for health insurance premiums, purchasing practices (including text books, buses, fuel, and food products), transportation, teacher recruitment and retention, facility energy efficiency, and payroll functions.

For some practices, NKCS D was found to be maximizing its savings within current operations. For example, when the study team and officials from the Virginia Department of General Services estimated possible savings for bulk food purchases, it became clear that NKCS D was already purchasing some food products at a lower cost than what they could command through purchases with the Virginia Distribution Center. For instance, NKCS D already purchases cans of peaches, beans, mayonnaise, and tomatoes at a lower cost through a contract with the US Department of Agriculture. There are concerns, however, that the quality from the food purchased through USDA contracts may be less appetizing.

Regarding employee health insurance, NKCS D and its employees may be paying too much. Local Choice is a program offered through the Virginia Department of Human Resource Management in which the state administers an optional health insurance program for local government employees. In this instance, NKCS D employees have access to the same provider network and provider discounts offered through the state employee health insurance plan. Currently, 28 school divisions take advantage of Local Choice. Of these, 15 divisions combine their plans with their county government health insurance plan. The remaining 13 divisions maintain their own plans. The school divisions who maintain their own plans have employee levels ranging between several hundred to about two thousand. The average premium cost for family coverage is \$969 per month; \$102 per month lower than NKCS D's current costs. Although it is difficult to compare health insurance plans with the variations among them, it is conservatively estimated that NKCS D could save \$115,083 annually if it were to choose the Local Choice option.

The chart on the following page illustrates areas of the greatest potential savings. Each item listed is explored in depth in the body of this report.

Recommendation	Potential Savings	Frequency	Notes:
Local Choice health insurance	\$115,000	Annual	
Energy efficient building	\$73,500	Annual	
Outsource payroll function	\$42,000	Annual	
Assess county a fee for vehicles serviced by transportation mechanics	\$5,200	Annual	Based on a \$10/hr reimbursement rate for average of two hours of labor for one vehicle/day
Manufacturer trade-in of retired buses	\$1,600	Annual	Bus trade-ins could yield at least \$1,000/ bus. This is \$400 more per bus than what the division receives through bus auctions.
Purchase copier paper from state contract	\$1,500	Annual	
Purchase other items through state contract	Varies	Annual	
Consider lease-purchasing of buses	Unknown	Annual	Estimates vary depending on bus type, options, and quantity ordered.
Consortium bus purchasing	Varies	Annual	Savings depends on the number of divisions participating and number of buses purchased
Total Savings	\$238,800		

Combining Forces

Several recommendations contained herein can only work if NKCS D combines its efforts with other school divisions in central Virginia. Combining efforts to leverage better pricing for goods and services (bus, fuel, and textbook purchases, to name a few) have been pursued before with some varying degrees of success. The previous efforts usually fell by the wayside after a year or two. There are two reasons for the spotty track record on combining efforts to leverage better prices through bulk purchasing: independent divisions with varying operating practices and no central entity with the command and authority to compel local divisions to combine purchasing efforts to maximize savings. If

policy and law makers embraced the notion and benefits of school divisions combining their purchasing efforts, NKCS D would be advantageously perched since three of the ten largest school divisions are minutes away. Joining their forces with some of the larger school divisions in the Commonwealth to purchase goods and services would go a long way in creating savings that could then be redirected to the classroom to the benefit of everyone. These savings have not been quantified or assumed in this report.

Accountability and Efficiency Reviews

As part of his *Education for a Lifetime* Initiative, Governor Warner proposed a comprehensive school efficiency review, to ensure that Virginia's education dollars are spent wisely and effectively.

Every year Virginia spends \$9 billion in state, federal and local money for elementary and secondary education in Virginia - approximately \$1,300 for every man, woman, and child in the Commonwealth. Governor Warner is committed to directing as much of that funding as possible into the classroom.

I. Introduction

The goal of the reviews is to identify administrative savings that can be gained through best practices and improved operations in organization, service delivery, human resources, facilities, finance, transportation, technology management and other non-instructional expenditures, thereby allowing divisions to return administrative savings to the classroom for an even greater investment in Virginia's children.

The emphasis of the reviews is to identify and generate savings through administrative and management best practices. This is not a review of classroom instruction or student achievement.

These reviews are a pilot project – designed to evaluate the feasibility of this concept in Virginia and to develop a review program and methodology that can be used in an ongoing program. Each pilot review will be slightly different – the process will be developed, tested, and refined along the way. As school divisions are evaluated to improve their efficiency and generate cost savings, the review program will also be evaluated to maximize its effectiveness.

Scope

The pilot study in New Kent included the following areas:

1. Division Leadership, Organization and Management
 - 1.A Division Management
 - 1.B Procedures
 - 1.C Campus Administration and Site-Based Decision-Making
 - 1.D Planning, Budgeting, and Evaluation
 - 1.E Review of Purchasing Process (eVA and VDC)
2. Educational Service Delivery
 - 2.A Organization and Management
 - 2.B Curriculum Policies and Management
 - 2.C Instructional and Administrative Technology
 - 2.D Staff Development
 - 2.E Special Education
3. Human Resources Management
 - 3.A Organization and Management
 - 3.B Policies and Procedures
 - 3.C Recruitment, Hiring, and Retention
 - 3.D Compensation and Classification Systems
4. Facilities Use and Management
 - 4.A Facilities Management and Operation
 - 4.B Plans, Policies, and Procedures
 - 4.C Maintenance Operations
 - 4.D Custodial Operations
 - 4.E Energy Management
5. Financial Management
 - 5.A Organization, Management, and Staffing
 - 5.B Financial Performance
 - 5.C Planning and Budgeting
 - 5.D Administrative Technology

6. Transportation
 - 6.A Organization and Staffing
 - 6.B Planning, Policies, and Procedures
 - 6.C Routing and Scheduling
 - 6.D State Reporting
 - 6.E Safety and Training
 - 6.F Vehicle Maintenance and Bus Replacement
7. Computers and Technology
 - 7.A Technology, Planning and Budgeting
8. Health Insurance

Topics outside the scope of this review include: student performance, facilities construction, community involvement, warehousing, food service, and student safety and security.

Methodology

In conducting this review the Study Team:

- interviewed New Kent County School Division staff;
- obtained and reviewed documents pertaining to the operation of New Kent County Schools;
- compiled and analyzed data about the operations of New Kent County Schools;
- interviewed professionals in other school divisions which are statistically similar to New Kent;
- facilitated meetings between New Kent staff and the staff of the Division of Purchasing and Supply of the Virginia Department of General Services (DGS);
- facilitated meetings between New Kent staff and program staff for Rebuild America¹;
- documented the processes and organizations of the New Kent County School Division;
- compared the expenditures and revenues of the New Kent School Division with those of statistically similar school divisions;
- contacted other state agencies (the Department of Education, Department of Human Resource Management, Department of

¹ Rebuild America is a program of partnerships between local school divisions and Federal Department of Energy experts in energy efficiency. The program is federally funded and designed to help schools save money on energy.

- Mines, Minerals and Energy and the Joint Legislative Audit and Review Commission) for information pertinent to the study; and,
- reviewed New Kent policies and procedures in areas such as Administration, Human Resources, Facilities Use and Management, Transportation, and Information Technology.

About New Kent County

New Kent County is located between the Richmond and Hampton Roads metropolitan areas along I-64. The 2000 Census reported the population of New Kent as 13,462. The county occupies 472 square miles of land and has a population density of 30.6.

About New Kent County School Division

New Kent County schools have an enrollment of 2,511 students in four schools and have a pupil-to-teacher ratio of 21-to-1 on the elementary level and 22-to-1 at the middle and high school levels.

The New Kent County School Board is a five member elected board that is a policymaking and oversight board for the school division.

The school division has 350 employees (FTEs). There are 209 licensed teachers, six guidance counselors, four media specialists, four principals, four assistant principals, and a central office staff composed of the superintendent and three directors and support personnel.

The final SOL results for 2001-02 resulted in one hundred percent of New Kent's schools reaching full accreditation. Twenty-six percent of the Class of 2002 were honor graduates. In fall 2000, New Kent received the Virginia High School League's Wachovia Cup for having one of the state's best athletic programs. New Kent Middle School's Odyssey of the Mind team won the 2002 State Championship.

New Kent School Division Budget

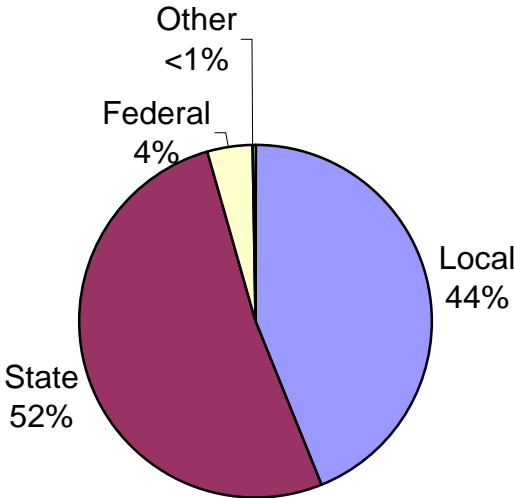
The New Kent County School Division has a 2003-04 budget of \$18,376,661.

These funds come from three primary sources of revenue – state funds, local funds and federal funds. The chart below shows the relationship and percentage of each of these funding types.

Table One: New Kent Revenue

Local	\$8,088,832	44%
State	\$9,461,329	51%
Federal	\$776,500	4%
Other	\$50,000	<1%
Total Revenue	\$18,376,661	100%

Figure One: School Division Revenue 2003-04

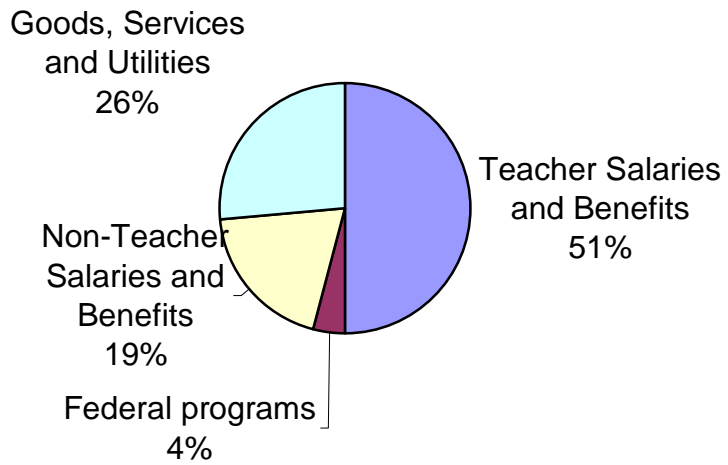


This revenue is expended in three primary categories – teacher salaries, non-teacher salaries (includes administration, attendance and health staff, transportation and maintenance staff) and goods, services and utilities. The table and chart below show the percentage and relationship of these expenditure categories.

Table Two: Expenditure Categories

Teacher Salaries and Benefits	\$9,202,631	50.08%
Non-Teacher Salaries and Benefits	\$3,528,682	19.20%
Goods, Services and Utilities	\$4,868,488	26.49%
Federal Programs	\$776,500	4.23%
Total Budget	\$18,376,661	100.00%

Figure Two: Primary Expenditure Categories



While this review had some connection with teacher benefits (health insurance and the effect of relative benefits on teacher turnover) the primary focus of the review was on the other two expenditure categories, not on teacher salaries and benefits.

II. Clusters

When discussing school divisions it is sometimes useful to compare the various divisions to each other. School divisions vary greatly in size, resources, and the population base that they serve, however. There is not much to be gained, for example, from a straight comparison of many aspects of Fairfax County Schools and Accomack County Schools because of the great differences between the counties and their population. Comparing school divisions that are similar, however, can present opportunities for insights into performance.

In order to develop comparable clusters of similar school divisions, the Department of Education contracted with Virginia Commonwealth University (VCU) to perform a statistical analysis of four primary criteria for all school divisions in the state. These criteria were population density, average daily membership, percent of students eligible for free lunch, and the composite index². Data for every school division were compared against these four key criteria and then the data sets were further divided by separating urban, suburban, and rural school systems in some clusters.

The result of this analysis was seven clusters of school divisions. These clusters can be used to make some comparisons on performance of the Divisions within the cluster.

A table showing each cluster and the Divisions in it can be found in Appendix I.

The study team then created a database to analyze cluster-related data along with data from the DOE Superintendent's Annual Report for 2001-02. This data details expenditures in categories such as instruction, administration, transportation, etc. It also includes revenue data for state, local, and federal revenue received by the school divisions.

This information has a key weakness – it is all self-reported by the school divisions to DOE. Each school division uses a different accounting system and tracks expenditures differently. In order to compare them, DOE issues specific instructions about what is to be reported in each of these categories and then the school divisions

² The composite index is a number developed by DOE to measure the local government's ability to pay for schools.

sort their accounting data into DOE's categories. No one verifies that each division is submitting this data correctly, so it is very possible that school divisions are not accounting for expenditures in the same manner for this report, despite the DOE instructions.

By comparing New Kent's expenditure and revenue data to the other 30 school divisions in its cluster, the study team was able to rank New Kent in each expenditure or revenue category. The team attempted to discern why New Kent ranked as it did in each of these categories, especially in those categories in which New Kent was an outlier one way or another.

The data in Table 3 shows how New Kent compares to the other divisions in its cluster. The designation of 1st division indicates the one with the lowest expenditure per pupil in that category, whereas the 31st is the Division with the highest per pupil expenditures in that category. The data are sorted on a per pupil basis to remove the distinctions between larger and smaller divisions within the cluster.

List of New Kent County School Division Rankings in Comparison to its Cluster (total of 31 divisions)

These rankings are based on per pupil expenditures and revenue. The data is taken from Tables 13 and 15 of the Superintendents’ Annual School Report from DOE.

Table 3: New Kent Compared to Its Cluster

Category	Amount / Pupil	Rank (out of 31)
Administration	\$204.25	11 th
Attendance and Health	\$229.78	31 st
Transportation	\$564.70	20 th
Instruction	\$4,521.60	1 st
Facilities	\$35.34	11 th
Special Education	\$1,419.33	28 th
Career and Technical	\$84.35	10 th
Debt Service and Transfers	\$342.94	12 th
Ops and Maintenance	\$626.66	3 rd
Technology	\$309.95	23 rd
Total Expenditures	\$6,146.99	1 st
Local Revenue	\$2,747.53	7 th
State Revenue	\$3,393.78	13 th
Federal Revenue	\$320.82	4 th

It is important to note that comparing school division expenditure data often creates questions but not answers. This data cannot be used to draw definitive conclusions about any school division. Only by carefully examining the reasons for the expenditures can these questions be answered.

Below is a brief explanation of what each of these categories mean and why New Kent falls where it does in that category.

A. Administration:

New Kent is ranked 11th among comparable school divisions in administrative spending per pupil. This category includes administrative staff salary and benefits and other functions such as Board costs and division legal fees.

New Kent is relatively low in this category for several reasons. First, it has a small administrative staff. In addition, the Division’s legal fees are extremely low for a

school division (see the Special Education section below for a reason why the fees are low).

B. Attendance and Health:

New Kent is ranked 31st among comparable school divisions in attendance and health spending per pupil. This category includes salary and benefits for those employees assigned to track student attendance data and those health related employees – nurses, clinic aides, psychologists, etc.

New Kent is relatively high in this category on an expenditures per pupil basis. One explanation appears to be that New Kent is counting staff in this category (psychologist, occupational therapists, speech therapists) that other divisions may count as special education staff.

C. Transportation:

New Kent is ranked 20th among comparable school divisions in transportation spending per pupil. This category refers to the cost of pupil transportation.

In 2001-02, New Kent County School Division expended \$507.58 per pupil for transportation costs.³ NKCS D ranks 20th among its cluster peers for this spending activity. It is not readily apparent why NKCS D's transportation costs per pupil are relatively higher than its peers. Several factors were analyzed but no definitive answer could be found. For example, three school division peers encompass more square miles than NKCS D, yet all spend less per pupil on transportation than NKCS D⁴. Even Middlesex County School Division, which has more square mileage with fewer students, spends less per mile than NKCS D (\$2.14 vs. \$3.09).

³ 2001-02 is the latest *complete comparable* data available from the Virginia Department of Education

⁴ Botetourt, Middlesex, and, Shenandoah County School Divisions

**Table 4: 2001-02 Comparison of Transportation Factors/Costs
With Geographically Larger Cluster Peers**

School Division	Operational Costs	Total Yearly Mileage	Avg Miles Per Bus/Day	Cost Per Pupil Per Year
Botetourt	\$1,329,027	1,173,359	114	\$317.95
Middlesex	\$604,217	282,213	58	\$353.76
New Kent	\$1,200,923	388,101	46	\$507.58
Shenandoah	\$2,031,623	712,727	49	\$362.98

School Division	Cost Per Mile	Avg Pupil Per Bus	Total Students Transported Daily	Total Daily Buses
Botetourt	\$1.13	73	4,180	57
Middlesex	\$2.14	63	1,708	27
New Kent	\$3.09	50	2,366	47
Shenandoah	\$2.85	70	5,597	80

School Division	School Division Square Mileage	Population Density
Botetourt	542	56.27
Middlesex	624	51.89
New Kent	472	30.6
Shenandoah	536	43.66

SOURCE: 2001-02 DOE Transportation Report. This chart is only a highlight of the many categories reported by school divisions.

The previous chart illustrates the position NKCS D finds itself in when compared to four of its peers who have greater territories to cover but incur lower transportation costs per pupil. One fact to consider is that among the peers with larger areas to cover, NKCS D is less densely populated per square mile than the others (NKCS D 30.60, SCSD 43.66, BCSD 56.27, and MCS D 51.89). Having its population scattered throughout the county may present NKCS D with a unique situation that may foster increased transportation costs. Also, despite mixing ages on school buses, NKCS D transports on average 50 students per bus, while the other three school divisions average 69 students per bus. One critical point to keep in mind is that NKCS D's four schools are essentially centrally located within the county's boundaries. Shenandoah

County School Division, while geographically larger than NKCS D, has one primary school, middle school, and high school in each of its three regions (Northern, Central, and Southern). However, even with longer distances traveled per bus and more than 80 percent more miles traveled in 2001-02 than NKCS D, Shenandoah still has lower cost per mile and per student when compared to NKCS D.

Transportation is a costly endeavor for all school divisions and the data suggest a further review of NKCS D's transportation costs is warranted to definitively determine the reason why NKCS D's costs are higher in relation to its peers. A review of bus routes to identify non-efficient routes could commence immediately as well as determining ways for local school divisions to combine forces when purchasing buses, parts, and fuel.

Another avenue explored included the possibility of purchasing refurbished buses instead of purchasing new buses at a savings of \$20,000 to \$30,000 per bus, as is done in Texas. The team found, however, that General Assembly members and school division officials explored this possibility. Unfortunately, they found the refurbishing was cosmetic (new seats, windows, paints, rebuilt engine, etc) and not structural. That is, welds on the body and frame were not re-welded. Cracks in structural welds are very problematic in buses that are 12-15 years old. The idea was scrapped in Virginia, and the VAPT does not recommend bus refurbishing for safety's sake.

D. Instruction:

New Kent is ranked 1st among comparable school divisions in instructional spending per pupil. This category refers to the direct costs of instruction, primarily teacher salaries.

When calculated on a per pupil basis, New Kent instructional spending is significantly lower than a number of similar divisions. In fact, New Kent's per pupil expenditures, at \$4,522, are the lowest of the 31 similar school divisions. Twenty of the Divisions expend in the \$5,000-\$6,000 range with five spending more than \$6,000. The highest per pupil expenditures in the cluster is \$7,200 - 59 percent more than the New Kent figure.

In the 2001-02 fiscal year teacher salaries and benefits composed 86 percent of New Kent's instructional expenditures. New Kent has the 8th lowest teacher salaries in its cluster and spends very low amounts on instructional materials and supplies (according to New Kent staff who have worked in other divisions). (See the Human Resource Management section below for a detailed comparison of teacher salaries).

E. Facilities:

New Kent is ranked 11th among comparable school divisions in facilities spending per pupil. This category is primarily composed of leased facilities. This category does not include normal building maintenance.

F. Special Education:

New Kent is ranked 28th among comparable school divisions in special education spending per pupil (total pupils, not just special education pupils). This category includes instructional and other costs related to the Division's special education program. Some administrative costs are included in this figure.

New Kent staff stated that New Kent had about 18 percent of its students classified as special education and that the state average was around 13 percent. New Kent does not include expenditures on speech therapists or occupational therapists in this category – they are under attendance and health.

G. Career and Technical:

New Kent is ranked 10th among comparable school divisions in career and technical spending per pupil. This category includes technical education, home economics, and business classes. The salaries of the teachers of those programs and the supplies used in those classes are captured in this category.

H. Debt Service and Transfers:

New Kent is ranked 12th among comparable school divisions in debt service and transfer spending per pupil. This category includes debt service payments and transfers to other organizations.

Typically, school divisions in the Commonwealth either use bonds or loans to finance projects that are too large and long-term to be funded through regular operations. The outlays of government funds associated with these obligations are not classified as expenditures, but are accounted for as debt service payments (principal and interest) along with certain transfers of monies from one fund to another fund.

School divisions are considered a component unit of the local government. The local government appropriates operating dollars to the local school divisions and the appropriations include amounts specified as debt service payments.

The New Kent County School Division is reflecting its payments on debt appropriately in the debt service fund. The school division's Debt Service and

Transfers costs are in the lower 50 percent of school divisions within its peer grouping. The New Kent County School Division is currently in the process of applying for a \$9.4 million dollar loan at an interest rate of 4 percent from the Literary Fund for additions and renovations to the elementary and primary schools.

The following chart provides additional information as to the debt service of the New Kent County School Division as compared to some other school divisions in the same peer group:

School Division	Transfer & Debt Service Payments at June 30, 2003	Transfer & Debt Service Balance at June 30, 2003	Reason for Transfers and Debt	Type
New Kent	\$711,223	\$4,014,741	Additions and renovations, Retirement package, Gov. School	Literary Loan, Bonds, VRS*
Amelia	\$514,455	\$4,269,372	Additions and renovations	Literary Loans and Bonds
Charles City	\$835,467	\$6,206,845	Balance from a new school (3) complex started 10 years ago	Literary Loans and Bonds
Fluvanna	\$433,578	\$1,944,756	Additions and renovations	Literary Loans and Bonds
King William	\$1,143,358	\$22,151,200	Includes a new school (interim financing), additions, and renovations	Literary Loans and Bonds

*This is an obligation to the Virginia Retirement System (VRS) for the costs of an early retirement package, which was implemented under the previous superintendent.

I. Operations and Maintenance:

New Kent is ranked third among comparable school divisions in operations and maintenance spending per pupil. This includes the cost of operating and maintaining the schools and other division buildings, including utility bills.

New Kent is relatively low in this category due to its small maintenance staff and its ability to perform a large amount of maintenance “in-house” without contracting for the work. Also, the Division has only four schools to maintain and this limits the workload of the maintenance staff.

