

School Efficiency Review: Roanoke County School Division

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Office of the Secretary of Finance**

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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. 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.

Roanoke County Public School Division (RCPSD) 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 RCPSD 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 RCPSD 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 RCPSD'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 could result in net savings of more than \$294,816 annually, or 1.3 percent of the 2003-04

¹ The others are New Kent County and Richmond City School Divisions. The New Kent County Public Schools study is complete; the Richmond City Public Schools study is underway.

non-personal services budget of \$22.4 million. To put the amount in perspective, the potential savings is equivalent to the starting salaries of nine new teachers (without benefits).

Virginia's local school divisions are independent entities, far removed and insulated from the orders and directives of the Executive Branch. Section 5 of the *Code of Virginia* 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.

Roanoke County Public School Division

Roanoke County is located in western Virginia, nestled in the foothills of the Blue Ridge Mountains. Interstate 81 is the major north-south corridor that traverses the entire length of the county. According to the 2000 U.S Census data, 85,778 people live in Roanoke County. The public school system operates 30 schools and, in 2002-2003, educated 14,119 students. The student population grew three percent since 1995 as the county's location and economy make it an attractive site to live, work, and learn. The student body is over 91 percent white, 4.8 percent black with the remaining four percent distributed among several race/ethnic categories. The County is 250 square miles and has a population density of 343 people per square mile. The County's 2001 average per capita salary is \$33,208.

RCPSD employs 2,165 FTEs including 1,133 full-time instructional staff (i.e., teachers, aides, librarians, counselors, etc.) operates and maintains 30 schools, and operates at least 153 school buses daily on a 2003-04 budget of \$123,230,344. In 2002, the average RCPSD teacher salary was \$43,253.

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 data is 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 that 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, RCPSD is compared to eleven peer school divisions.

RCPSD ranks seventh highest in the total percentage of the budget spent on pupil instruction (53.2 percent), and sixth highest in total dollars spent per pupil for instruction (\$5,535.82).

RCPSD ranks third lowest in the percentage of the budget it spends on transportation (3.4 percent), while its \$350.67 per pupil transportation costs rank it sixth lowest among its peers. RCPSD outranks its peers in both state and federal revenues per pupil (ranking 1st and 2nd, respectively) yet ranks a rather modest sixth highest in total expenditures per pupil. It is ranked sixth highest in local revenues per pupil.

Best Practices

Educating the 17th largest student body in the state is not an easy task; however, it is evident by almost every measure that RCPSD has never wavered from its core mission and is steadfastly devoted to an overriding, uncomplicated, and successful philosophy: educate the students well.

By all accounts, RCPSD takes its charge very seriously and does a laudable job in continually refining an award winning educational system, successfully educating and nurturing its students, recruiting, training, and retaining some of the best teachers and administrators in the Commonwealth, and co-opting the community to its commitment to excellence. Sowing the seeds of excellence has certainly yielded an abundance of fruit. For example, RCPSD students taking the SAT in 2001 topped both their state and national peers in both verbal and mathematics scores.

Table A: 2001 Average SAT Scores		
	Verbal	Mathematics
Roanoke County Average	522	523
State Average	510	501
National Average	506	514
Source: <i>Fast Facts</i> , RCPSD website		

Moreover, as Table B reveals, RCPSD ranks very high in the percentage of students graduating and continuing their post secondary education.

**Table B: 2001-02 Percentage of Graduates of Ninth Grade Membership
Four Years Earlier and Percentage of Graduates Seeking Post-
Secondary Education**

Division	Percent of Graduates	Percent of Graduates Continuing Education	Total Points*
Roanoke	87.2	85.6	172.8
Hanover	80.3	88.7	169.0
York	81.7	86.2	167.9
Fauquier	87.6	77.7	165.3
Frederick	80.4	84.4	164.8
Warren	77.6	87.1	164.7
Albemarle	77.8	84.1	161.9
State Avg	77.0	81.7	158.7
Montgomery	71.5	82.0	153.5
Rockingham	80.5	69.4	149.9
Augusta	79.1	67.1	146.2
Bedford**	78.3	67.7	146.0
Harrisonburg City	85.6	49.4	135.0

Source: 2001-02 *Annual School Report*, Table 5

* Sum of second and third columns

** Includes data for both Bedford County and Bedford City

The Division's schools are all fully accredited. However, excellence is not restricted to the classroom. The budget development, approval, and implementation process of the school division demonstrates an efficient and effective model that other school divisions in the Commonwealth may consider adopting. Sharing the school division financial information with Roanoke County establishes and enhances relationships that promote mutual understanding that can be instrumental in meeting the goals of both the school division and the County. Roanoke County also conducts a mentoring program for teachers that is a model for other school divisions. This mentoring program has helped to keep staff turnover to a very low rate.