Ten school divisions in the New Kent cluster report spending less per pupil on operations and maintenance than the NKCPS. Discussion with a few of those divisions that spend less revealed two contradictory reasons for smaller expenditures.

Some divisions, over the years, have made a concerted on-going effort to upgrade facilities and systems. These divisions have replaced inefficient windows and doors, installed central air conditioning in place of window units, and adopted computer software to program and control HVAC systems. Another practice employed by some is the employment of part-time employees for seasonal work, particularly in the summer. These actions have helped slow the growth in operations and maintenance costs, particularly utility expenses.

Other divisions spend less per pupil due to the opposite approach. Some defer maintenance and upgrades or skimp on improvements that would, in the long run, help contain costs. Expenditures for maintenance and new systems are, at times, the areas which are reduced or level funded when a division is experiencing budgetary difficulties. In the long term, such an approach is “penny wise, pound foolish” as, eventually, system changes will be unavoidable and more costly, but immediate needs for other division activities sometimes override operation and maintenance requirements.

J. Technology:

New Kent is ranked 23rd among comparable school divisions in technology spending per pupil. This category includes technology-related expenditures including ongoing expenses such as Internet service providers.

Outside of the DOE Standards of Learning (SOL) Online spending, the New Kent School Division technology expenditures are very low. They have comparably few information technology people on staff and their salaries are relatively low. Also the Division has no large complex software systems at the Division level that it must

maintain and operate. It does have a large annual investment in student data software, but areas such as human resources, payroll, and purchasing are largely manual processes.

III. Findings and Recommendations

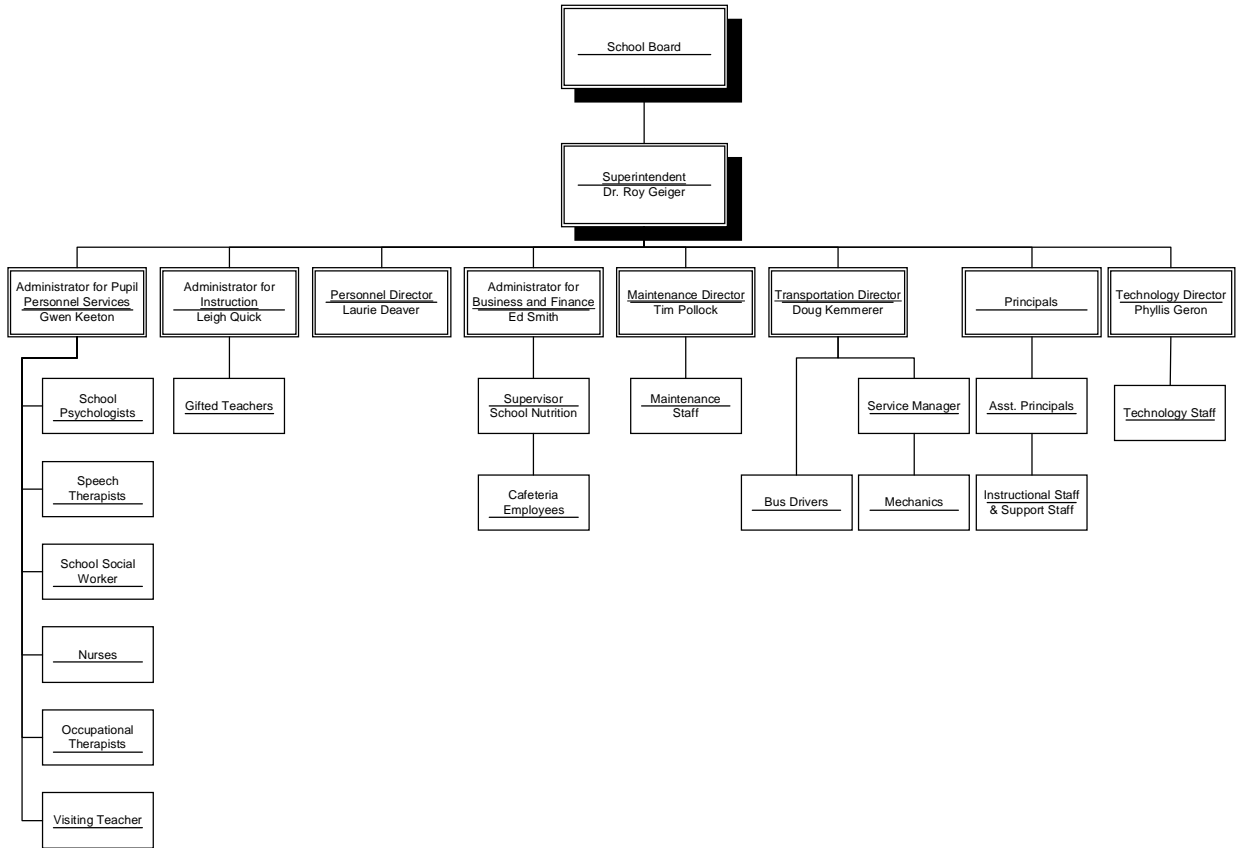
Note: A listing of all recommendations can be found in Appendix II.

Administration

ORGANIZATION

The division is led by Dr. Roy Geiger, Superintendent. Instrumental to central office and division functioning are the Administrator for Business and Finance; the Administrator for Instruction; the Administrator for Pupil Personnel Services; and, the Personnel Director. The division employs 350 FTE; 209 are full-time teachers, and twenty three (23) percent of their staff is VRS retirement eligible, making it the 28th lowest among its peers (out of 31).

Figure Three: Organizational Chart
New Kent County Public Schools



The New Kent school division’s central office can be characterized as a lean organization. Nearly everyone performs multiple duties or supervises multiple areas. For example, in addition to his financial duties, the Administrator for Business and Finance also oversees the home school program, school nutrition, and purchasing. The Superintendent is the disciplinary authority for the Division, receiving appeals of principals’ decisions from parents or handling the most egregious cases. He also is responsible for training the staff person who deals with all the SOL testing.

While the current staff is highly skilled and dedicated, there are significant risks associated with insufficient backups and depth at key positions. Within the central office, the superintendent and two senior administrators are all at or near eligibility for retirement. Significant institutional knowledge is at risk when these individuals opt to retire. The Personnel Director was hired in part to transfer knowledge of personnel activities within the Division. These duties had historically been performed by the Administrator for Instruction.

New Kent County School Board

The superintendent has a close working relationship with the School Board. The Board has five members. The Board's involvement in decisions related to division operation is closer than may be found in other divisions. The only funds that are not reviewed by the Superintendent and the Board Chair are the school activity accounts that are managed by the principals. The superintendent believes that a trusting relationship with the Board is critical and he feels that the Board must trust his staff also. He therefore encourages any Board member to talk to any staff member directly without going through him.

The Parent Teacher Organization and the Community

A strong point for the Division is the active nature of the four Parent Teacher Organizations (PTOs). Parents are actively involved in the education process and are strong supporters of the schools both operationally and financially. Parents frequently observe classes and interact with teachers. The PTOs themselves are active in fundraising on behalf of the schools. One significant example of this is the new primary school playground, for which the PTO raised \$20,000 of the \$30,000 required.

Overall, the Division receives tremendous support from the community, although this support does not extend to approval of increases in taxpayer supported funding. In 1999 and again in 2002 the county presented a bond referendum on the ballot to secure funds for capital improvements for the schools. The electorate defeated this initiative. No similar attempt was on the ballot in November 2003.

School Principals

New Kent school principals serve as operational heads of their schools. Each has chief input into the hiring and discipline of staff, and is charged with management of both the educational and support sides of the operation. Because of the high degree of professionalism and experience at the principal level, the Superintendent has been able to delegate significant authority successfully to these individuals. Principals are given broad authority for site-based decision making as long as the school remains within budget and in compliance with local and state policies and regulations.

BUDGET AND OPERATIONS

Management of Funds

The central office oversees all operational functions of the Division, including its \$18 million budget. Day to day authority over operations is delegated to the four school principals and the directors of food service, transportation, and maintenance.

The purchasing function is decentralized at New Kent. However, sufficient controls over purchasing and finance are in place. Both the Superintendent and the Board Chair sign off on every invoice on a monthly basis. Items such as desks, books, paper, and furniture are bought separately by each school. Each school receives \$23,000 annually for supplies – half in the fall and half in the spring. Food services are self-supporting, and are part of a multi-county purchasing cooperative.

Facilities

The division has four schools. The elementary school and the middle school date back to the Depression Era. There are concerns about energy efficiency and suitability for use, but the Division has adapted well considering its available resources. All schools are at or beyond capacity, and the Division has resorted to the purchasing of trailers for excess students where necessary. In addition, the Division is in the process of constructing a new bus garage in cooperation with the county's fleet management.

School Board Relations

Finding:

The New Kent County School Board has an excellent working relationship with Superintendent Roy Geiger and his senior staff.

The New Kent County School Board obviously cares deeply about the quality of education in New Kent. Working with limited resources to meet the high standards for instruction, the Board is intimately involved in many decisions affecting the operation of the Division. As a result, the board is able to draw on the community to address Division issues and to immediately act when needed. In comparing the laws, rules, and policies governing the Board's conduct with observed practices, everything indicates that it operates completely within its authority and discretion.

The New Kent School Board is easily accessible to parents and teachers. This easy access gives board members instant information and the ability to act promptly when the need arises. While there is anecdotal evidence that board members may at times intervene directly with teachers on matters that should properly be referred to the

principal or Superintendent, there is no report that these bypasses of the chain of command have seriously compromised the authority of school or Division leaders.

Recommendation 1:

While the board is the appropriate level to evaluate appeals, it should not be the first line of decision-making in personnel and student discipline issues. School board members should continue to be accessible and active in the education management process. However, the board should consider referring matters related to personnel and student discipline to the superintendent for action when first brought to its attention, in keeping with board rules and procedures.

Finding:

The Chairperson of the Board reviews and approves all invoices and signs all checks for purchases made by the Division. This routine takes place monthly, in a meeting with the Superintendent. While this attention to detail is laudable, this accounting and approval process may be better accomplished by the administration rather than by the oversight board. This practice may become even more cumbersome if the Division chooses to incorporate many of the electronic procurement tools discussed with the Division leadership.

Recommendation 2:

The Superintendent and the Chair should agree on levels of authority for approval of invoices. The monthly financial report to the Board could be made to include an overview of expenditures below the authority limit. This would not only save time spent in review but would also align the approval steps with the areas of responsibility.

Educational Service Delivery

BACKGROUND

Public schools are established to provide students with a wide range of instructional opportunities from the earliest and most basic, through mastery of increasingly difficult material that ultimately prepares the students for additional education and/or entry into the workplace. Schools also provide special educational services to students with physical, mental, or emotional disabilities, outstanding talents in academics or other areas, or temporary challenges, as is the case with immigrant children learning English as a second language. Schools also provide opportunities for participation in social, athletic, and community activities and often serve as the focus of the district's interest and involvement.

New Kent County is home to 13,462 residents according to the 2000 U.S. Census. The school division provides educational services to 2,511 students in grades K-12

and spends just over 64 percent of its budget on instruction; defined as teachers, substitute teachers, and staff development and the materials necessary for instruction. This places the Division at about the mid-point (from 53.9 percent to 73.4 percent) among the 31 divisions that constitute the cluster of similar divisions.

The student population is growing at around 2.5 percent annually as the county's location makes it an attractive site to live for commuters who work in the Richmond area and Tidewater. The school population is approximately 80 percent white with about 15 percent African-American students and small numbers of Hispanic, American Indian/Alaska Native, and Asian/Pacific Islander students.

Educational Achievement

General Education: Over the past three years, New Kent schools have been successful in achieving full Virginia Department of Education accreditation for all four schools. Table Five below shows the accreditation history from 2000-2001 through 2002-2003.

**Table 5
New Kent County School Division Accreditation History**

	2000-2001	2001-2002	2002-2003
Primary	Provisionally Accredited/Meets State Standards*	Fully Accredited	Fully Accredited
Elementary	Provisionally Accredited/Meets State Standards	Fully Accredited	Fully Accredited
Middle	Provisionally Accredited/Meets State Standards	Fully Accredited	Fully Accredited
High School	Provisionally Accredited/Needs Improvement**	Provisionally Accredited/Meets State Standards	Fully Accredited

**A school receives this rating if students achieve a pass rate of less than 70 percent in one or more subject areas but meet or exceed all of the following benchmarks: English, 66 percent; Mathematics, 65 percent; History/Social Science, 50 percent; Science (elem. and middle), 66 percent; Science (high school), 65 percent.*

*** A school receives this rating if pass rates in one or more subject areas are below the benchmarks listed above.*

For the 2001-2002 school year, all New Kent schools achieved pass rates well above the benchmarks in the four subject areas. Table 6 illustrates the pass rates for the latest year for which information is available.

**Table 6
2001-2002 Accreditation Passing Percentages by Subject Area**

	English	History	Mathematics	Science
Primary	84	81	81	83
Elementary	84	81	81	83
Middle	71	80	80	92
High School	78	79	73	79

New Kent schools also demonstrate a high level of student achievement when program completion information is reviewed. Over the three years, 1999-2000 through 2001-2002, an increasing number of high school graduates have earned advanced studies diplomas, the proportion increasing from 45.9 percent in the initial year to 51.4 percent in the final year. An advanced studies diploma is awarded to students who earn 24 credits, complete advanced studies courses, and acquire credit for four years of math, science, and social sciences. The special diploma and

modified standard diploma are awarded to graduates who meet different requirements than the standard diploma. The breakdown of the type of diplomas awarded to New Kent graduates is shown in Table 7.

Table 7
New Kent County School Division
Program Completion Information

Completion Type	1999-00 Number/Percent	2000-01 Number/Percent	2001-02 Number/Percent
Advanced Studies Diploma	67 / 45.58%	77 / 45.29%	74 / 51.39%
Standard Diploma	77 / 52.38%	90 / 52.94%	60 / 41.67%
Special Diploma	3 / 2.04%	3 / 1.76%	7 / 4.86%
Modified Standard Diploma	0 / 0%	0 / 0%	3 / 2.08%
Total Graduates	147 / 100%	170 / 100%	144 / 100%
Certificate of Program Completion	0 / 0%	0 / 0%	0 / 0%
GED	0 / 0%	0 / 0%	0 / 0%
ISAEP - GED	0 / 0%	0 / 0%	2 / 100%
Total - Other Completers	0 / 0%	0 / 0%	2 / 100%

Gifted Programs: New Kent County School Division offers three programs for gifted and talented students, one academic, and two in the arts. The academic program, Academic and Creative Excellence (ACE), reflects what is traditionally viewed as a gifted program. Additionally, NKCS D offers gifted programs in both the visual and performing arts. In 2001-2002, fifty-one grade 9-12 students (seven percent of students) were taking one or more AP courses and a third of those students scored three or better on a least one AP test. In the same year, fifteen 9-12 grade students were taking one or more courses for college credit and 100 percent of them passed at least one college course for credit. Table 8 shows New Kent student participation and performance in advanced placement and dual enrollment programs over the past three years.

Table 8
New Kent County School Division
Advanced Academic Programs Offered

Program Type	1999-00 Number/Percent	2000-01 Number/Percent	2001-02 Number/Percent
Advanced Placement			
Grade 9-12 Students taking 1 or more AP courses	48/7.23%	55 / 7.53%	51 / 6.93%
Grade 9-12 Students scoring 3 or better on at least 1 AP test	16	17	17
Dual Enrollment			
Grade 9-12 Students taking 1 or more courses for college credit	0 / 0%	1 / 0.14%	15 / 2.04%
Grade 9-12 Students passing 1 or more college courses for credit	0 / 0%	1 /100%	15 / 100%
International Baccalaureate Program			
Seniors enrolled in the IB program	0 / 0%	0 / 0%	0

Curriculum Policies and Management

Curricula are developed throughout the system by the teachers responsible for each instructional level or each particular subject area. Thus, primary school teachers jointly design the curriculum for K-2 topics. In those grades in which particular subjects are taught by specialized teachers, e.g., English, history, etc., the curriculum is developed by those teachers. The curricula mirror the Standards of Learning (SOLs) promulgated by the Virginia Department of Education. All curricula are approved by the Division's Administrator of Instruction.

Teachers develop weekly lesson plans that reflect the approved curricula and are reviewed and approved by the department heads or head teachers. Weekly or bi-weekly newsletters are sent to the students' homes to keep parents informed of what material and lessons are being taught. This informs parents of current class work and enables them to stay abreast of student classroom requirements and to assist their children as needed.

The SOLs have made a measurable difference in the curricula, particularly at the high school level. The SOLs have had less of an impact on curricula at the elementary grade levels in New Kent – mostly teaching certain topics earlier than had been previously done.

The amount of material which must be covered in the classroom in order to prepare students for SOL examinations has led to increased time pressures on teachers and some have voiced concerns that the SOL changes have given teachers less opportunity to use their creativity in presenting material. Some topics popular with students have been eliminated or shortened because of time pressures.

In school year 2002-2003, the New Kent County School Division spent over \$10.7 million for instruction, an amount representing 64.2 percent of the Division's total budget. (Instruction includes teacher salary and benefits plus material and supplies, textbooks and other costs that directly impact the classroom). The proportion of the New Kent budget that supports instruction places the Division in the mid-range of like school divisions. In the cluster of 31 divisions similar to New Kent, instruction spending ranged from 53.9 percent to 73.4 percent of total budgets.

Finding:

The New Kent School Division is to be commended for its success, with limited resources, in achieving full accreditation for its four schools and for achieving SOL pass rates well above the benchmarks in the four subject areas: English, history, mathematics, and science.

Professional Development

Ongoing professional development for instructional personnel is a critical activity for all teachers. State law requires recertification every five years in order to continue as a licensed teacher. The requirement calls for at least 180 points that can be earned through a variety of activities, including coursework at accredited two- or four-year institutions of higher education. In addition, the teacher must have an endorsement to teach in a specific content area. As of July 1, 2003, all instructional personnel must demonstrate technological proficiency in order to receive an initial license or to renew a license.

New Kent County Public Schools provide instructional personnel with a number of opportunities to meet renewal requirements or to add other endorsements in new fields. The Division supports course work through a partial tuition reimbursement program. Other professional development opportunities include off-site conferences and on-site sessions offered through both the College of William and Mary and the University of Virginia. Informally, principals or mentors may assist teachers who demonstrate a need to have skills or methods

updated. During the 2002-2003 school year, NKCPS spent close to \$50,000 on professional development, 80 percent of which was for instructional personnel.

A review of records for New Kent High School teachers for the 2002-2003 school year indicated that most teachers took advantage of the opportunities offered. On average, the high school teachers reported 3.4 days of staff development during the year. However, while some reported more than the average, some teachers reported no off-site professional development time.

Finding:

Principals need to be aware of instances where teachers are not requesting time for professional development and encourage all instructional personnel to take advantage of appropriate development activities.

Special Education and Pupil Personnel

BACKGROUND AND ORGANIZATION

The (Virginia) Board of Education (Code of Virginia, § 22.1-214) is responsible for preparing and supervising the implementation by each school division of a program of special education designed to educate and train children with disabilities. The program...shall be designed to ensure that all children with disabilities have available to them a free and appropriate education, including specially designed instruction to meet the unique needs of such children. The Virginia Administrative Code (8VAC20-80-60) further delineates that “a free appropriate public education shall be available to all children with disabilities who need special education and related services aged two to 21, inclusive... The Virginia Department of Education has a goal of providing full educational opportunity to all children with disabilities aged birth through 21, inclusive by 2010.”

Additionally, the Virginia General Assembly passed the Comprehensive Services Act (CSA) in 1992 with the intent to create a collaborative system of services and funding that is child-centered, family-focused and community-based when addressing the strengths and needs of troubled and at-risk youths and their families in the Commonwealth.

The Individuals with Disabilities Act (IDEA) (federal law) mandates a free and appropriate public education for all children, regardless of the severity of the disability. Additionally, this law requires school divisions to provide an education to students with disabilities in the least restrictive environment. Designed to protect children and parents in educational decision-making, this law requires school divisions to conduct non-discriminatory assessment and develop an Individual Education Plan (IEP) for each child with a disability.

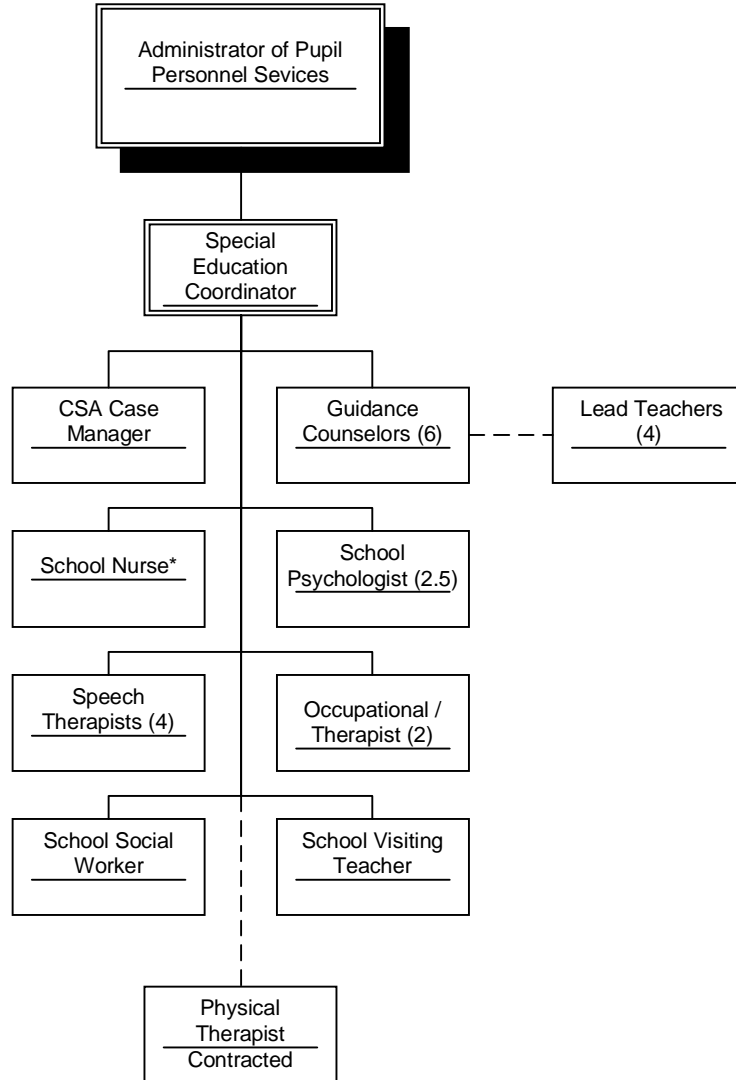
IDEA was reauthorized in 1997 and included significant revisions. Among these significant revisions were requirements that the IEP must be more clearly aligned with those students in general education and include general education teachers in the decision-making process. The 1997 law also requires including students with disabilities in state and division assessment programs and in setting and reporting performance goals.

In 1995, the Virginia Board of Education adopted the Standards of Learning (SOL) to emphasize the importance of instruction in four core subjects — English, mathematics, science, and history and social science. The Standards of Learning are an important part of Virginia’s efforts to provide challenging educational programs in the public schools. The standards are minimum requirements in each grade level, kindergarten through grade 12. The standards set reasonable targets and expectations for what teachers need to teach and students need to learn.

Students with disabilities are expected to participate in the Standards of Learning tests based upon the student’s individualized program and information from current and historical sources. The SOL testing of special education students must meet the requirements of the Individual Education Plan (IEP) of the student. For example, if the IEP of the student provides for using a calculator in order to master mathematical problems, then the student will be allowed to use a calculator when taking the SOL mathematics test. The Virginia Alternate Assessment Program (VAAP) provides alternative testing if it is determined that a student’s performance cannot be assessed appropriately using the SOL testing.

The New Kent County School Division employees twenty-three full time positions and one part-time position, which are designated specifically to serving the needs of its special education students. Additionally, the Division maintains a contract for physical therapy services for special education students. The Division has four speech therapists and two occupational therapists that provide services for its special education students but these six positions are not included in the twenty-three positions in the Special Education and Pupil Personnel Division.

Figure 4: New Kent County School Division
Special Education and Related Services



* School Nurses: 2 RNs and 4 clinic aides.

As of December 2002, New Kent County School Division had identified 457 children with special education needs out of a student population of 2,511. Below is a table that provides additional information by grade level and disability for the past three years:

Table 9: Special Education Children in New Kent School Division

Year	School	*AUT	DD	ED	HI	MD	MR	OHI	OI	SD	SLD	SLI	VI	TOTAL
2000	Primary	2	52		1	3		1		1	5	44		109
	Elem		5	2	1	3	6	8			47	26	1	99
	Middle			10	1	3	5	14	1	2	59	4		99
	High			16	2	4	14	16	2		85			139
	Total													446
2001	Primary	2	42		1	2	1			1	12	37		98
	Elem			2	1	7	5	11		1	36	19		82
	Middle			11	2	6	2	8	1	1	73	5	1	110
	High			20	1	6	16	12	2		75			132
	Total													422
2002	Primary	1	50	1		3		2		1	10	48		116
	Elem			3	2	8	6	12	1	1	45	16		94
	Middle			7	1	5	2	11		1	68	8	1	104
	High			17	1	8	16	14	3		84			143
	Total													457

Legend:

AUT	Autism
DD	Developmental Delay
ED	Emotional Disturbance
HI	Hearing Impairment
MD	Multiple Disabilities
MR	Mental Retardation
OHI	Other Health Impairment
OI	Orthopedic Impairment
SD	Severe Disability
SLD	Specific Learning Disability
SLI	Speech & Language Impairment
VI	Visual Impairment

Finding:

The Special Education and Pupil Personnel Division in the New Kent County School Division promotes and provides equal opportunities for educational excellence and social, emotional, and physical well being for students in New Kent County with special needs. The Division ranks in the highest one-third of its peer school divisions in special education spending *per student (\$1,419) based on total student enrollment for 2002-2003*. Eighteen percent of the New Kent County School Division's student enrollment was provided some type of special education program. The Division's peer group averaged only sixteen percent enrollment in special education programs while the state average for enrollment in special education programs is around thirteen percent.

Finding:

The New Kent County School Division's special education program ensures a collaborative effort involving the general education teachers, special education teachers and professionals, the school psychologist, the principal, the parents, and the student in developing the IEP. The school division's proficiency in developing the IEP is a fundamental key in providing a valuable educational experience for its students with special needs.

The school participates with other divisions and the Training and Technical Assistance Center (TTAC) at Virginia Commonwealth University (VCU) to provide training for its staff to keep abreast of the latest developments in providing special education.

Finding:

The school division further delineates its special education students by the instructional setting:

- Consultative -- attending regular classes, minimum assistance, such as ensuring that the student has homework assignments, etc.;
- Collaborative -- the special education specialist and the classroom teacher collaborate in providing material and instruction for the student;
- Self-contained -- the daily activities of living necessitate maximum assistance and/or, the functional level of the student is far below the norm; and,
- Resource -- the student is experiencing difficulty in one area, such as mathematics.

The Division is currently participating in a Family and School Together (FAST) grant with Henrico County Mental Health and Quinn Rivers Services for at-risk students. The division provides tutoring during normal school hours and provides tutoring after school, along with special summer school programs.

Finding:

New Kent County's general and special educators collaborate to ensure that students with special needs receive remedial assistance. The IEPs are evaluated every six week marking period to ensure that the students' needs are being appropriately met. The Division is constantly striving to meet the needs of its special education students and will provide a private day school or private residential school if the Division cannot meet the needs of its special education students.

Finding:

The Special Education and Pupil Personnel Administrator of the New Kent County Special Education and Pupil Personnel Division has over 30 years of educational

service — 23 years in special education and student services with New Kent County. In those 23 years, the school division has experienced only two requests for Due Process Hearings involving special education needs. Both hearing requests were resolved favorably for the school division.

Finding:

With only two Due Process Complaints in the past 23 years (neither of which advanced to the Formal Hearing stage), it is evident that the Special Education and Pupil Personnel Administrator in the New Kent County School Division possesses excellent knowledge and skills in developing, implementing, and administering programs to meet the diverse special education needs of its students. The legal costs of the New Kent County School Division have remained indisputably low because of the proficiency of the Special Education Program.

Finding:

The Special Education Administrator writes all the grants for the Division's special education programs. Larger school divisions sometimes have staff whose primary function is to find and apply for grants. Because the New Kent School Division has limited resources, it lacks the ability to pursue all grant funds that may be available.

Recommendation 3:

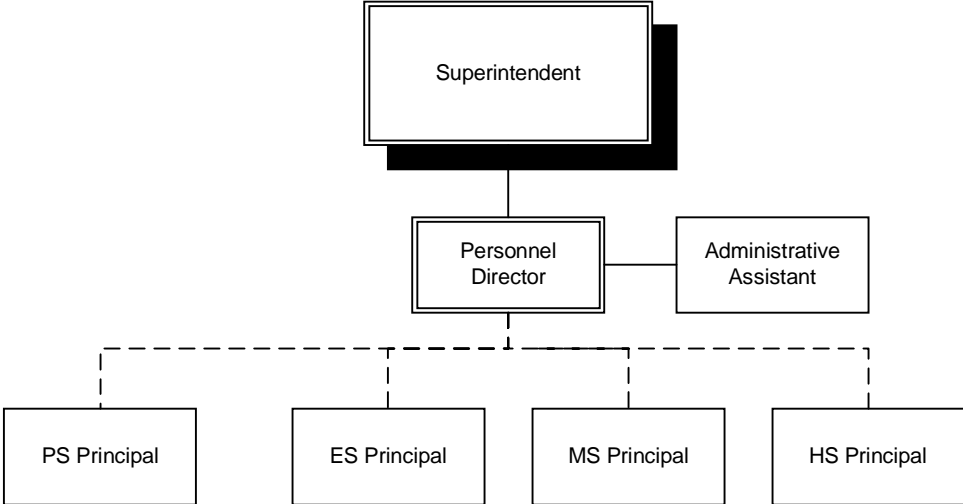
The Division may wish to contract, either independently or perhaps with an adjoining division, an individual to research, develop, and apply for grants funds for the special education programs.

Human Resource Management

ORGANIZATION

The Human Resources (HR) office is comprised of one director and one administrative assistant. The HR director manages all of the primary functions of any human resources section – recruitment, compensation, classification, compliance with regulations, etc. The HR director handles advertising, recruitment, and necessary paperwork related to recruiting. An organization chart follows on page 34.

Figure 5: Human Resources Organization



OPERATIONS

The New Kent County School Division employs 350 FTE; 209 are full-time teachers, guidance counselors, librarians, and other education-related employees. Of the 209 full time teaching staff, 36 (17 percent) are now retirement-eligible. The HR division is responsible for recruitment (for both teaching and non-teaching staff), compensation, and enforcing HR policies. The HR staff does not participate in the interview process. This is done at the school level with the Administrators for Instruction and Pupil Personnel Services participating in the interviews for teacher candidates.

Recruiting and Retaining Teachers

Most teacher recruiting is done via the Virginia Department of Education website or the Teacher to Teacher website. Additional recruitment occurs on the campuses of Virginia and Pennsylvania institutions of higher education. Recruitment does not appear to be a problem.

On average, NKCS D experiences a 20 percent turnover rate in any given year for teachers. In exit interviews with the 108 teachers who left employment between 2000-01 and 2002-03 (52 percent), at least 15 cited salaries as a reason. However, even if salary were somehow increased to levels found in surrounding divisions, NKCS D would still have seen a substantial turnover in its teaching corps as two

categories (relocation and family/personal) proved more frequent reasons for leaving. The results are illustrated below.

**Table 10: Reasons Cited by Departing Teachers
For Leaving NKCS D
2000-01 Through 2002-03 School Years**

	00-01	01-02	02-03	Total
Higher salary	11	4	0	15
Career change/return to school	8	5	0	13
Relocation	7	5	4	16
Travel	5	3	0	8
Retirement	4	5	3	12
Family/personal	7	2	7	16
Other	3	2	7	12
Total number of teachers leaving	39	37	32	108

SOURCE: NKCS D exit interviews summary
Numbers do not round due to several reasons cited by teachers

The New Kent County School Board is aware of the complexity of salary issues, and has made a conscious effort to bring salaries more into line with those found in neighboring divisions. Salary increases for teachers have averaged about 6 percent per year over the past three years.

Each year, on average, NKCS D spends about \$26,000 in teacher recruitment and \$9,250 in replacement costs⁵. Those costs are offset through savings generated in hiring new teachers at lower salaries. During the same time (2000-01 through 2002-03), NKCS D paid \$361,342 less in salaries to replacement teachers than those they replaced. The result is that for the 108 teachers who departed NKCS D between 2000-01 and 2002-03, NKCS D incurred an average cost of \$326 per teacher, but at the same time saved on average \$3,345 in salaries per teacher.

But there may be costs to these savings. In a Texas study, nearly half the variation in test scores between white and black students was attributable to differences in teacher quality. Researchers in a Tennessee study found that teachers had a profound, and cumulative, effect on student achievement. After three years of ineffective teachers, students scored at levels that were less than half of those of their peers who had benefited from more effective teachers.

NKCS D does have problems finding qualified teachers for subjects deemed “hard to fill” by most school divisions. According to school officials, this puts NKCS D at a disadvantage to meet the guidelines for the No Child Left Behind law. However, it is

⁵ This aggregate cost includes the following: recruitment fees at various venues, advertising, duplication of application packets, Human Resource staff, and time of administrators for interviewing.

unclear what the penalties or sanctions are, if any, for failing to meet those guidelines. There are no salary incentives provided to teachers who teach in the fields where qualified teachers are hard to find (math, science, foreign language). New Kent is small, so hiring full time qualified teachers for some subjects (e.g. physics) is problematic because New Kent High School only has one section of physics.

In terms of tenure NKCS D has a “book-ends” semblance, with many teachers with 2 years of service or less (28 percent) and many others with 21 or more years of service (21 percent). The balance falls between these two largest clusters.

**Table 11: YEARS OF TEACHING EXPERIENCE
2002-03**

Grade/Area	0-2 Years	3-5 Years	6-10 Years	11-15 Years	16-20 Years	21+ Years
K	10%	30%	10%	0%	20%	30%
1	22%	22%	0%	0%	34%	22%
2	14%	14%	0%	14%	0%	58%
3	22%	22%	22%	11%	11%	11%
4	50%	0%	25%	0%	0%	25%
5	25%	25%	38%	0%	12%	0%
6	45%	11%	0%	11%	11%	22%
7	25%	25%	25%	0%	0%	25%
8	50%	0%	38%	0%	0%	12%
English	33%	17%	17%	0%	0%	29%
Social Studies	14%	43%	0%	14%	0%	29%
Math	44%	14%	14%	14%	0%	14%
Science	50%	33%	0%	0%	17%	0%
Foreign Lang	0%	60%	0%	0%	20%	40%
SPED	27%	14%	27%	16%	0%	16%
TOTAL	28%	19%	17%	8%	7%	21%

SOURCE: NKCS D

Training

There does not appear to be a problem with the availability of training. Most federal and state grants and other funds received by NKCS D specify a certain percentage of funds (sometimes as much as 20 percent) to be dedicated to teacher training. Also, NKCS D allows their teachers to take advantage of no-cost training offered by the Virginia Department of Education or other in-state services.

Compensation

For the 2003-04 school year, NKCS D’s teacher salaries range from \$29,685 for a teacher with a four (4) year college education and no teaching experience to \$49,690 for a teacher with 30 plus years and a masters degree. When compared to its 30 cluster peers for 2002 (the latest salary data available), at 22nd NKCS D ranks near the

bottom in average salary. When compared to the nearby divisions (to which teachers leaving for higher salary would most likely go) NKCS D salaries fare no better as they rank last when compared to other local school divisions' average teacher salaries for 2002.

Table 12: Average Teacher Salary vs. Cluster and vs. Nearby Divisions

Peer SD	2002 Avg Teacher Salary	Local SD	2002 Avg Teacher Salary
Botetourt County	\$40,846	Richmond City	\$44,083
Orange County	\$40,794	Williamsburg-James City	\$41,824
Clarke Co Pblc Schs	\$40,612	Henrico County	\$41,781
Goochland County	\$40,343	Chesterfield County	\$39,771
Essex County	\$39,478	York County	\$39,596
Northumberland County	\$38,835	Hanover County	\$38,498
Bath County	\$38,236	King William County	\$38,133
King William County	\$38,133	Gloucester County	\$36,548
Fluvanna County	\$38,079	Charles City County	\$35,796
Nelson County	\$37,773	New Kent County	\$35,188
Richmond County	\$37,365		
King George County	\$36,864		
Powhatan County	\$36,420		
Charles City County	\$35,796		
Giles County	\$35,661		
Shenandoah County	\$35,659		
Rockbridge County	\$35,628		
Lancaster County	\$35,392		
Greene County	\$35,379		
Mathews County	\$35,337		
Louisa County	\$35,241		
New Kent County	\$35,188		
Craig County	\$35,188		
Surry County	\$35,170		
Floyd County	\$35,050		
Rappahannock County	\$34,890		
Middlesex County	\$33,980		
Highland County	\$32,860		
Madison County	\$32,552		

When NKCS D 2001 average teacher salaries are compared with its peers after the 2001 average per capita salary are considered, NKCS D's rank does not change⁶. This comparison in Table 13 illustrates that NKCS D average teacher salaries are greater than the county per capita salary by a factor of 1.24 (124 percent). When compared to its geographical neighbors (Table 14), NKCS D ranks 6th, outranking Chesterfield, Hanover, and Henrico. In short, NKCS D teachers are being paid above-average when compared to their non-teaching neighbors who reside in New Kent. However, with so many New Kent teachers actually living outside of the county, this comparison's importance diminishes. The following tables further illustrate the rankings.

⁶ 2001 data is the latest available to compare average teacher salaries to average per capita income.

Table 13: 2001 Average Teacher Salary vs. Per Capita Income

Peer SD	2001 Avg Teacher Salary	2001 Per Capita Income	Factor
Surry County	\$36,142	\$19,258	1.88
Richmond County	\$36,214	\$19,320	1.87
Floyd County	\$34,666	\$18,740	1.85
Orange County	\$43,275	\$23,847	1.81
Giles County	\$36,444	\$20,300	1.80
Bland County	\$31,013	\$17,732	1.75
Nelson County	\$38,047	\$21,945	1.73
Essex County	\$37,145	\$22,086	1.68
Greene County	\$33,377	\$20,682	1.61
Fluvanna County	\$36,631	\$22,785	1.61
Amelia County	\$34,184	\$21,351	1.60
Northumberland County	\$39,191	\$24,912	1.57
Rockbridge County	\$34,569	\$22,863	1.51
Craig County	\$33,009	\$21,976	1.50
Botetourt County	\$39,358	\$26,839	1.47
Powhatan County	\$36,671	\$25,053	1.46
Madison County	\$32,293	\$23,009	1.40
King William County	\$36,271	\$25,937	1.40
Shenandoah County	\$34,021	\$24,346	1.40
Louisa County	\$35,363	\$25,788	1.37
Charles City County	\$29,981	\$23,142	1.30
Bath County	\$30,883	\$24,806	1.24
New Kent County	\$35,068	\$28,310	1.24
Middlesex County	\$32,628	\$26,629	1.23
Highland County	\$28,566	\$23,677	1.21
King George County	\$36,748	\$31,396	1.17
Clarke County	\$40,532	\$35,725	1.13
Lancaster County	\$35,386	\$32,318	1.09
Mathews County	\$31,081	\$29,542	1.05
Rappahannock County	\$32,647	\$31,849	1.03
Goochland County	\$40,114	\$40,698	0.99
Source: DOE Classroom Teacher Salary Survey & Weldon Cooper Center for Public Service			

Table 14: 2001 Average Teacher Survey vs. Per Capita Income for Local Divisions

Peer SD	2001 Avg Teacher Salary	2001 Per Capita Income	Factor
King William County	\$36,271	\$25,937	1.40
Gloucester County	\$35,460	\$25,547	1.39
Charles City County	\$29,981	\$23,142	1.30
Richmond City	\$41,415	\$32,268	1.28
York County	\$37,738	\$30,261	1.25
New Kent County	\$35,068	\$28,310	1.24
Henrico County	\$42,021	\$34,534	1.22
Hanover County	\$36,835	\$31,129	1.18
Chesterfield County	\$38,329	\$34,086	1.12
Williamsburg-James City	\$41,456	\$38,793	1.07

Source: DOE Classroom Teacher Salary Survey & Weldon Cooper Center for Public Service

Teachers hold annual contracts from late August to late June. School division administrators also have annual contracts but other non-teaching employees do not work under contract. Once an employee decides to leave school district service, he or she must write a letter of resignation. If teachers leave before their annual contract has expired, they can be assessed a \$300 penalty. However, that penalty is often waived if there are available candidates waiting to be hired.

New teachers are observed in the classroom and evaluated four times annually and are subject to a written review every year. Tenured faculty (3 years of employment or more) are observed and evaluated twice annually and are subject to a written performance review every other year. Teachers are evaluated by principals and senior teachers and are graded on creativity, classroom management, lesson plans, classroom style, human relations etc. Tenured faculty is more difficult to terminate but otherwise receive no additional benefits. Teachers who do not meet expectations are informed that their contract will not be renewed. All teachers are vested in VRS after five years and the school division pays the entire contribution. New Kent School Division has a formal mentoring program for new teachers.

In addition to the 209 full-time teachers in 2003-04, NKCS D maintains a list of 40 substitute teachers. Substitute teaching assignments are classified as “long-term” (20-90 days) and “short term” (under 20 days). Long-term substitutes earn \$148.50 per day. Long-term substitute teachers must prepare lesson plans. Regular substitutes are paid at a lower rate because they do not have to prepare lesson plans. Regular substitutes earn \$46 per day if they have a high school diploma, \$48 per day with two years of college credit, and \$54 per day with a college degree (transcript on file). Substitutes for teacher aides earn \$46 per day while substitutes for custodians

earn \$8.60 per hour. The NKCS D paid \$60,759 for long-term substitute salaries in 2002-03.

Teachers earn stipends if they direct an extracurricular activity, such as coaching the football or forensics teams. Other incentives include receiving \$100 should a teacher not use any sick time for the school year. That amount is increased to \$200 and \$300 for second and third consecutive years if sick leave is never used. Tuition reimbursement amounts to 40 percent of tuition costs up to a maximum of \$275 per course.

Finding:

NKCS D took necessary and proactive steps in hiring a professional Personnel Director to take charge in July 2003. The HR office is a lean operation, juggling the demands of tasks related to recruiting, hiring, and terminating employees while ensuring the school division complies with federal and state employment and labor laws.

Finding:

NKCS D officials acknowledge that teacher absenteeism is a problem at some schools but could not generate easily accessible data to substantiate the issue. The Division provided the study team with volumes of absentee records documented on paper.⁷ By storing such data on paper files and not in an electronic format that can be easily accessed, retrieved, and analyzed, NKCS D is denying itself a valuable tool in determining whether teacher absenteeism is in fact a substantial problem and preventing itself from adequately addressing the issue.

Recommendation 4:

NKCS D should immediately migrate all teacher absenteeism data currently on paper into electronic format. This could be a first step in determining the extent to which teacher absenteeism is truly a problem for the Division's education efforts.

⁷ The results of team analysis of these records follow in the coming pages.

**Table 15: New Kent County School Division
Teacher Absenteeism 2002-03**

School	Professional	Sick	Personal	Other	Total
Primary School	1.42	6.46	1.88	2.63	12.39
Watkins Elementary	1.91	9.04	0.73	1.96	13.64
Middle School	1.5	10.4	1.18	0.28	13.36
High School	3.4	4.8	1.4	0.2	9.8
Division Average	2.06	7.68	1.30	1.27	12.30

School	Avg Days Missed	Number of Teachers	Total Teaching Days	Total Days Missed	Percent Of Total Days Missed
Primary School	12.39	47	8460	582.33	6.88%
Watkins Elementary	13.64	45	8100	613.8	7.58%
Middle School	13.36	45	8100	601.2	7.42%
High School	9.8	63	11340	617.4	5.44%
Division Averages	12.30	50	9000	603.68	6.83%

Source: New Kent County School Division teacher absentee forms

Note: "Other" days absent includes maternity leave, military leave, jury duty, workers compensation, and other leave categories.

Total School Days equals the number of teachers times 180 school days.

Recommendation 5:

In order to determine the average number of days teachers missed and the reason for those absences during the 2002-03 school year the study team photocopied over one thousand pages of documentation and then manually compiled a record for each teacher and analyzed the data.

The summary forms used by the principals to report teacher absences are each different and must be standardized. Even if the Division is not able to immediately automate its leave and absence reporting data, it must create standard monthly and annual summary reports showing how many days and for what reasons teachers are absent from school.

Finding:

New Kent School Division teachers missed an average of 12.3 days of class in the last full school year. During that time the average teacher missed two days of school to attend professional development, almost eight days of school for sick leave, 1.3 days of school for personal leave and one day of school for some other reason. Since New Kent School Division spent \$184,615 for substitute teachers in 2001-02, understanding why teachers are absent and encouraging them not to be absent are critical issues.⁸

Recommendation 6:

Current incentives seem to be insufficient to deter absences. The incentives for those teachers who use no sick leave should be increased from \$100 the first year to \$500. Also the incentive program must be expanded to allow for some small amount of missed time. An example might be \$500 for perfect attendance, \$300 for less than 3 days missed, or \$100 for less than 5 days missed. The school division would have to determine what constitutes an acceptable absence for the terms of the incentive program. For example, professional development would be an acceptable absence that would not be counted against a teacher – even though the Division incurs substitute costs during that time (And if New Kent saves no money under this program, having regular teachers in school would seem to be better for the educational process than having substitute teachers in school.)

Finding:

Currently, 17 bus drivers double as either school cafeteria workers or other Division employees, thereby possibly placing the school district at risk under the Fair Labor Standards Act. School officials acknowledge successful lawsuits of this type have been filed in other states whereby the offending school division was forced to pay retroactive overtime to employees who had multiple job titles at the same school division. The Division is acutely aware of this situation and the Human Resources Director is taking steps to address the issue, including attendance at a workshop on this issue and obtaining legal clarification.

Recommendation 7:

While the transportation director stresses that preventing him from using bus drivers who double as other school division employees would negatively impact the daily operations of the Division, the study team strongly advises the Division to continue to seek legal advice on this matter to determine whether it is engaged in lawful labor practices and to be mindful of any possible violations of the Fair Labor Standards Act.

⁸ Note – there is no comparable data from other school divisions with which to compare this teacher absentee data. School officials from other divisions mentioned that this was also an issue for them. But since there is no comparable data it is impossible to tell if New Kent is high or low compared to other divisions or the state average.

Finding:

According to the Virginia Retirement System (VRS), twenty three (23) percent of the NKCS D’s staff is VRS retirement eligible.

Health Insurance

The New Kent Superintendent notified the study team that health insurance costs were increasing rapidly and causing budget problems for the Division. The team reviewed New Kent’s current situation and discussed options with New Kent staff, professionals from other school divisions, state officials, and other interested parties including the Virginia Education Association (VEA).

Finding:

The New Kent School Division's costs and its employees’ cost for health insurance are rapidly increasing. New Kent’s health insurance costs were near the state average in 2001-02 (according to a study by the VEA)⁹. But since then New Kent’s rates have increased dramatically – the current rates are 61.5 percent higher than the rates of three years ago.

Table 16: New Kent School Division Health Insurance Compared to the State Average - 2001-02

	New Kent County Schools’ Expenditures			Statewide School Divisions’ Average Expenditures		
	Employee	Employee +1	Family	Employee	Employee +1	Family
Division Share	\$200.00 (84.15%)	\$252.00 (52.76%)	\$275.00 (41.32%)	\$216.58 (83.38%)	\$249.33 (59.53%)	\$301.83 (44.55%)
Employee Share	\$37.66 (15.85%)	\$225.66 (47.24%)	\$390.46 (58.68%)	\$43.17 (16.62%)	\$169.50 (40.47%)	\$375.75 (55.45%)
Total	\$237.66 (100.00%)	\$477.66 (100.00%)	\$665.46 (100.00%)	\$259.75 (100.00%)	\$418.83 (100.00%)	\$677.58 (100.00%)

New Kent Schools’ Total Monthly Premium as a percentage of Statewide Average (Division share plus employee share)	
Employee	91.50%
Employee +1	114.05%
Family	98.21%

This increase in costs impacts both the school division and the employees. The Division started the 2003-04 school year facing a \$100,000 budget deficit due to the

⁹ “Insurance Coverage and Employee Benefits Survey 2001-02” VEA

increase in its share of the health insurance costs. Since the start of the year many employees have opted out of the Division’s health coverage and that has helped lower the health insurance related budget deficit to \$40,000.

In Virginia each school division contracts for health insurance separately. In most cases the school division does not combine its health insurance program with that of the county government.

Table 17 shows the current New Kent health insurance costs. These are an increase of 36.6 percent over last year’s total costs.

**Table 17: Health Insurance for New Kent School Division 2003-04
Current Costs**

	Division Share	Employee Share	Total (monthly)	% Of Total Paid by Division	Employees	Total Monthly Costs
<i>Health High HMO</i>						
Employee	\$305.00	\$77.75	\$382.75	79.69%	155	\$59,326.25
Employee +1	\$418.00	\$351.28	\$769.28	54.34%	26	\$20,001.28
Family	\$473.00	\$598.74	\$1,071.74	44.13%	31	\$33,223.94
<i>POS</i>						
Employee	\$305.00	\$126.38	\$431.38	70.70%		
Employee +1	\$418.00	\$448.59	\$866.59	48.24%		
Family	\$473.00	\$735.20	\$1,208.20	39.15%		
<i>Low HMO</i>						
Employee	\$305.00	\$35.46	\$340.46	89.58%		
Employee +1	\$4,718.00	\$266.27	\$4,984.27	94.66%		
Family	\$473.00	\$480.31	\$953.31	49.62%		

Total Monthly Cost \$112,551.47

Total Annual Cost \$1,350,617.64

In addition to impacting the budget of the Division, the rising costs of health insurance impact the employees. Because New Kent has relatively low teacher salaries (see Teacher Retention finding) the increase of health insurance costs for employees reduces the effective take-home salaries of employees, the raises given by the School Board notwithstanding. For example, a new teacher in New Kent who purchases family health insurance coverage will pay 24.4% of their total salary in

health insurance costs (\$7,176 in health insurance out of a salary of \$29,363). This impact on take-home pay adds to New Kent's difficulty in retaining teachers.

The team examined several options for reducing health insurance costs for New Kent. The best two options are discussed below:

Option One: The Local Choice Program

Local Choice is a program offered through the Virginia Department of Human Resource Management (DHRM) in which the state administers an optional health insurance program for local government employees. These employees have access to the same provider network and provider discounts offered by the state employee health insurance plan. The rates for each group of local government employees are determined by the risk profile of that group. According to DHRM:

“The mission of The Local Choice is to provide benefits plans that assist local governments and school jurisdictions to recruit and retain highly qualified employees. Our clients are local governments, local officers, teachers, commissions, public authorities, and other organizations created by or under an act of the General Assembly in their role as employers. The benefits program is part of the total compensation they can make available to employees and prospective employees. The program strives to offer a better than average benefits plan at reasonable cost to the employees, and choices of alternative plans which may be more appropriate for some groups or individuals.”

Currently 28 school divisions use the Local Choice program. Of these, 15 divisions combine their plan with their county government health insurance plan. The other 13 divisions have separate plans. These school divisions range in size from several hundred to about two thousand employees. For these school divisions the average premium cost for family coverage is \$969 a month, which is \$102 per month lower than New Kent's cost.

Table 18: Potential Savings for New Kent Health Insurance

	Total (monthly)	Employees	Local Choice Average	Differential	Total Monthly Savings
<i>Health High HMO</i>					
Employee	\$382.75	155	\$359.00	\$23.75	\$3,681.25
Employee +1	\$769.28	26	\$664.15	\$105.13	\$2,733.38
Family	\$1,071.74	31	\$969.30	\$102.44	\$3,175.64
<i>POS</i>					
Employee	\$431.38				
Employee +1	\$866.59				
Family	\$1,208.20				
<i>Low HMO</i>					
Employee	\$340.46				
Employee +1	\$4,984.27				
Family	\$953.31				

Total Monthly Savings \$9,590.27

Total Annual Savings \$115,083.24

When considering health insurance options for the 2003-04 school year New Kent secured the assistance of Marsh USA, Inc., a subsidiary of Marsh & McLennan, to help identify health care coverage options. Marsh did not include in its recommendations consideration of the Local Choice Program, and New Kent consequently did not apply to the Local Choice program to receive a rate quote. The Division has since applied for a quote and when it is finalized the quote can be compared to New Kent's current costs to determine a more exact cost difference between the programs. The New Kent staff will also have to consider the impact of changing provider networks and determine if this would severely impact employees. Since the provider network reflects the entire Blue Cross PPO participating physicians list, this impact is expected to be minimal.

Option Two: Consortia of local school divisions

The primary problem that small school divisions such as New Kent have in obtaining competitive rates on health insurance is their size. With only 350 total employees, the Division may not get the same rates by negotiating its own contracts that a larger division such as Virginia Beach or Henrico may obtain. But if the smaller school divisions in a region worked together to combine resources and share one health care plan, the Divisions may be able to obtain lower rates.

Currently school divisions form consortia to purchase products such as food for school cafeterias and school buses, and to manage information technology grants. Since additional funding for education is not always available, DOE should work to facilitate and encourage these types of arrangements – if divisions save money on health insurance then they have more money to spend on classroom needs and if teachers save money on health insurance premiums then that is effectively a raise for them.

In its review of the costs of support services for local school divisions JLARC was able to identify one local consortium for health insurance.¹⁰ The counties and school divisions of Augusta, Staunton, and Waynesboro combined to contract for coverage. However, each organization is rated separately based on its risk (in the same way that each organization is rated separately in the Local Choice program.) The Augusta County School Division reported that they entered the consortium in 1997 and saw an 11 percent decrease in its rates the first year. (It should be noted, however, that it also switched to a managed care program that year.) The main benefit to the schools in the consortium comes from access to provider networks and provider discounts that are given to the consortium as a whole. Since the premium rates for each unit are evaluated separately the consortium does not have a direct impact on rates.

Recommendation 8:

The New Kent County School Division should apply to the Local Choice program for a rate quote and if the quote is less than the Division’s projected rates for next year with its current insurance provider then New Kent should consider switching to the Local Choice program in the 2004-05 school year. **If New Kent were in the Local Choice program this year and received the average rate of the 28 school divisions in the program then New Kent would save \$9,509 per month for an annual total of \$115,083.24.**

Recommendation 9:

DOE should work to facilitate and encourage local consortia of school divisions.

Facilities Operations and Management

School Buildings

The New Kent Public School Division has four school buildings, one each for primary, elementary, middle and high schools. Two of the four schools date from the 1930s. The others are from 1973 (primary) and 1989 (high school). The buildings, particularly the older ones, are in need of renovations and major improvements, such as air conditioning, and expansion to meet the needs of a growing school-age

¹⁰ JLARC “Best Practice for School Support Services” October 2003

population. Recognizing the needs for capital improvements to the schools, the County Board of Supervisors approved a referendum that appeared on the November 2002 ballot. The referendum was defeated. In the fall of 2003, the supervisors approved spending \$9.4 million for major renovations to the primary and elementary schools.

Improvements to the primary school, at a cost of \$2.5 million, include a six-room classroom addition and a full-size gymnasium. Work at the elementary school, budgeted at \$5.3 million, will be more extensive, and include a new roof, windows, heating/ventilation/air conditioning systems, and electrical wiring. Work on both buildings is scheduled to be completed in time for the opening of school in September 2005.

The Director of Maintenance indicated that the school division does not have the staff or expertise to oversee large capital projects and that an experienced project manager for these improvements is a must. The Division will be contracting for a project manager to help manage these projects.

The school division has a six-year master plan developed by the principals, Superintendent, School Board, community members, and maintenance staff. Decisions on whether to do the work in-house or to contract out are based on the workload and the size of the project. The New Kent Public School Division encourages and uses donated materials and volunteer labor for some projects. A recently built field house employed both free materials and labor.

Maintenance Activities

Routine maintenance at the schools is performed by a staff of four - the director, and three employees. The staffing level is one position less than the 2002-2003 staffing complement. When the former director left in July, the position was filled by an existing member of the maintenance staff whose position was not re-filled. The director reports to the Superintendent. The maintenance director receives some administrative support from the secretary to the Director of Transportation. Otherwise, he does his own clerical work.

Maintenance staff are trained on OSHA compliance and safety. Any code changes affecting the schools are handled through the Superintendent. The director judges ADA compliance to be good within spatial constraints. The school division has a hazardous materials management plan. Staff is regularly re-certified on asbestos removal and materials testing.

Routine (daily, weekly, monthly) duties and responsibilities include water quality testing, routine maintenance on ice machines and air conditioners, emergency service, mowing, septic pumping, phone maintenance, ordering materials and supplies and copier paper that a member of the maintenance staff distributes daily. Other duties

include mail runs, traffic control for school buses entering and leaving the area, boiler checks, and water and oil tanks readings, and pest control. In addition over the past year, the maintenance division completed 720 work orders.

A number of maintenance and service activities are performed under contracts, including painting, roof maintenance, electrical service, HVAC, fire alarm systems, waste management, elevator/handicapped lift, alarm systems, fire protection equipment, boiler tests and yearly water tests by VDOH. Capital projects are contracted out.

**Table 19: Operations and Maintenance Budget
2000-01 to 2003-04**

Expenditures

Areas	00-01	01-02	02-03	03-04
Clerical Salaries	21,171	38,646	18,913	20,032
FICA	1,620	2,961	1,447	1,532
VRS	2,735	2,857	1,659	1,757
Health Ins	-	1,800	1,428	2,312
Group Life	-	212	310	338
Retiree	-		-	134
Trade Salaries (custodians)	295,258	304,005	322,638	340,064
Tech Salaries (maintenance staff)	116,370	118,194	130,971	171,130
Substitute Costs	3,160		3,160	3,160
Service Salaries	7,500	20,233	7,500	7,500
FICA	32,305	33,250	35,517	39,968
VRS	40,624	39,888	41,784	44,306
Health Ins	23,370	30,784	32,250	40,313
Group Life	3,378	2,400	-	-
Retiree	-		3,111	3,500
Workman's Comp.	42,000	33,811	59,721	66,809
Personal Services	589,491	629,041	660,409	742,855
Purchased Services	399,381	355,141	284,297	315,030
Internal Services	100	100	100	100
Utilities	320,000	313,182	350,000	367,500
Communications	72,650	86,425	75,000	75,000
Materials/supplies	27,500	27,450	27,500	27,500
Travel		-	-	-
Capital Outlay / Replace of equipment	10,000	5,521	10,000	10,000
Capital Outlay / New Equipment	-	-	50,000	55,000
Nonpersonal services	829,631	787,819	796,897	850,130
TOTAL EXPENDITURE	1,419,122	1,416,860	1,457,306	1,592,985
Source: NKCS D				

Budget

The previous table shows that New Kent County School Division has budgeted \$1.59 million for maintenance and operations during the current fiscal year. The largest components of that budget are the salaries and benefits of the maintenance employees, the Division's utility bills and purchased services (which includes those maintenance services that the Division contracts out).

Finding:

The New Kent School Division maintenance staff does an excellent job with limited resources and aging school buildings. The staff strives to conduct all major maintenance projects when schools are out of session and carefully plans the maintenance projects for the summer and Christmas breaks to maximize productivity. At times the staff has to be very creative to accomplish the mission with the resources available. For example, the Division needed a new tractor last year but only had \$12,055 available and a tractor cost \$20,735. The staff went to other sources for the necessary funding. They traded in the old 1976 tractor for \$4,335. The high school horticultural program donated \$1,000 in exchange for some use of the new tractor occasionally and the high school athletic department donated \$3,400 in exchange for the maintenance staff helping (on their own time) with some major projects (including building a field house.) Despite the fact that the school division could not really afford the tractor, the maintenance staff found a way to get the job done.

Maintenance: Energy Efficiency

Finding:

The New Kent School Division has budgeted \$367,500 for utilities at the four schools (along with the transportation building, maintenance building and central administration office space). These costs include electricity, heating oil (several of the schools use oil-fired boilers for heat) and propane (which is used in some of the school cafeteria kitchens).

Since two of New Kent's schools were originally constructed more than seventy years ago and another more than thirty years ago, the buildings are not very energy efficient (See Table 20 below). This table also shows the Energy Star rating for each school. An Energy Star rating above 75 is considered very good. None of New Kent's schools achieved that rating.

Table 20: New Kent Schools - Energy Efficiency

School	Year Built	Renovations	Square footage	Students	Energy Cost per Sq. Foot	EnergyStar rating
Primary School	1973	1993	60,790	598	\$1.13	23
Watkins Elementary	1950	1960,66,74	50,000	540	\$.75	32
Middle School	1930	1950,74	72,794	651	\$1.04	52
High School	1989	None	110,000	763	\$1.10	10

As a consequence of resources uncovered during the course of this study, the New Kent School Division has joined a federal program called Rebuild America. This program is a network of hundreds of community-based partnerships across the nation that are dedicated to saving energy, improving energy performance and enhancing the quality of life through energy efficiency and renewable energy technologies. The program was created by the United States Department of Energy (U.S. DOE) in 1994. Most importantly, the program is free to local school divisions – the costs are paid by the federal government.

New Kent School Division should benefit from the following services the program offers:

- Analysis of utility bills and energy consumption.
- Technical Guidance (program staff will visit the schools and suggest changes that can save energy immediately. They also offer the full technical expertise of U.S. DOE facilities such as Oak Ridge National Laboratory or Lawrence Livermore National Laboratory to answer questions on which building or maintenance materials are the most energy efficient for use in the Virginia climate).
- Review of architect or engineering drawings for the planned renovation of two of New Kent’s schools to suggest changes that will save on energy costs after construction is complete.
- Meeting with Division staff and faculty to discuss how changing habits of energy usage could save the Division 10-15% on utility bills.
- Access to projects that worked in other school divisions (project details and exactly how much the Division saved on energy).
- Student education programs on energy usage and efficiency. (A curriculum that complies with and supports the SOLs has already been developed and used in other divisions with positive results).

Eight Virginia School Divisions are currently partners in this program. These divisions are Arlington, Chesapeake, Covington City, Fairfax County, and Falls Church, Harrisonburg City, Roanoke County, and Virginia Beach City Schools.

Roanoke County schools reported savings of \$1.3 million on its utility bills since joining this program several years ago.

Recommendation 10:

The New Kent County School Division should take full advantage of the Rebuild America partnership. The officials from this program estimate that New Kent should be able to save 10-15 percent and could save as much as 25 percent based on the age and condition of some of the schools. A conservative estimate would be savings of 10-20 percent, based on changes to behavior, changes to current settings at the schools, and implementation of suggestions for all the schools including the renovations.

This creates a potential annual savings in utility costs of \$36,700 to \$73,400.

Financial Management

Mission

The mission of the Business and Finance Division is to provide strong financial management in planning and managing limited resources, while at the same time maximizing those same resources to deliver a quality educational system for the students and citizens of New Kent County.

ORGANIZATION

New Kent County School Division employed a new Administrator for Business and Finance in 1999. The Administrator is working to ensure that the school division has internal controls in place, safeguards its resources, and utilizes technology fully. The following functional areas are included in the Administrator's responsibilities:

- Budget
- Revenue
- Account Payables (Expenditures)
- Payroll
- Financing for Capital Projects
- Administrative and Secretarial Support for the Board
- Bookkeeping at each of the schools (Activity Funds)
- School Nutrition
- Home School Program
- Purchasing
- Internal Audit

The Assistant Superintendent of Business and Finance has direct responsibility for four employees: the revenue clerk, the account payables (expenditures) clerk, the payroll clerk, and the nutrition supervisor. The revenue clerk is responsible for the school division revenue and serves as Clerk of the School Board. The accounts payable clerk controls and tracks the purchase order numbers (expenditures) by each of the four schools and the technology and transportation departments. All invoices are paid through the Business and Finance office and the respective school principals (or in the case of technology and transportation, the respective director) must approve the purchase orders, which are then approved by the Superintendent. All checks (expenditures) are approved at the monthly school board meeting and are dated to match the monthly school board meeting date. The payroll clerk is responsible for all payroll transactions and processes pay monthly for an average 350 employees of the school division. The nutrition supervisor is responsible for the 20 employees that prepare and serve the meals for 2,567 students daily and for the snacks and vending machines provided by the school division.

Additionally, the Administrator has functional responsibility for the six bookkeepers employed by the New Kent County School Division. The bookkeepers are responsible for individual school budget transactions and all transactions for their respective school activity funds. The high school employs two bookkeepers; the elementary and the middle school each employ a bookkeeper; and the primary school has two bookkeepers. The table below shows 2003-2004 budget for Business and Finance Division:

Table 21: Business and Finance Division Budget

Payroll ¹¹	\$412,153
Payroll Benefits ¹	87,675
Materials & Supplies ¹²	2,000
Travel ²	600
Training ²	750
Purchased Services ²	10,000
Food Service Products	<u>145,000</u>
Total	\$658,178

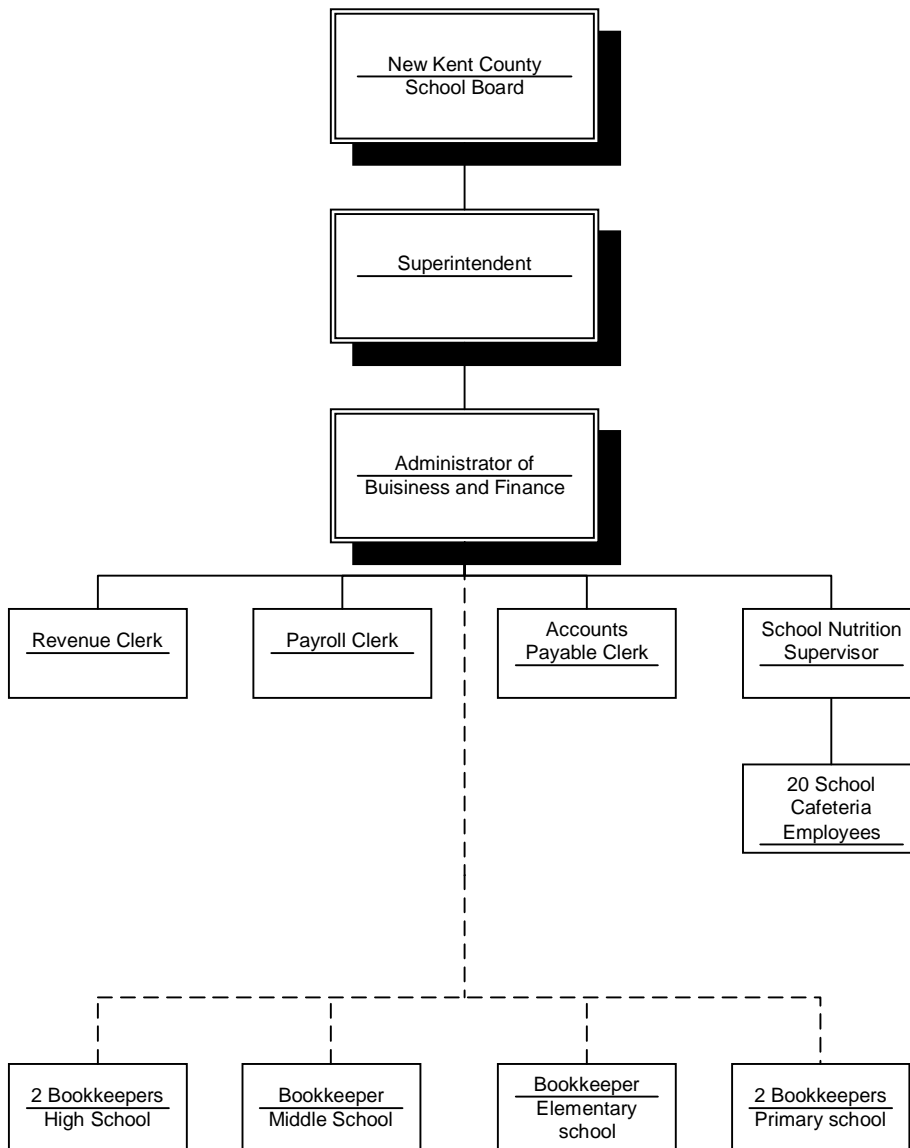
¹¹ These budgeted amounts include the salaries of the nutrition supervisor and the 20 nutrition and cafeteria staff. The salaries of the nutrition and cafeteria staff are approximations (provided by the Administrator of Business and Finance) as these employees are part-time.

¹² The Office of the Superintendent and the Division of Business and Finance share the budget amounts and these are estimations for the Division as provided by the Administrator of Business and Finance.

The Administrator for Business and Finance prepares and presents monthly budget and financial status reports to the New Kent County School Board as well as providing financial management information on a routine basis to the Board and other interested parties.

The following chart shows the organizational structure of the Business and Finance Division.

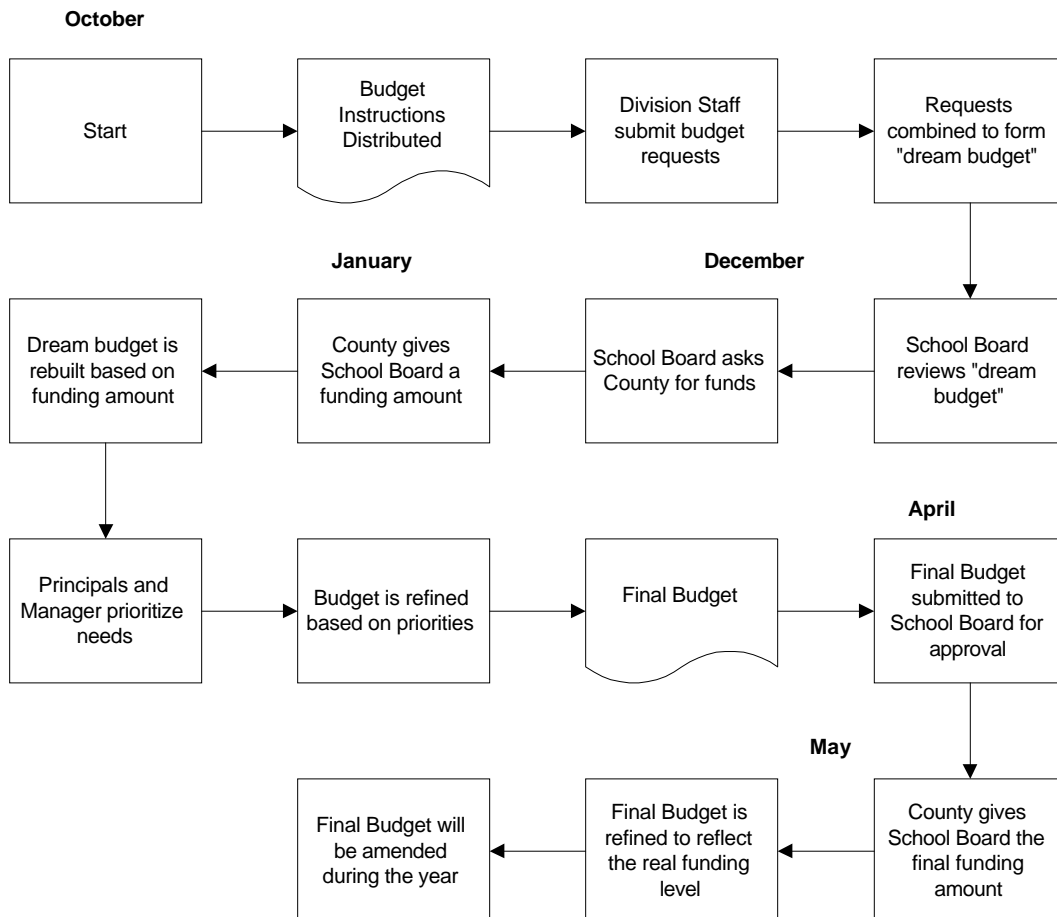
Figure 6:
The Budget and Finance Division



A cross-training program designed to provide back up for the various functional areas was recently implemented; however, this is restricted because of the minimal staffing levels of the Business and Finance Division.

The Administrator for Business and Finance is responsible for the school division budget of \$18 million. The Administrator works with each of the schools in developing, implementing, and monitoring the funds and in transferring funds and in preparing any accounting entries necessary to ensure that the funds are properly recorded and reported. Financial statements are prepared in conformance with generally accepted accounting principles and are included with the financial audit of New Kent County. The county contracts with a certified public accounting firm for the audit of its financial records and the school division has received an unqualified opinion (no material findings) for the past three years. Figure 7 below outlines the budget process.

New Kent County School Division Budget Process



Payroll

Finding:

The Division of Business and Finance prepares and processes a monthly payroll totaling slightly over \$1 million dollars. One payroll clerk is responsible for all facets of the payroll for the approximate 450 Division employees including all payroll deductions, leave accounting, health insurance, and federal and state tax deposits and reports.

The Superintendent and the Administrator of Business and Finance at NKCSO initiated a cross-training program. The cross-training program establishes back-up support for preparing and processing the Division's payroll. The Division has limited resources including staff positions in the Business and Finance office. The Division's strategy included training and identified a time line, which established that the back-up person would prepare and process the school division's payroll in November 2003.

Finding:

Payroll processing is a critical function and providing back-up support for payroll is an important step in managing the resources of the New Kent County School Division. Notwithstanding the limitations on resources, the NKCD has successfully implemented a cross-training program that will provide back-up coverage for payroll processing.

Finding:

Although training has been provided to another individual and even though New Kent County School Division's payroll accounting system is widely used by other school divisions within the Commonwealth, the steps and operational procedures for preparing and processing payroll are not well documented. The steps and operational procedures do not provide enough detail for a new staff member to perform the tasks independent of an experienced team member.

Recommendation 11:

The New Kent County School Division may wish to develop a desk manual with detailed payroll processing steps and operational procedures.

Finding:

The New Kent County School Division maintains a manual leave accounting system. The payroll clerk is responsible for the system and updates and maintains a leave card for each employee of the Division. Additionally, the payroll clerk enters the leave information into the Division's automated payroll system. Each paycheck includes individual leave information. Leave accounting is labor intensive; the Division is updating and maintaining duplicative leave systems.

Recommendation 12:

The New Kent County School Division may wish to consider eliminating the manual (card system) leave accounting system. The Charles City School Division and New Kent County government both rely on their BAI Municipal system for entering, maintaining, and reporting leave information. New Kent School Division recently employed a Personnel Director, who may be able to assume the leave function. This would help facilitate outsourcing the payroll function in the future, should the Division be so inclined.

Finding:

As reported previously, the New Kent County School Division has a monthly payroll of slightly greater than \$1 million dollars with approximately 350 employees. Both the New Kent County School Division and the local county governmental office use the BAI Municipal Software to process payroll. The BAI Municipal Software is widely used throughout local governments in Virginia, Kentucky, and Tennessee. The company website indicates that BAI has offered software accounting solutions to towns, cities, and counties since 1983.

The BAI Municipal Software utilizes payroll exception reporting. That is, once an employee's initial information (i.e. gross pay, deductions, health insurance, etc.) is entered into the system, the payroll will run automatically each month unless there is a change.

The New Kent County School Division has experienced significant use of substitute teachers and does employ a number of hourly staff; both of these conditions increase the time necessary to process transactions and to prepare the payroll. Additionally, the Division's payroll process includes manual calculations that are then entered into the automated system. The current payroll clerk has been responsible for the Division payroll for 29 years. It should be noted that this individual has been highly successful in the position and has earned the trust and respect of both teachers and central office staff.

The personal services (salary and benefits) costs associated with payroll processing are an estimated \$54,143 annually. Information gathered by the study team suggests the Division may be able to outsource the payroll for an annual cost of \$10,350 annually plus a \$2,500 start up fee.

Recommendation 13:

The New Kent County School Division may wish to consider outsourcing the payroll function or combining the Division payroll with the New Kent County payroll, perhaps at the retirement of the current payroll employee. Initial calculations indicate that the Division would recognize approximately, \$42,000 in annual savings. Some peer school divisions use one pay date for hourly and another pay date for salaried and professional staff. Though this appears to create additional work, it may provide

an opportunity for another employee to gain payroll experience and at the same time facilitate moving toward outsourcing the payroll function in the future.

Recommendation 14:

The New Kent County School should bring in some outside assistance to help automate the payroll process. The Division already has the necessary software to automate the process – the only action that is necessary is configuring the software the proper way and training the Division staff to allow the software to handle the payroll. New Kent could request assistance from another school division that uses the BAI Municipal software package – Charles City Schools, for example. New Kent could run a parallel process for one month, which would allow them to verify that the software process was working correctly. Once that month was verified the Division should cease the manual payroll process.

Asset and Risk Management

BACKGROUND:

Asset and Risk Management are central components of administrative operations of any organization. The International City/County Management Association (ICMA) has advised that almost all governmental activities carry elements of risks — fires, auto accidents, on-the-job accidents, embezzlement, and public liability are examples of the risks. Further, the ICMA isolates four basic kinds of risks to local governmental activities: (1) real and personal property, (2) loss of income, including increased costs resulting from property loss, (3) personnel loss, including health care costs and costs of hiring replacement workers, and (4) liability loss.

Identifying and controlling risk are paramount considerations. Establishing good internal controls are the ongoing keys to successful asset and risk management. Internal controls have been defined as the processes that provide adequate control of risks inherent in operations, afford economical and efficient use of resources, precipitate accomplishment of stated goals and objectives, ensure reliability and integrity of financial and other management information, and encourage compliance with laws and regulations, strategies, plans, and internal procedures.

Risk management frequently includes a disaster recovery and business continuity plan. Today, an adequate disaster recovery plan and business continuity plan are accepted as basic requirements for any organization.

As indicated above, risk management includes real and personal property and liability loss. A comprehensive risk management program will consider these issues and the insurance premiums and potential liability directly associated with them including workers compensation claims. Workplace safety is an important factor in developing the risk management plan. The Occupational Safety and Health Administration (OSHA) reports that new safety and health issues continually emerge. OSHA

indicates that workplace violence and work-related motor vehicle accidents now account for more than 40 percent of workplace fatalities.

Finding:

The New Kent County School Division participates in the self-insurance plan for workers' compensation provided through the Virginia Municipal League. The Virginia Municipal League (VML) also provides a safety-training program designed to reduce workers compensation claims and costs. The school division also provides a video on workplace safety for new school division employees.

Finding:

The New Kent County School Division provides comprehensive workplace safety training for its employees through the VML; the Director of Human Resources coordinates the training.

Finding:

Although, the New Kent County School Division strives to minimize risk, the Division has limited resources — staffing and financial. Both the staffing level and the financial constraints of the Division create a challenge in managing risk and providing internal controls. This is particularly true in attempting to segregate duties and responsibilities among the employees. Since neither the school division nor the local county government has an internal audit function, the school division relies on the Administrator of Business and Finance to perform any internal operational reviews (audits) including the periodic review of the activity funds in the four schools. In effect, the Administrator of Business and Finance is reviewing (auditing) his own financial operations. (The county does contract for annual audit of its records including the school division with an external private certified public accounting firm).

Recommendation 15:

Certainly, the school division and the Administrator of Business and Finance's efforts to manage risk and provide internal control are to be acknowledged. However, the Division may wish to consider establishing an internal audit function, perhaps in conjunction with the local county government. With the limitations on resources, one suggestion may be to establish a reciprocal peer review program either using an accounting/auditing professional from an adjacent school division or an accounting/auditing professional from the local treasurer's office.

Finding:

A disaster could make it difficult for the New Kent County School Division to continue operations. The New Kent County School division does not have a disaster recovery plan or business continuity plan in place.

Recommendation 16:

The New Kent County School Division may wish to assess the potential disasters that it faces daily. At a basic level, the Division may wish to establish policies and procedures for business continuity. The Division may wish to establish a co-operative agreement with the county concerning use of various county facilities, computer technology, and other infrastructure necessary to continue operations. The New Kent School Division may wish to contact the Virginia Department of Emergency Management for assistance in developing plans for continuity of operations.

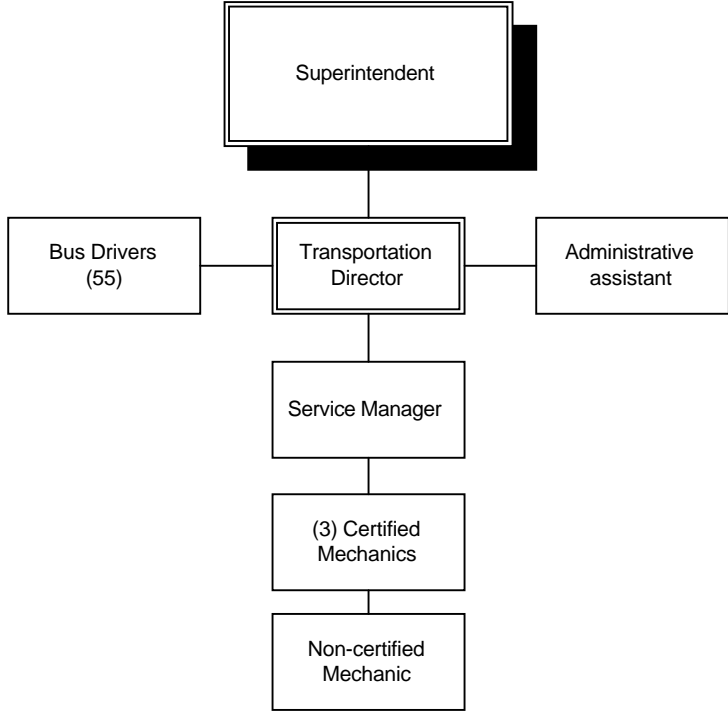
Transportation**MISSION**

The mission of the Transportation Division is to transport all students to and from school and approved extracurricular activities in a timely, safe, and efficient manner.

ORGANIZATION

Until July 2003, the New Kent County School Division's transportation and facilities management functions were combined under one director. It was recognized that no one director could efficiently and effectively manage the two divergent functions. Currently, student transportation and facilities management each have their own director. Reporting to the transportation director are one mechanic supervisor, three certified mechanics, one assistant (non-certified) mechanic, one administrative assistant, and 55 bus drivers who work at or out of the single transportation facility geographically located in the center of the county. The organization chart is illustrated on the following page.

Figure 8: Transportation Division



BUDGET

The planned 2003-04 transportation budget is supported entirely from general fund revenues and amounts to \$1.35 million. This is an increase of nine percent over the 2002-03 planned budget.

Just over 80 percent of the transportation budget is directed towards personal services; this is a reduction from the 82 percent expended for personal services in 2000-01. However, the largest area of growth in personal services between 2000-01 and 2003-04 is health insurance, which increased more than 72 percent for the transportation division.

A stronger growth in nonpersonal services over personal services occurred during the same period, 32 percent vs. 17 percent, respectively. The two areas contributing the most to this increase are insurance for the vehicles and transportation buildings (55.5 percent) and vehicle fuel (27.5 percent).

Fuel is purchased through a bidding process controlled by the county and the school division then reimburses the county for its share of fuel. On average, each bus route

costs the school division about \$10,000 in salary and fuel (\$8,000 and \$2,000, respectively). Highlights of the transportation budget as follows:

**Table 22: Transportation Budget
2000-01 to 2003-04**

Areas	00-01	01-02	02-03	03-04
Admin salaries	53,841	57,678	61,390	84,262
Clerical salaries	27,101	28,981	30,991	32,023
FICA	6,192	6,640	7,067	8,896
VRS	9,079	8,282	8,314	10,392
Health Ins	1,984	2,000	2,737	3,421
Group Life	648	520	-	-
Retiree	-	-	619	779
Operations Salaries	497,990	531,257	521,170	581,085
FICA	38,096	39,512	39,869	44,453
VRS	46,184	43,300	46,889	48,086
Health Ins	22,400	33,193	30,912	38,640
Group Life	3,984	2,450	-	-
Retiree	-	-	3,446	3,893
Mechanics Salaries	180,843	178,885	201,029	190,600
FICA	13,834	13,151	15,378	14,581
VRS	17,699	16,291	18,093	16,254
Health Ins	6,653	12,520	9,181	11,476
Group Life	1,447	978	-	-
Retiree	-	-	1,347	1,277
Personal Services	927,975	975,638	998,432	1,090,118
Insurance for Vehicles/buildings	62,100	67,340	83,950	96,543
Vehicle Fuel	72,000	72,885	85,000	91,800
Materials/supplies	50,000	54,864	49,000	53,639
Vehicle Supplies	2,500	2,834	3,000	3,000
Other	16,650	35,564	22,831	22,700
Nonpersonal Services	203,250	233,487	243,781	267,682
TOTAL	1,131,225	1,209,125	1,242,213	1,357,800
Source: NKCS D				

OPERATIONS

With its boundaries encompassing 472 square miles and a population density of 30.6 per square mile, New Kent County School Division's (NKCS D) school transportation services must cover large tracks of land to deliver and return 2,511 students to and from its four schools safely and in a timely manner each day.

Forty-eight buses operate along 46 bus routes and two special routes (for special needs students). Because of the student body size, NKCS D does not segregate students by age for transportation. Therefore, a single bus may transport a mix of students ranging in age from four to 17. Cars and vans are used for about 15-20 students who cannot ride on a bus (usually for psychological or physical disabilities). Each route averages about 38 miles and no student is riding a bus more than one hour each way. NKCS D has learned that the most efficient way to transport students is to assign one bus to one route. Primary and elementary students sit three abreast in a seat, whereas middle and high school students sit two abreast. An additional bus route may be approved this school year due to increased population growth.

NKCS D maintains 54 buses at its single transportation facility centrally located in the county. There are 55 drivers employed by NKCS D. When drivers are not available, a list of standby drivers is used. If no standby is available the director of transportation and anyone on his staff can be enlisted as a driver. All bus drivers must attend a 48-hour driver's seminar. Drivers are paid for three hours of work daily. Anything beyond three hours is considered overtime. NKCS D has budgeted \$7,800 for driver overtime, equal to the amount spent last year.

Once drivers complete their morning routes, the buses are left at the transportation facility. Bus drivers are then driven in NKCS D vans or cars to their homes or places of employment (several are school division employees). Those buses that are slated for their 30-60-90 day maintenance schedule are inspected during this time. In the afternoon, the drivers are again driven to the facility by the Division's vans and cars to the facility for the students' return home. Most bus drivers drive their buses home at the end of the day.

Buses are retired from service after 12 years (based on state recommendations) but most are kept as substitute buses for an additional two years thereafter. NKCS D does not lend or rent its buses to private or non-profit groups. State bus inspections are completed at the facility. There are no spare parts kept in inventory at the facility. Instead, at least three vendors compete to sell parts at a low price when needed. The three certified mechanics do most repairs ranging from oil and filter replacement, tire replacement or repair, transmission repair, etc. Tires are bought on state contract. Some repairs such as exhaust repair or replacement are less expensive through a private vendor than through the staff mechanics. The NKCS D student transportation

facility is also responsible for maintaining and repairing county deputy sheriff vehicles and other county vehicles (except fire and rescue vehicles). The transportation facility repairs or maintains up to one county vehicle per business day with no compensation for labor and time. The county reimburses NKCS D only for parts and supplies used for county vehicles serviced at the school transportation facility.

The director also is involved in student discipline hearings/actions if a student transgression occurs on a bus. One-third of all NKCS D buses are monitored by video cameras.

Training

All drivers must complete a 48-hour driving course paid for by the state. The school division reimburses them for their time and expenses while they are being trained. For this budget year, \$4,800 is allotted for driver training. NKCS D provides a one-time supplement of \$225 for bus drivers who complete the training and remain with the Division for one year.

The study team did investigate the feasibility of allowing age and content appropriate advertising on the interior roof (above the windows) and exterior sides of NKCS D school buses. However, both the Virginia Association for Pupil Transportation (VAPT) and its national counterpart, the National Association of State Directors of Pupil Transportation Services, do not endorse advertising on buses. Both groups cite safety concerns when arguing against bus advertising, though sources agree that there are no facts to back such claims; city transit buses for years have allowed advertising with no ill effects on public safety. However, the point is moot since the Virginia Department of Education prohibits advertising on buses.

Transportation Findings and Recommendations

Finding:

Overall, NKCS D's transportation division is a lean operation. Decisions have been made not to inventory spare parts in the bus garage in order to reduce costs and waste and to have all staff trained as bus drivers. This is a testament to the creative and industrious ways NKCS D operates on a daily basis.

Finding:

Like many school divisions, NKCS D purchases new school buses as a single buyer, thereby forgoing any potential savings realized through multi-school division leveraged purchasing. According to data compiled by the Virginia Department of Education as reported by school divisions, fifteen central Virginia school divisions in Region 1 spent \$24.9 million for 401 new buses between 1999-00 through 2001-02¹³.

¹³ Region 1 Study Group as described by the Virginia Department of Education includes Charles City County, Chesterfield, Colonial Heights City, Dinwiddie, Goochland, Hanover, Henrico, Hopewell City, New Kent, Petersburg City, Powhatan, Prince George, Richmond City, Surry, and Sussex.

While many smaller divisions including New Kent purchase school buses through the state contract, several larger ones (e.g., Chesterfield and Hanover) submit RFPs to three of Virginia's bus manufacturer representatives (Blue Bird, International, and Thomas) and realize savings due to their higher volume in both units purchased and funds expended.

Recommendation 17A:

Under the auspice or authority of the Virginia Department of Education, or an ad hoc association of Region 1 members, NKCS D should pursue the option of combining efforts with all Region 1 members to yield maximum savings from bus manufacturers. According to the Virginia Pupil Transportation Association, bulk purchasing can yield savings between \$1,500-\$2,000 per bus. The study team recognizes multi-division purchasing efforts have been tried and abandoned in the past. In interviews with several transportation directors, the efforts failed not because of lack of savings but rather because school divisions prefer to "do it alone" or the efforts failed because school divisions order different bus types with different options. This triggers complications in ordering and to possibly reducing potential savings.

This recommendation could be taken one step further into other related areas such as tire and fuel purchases. The potential savings realized through leveraged buying can be abundant if a concerted effort is made by all school divisions to be willing to combine efforts as one entity when purchasing goods and services.

Recommendation 17B:

The study team acknowledges that barring new legislation or regulations, school divisions in Virginia cannot be compelled to cooperate with neighboring school divisions when purchasing buses. As such, if cooperation with other school divisions is not practical, NKCS D should explore the option of leasing or lease-purchasing buses rather than purchasing buses outright. One report estimates that, "75 percent of the school districts in New Jersey now use lease-purchase programs to procure their school buses."¹⁴ Leasing or lease-purchasing buses would provide NKCS D with more flexibility in budget development and execution, while maintaining their current bus life-cycle schedule and maintenance and operations. While this option may not yield actual savings, it can be considered as a cash flow management tool since it defers payment for assets over a period of time.

The Virginia Pupil Transportation Association takes no formal position on this issue, but one former VPTA official noted that savings could range from several hundreds to several thousands of dollars per bus depending on options ordered, when properly negotiated.

¹⁴ "Tight Budgets Force Fleets to Look at Bus Purchase Options" Steve Hirano, School Bus Fleet. March 2002.

Finding:

Presently, retired buses are sold at auction, averaging \$600 per bus.

Recommendation 18:

Several smaller school divisions such as Pulaski trade in buses to bus manufacturers for an average minimum of \$1,000 per bus. The amount ultimately depends on the condition and mileage. Not only is this \$400 more than NKCS D currently receives for its auctioned bus, but because the bus is sold to a bus manufacturer, the school division need not incur the time and costs of removing flashing lights and county school descriptors on the bus. **With an average of four (4) buses retired in a year, that would generate an additional \$1,600 or more annually.**

Finding:

Currently, NKCS D buses are washed and cleaned by the assistant non-certified mechanic working at the bus garage. While NKCS D must be commended for using existing staff for such duties, opportunities exist to relieve those duties from that school division employee, freeing his time for other pursuits.

Recommendation 19:

Use court-ordered weekend community service individuals to wash and clean school buses. As described on the Joint Legislative Audit and Review Committee website, Virginia Beach City School Division has adopted this option and saved \$28,000 annually by eliminating the need for retail bus washing services. While adopting this option will not generate that level of savings for NKCS D, it will allow existing staff to concentrate on more productive work tasks, and allow community service individuals to pay their debts to the community. The Team acknowledges that the School system did adopt a similar program in the past using pre-released inmates that created a furor among parents who thought it was inappropriate to use inmates near a school (the bus depot is adjacent to schools). However, individuals sentenced to community service are typically those sentenced for driving under the influence or other minor non-violent infractions.

Finding:

At least one county vehicle per day is scheduled for service by NKCS D certified mechanics. While the county should be commended for utilizing existing personnel to service county vehicles, it should also be recognized that every county vehicle serviced by a NKCS D mechanic is time spent away from school division buses and vehicles. While the county does reimburse the school division for parts, there is no reimbursement for labor costs.

Recommendation 20:

The county should reimburse the school division for reasonable mechanics' labor costs. Shenandoah County School Division, a NKCS D cluster peer, is reimbursed by the county \$10.00 per hour for labor costs associated with their mechanics servicing

Shenandoah county vehicles at the school division's garage. **One county vehicle serviced each day for an average of two hours would yield \$5,200 annually.**

Information Technology

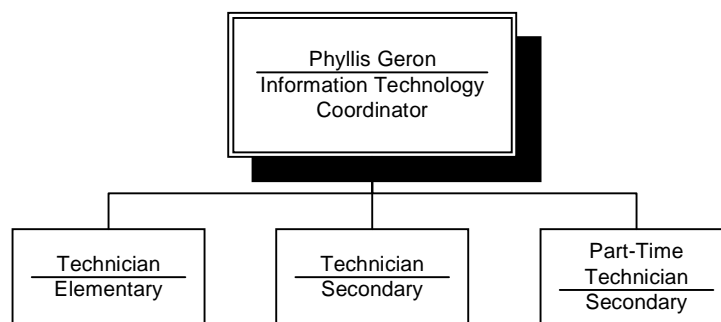
MISSION

The mission of the Information Technology section is to support the educational and administrative functions by providing information technology. The IT section does not directly teach IT courses, but assists teachers in the use of technology in the classroom and in curriculum development.

ORGANIZATION

The separate position of Technology Coordinator was created in 2000. Prior to that time the New Kent County School Division had a Principal also serving as Technology Coordinator with a guidance secretary serving as Assistant Technology Coordinator. After that principal left the Division a new position was created and the guidance secretary was hired to fill that role. The Technology Coordinator reports directly to the Superintendent. There are 2.5 FTE who report to the Technology Coordinator, two technicians and one part time college student who helps as a technician (see organizational chart).

Figure 9: Information Technology Staff



The staff has grown from zero to 3.5 FTEs over the past two years.

Budget

Revenue

The Information Technology section has several sources of revenue. The primary source of revenue is the school division budget. The IT section also applies for and manages several technology related grants.

Revenue from the general school division budget is used to pay salaries, purchase equipment and supplies, hire contractors, pay for software licenses and staff training.

There are three special revenue categories for the IT Section:

- 1) The Virginia Standards of Learning Technology Initiative is a large-scale project funded by the Commonwealth of Virginia beginning in the year 1994 to assist school divisions in improving student achievement through the use of statewide, web-based computer resources. The initiative, currently focused on Virginia's high schools, includes funding that is targeted to achieve the following three goals:
 - Provide a ratio of one computer for every five students.
 - Create Internet-ready local area network capability in every school.
 - Assure high-speed, high-bandwidth capabilities for instructional, remedial, and testing needs.

Funding is based on grants of \$26,000 per school and \$50,000 per division. New Kent County School Division receives \$184,800 per year under this initiative. This includes \$154,000 in expenses (hardware and software), which are reimbursed by the Department of Education. The New Kent School Division is required to spend \$23,100 in local matching funds to receive this state funding. Additionally the Division receives \$7,700 for training.

- 2) The Technology Literacy Challenge Grant - DOE also issued a competitive technology grant and told the school divisions to form consortiums to spend the grant. New Kent is in the Four Rivers consortium with eleven divisions including Surrey, West Point, Caroline, and King William. The consortium receives \$250,000 / year for 5 years. Caroline Co. serves as the fiscal agent for the consortium. 2002-03 was the first fiscal year the consortium was in operation. During that year the funding went towards math and science technology related courses for one person at each school represented in the consortium and graphing calculators for the high schools.

- 3) E-Rate is a federal program created by the Telecommunications Act of 1996. The purpose of the program is to have telecommunications services provided to local school divisions at a discounted rate. The program is administered by a non-profit corporation created by the FCC for that purpose. School divisions apply for reimbursement each year for expenses such as telephone service and internet service. The New Kent School Division receives reimbursement based on a 40 percent discount to these services.
- 4) The Ed-Tech Grant is a federal grant which is formula driven. It comes from the No Child Left Behind act. The funding rate is based on the number of free and reduced price lunches in the Division, and since New Kent's rate is relatively low the Division does not receive much in this grant – only \$5,000.

Expenditures

The primary expenditures for the IT section are personal services, new equipment, purchased services, and replacement of old equipment. Purchased services include software licenses and the cost of the Division's Internet Service Provider – Network Virginia. Internal Services includes training for both the IT section staff and technology related staff development for the teachers.

The new equipment line increased dramatically in 2001-02 due to the inflow of money from the SOL Online Initiative (funds began arriving in 00-01 but these funds can be spent over 18 months and not the normal 12 month fiscal year.) Personal services have also increased dramatically – this is due to the increase in the number of staff over the past three years from zero to 3.5.

OPERATIONS

The Technology Division is responsible for the following:

- 1) The Technology Coordinator is the manager of the technology budget that includes education technology grants, hardware, software, technology supplies, equipment needs, etc.
- 2) The Technology Coordinator is in charge of all technology related purchases (whether they come out of the IT budget or the school's budget, the Technology Coordinator is to review all requests for IT purchases).
- 3) The Technology Coordinator works with the director of instruction to incorporate PCs in the classroom.
- 4) By 2005, all teachers must be certified as technologically literate. The Technology Coordinator handles this effort. She did note that this task is being made easier as younger teachers fresh out of Virginia public colleges are already "tech certified."

- 5) The Technology Coordinator also coordinates efforts for E-Rate applications and reimbursement process. She also handles the other technology related grants the Division receives.
- 6) The Technology Division sets up, repairs, maintains, and updates all PCs and networks in the school division.

Finding:

The New Kent Technology Director expressed a desire to create an A+ licensing program for students at New Kent High School. (A+ certification is an industry standard program for entry-level IT workers. It is not specific to one vendor or technology but shows general PC knowledge). This program would allow students to gain a valuable IT certification before leaving high school. Other school divisions (Accomack for one) have created a similar program and have used the trained students to cut costs for computer technical support by having the students perform needed repairs and maintenance.

Recommendation 21:

New Kent School Division should contact other school divisions with an A+ Certification program and incorporate it into the school division's career and technical education program. The school division may be able to save costs on computer repair.

Recommendation 22:

New School Division should work with the Department of Education in order to become involved in the Governor's 'Senior Year Plus Path to Industry Certification.' The A+ Certification is eligible for this program and a New Kent teacher may be able to get the certification necessary to teach the required course.

**Table 23: Information Technology Budget
2000-01 to 2003-04**

Special IT Revenue

Areas	00-01	01-02	02-03	03-04
SOL Online Initiative	184,800	184,800	184,800	184,800
Technology Literacy Challenge Grant	-	57,650	53,300	53,300
Ed-Tech Grant			5,000	5,000
E-Rate	-	21,203	44,040	-
Total Revenue	184,800	263,653	287,140	243,100

Expenditures

Areas	00-01	01-02	02-03	03-04
Admin salaries	-	585	70,684	141,970
FICA	134	45	5,393	10,860
VRS	-		4,838	12,451
Health Ins	-		-	2,312
Group Life	-		310	338
Retiree	-		-	950
Personal Services	134	630	81,225	168,881
Purchased Services	14	95,270	104,302	122,352
Internal Services			780	14,000
Communications	600	-	-	-
New equipment	39,274	85,451	322,661	257,200
Materials/supplies	253	3,638	23,728	15,000
Travel		1,372	584	700
Replacement of equipment	2,579	3,120	15,112	48,000
Other	-	-	1,668	1,783
Nonpersonal services	42,720	188,851	468,835	459,035
TOTAL EXPENDITURE	42,854	189,481	550,060	627,916
Source: NKCS D				

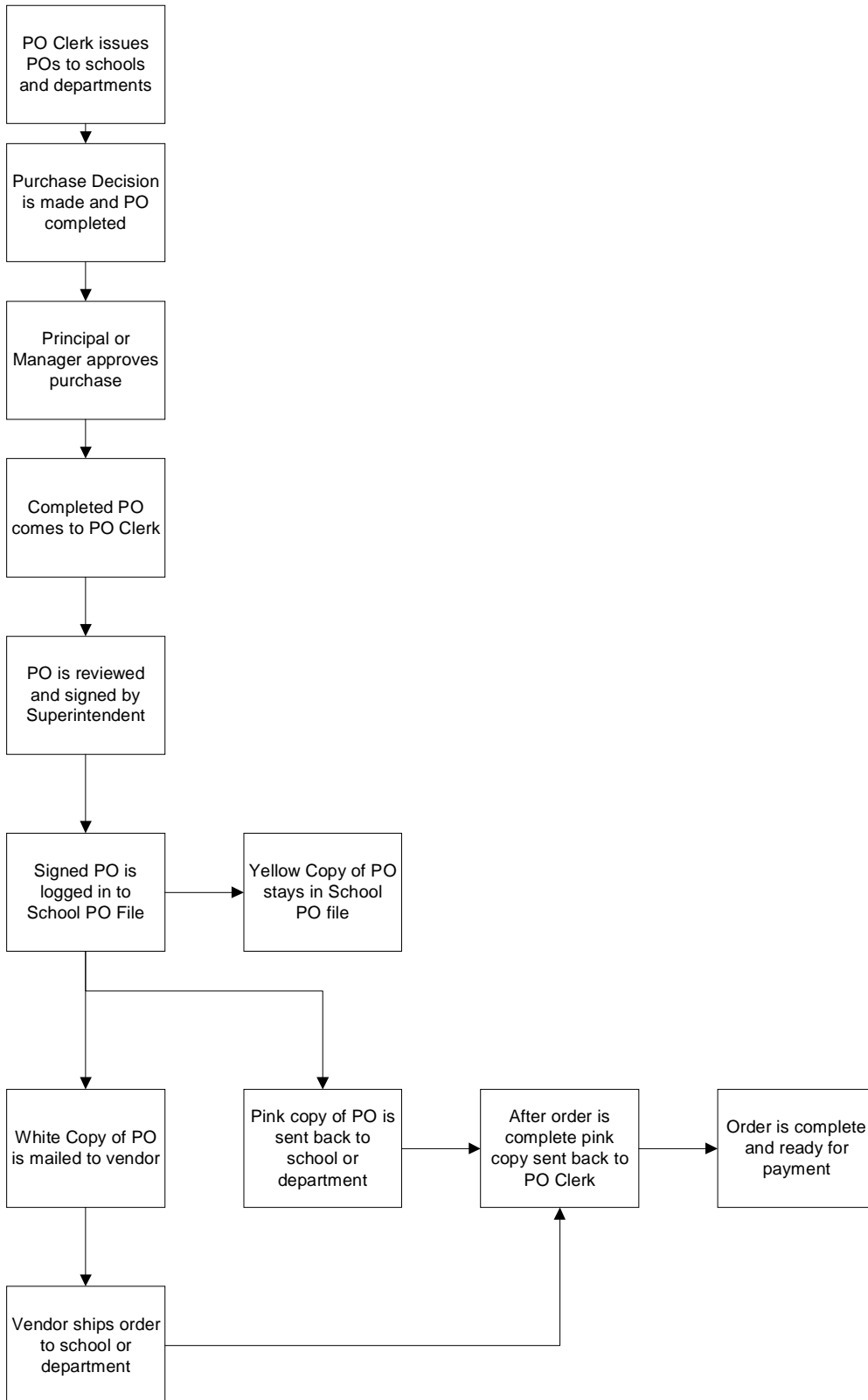
Purchasing

Purchasing is very decentralized in the New Kent School Division. No central purchasing office, warehouse or shipping / receiving points exist. More than 30 people within this relatively small organization make purchasing decisions. Only a

few of the largest purchases (such as copy paper) are managed centrally by the Finance Division. Most purchase decisions are made at the school or division level. (And within the school the decisions are normally made by the lead teacher in each academic section).

The following process diagram shows how the school division processes purchase orders. The division relies on paper purchase order forms that are circulated to the appropriate person.

Figure 10: New Kent County School Division Purchase Order Process



Purchasing controls are excellent. The staff is very conscious of their respective unit budgets when making purchasing decisions. The Superintendent reviews each purchase order – and since almost all purchases are made using purchase orders the Superintendent basically reviews every single purchase this division makes.

Because the process is so decentralized the Division fails to achieve economies of scale that could be achieved by combining orders. For example, school furniture is ordered separately at each school; if these orders were combined it is possible that the school division could save money on the order. However that would also require receiving the shipment at one central site and distributing it to the schools, and that is something New Kent is not yet equipped to do. The only function where purchasing is truly centralized is Information Technology. The Technology coordinator reviews each IT related purchase and approves them before they are allowed to proceed.

New Kent works with State Purchasing Officials

For this report the study team convened a meeting with the NKCS D staff with purchasing authority, the Administrator for Business and Finance, and the Superintendent with representatives from the Virginia Department of General Services (DGS). The purpose of the meeting was to educate the NKCS D procurement staff on the benefits of utilizing the Virginia Distribution Center (VDC) and electronic procurement through Electronic Virginia (eVA).

The VDC is the Commonwealth's distribution center located in central Virginia. The VDC purchases and distributes about \$30 million worth of food and custodial supplies annually to over 1,200 customers statewide. With savings on average of 34 percent compared to market prices, the VDC combines purchases of items consumed in large quantities by public agencies into single purchases, obtaining better pricing than individual agency purchases through leveraged buying power.

With NKCS D's assistance, the study team forwarded to DGS commonly purchased school division items in areas such as technology, custodial, office, and food supplies. DGS compared NKCS D purchase prices of several commodities with VDC prices. For several commonly purchased items such as cans of peaches, beans, mayonnaise, and whole tomatoes, NKCS D receives lower prices through agreements with the U.S. Department of Agriculture.

For non-food products, VDC could yield more savings for NKCS D. From items such as abrasive cleaners, household bleach, buffing pads, and hand soap, VDC prices are lower. **The biggest area of savings is a six (6) percent savings in copy paper at an annual savings of \$1,485.12.**

The following table illustrates the prices NKCS D and the VDC can command on commonly purchased items.

Table 24: Price Comparisons on Commonly Purchased Items			
Item	NKCS D Price	VDC Price	Notes
Abrasive cleaner	\$26.49 case	\$11.84 case	
Bleach-Household	\$1.13 gal	\$.96 gal	
Concentrated Disinfectant	\$.03 quart	\$.0275 quart	
Buffing pad 20" red	\$20.5 case	\$12.00 case	
Concentrated window cleaner	\$.25 quart	\$.04 quart	
Paper towel			Not comparable
Concentrated Disinfectant	\$.03 quart	\$.0275 quart	
Hand soap- liquid 4/1	\$26.00 case	\$10.34 case	
Can liner 43X47 1.2 mil	\$17.20/250	\$16.58/ 250	
Peaches, sliced 6/10	\$16.33 case**	\$19.73 case	USDA Pricing Agreements
Beans, green 6/10	\$9.90 case**	\$13.16 case	USDA Pricing Agreements
Beans, dry, navy	Do not use		
Reg. Mayonnaise 4/1	\$12.50 case	\$14.63 case	
Rice,white,parboiled 25 lb.	\$7.65 box	\$ 6.40 box	
Catsup, 6/10	\$12.50 case	\$12.43 case	
Toilet Tissue	\$.53 roll	\$.33 roll	Customer uses 2000 sheet roll
			Comparison per 1000 sheets
Tomatoes, whole 6/10	\$12.25 case	\$12.99 case	
Eggs, frozen 6/5			Not comparable
Frankfurters, Turkey 10 lb. Case	\$13.00 case	\$7.29* case	*Opportunity- no CN label
Waffles	Do not use		Uses waffle sticks

** There have been some quality problems with the USDA agreement items.

After several years of development and refinement, eVA, the electronic procurement system operated through DGS, is only now beginning to be showcased to local governments and school divisions as an opportunity for savings. Even with its modest electronic capability, DGS believes NKCS D could connect NKCS D to the power of eVA and realize savings. With such features as e-mall, Quick Quote, and over 749 vendor-catalogues featuring over four million products on the internet, NKCS D purchasing officers can seek the best prices for pens, pencils, personal computers, printers, paper, chairs, and many other items.

Finding:

NKCSD has already begun to work with DGS in exploring purchasing options through the VDC and seeking ways NKCS D can efficiently and with no disruption to the current purchasing and accounting systems connect to eVA.

Recommendation 23:

NKCSD should continue to work with the resources at DGS, at no cost to NKCS D, in connecting NKCS D to eVA and educating its staff on the advantages of leveraged buying through the VDC and eVA. The savings generated on an annual basis could be substantial.

IV. Summary and Report Conclusions

Two key themes emerged from the New Kent County School Division Efficiency Review Pilot Project. First, we must recognize the struggle between the desire for complete independence and economies of scale for local school divisions. Localities in Virginia are very independent when compared to other states. If all localities were merely subdivisions of the state government then there might be huge efficiencies that could be achieved in Virginia by joining them together for the common good. However local governments and school divisions in Virginia value their independence highly. There is a price to be paid (literally) for such independence and in the case of small school divisions such as New Kent the price is in failing to achieve economies of scale in some of the financial actions it undertakes. With state and local budgets growing ever tighter, school divisions will face trade offs in this struggle.

The second major theme of this project is that the New Kent School Division could save a lot of money on an annual basis, but that it was not wasting money to begin with. In no cases did the study team find waste, fraud, or abuse in New Kent School Division. The Divisional staff is so small and so highly focused on getting their primary mission (education) done well that they have not had the time dedicated to looking for areas where they can save money. This situation is probably true in almost every small school division in Virginia. It is not a failure on New Kent's part that they did not notice these savings before – many of these items were only determined after days of research and calls to state agencies and other school divisions.

Table 25: New Kent School Division Efficiency Report Savings Summary

Recommendation	Potential Savings	Frequency	Notes:
Local Choice health insurance	\$115,000	Annual	
Energy efficient building	\$73,500	Annual	
Outsource payroll function	\$42,000	Annual	
Assess county a fee for vehicles serviced by transportation mechanics	\$5,200	Annual	Based on a \$10/hr reimbursement rate for average of two hours of labor for one vehicle/day

Recommendation	Potential Savings	Frequency	Notes:
Manufacturer trade-in of retired buses	\$1,600	Annual	Bus trade-ins could yield at least \$1,000/ bus. This is \$400 more per bus than what the Division receives through bus auctions.
Purchase copier paper from state contract	\$1,500	Annual	
Purchase other items through state contract	Varies	Annual	
Consider lease-purchasing of buses	Not necessarily a cost savings, but a cash flow management tool.	Annual	Estimates vary depending on bus type, options, and quantity ordered.
Consortium bus purchasing	Varies	Annual	Savings depends on the number of divisions participating and number of buses purchased
Total Savings	\$238,800		

Appendix I: Cluster Data

List of Rankings in Comparison to its Cluster (total of 31 divisions)

These rankings are based on per-pupil expenditures and revenue.
The data is taken from Tables 13 and 15 of the Annual School Report from DOE.

Category	Amount / Pupil	Rank (out of 31)
Administration	\$204.25	11th
Attendance and Health	\$229.78	31st
Transportation	\$564.70	20th
Instruction	\$4,521.60	1st
Facilities	\$35.34	11th
Special Education	\$1,419.33	28th
Career and Technical	\$84.35	10th
Debt Service and Transfers	\$342.94	12th
Ops and Maintenance	\$626.66	3rd
Technology	\$309.95	23rd
Total Expenditures	\$6,146.99	1st
Local Revenue	\$2,747.53	7th
State Revenue	\$3,393.78	13th
Federal Revenue	\$320.82	4th

In this table 1st is the lowest in amount per pupil and 31st is the highest.

Each of the pages below shows a list of expenditures or revenue sorted by school division. The data is sorted by expenditures (or revenue) per pupil. The table also includes total expenditures (or revenue) and expenditures as a percentage of the total budget.

Note that these data are self-reported and unverified, and are known to contain discrepancies in expenditure classification.

Administration Expenditures: Per-Pupil, Total Expenditures and as a Percentage of the Total Budget

School Division	Cluster	Administration / Pupil	Administration	Administration %
Shenandoah Co Pblc Schs	2	\$100.21	\$557,588.88	1.4%
Botetourt Co Pblc Schs	2	\$134.72	\$631,164.60	1.8%
Fluvanna Co Pblc Schs	2	\$144.65	\$453,629.18	2.0%
Giles Co Pblc Schs	2	\$160.30	\$405,874.77	2.0%
Floyd Co Pblc Schs	2	\$164.66	\$332,113.96	2.2%
Orange Co Pblc Schs	2	\$168.97	\$713,574.35	2.1%
Middlesex Co Pblc Schs	2	\$169.35	\$221,174.17	2.0%
Essex Co Pblc Schs	2	\$176.33	\$287,424.45	2.2%
Northumberland Co Pblc Schs	2	\$179.45	\$268,093.78	2.2%
Goochland Co Pblc Schs	2	\$185.23	\$369,169.35	2.1%
New Kent Co Pblc Schs	2	\$204.25	\$483,451.09	2.9%
Mathews Co Pblc Schs	2	\$224.98	\$294,954.57	2.4%
Madison Co Pblc Schs	2	\$227.20	\$415,555.93	2.9%
Craig Co Pblc Schs	2	\$227.39	\$159,171.55	2.8%
Powhatan Co Pblc Schs	2	\$231.75	\$840,105.56	1.4%
King Geo Co Pblc Schs	2	\$233.38	\$704,794.19	3.2%
Clarke Co Pblc Schs	2	\$248.51	\$493,535.79	2.8%
Louisa Co Pblc Schs	2	\$253.90	\$1,058,272.41	2.9%
Lancaster Co Pblc Schs	2	\$262.86	\$377,988.19	3.0%
Richmond Co Pblc Schs	2	\$276.54	\$344,015.22	3.7%
Rockbridge Co Pblc Schs	2	\$291.91	\$870,487.68	3.2%
King William Co Pblc Schs	2	\$295.26	\$519,357.73	3.5%
Bland Co Pblc Schs	2	\$317.72	\$281,815.29	3.4%
Nelson Co Pblc Schs	2	\$323.93	\$657,907.76	3.7%
Bath Co Pblc Schs	2	\$348.48	\$278,432.01	3.3%
Greene Co Pblc Schs	2	\$401.88	\$1,056,543.73	4.8%
Amelia Co Pblc Schs	2	\$419.72	\$536,396.80	4.2%
Highland Co Pblc Schs	2	\$433.03	\$136,404.62	4.2%
Charles City Co Pblc Schs	2	\$433.38	\$403,048.00	4.1%
Rappahannock Co Pblc Schs	2	\$487.84	\$508,327.68	5.6%
Surry Co Pblc Schs	2	\$513.30	\$592,865.60	4.5%

Attendance and Health Expenditures: Per-Pupil, Total Expenditures and as a Percentage of the Total Budget

School Division	Cluster	Atten & Health / Pupil	Attendance & Health	Atten & Health %
Highland Co Pblc Schs	2	\$0.00	\$0.00	0.0%
Richmond Co Pblc Schs	2	\$39.52	\$49,165.14	0.5%
Craig Co Pblc Schs	2	\$56.65	\$39,655.14	0.7%
Madison Co Pblc Schs	2	\$59.48	\$108,792.10	0.8%
Orange Co Pblc Schs	2	\$61.31	\$258,908.80	0.8%
Rockbridge Co Pblc Schs	2	\$68.45	\$204,117.44	0.7%
Floyd Co Pblc Schs	2	\$73.90	\$149,064.82	1.0%
Lancaster Co Pblc Schs	2	\$75.61	\$108,725.09	0.9%
Surry Co Pblc Schs	2	\$79.19	\$91,461.57	0.7%
Fluvanna Co Pblc Schs	2	\$80.68	\$253,022.69	1.1%
Greene Co Pblc Schs	2	\$83.28	\$218,933.19	1.0%
Giles Co Pblc Schs	2	\$89.95	\$227,752.57	1.1%
King Geo Co Pblc Schs	2	\$99.71	\$301,122.44	1.4%
Bland Co Pblc Schs	2	\$107.08	\$94,976.10	1.2%
Botetourt Co Pblc Schs	2	\$108.26	\$507,207.84	1.5%
Mathews Co Pblc Schs	2	\$114.29	\$149,827.60	1.2%
Northumberland Co Pblc Schs	2	\$122.59	\$183,148.24	1.5%
Amelia Co Pblc Schs	2	\$129.97	\$166,098.48	1.3%
Louisa Co Pblc Schs	2	\$134.58	\$560,937.66	1.5%
Powhatan Co Pblc Schs	2	\$137.09	\$496,942.18	0.8%
Clarke Co Pblc Schs	2	\$138.25	\$274,572.95	1.6%
Goochland Co Pblc Schs	2	\$143.29	\$285,568.55	1.7%
Shenandoah Co Pblc Schs	2	\$148.17	\$824,395.78	2.0%
King William Co Pblc Schs	2	\$148.71	\$261,588.43	1.7%
Charles City Co Pblc Schs	2	\$149.47	\$139,009.00	1.4%
Nelson Co Pblc Schs	2	\$168.65	\$342,518.09	1.9%
Bath Co Pblc Schs	2	\$175.66	\$140,354.93	1.7%
Middlesex Co Pblc Schs	2	\$188.39	\$246,034.10	2.2%
Essex Co Pblc Schs	2	\$190.73	\$310,888.80	2.3%
Rappahannock Co Pblc Schs	2	\$199.47	\$207,846.52	2.3%
New Kent Co Pblc Schs	2	\$229.78	\$543,889.39	3.3%

Transportation Expenditures: Per-Pupil, Total Expenditures and as a Percentage of the Total Budget

School Division	Cluster	Trans/Pupil	Transportation	Transportation %
Mathews Co Pblc Schs	2	\$367.31	\$481,542.59	4.0%
Botetourt Co Pblc Schs	2	\$372.01	\$1,742,862.36	5.0%
Craig Co Pblc Schs	2	\$383.19	\$268,229.75	4.7%
Greene Co Pblc Schs	2	\$395.83	\$1,040,637.92	4.7%
Fluvanna Co Pblc Schs	2	\$398.83	\$1,250,735.65	5.5%
Clarke Co Pblc Schs	2	\$410.71	\$815,670.12	4.6%
King Geo Co Pblc Schs	2	\$411.09	\$1,241,506.60	5.7%
Shenandoah Co Pblc Schs	2	\$417.29	\$2,321,774.63	5.7%
Giles Co Pblc Schs	2	\$426.65	\$1,080,285.63	5.4%
Middlesex Co Pblc Schs	2	\$462.65	\$604,216.95	5.5%
Essex Co Pblc Schs	2	\$463.02	\$754,716.58	5.7%
Orange Co Pblc Schs	2	\$467.65	\$1,974,884.83	5.9%
Madison Co Pblc Schs	2	\$478.54	\$875,256.41	6.2%
Richmond Co Pblc Schs	2	\$489.64	\$609,108.15	6.6%
Powhatan Co Pblc Schs	2	\$521.24	\$1,889,493.95	3.2%
Amelia Co Pblc Schs	2	\$537.05	\$686,351.61	5.4%
Rockbridge Co Pblc Schs	2	\$537.25	\$1,602,071.47	5.8%
King William Co Pblc Schs	2	\$542.95	\$955,044.17	6.3%
Highland Co Pblc Schs	2	\$545.89	\$171,955.56	5.3%
New Kent Co Pblc Schs	2	\$564.70	\$1,336,640.81	8.0%
Bland Co Pblc Schs	2	\$581.69	\$515,959.27	6.3%
Surry Co Pblc Schs	2	\$582.46	\$672,740.81	5.1%
Northumberland Co Pblc Schs	2	\$594.93	\$888,825.46	7.3%
Floyd Co Pblc Schs	2	\$604.86	\$1,220,002.94	8.1%
Goochland Co Pblc Schs	2	\$616.35	\$1,228,390.06	7.1%
Rappahannock Co Pblc Schs	2	\$622.08	\$648,206.32	7.1%
Louisa Co Pblc Schs	2	\$622.23	\$2,593,450.83	7.0%
Lancaster Co Pblc Schs	2	\$638.92	\$918,770.49	7.3%
Nelson Co Pblc Schs	2	\$727.91	\$1,478,387.59	8.2%
Bath Co Pblc Schs	2	\$774.75	\$619,024.00	7.3%
Charles City Co Pblc Schs	2	\$781.50	\$726,797.00	7.5%

Instruction Expenditures: Per-Pupil, Total Expenditures and as a Percentage of the Total Budget

School Division	Cluster	Instruction / Pupil	Instruction	Instruction %
New Kent Co Pblc Schs	2	\$4,521.60	\$10,702,638.02	64.2%
Giles Co Pblc Schs	2	\$4,839.69	\$12,254,091.89	61.1%
Richmond Co Pblc Schs	2	\$4,900.26	\$6,095,929.57	66.3%
Middlesex Co Pblc Schs	2	\$4,924.81	\$6,431,808.00	58.1%
Louisa Co Pblc Schs	2	\$4,962.10	\$20,682,017.15	55.7%
Mathews Co Pblc Schs	2	\$4,967.88	\$6,512,885.80	53.9%
Floyd Co Pblc Schs	2	\$5,010.33	\$10,105,829.84	67.1%
King Geo Co Pblc Schs	2	\$5,039.15	\$15,218,246.96	69.4%
Bland Co Pblc Schs	2	\$5,046.68	\$4,476,409.43	54.2%
Madison Co Pblc Schs	2	\$5,216.07	\$9,540,187.56	67.4%
Fluvanna Co Pblc Schs	2	\$5,217.11	\$16,360,844.92	72.4%
Orange Co Pblc Schs	2	\$5,224.99	\$22,065,122.31	66.1%
Powhatan Co Pblc Schs	2	\$5,233.25	\$18,970,525.22	32.3%
Nelson Co Pblc Schs	2	\$5,261.49	\$10,686,086.62	59.5%
Craig Co Pblc Schs	2	\$5,262.97	\$3,684,080.04	65.0%
Rockbridge Co Pblc Schs	2	\$5,292.44	\$15,782,059.97	57.6%
Botetourt Co Pblc Schs	2	\$5,295.32	\$24,808,578.07	71.2%
Essex Co Pblc Schs	2	\$5,309.35	\$8,654,247.54	65.2%
Shenandoah Co Pblc Schs	2	\$5,375.54	\$29,909,529.47	73.4%
Northumberland Co Pblc Schs	2	\$5,488.38	\$8,199,634.30	67.1%
Rappahannock Co Pblc Schs	2	\$5,605.91	\$5,841,359.28	63.9%
King William Co Pblc Schs	2	\$5,635.46	\$9,912,771.49	65.9%
Lancaster Co Pblc Schs	2	\$5,665.42	\$8,146,872.16	64.7%
Clarke Co Pblc Schs	2	\$5,704.84	\$11,329,819.11	64.1%
Greene Co Pblc Schs	2	\$5,820.93	\$15,303,224.18	69.6%
Goochland Co Pblc Schs	2	\$5,853.28	\$11,665,595.09	67.8%
Amelia Co Pblc Schs	2	\$6,165.41	\$7,879,392.68	62.4%
Charles City Co Pblc Schs	2	\$6,386.89	\$5,939,809.76	61.0%
Highland Co Pblc Schs	2	\$6,419.15	\$2,022,033.63	61.9%
Bath Co Pblc Schs	2	\$7,020.10	\$5,609,059.83	66.1%
Surry Co Pblc Schs	2	\$7,199.90	\$8,315,880.14	62.6%

Facilities Expenditures: Per-Pupil, Total Expenditures and as a Percentage of the Total Budget

School Division	Cluster	Facilities / Pupil	Facilities	Facilities %
Shenandoah Co Pblc Schs	2	\$0.00	\$0.00	0.0%
Bath Co Pblc Schs	2	\$0.00	\$0.00	0.0%
Charles City Co Pblc Schs	2	\$0.00	\$0.00	0.0%
Craig Co Pblc Schs	2	\$0.00	\$0.00	0.0%
Fluvanna Co Pblc Schs	2	\$0.00	\$0.00	0.0%
Amelia Co Pblc Schs	2	\$0.00	\$0.00	0.0%
Surry Co Pblc Schs	2	\$0.00	\$0.00	0.0%
Lancaster Co Pblc Schs	2	\$0.56	\$800.00	0.0%
Middlesex Co Pblc Schs	2	\$20.55	\$26,837.16	0.2%
Nelson Co Pblc Schs	2	\$20.64	\$41,923.36	0.2%
New Kent Co Pblc Schs	2	\$35.34	\$83,646.74	0.5%
King William Co Pblc Schs	2	\$44.23	\$77,800.00	0.5%
Madison Co Pblc Schs	2	\$45.10	\$82,489.29	0.6%
Greene Co Pblc Schs	2	\$47.01	\$123,584.54	0.6%
Botetourt Co Pblc Schs	2	\$47.98	\$224,786.00	0.6%
Northumberland Co Pblc Schs	2	\$57.92	\$86,530.52	0.7%
King Geo Co Pblc Schs	2	\$60.10	\$181,501.14	0.8%
Orange Co Pblc Schs	2	\$76.01	\$321,008.92	1.0%
Rappahannock Co Pblc Schs	2	\$87.74	\$91,420.48	1.0%
Giles Co Pblc Schs	2	\$101.38	\$256,690.52	1.3%
Goochland Co Pblc Schs	2	\$108.89	\$217,014.00	1.3%
Richmond Co Pblc Schs	2	\$136.58	\$169,903.22	1.8%
Clarke Co Pblc Schs	2	\$203.89	\$404,928.96	2.3%
Highland Co Pblc Schs	2	\$225.84	\$71,140.09	2.2%
Bland Co Pblc Schs	2	\$259.64	\$230,302.89	2.8%
Floyd Co Pblc Schs	2	\$269.42	\$543,413.16	3.6%
Essex Co Pblc Schs	2	\$305.15	\$497,386.35	3.7%
Louisa Co Pblc Schs	2	\$806.78	\$3,362,640.92	9.1%
Mathews Co Pblc Schs	2	\$1,035.43	\$1,357,445.83	11.2%
Rockbridge Co Pblc Schs	2	\$1,212.93	\$3,616,945.64	13.2%
Powhatan Co Pblc Schs	2	\$3,496.66	\$12,675,398.93	21.6%

Special Education Expenditures: Per-Pupil, Total Expenditures and as a Percentage of the Total Budget

School Division	Cluster	Special Ed / Student	Special Ed Total
Lancaster Co Pblc Schs	2	\$457.50	\$657,886
Richmond Co Pblc Schs	2	\$528.02	\$656,858
Orange Co Pblc Schs	2	\$528.98	\$2,233,869
Northumberland Co Pblc Schs	2	\$532.25	\$795,183
Louisa Co Pblc Schs	2	\$582.13	\$2,426,316
Bland Co Pblc Schs	2	\$619.08	\$549,123
Highland Co Pblc Schs	2	\$677.32	\$213,357
Surry Co Pblc Schs	2	\$720.65	\$832,353
Floyd Co Pblc Schs	2	\$729.29	\$1,470,977
Shenandoah Co Pblc Schs	2	\$742.75	\$4,132,640
Mathews Co Pblc Schs	2	\$755.44	\$990,387
Giles Co Pblc Schs	2	\$782.96	\$1,982,446
Madison Co Pblc Schs	2	\$854.43	\$1,562,754
Rockbridge Co Pblc Schs	2	\$928.53	\$2,768,876
Craig Co Pblc Schs	2	\$931.50	\$652,052
Bath Co Pblc Schs	2	\$947.37	\$756,947
Nelson Co Pblc Schs	2	\$959.94	\$1,949,640
Botetourt Co Pblc Schs	2	\$976.77	\$4,576,158
Clarke Co Pblc Schs	2	\$979.94	\$1,946,159
King Geo Co Pblc Schs	2	\$1,025.84	\$3,098,047
Fluvanna Co Pblc Schs	2	\$1,026.83	\$3,220,142
Essex Co Pblc Schs	2	\$1,100.07	\$1,793,116
Amelia Co Pblc Schs	2	\$1,136.25	\$1,452,132
Powhatan Co Pblc Schs	2	\$1,164.04	\$4,219,656
Rappahannock Co Pblc Schs	2	\$1,171.23	\$1,220,425
King William Co Pblc Schs	2	\$1,228.25	\$2,160,495
Middlesex Co Pblc Schs	2	\$1,404.14	\$1,833,807
New Kent Co Pblc Schs	2	\$1,419.33	\$3,359,558
Greene Co Pblc Schs	2	\$1,456.28	\$3,828,567
Goochland Co Pblc Schs	2	\$1,491.81	\$2,973,186
Charles City Co Pblc Schs	2	\$1,552.09	\$1,443,440

Source: The special education expenditure data does not come from The DOE Superintendent’s Annual Report Table 13 but from DOE data on special education expenditures. The “total expenditure” column includes state, federal, local and Medicaid – Comprehensive Services expenditures. Because this data did not come from Table 13 it is not comparable to the total expenditure category from that report. Therefore no “Percentage of Total Expenditures” column appears on this table.

Career and Technical Expenditures: Per-Pupil, Total Expenditures and as a Percentage of the Total Budget

School Division	Cluster	Career and Tech / Pupil	Career and Technical	Career and Technical %
Orange Co Pblc Schs	2	\$17.75	\$74,957.00	0.22%
Madison Co Pblc Schs	2	\$27.74	\$50,735.00	0.36%
Powhatan Co Pblc Schs	2	\$31.83	\$115,382.00	0.20%
Shenandoah Co Pblc Schs	2	\$39.92	\$222,101.00	0.55%
Clarke Co Pblc Schs	2	\$44.59	\$88,547.61	0.50%
Giles Co Pblc Schs	2	\$57.26	\$144,991.74	0.72%
Rappahannock Co Pblc Schs	2	\$63.62	\$66,295.24	0.73%
Botetourt Co Pblc Schs	2	\$65.63	\$307,485.87	0.88%
Richmond Co Pblc Schs	2	\$66.88	\$83,199.31	0.90%
New Kent Co Pblc Schs	2	\$84.35	\$199,648.00	1.20%
Charles City Co Pblc Schs	2	\$85.38	\$79,405.00	0.82%
Highland Co Pblc Schs	2	\$91.61	\$28,856.00	0.88%
Greene Co Pblc Schs	2	\$100.31	\$263,711.62	1.20%
Fluvanna Co Pblc Schs	2	\$101.47	\$318,207.00	1.41%
King Geo Co Pblc Schs	2	\$106.06	\$320,309.00	1.46%
Essex Co Pblc Schs	2	\$109.14	\$177,892.00	1.34%
Lancaster Co Pblc Schs	2	\$169.40	\$243,601.88	1.94%
Northumberland Co Pblc Schs	2	\$175.87	\$262,749.51	2.15%
Rockbridge Co Pblc Schs	2	\$183.17	\$546,200.00	1.99%
Amelia Co Pblc Schs	2	\$209.97	\$268,337.42	2.13%
Goochland Co Pblc Schs	2	\$318.24	\$634,250.14	3.68%
Nelson Co Pblc Schs	2	\$323.83	\$657,693.00	3.66%
Middlesex Co Pblc Schs	2	\$335.59	\$438,279.00	3.96%
Louisa Co Pblc Schs	2	\$345.69	\$1,440,816.00	3.88%
Floyd Co Pblc Schs	2	\$356.78	\$719,619.00	4.78%
Mathews Co Pblc Schs	2	\$393.76	\$516,223.00	4.27%
Bland Co Pblc Schs	2	\$418.47	\$371,183.77	4.50%
King William Co Pblc Schs	2	\$490.24	\$862,339.84	5.73%
Bath Co Pblc Schs	2	\$604.23	\$482,777.93	5.69%
Craig Co Pblc Schs	2	\$818.37	\$572,861.89	10.11%
Surry Co Pblc Schs	2	\$1,024.95	\$1,183,816.78	8.92%

Debt Service and Transfers: Per-Pupil, Total Expenditures and as a Percentage of the Total Budget

School Division	Cluster	Debt Svc / Pupil	Debt Service & Transfers	Debt Svc %
Shenandoah Co Pblc Schs	2	\$0.00	\$0.00	0.0%
Goochland Co Pblc Schs	2	\$120.53	\$240,219.16	1.4%
King Geo Co Pblc Schs	2	\$150.95	\$455,881.17	2.1%
Floyd Co Pblc Schs	2	\$155.85	\$314,347.62	2.1%
Craig Co Pblc Schs	2	\$181.43	\$127,000.00	2.2%
Bland Co Pblc Schs	2	\$185.31	\$164,369.08	2.0%
Richmond Co Pblc Schs	2	\$223.57	\$278,122.23	3.0%
Botetourt Co Pblc Schs	2	\$250.67	\$1,174,403.29	3.4%
Bath Co Pblc Schs	2	\$259.23	\$207,124.00	2.4%
Madison Co Pblc Schs	2	\$322.61	\$590,050.00	4.2%
Rockbridge Co Pblc Schs	2	\$324.51	\$967,680.29	3.5%
New Kent Co Pblc Schs	2	\$342.94	\$811,743.34	4.9%
Essex Co Pblc Schs	2	\$408.61	\$666,026.94	5.0%
Fluvanna Co Pblc Schs	2	\$409.41	\$1,283,925.06	5.7%
Amelia Co Pblc Schs	2	\$414.23	\$529,385.02	4.2%
Rappahannock Co Pblc Schs	2	\$489.43	\$509,986.26	5.6%
Greene Co Pblc Schs	2	\$656.32	\$1,725,458.55	7.8%
Louisa Co Pblc Schs	2	\$662.21	\$2,760,072.40	7.4%
Lancaster Co Pblc Schs	2	\$670.11	\$963,612.73	7.7%
Clarke Co Pblc Schs	2	\$671.71	\$1,334,024.76	7.5%
Northumberland Co Pblc Schs	2	\$679.20	\$1,014,720.59	8.3%
Orange Co Pblc Schs	2	\$717.71	\$3,030,885.64	9.1%
Highland Co Pblc Schs	2	\$722.07	\$227,451.00	7.0%
Nelson Co Pblc Schs	2	\$749.38	\$1,521,993.82	8.5%
Giles Co Pblc Schs	2	\$830.21	\$2,102,088.93	10.5%
Middlesex Co Pblc Schs	2	\$847.14	\$1,106,360.51	10.0%
King William Co Pblc Schs	2	\$877.22	\$1,543,021.49	10.3%
Surry Co Pblc Schs	2	\$905.31	\$1,045,633.82	7.9%
Charles City Co Pblc Schs	2	\$907.51	\$843,981.00	8.7%
Powhatan Co Pblc Schs	2	\$1,253.89	\$4,545,338.30	7.7%
Mathews Co Pblc Schs	2	\$1,289.42	\$1,690,434.81	14.0%

Operations and Maintenance Expenditures: Per-Pupil, Total Expenditures and as a Percentage of the Total Budget

School Division	Cluster	Ops / Pupil	Ops and Maintenance	Ops %
King Geo Co Pblc Schs	2	\$600.76	\$1,814,282.92	8.3%
Greene Co Pblc Schs	2	\$610.09	\$1,603,914.40	7.3%
New Kent Co Pblc Schs	2	\$626.66	\$1,483,309.18	8.9%
Powhatan Co Pblc Schs	2	\$629.91	\$2,283,420.46	3.9%
Essex Co Pblc Schs	2	\$637.11	\$1,038,496.88	7.8%
Floyd Co Pblc Schs	2	\$639.45	\$1,289,778.24	8.6%
Botetourt Co Pblc Schs	2	\$640.26	\$2,999,606.56	8.6%
Giles Co Pblc Schs	2	\$650.57	\$1,647,237.85	8.2%
Bland Co Pblc Schs	2	\$653.44	\$579,600.67	7.0%
Orange Co Pblc Schs	2	\$655.75	\$2,769,231.58	8.3%
Northumberland Co Pblc Schs	2	\$657.84	\$982,817.88	8.0%
Clarke Co Pblc Schs	2	\$661.87	\$1,314,470.94	7.4%
King William Co Pblc Schs	2	\$663.26	\$1,166,666.39	7.8%
Lancaster Co Pblc Schs	2	\$672.72	\$967,369.72	7.7%
Rappahannock Co Pblc Schs	2	\$673.05	\$701,320.09	7.7%
Middlesex Co Pblc Schs	2	\$674.28	\$880,603.99	8.0%
Louisa Co Pblc Schs	2	\$689.74	\$2,874,847.55	7.7%
Richmond Co Pblc Schs	2	\$697.99	\$868,302.81	9.4%
Fluvanna Co Pblc Schs	2	\$706.83	\$2,216,614.38	9.8%
Mathews Co Pblc Schs	2	\$725.42	\$951,030.03	7.9%
Rockbridge Co Pblc Schs	2	\$727.00	\$2,167,913.62	7.9%
Nelson Co Pblc Schs	2	\$763.65	\$1,550,966.82	8.6%
Craig Co Pblc Schs	2	\$821.62	\$575,131.95	10.1%
Shenandoah Co Pblc Schs	2	\$845.82	\$4,706,118.10	11.6%
Highland Co Pblc Schs	2	\$857.97	\$270,259.24	8.3%
Madison Co Pblc Schs	2	\$883.59	\$1,616,092.68	11.4%
Goochland Co Pblc Schs	2	\$936.15	\$1,865,741.93	10.8%
Amelia Co Pblc Schs	2	\$998.07	\$1,275,537.30	10.1%
Bath Co Pblc Schs	2	\$1,081.17	\$863,854.50	10.2%
Charles City Co Pblc Schs	2	\$1,165.28	\$1,083,707.00	11.1%
Surry Co Pblc Schs	2	\$1,175.39	\$1,357,570.81	10.2%

Technology Expenditures: Per-Pupil, Total Expenditures and as a Percentage of the Total Budget

School Division	Cluster	Technology / Pupil	Technology	Technology %
King William Co Pblc Schs	2	\$0.00	\$0.00	0.0%
Orange Co Pblc Schs	2	\$67.16	\$283,615.33	0.9%
Bath Co Pblc Schs	2	\$129.85	\$103,753.00	1.2%
Charles City Co Pblc Schs	2	\$137.64	\$128,001.00	1.3%
Northumberland Co Pblc Schs	2	\$150.34	\$224,601.66	1.8%
Shenandoah Co Pblc Schs	2	\$162.14	\$902,140.67	2.2%
Nelson Co Pblc Schs	2	\$191.10	\$388,119.00	2.2%
Botetourt Co Pblc Schs	2	\$194.17	\$909,705.65	2.6%
Madison Co Pblc Schs	2	\$203.16	\$371,573.09	2.6%
Fluvanna Co Pblc Schs	2	\$213.48	\$669,467.11	3.0%
Rappahannock Co Pblc Schs	2	\$214.98	\$224,004.82	2.5%
Greene Co Pblc Schs	2	\$227.70	\$598,626.92	2.7%
Rockbridge Co Pblc Schs	2	\$264.18	\$787,783.75	2.9%
Powhatan Co Pblc Schs	2	\$276.82	\$1,003,486.49	1.7%
Essex Co Pblc Schs	2	\$278.79	\$454,425.32	3.4%
Mathews Co Pblc Schs	2	\$286.37	\$375,432.62	3.1%
Bland Co Pblc Schs	2	\$290.39	\$257,576.13	3.1%
New Kent Co Pblc Schs	2	\$309.95	\$733,652.39	4.4%
Highland Co Pblc Schs	2	\$316.33	\$99,643.05	3.1%
Lancaster Co Pblc Schs	2	\$316.71	\$455,432.98	3.6%
Floyd Co Pblc Schs	2	\$322.91	\$651,317.05	4.3%
King Geo Co Pblc Schs	2	\$324.09	\$978,761.86	4.5%
Amelia Co Pblc Schs	2	\$350.88	\$448,430.58	3.6%
Clarke Co Pblc Schs	2	\$356.89	\$708,777.64	4.0%
Goochland Co Pblc Schs	2	\$366.50	\$730,431.16	4.2%
Louisa Co Pblc Schs	2	\$377.75	\$1,574,456.87	4.2%
Surry Co Pblc Schs	2	\$383.65	\$443,117.77	3.3%
Richmond Co Pblc Schs	2	\$401.63	\$499,628.33	5.4%
Giles Co Pblc Schs	2	\$422.78	\$1,070,489.15	5.3%
Middlesex Co Pblc Schs	2	\$502.10	\$655,746.38	5.9%
Craig Co Pblc Schs	2	\$546.65	\$382,655.73	6.8%

Total Regular School Expenditures: Per-Pupil, Total Expenditures and as a Percentage of the Total Budget

School Division	Cluster	Total Per Pupil Expenditure	Regular Day School
New Kent Co Pblc Schs	2	\$6,146.99	\$14,549,928.49
Giles Co Pblc Schs	2	\$6,167.16	\$15,615,242.71
King Geo Co Pblc Schs	2	\$6,384.09	\$19,279,953.11
Mathews Co Pblc Schs	2	\$6,399.88	\$8,390,240.59
Richmond Co Pblc Schs	2	\$6,403.96	\$7,966,520.89
Middlesex Co Pblc Schs	2	\$6,419.48	\$8,383,837.21
Floyd Co Pblc Schs	2	\$6,493.20	\$13,096,789.80
Fluvanna Co Pblc Schs	2	\$6,548.10	\$20,534,846.82
Botetourt Co Pblc Schs	2	\$6,550.57	\$30,689,419.43
Orange Co Pblc Schs	2	\$6,578.67	\$27,781,721.87
Louisa Co Pblc Schs	2	\$6,662.55	\$27,769,525.60
Bland Co Pblc Schs	2	\$6,706.61	\$5,948,760.76
Craig Co Pblc Schs	2	\$6,751.81	\$4,726,268.43
Powhatan Co Pblc Schs	2	\$6,753.24	\$24,480,487.37
Essex Co Pblc Schs	2	\$6,776.55	\$11,045,774.25
Madison Co Pblc Schs	2	\$6,864.89	\$12,555,884.68
Shenandoah Co Pblc Schs	2	\$6,887.02	\$38,319,406.86
Rockbridge Co Pblc Schs	2	\$6,917.05	\$20,626,650.18
Northumberland Co Pblc Schs	2	\$7,043.19	\$10,522,519.66
Clarke Co Pblc Schs	2	\$7,164.18	\$14,228,068.91
Nelson Co Pblc Schs	2	\$7,245.63	\$14,715,866.88
King William Co Pblc Schs	2	\$7,285.63	\$12,815,428.21
Greene Co Pblc Schs	2	\$7,312.00	\$19,223,253.42
Lancaster Co Pblc Schs	2	\$7,315.53	\$10,519,725.65
Rappahannock Co Pblc Schs	2	\$7,588.35	\$7,907,059.89
Goochland Co Pblc Schs	2	\$7,734.30	\$15,414,464.98
Amelia Co Pblc Schs	2	\$8,250.22	\$10,543,776.87
Highland Co Pblc Schs	2	\$8,256.04	\$2,600,653.05
Charles City Co Pblc Schs	2	\$8,916.53	\$8,292,370.76
Bath Co Pblc Schs	2	\$9,400.16	\$7,510,725.27
Surry Co Pblc Schs	2	\$9,550.23	\$11,030,518.93

Local Revenue: Per-Pupil and Total Amount

School Division	Cluster	Local Revenue Per Pupil	Local % of Total
Bland Co Pblc Schs	2	\$791.26	10.66%
Craig Co Pblc Schs	2	\$1,899.09	26.41%
Giles Co Pblc Schs	2	\$2,164.09	32.20%
Floyd Co Pblc Schs	2	\$2,541.72	36.47%
Greene Co Pblc Schs	2	\$2,563.09	34.14%
King Geo Co Pblc Schs	2	\$2,697.36	39.40%
New Kent Co Pblc Schs	2	\$2,747.53	42.52%
Amelia Co Pblc Schs	2	\$2,805.29	31.07%
Fluvanna Co Pblc Schs	2	\$2,974.50	42.24%
Orange Co Pblc Schs	2	\$3,032.94	44.87%
Shenandoah Co Pblc Schs	2	\$3,052.39	43.74%
Botetourt Co Pblc Schs	2	\$3,054.78	44.43%
King William Co Pblc Schs	2	\$3,158.44	40.33%
Madison Co Pblc Schs	2	\$3,223.55	43.94%
Essex Co Pblc Schs	2	\$3,344.83	42.81%
Rockbridge Co Pblc Schs	2	\$3,354.03	45.21%
Highland Co Pblc Schs	2	\$3,376.36	38.51%
Middlesex Co Pblc Schs	2	\$3,399.49	46.33%
Powhatan Co Pblc Schs	2	\$3,547.45	48.55%
Nelson Co Pblc Schs	2	\$3,580.27	46.72%
Mathews Co Pblc Schs	2	\$3,866.40	50.07%
Northumberland Co Pblc Schs	2	\$3,941.96	52.88%
Clarke Co Pblc Schs	2	\$4,307.89	55.38%
Charles City Co Pblc Schs	2	\$4,319.86	46.73%
Louisa Co Pblc Schs	2	\$4,427.26	61.06%
Lancaster Co Pblc Schs	2	\$4,541.52	57.01%
Richmond Co Pblc Schs	2	\$4,935.61	50.82%
Rappahannock Co Pblc Schs	2	\$5,058.39	62.12%
Goochland Co Pblc Schs	2	\$5,675.84	70.26%
Bath Co Pblc Schs	2	\$7,363.01	72.71%
Surry Co Pblc Schs	2	\$7,858.43	75.82%

State Revenue: Per-Pupil and Total Amount

School Division	Cluster	State Revenue Per Pupil	State % of Total
Goochland Co Pblc Schs	2	\$1,941.18	24.03%
Bath Co Pblc Schs	2	\$1,985.27	19.60%
Surry Co Pblc Schs	2	\$2,045.92	19.74%
Louisa Co Pblc Schs	2	\$2,376.81	32.78%
Rappahannock Co Pblc Schs	2	\$2,602.40	31.96%
Lancaster Co Pblc Schs	2	\$2,670.48	33.52%
Northumberland Co Pblc Schs	2	\$2,804.13	37.61%
Clarke Co Pblc Schs	2	\$2,994.79	38.50%
Middlesex Co Pblc Schs	2	\$3,262.22	44.46%
Orange Co Pblc Schs	2	\$3,303.21	48.87%
Nelson Co Pblc Schs	2	\$3,353.31	43.76%
Mathews Co Pblc Schs	2	\$3,365.46	43.58%
New Kent Co Pblc Schs	2	\$3,393.78	52.52%
Powhatan Co Pblc Schs	2	\$3,525.11	48.24%
Botetourt Co Pblc Schs	2	\$3,528.14	51.32%
Shenandoah Co Pblc Schs	2	\$3,541.42	50.75%
Rockbridge Co Pblc Schs	2	\$3,552.81	47.89%
Essex Co Pblc Schs	2	\$3,707.68	47.45%
Madison Co Pblc Schs	2	\$3,739.28	50.97%
Richmond Co Pblc Schs	2	\$3,745.53	38.57%
Fluvanna Co Pblc Schs	2	\$3,769.76	53.54%
King Geo Co Pblc Schs	2	\$3,789.53	55.36%
Floyd Co Pblc Schs	2	\$3,879.35	55.66%
Giles Co Pblc Schs	2	\$4,104.63	61.07%
King William Co Pblc Schs	2	\$4,250.70	54.27%
Charles City Co Pblc Schs	2	\$4,287.89	46.38%
Greene Co Pblc Schs	2	\$4,420.21	58.87%
Craig Co Pblc Schs	2	\$4,642.33	64.56%
Highland Co Pblc Schs	2	\$4,791.60	54.65%
Amelia Co Pblc Schs	2	\$5,516.93	61.10%
Bland Co Pblc Schs	2	\$6,144.36	82.80%

Federal Revenue: Per-Pupil and Total Amount

School Division	Cluster	Federal Revenue per Pupil	Federal % of Total
Powhatan Co Pblc Schs	2	\$234.38	3.21%
Botetourt Co Pblc Schs	2	\$292.03	4.25%
Fluvanna Co Pblc Schs	2	\$297.14	4.22%
New Kent Co Pblc Schs	2	\$320.82	4.96%
King Geo Co Pblc Schs	2	\$358.46	5.24%
Madison Co Pblc Schs	2	\$373.81	5.10%
Shenandoah Co Pblc Schs	2	\$384.64	5.51%
Orange Co Pblc Schs	2	\$423.06	6.26%
King William Co Pblc Schs	2	\$423.18	5.40%
Louisa Co Pblc Schs	2	\$446.57	6.16%
Giles Co Pblc Schs	2	\$452.86	6.74%
Surry Co Pblc Schs	2	\$460.32	4.44%
Goochland Co Pblc Schs	2	\$461.80	5.72%
Clarke Co Pblc Schs	2	\$476.49	6.13%
Rappahannock Co Pblc Schs	2	\$482.69	5.93%
Bland Co Pblc Schs	2	\$485.28	6.54%
Mathews Co Pblc Schs	2	\$490.25	6.35%
Rockbridge Co Pblc Schs	2	\$511.13	6.89%
Greene Co Pblc Schs	2	\$524.60	6.99%
Floyd Co Pblc Schs	2	\$549.14	7.88%
Highland Co Pblc Schs	2	\$600.27	6.85%
Charles City Co Pblc Schs	2	\$636.50	6.89%
Craig Co Pblc Schs	2	\$648.82	9.02%
Middlesex Co Pblc Schs	2	\$675.35	9.20%
Amelia Co Pblc Schs	2	\$707.04	7.83%
Northumberland Co Pblc Schs	2	\$709.08	9.51%
Nelson Co Pblc Schs	2	\$729.98	9.53%
Lancaster Co Pblc Schs	2	\$754.65	9.47%
Essex Co Pblc Schs	2	\$761.09	9.74%
Bath Co Pblc Schs	2	\$778.66	7.69%
Richmond Co Pblc Schs	2	\$1,030.18	10.61%

Appendix II: Report Recommendations

Recommendation 1:

While the Board is the appropriate level to evaluate appeals, it should not be the first line of decision-making in personnel and student discipline issues. School Board members should continue to be accessible and active in the education management process. However, the Board should consider referring matters related to personnel and student discipline to the superintendent for action when first brought to its attention, in keeping with board rules and procedures.

Recommendation 2:

The Superintendent and the Chair should agree on levels of authority for approval of invoices. The monthly financial report to the Board could be made to include an overview of expenditures below the authority limit. This would not only save time spent in review but would also align the approval steps with the areas of responsibility.

Recommendation 3:

The Division may wish to contract, either independently or perhaps with an adjoining division, an individual to research, develop, and apply for grants funds for the special education programs.

Recommendation 4:

NKCSD should immediately migrate all teacher absenteeism data currently on paper into electronic format. This could be a first step in determining the extent to which teacher absenteeism is truly a problem for the division's education efforts.

Recommendation 5:

In order to determine the average number of days teachers missed and the reason for those absences during the 2002-03 school year the study team photocopied over one thousand pages of documentation and then manually compiled a record for each teacher, then analyzed the data.

The summary forms used by the principals to report teacher absences are each different and must be standardized. Even if the Division is not able to immediately automate its leave and absence reporting data, it must create standard monthly and annual summary reports showing how many days and for what reasons teachers were absent from school.

Recommendation 6:

Current incentives seem to be insufficient to deter absences. The incentives for those teachers who use no sick leave should be increased from \$100 the first year to \$500. Also the incentive program should be expanded to allow for some small amount of missed time. An example might be \$500 for perfect attendance, \$300 for less than 3 days missed, or \$100 for less than 5 days missed. The school division would have to determine what constitutes an acceptable absence for the terms of the incentive program. For example, professional development would be an acceptable absence that would not be counted against a teacher – even though the Division incurs substitute costs during that time (Even if New Kent saves no money under this program, having regular teachers in school would seem to be better for the educational process than having substitute teachers in school.)

Recommendation 7:

While the transportation director stresses that preventing him from using bus drivers who double as other school division employees would negatively impact the daily operations of the Division, the study team strongly advises the Division to seek legal advice on this matter to determine whether it is engaged in lawful labor practices and to be mindful of any possible violations of the Fair Labor Standards Act.

Recommendation 8:

The New Kent County School Division should follow through on its recent application to the Local Choice program for a rate quote and if the quote is less than the Division's projected rates for next year with its current insurance provider then New Kent should consider switching to the Local Choice program in the 2004-05 school year. **If New Kent were in the Local Choice program this year and received the average rate of the 28 school divisions in the program then New Kent would save \$9,509 per month for an annual total of \$115,083.24.**

Recommendation 9:

DOE should work to facilitate and encourage local consortia of school divisions.

Recommendation 10: The New Kent County School Division should join the Rebuild America partnership. The officials from this program estimate that New Kent should be able to save 10-15% and could save as much as 25% based on the age and condition of some of the schools. A conservative estimate would be savings of 10-20%, based on changes to behavior, changes to current settings at the schools, and implementation of suggestions for all the schools including the renovations. **This creates a potential annual savings in utility costs of \$36,700 to \$73,400.**

Recommendation 11:

The New Kent County School Division may wish to develop a desk manual with detailed payroll processing steps and operational procedures.

Recommendation 12:

The New Kent County School Division may wish to consider eliminating the manual (card system) leave accounting system. A peer school division and New Kent County government rely on their BAI Municipal system for entering, maintaining, and reporting leave information. New Kent School Division recently employed a Personnel Director, who may be able to assume the leave function. This would help facilitate outsourcing the payroll function in the future, should the division be so inclined.

Recommendation 13:

The New Kent County School Division may wish to consider outsourcing the payroll function or combining the division payroll with the New Kent County payroll, perhaps at the retirement of the current payroll employee. Initial calculations indicate that the Division would recognize approximately, \$42,000 in annual savings the first year. Some peer school divisions use one pay date for hourly and another pay date for salaried and professional staff. Though this appears to create additional work, it may provide an opportunity for another employee to gain payroll experience and at the same time facilitate moving toward outsourcing the payroll function in the future.

Recommendation 14:

The New Kent County School should bring in some outside assistance to help automate the payroll process. The Division already has the necessary software to automate the process – the only action that is necessary is configuring the software the proper way and training the Division staff to allow the software to handle the payroll. New Kent could request assistance from another school division that uses the BAI Municipal software package – Charles City County Schools for example. New Kent could run a parallel process for one month, which would allow them to verify that the software process was working correctly. Once that month was verified the Division should cease the manual payroll process.

Recommendation 15:

Certainly, the school division and the Administrator of Business and Finance's efforts to manage risk and provide internal control are to be acknowledged. However, the Division may wish to consider establishing an internal audit function, perhaps in conjunction with the local county government. With the limitations on resources, one suggestion may be to establish a reciprocal peer

review program either using an accounting/auditing professional from an adjacent school division or an accounting/auditing professional from the local treasurer's office.

Recommendation 16:

The New Kent County School Division may wish to assess the potential disasters that it faces daily. At a basic level, the Division may wish to establish policies and procedures for business continuity. The Division may wish to establish a cooperative agreement with the county concerning use of various county facilities, computer technology, and other infrastructure necessary to continue operations. The New Kent School Division may wish to contact the Virginia Department of Emergency Management for assistance in developing plans for continuity of operations.

Recommendation 17A:

Under the auspice or authority of the Virginia Department of Education, or an ad hoc association of Region 1 members, NKCS D should pursue the option of combining efforts with all Region 1 members to yield maximum savings from bus manufacturers. According to the Virginia Pupil Transportation Association, bulk purchasing can yield savings between \$1,500-\$2,000 per bus. The study team recognizes multi-division purchasing efforts have been tried and abandoned in the past. In interviews with several transportation directors, the efforts failed not because of lack of savings but rather because school divisions prefer to "do it alone" or the efforts failed because school divisions order different bus types with different options. This triggers complications in ordering and can to possibly reducing potential savings.

This recommendation could be taken one step further into other related areas such as tire and fuel purchases. The potential savings realized through leveraged buying can be abundant if a concerted effort is made by all school divisions to be willing to combine efforts as one entity when purchasing goods and services.

Recommendation 17B:

The study team acknowledges that barring new legislation or regulations, school divisions in Virginia cannot be compelled to cooperate with neighboring school divisions when purchasing buses. As such, if cooperation with other school divisions is not practical, NKCS D should explore the option of leasing or lease-purchasing buses rather than purchasing buses outright. One report estimates that, "75 percent of the school districts in New Jersey now use lease-purchase programs to procure their school buses."¹ Leasing or lease-purchasing buses would provide

¹ "Tight Budgets Force Fleets to Look at Bus Purchase Options" Steve Hirano, School Bus Fleet. March 2002.

NKCSD with more flexibility in budget development and execution, while maintaining their current bus life-cycle schedule and maintenance and operations.

The Virginia Pupil Transportation Association takes no formal position on this issue, but one former VPTA official noted that savings could range from several hundreds to several thousands of dollars per bus depending on options ordered, when properly negotiated.

Recommendation 18:

Several smaller school divisions such as Pulaski trade in buses to bus manufacturers for an average minimum of \$1,000 per bus. The amount ultimately depends on the condition and mileage. Not only is this \$400 more than NKCSO currently receives for its auctioned bus, but because the bus is sold to a bus manufacturer, the school division need not incur the time and costs of removing flashing lights and county school descriptors on the bus. **Using the average of four (4) buses retired in a year, that would generate an additional \$1,600 or more annually.**

Recommendation 19:

Use court-ordered weekend community service individuals to wash and clean school buses. As described on the Joint Legislative Audit and Review Committee website, Virginia Beach City School Division has adopted this option and saved \$28,000 annually by eliminating the need for retail bus washing services. While adopting this option will not generate that level of savings for NKCSO, it will allow existing staff to concentrate on more productive work tasks, and allow community service individuals to pay their debts to the community.

Recommendation 20:

The county should reimburse the school division for reasonable mechanics' labor costs. Shenandoah County School Division, a NKCSO cluster peer, is reimbursed by the county \$10.00 per hour for labor costs associated with their mechanics servicing Shenandoah county vehicles at the school division's garage. **One county vehicle serviced each day for an average of two hours would yield \$5,200 annually.**

Recommendation 21:

New Kent School Division should contact other school divisions using an A+ Certification program and incorporate it into the school division's career and technical education program. In addition to this educational opportunity, the school division may be able to save costs on computer repair by using students who are in training to repair computers.

Recommendation 22:

New School Division should work with the Department of Education in order to become involved in the Governor's 'Senior Year Plus Path to Industry Certification.' The A+ Certification is eligible for this program and a New Kent teacher may be able to get the certification necessary to teach the required course.

Recommendation 23:

NKCSD should continue to work with the resources at DGS, at no cost to NKCS D, in connecting NKCS D to eVA and educating its staff on the advantages of leveraged buying through the VDC and eVA. The savings generated on an annual basis could be substantial.