The Roanoke County School Division is one of a limited number of school divisions that produces an individual Comprehensive Financial Annual Report (CAFR) separate from the CAFR prepared by the local governmental unit. The Roanoke County School Division's CAFR has been awarded Certificates of Achievement for Excellence in Financial Reporting both from the Government Finance Officers Association and the Association of School Business Officials. The Roanoke County School Division works closely with the Finance Department of Roanoke County for accounting and financial transactions including payroll and accounts payables. Additionally, the school division complies with the County regulations and procedures for purchases.

The Division has also successfully decentralized some of its purchasing practices. Each school principal and each division department head has the authority to purchase and make payment for certain goods and services. These leaders are given the authority to buy what they think they need to do their jobs and then held accountable for the results without unneeded process delays and bureaucracy. This is a best practice that should be used by other school divisions.

The Study Team has identified up to \$294,816 in potential savings for the school system. The table below illustrates the potential savings identified by the Study Team.

Recommendation	Potential Savings	Frequency	Note
Eliminate overtime by hiring additional maintenance staff	\$9,595	Annual	RCPSD spent \$66,791 on overtime in 2002-03. By hiring an additional carpenter, this overtime could be reduced.
Use software to potentially eliminate bus routes	\$70,800	Annual	The amount per route eliminated is \$23,613.
Change investment rules for Activity Funds	\$5,085	Annual	The Division had over \$500,000 in non-interest bearing checking accounts at the end of FY03.
Purchase janitorial supplies from Virginia Distribution Center. (VDC)	\$13,902	Annual	
Purchase other items from state contract	\$784	Annual	Savings are from one item – pencil sharpeners.
Purchase buses through a consortium	Varies	Annual	Savings are estimated to be \$1,500 to \$2,000 per bus.
Eliminate textbooks by the continued development of online class content	Varies	Annual	As more online content is developed the Division should be able to purchase fewer textbooks for high school students.
Enter into a performance contract to replace older lighting in schools and save on energy costs	\$194,650	Annual	These savings would have to be used to pay off the performance contract costs before the Division receives the savings directly.
Total Savings	\$294,816		

Combining Forces

Several recommendations contained herein can only work if RCPSD combines its efforts with other school divisions. 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 lawmakers embraced the notion and benefits of school divisions combining their purchasing efforts, RCPSD could possibly realize savings never before envisioned. Joining 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 - 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 Roanoke County 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 Roanoke County Public School Division staff;
- obtained and reviewed documents pertaining to the operation of Roanoke County Schools;
- compiled and analyzed data about the operations of Roanoke County Schools;
- interviewed professionals in other school divisions which are statistically similar to Roanoke County;
- documented the processes and organizations of the Roanoke County Public School Division;
- compared the expenditures and revenues of the Roanoke School Division with those of statistically similar school divisions;
- contacted other state agencies (the Department of Education, Department of General Services, Department of Human Resource Management, Department of Mines, Minerals and Energy, and the Joint Legislative Audit and Review Commission) for information pertinent to the study; and,
- reviewed Roanoke County policies and procedures in areas such as Administration, Human Resources, Facilities Use and Management, Transportation, and Information Technology.

About Roanoke County

Roanoke County is at the southern end of the Shenandoah Valley along I-81. The 2000 Census reported the population of Roanoke as 85,778. The county occupies 250 square miles of land and has a population density of 343 people per square mile.

About Roanoke County Public School Division

Roanoke County schools have an enrollment of 14,119 students and 17 elementary schools, five middle schools, five high schools, two centers, and one alternative school. The average class size ranges from 18.1 students per class for K-2 to 22.5 students per class in middle school. The pupil to teacher ratio for the entire division is 20:1.

The Roanoke County School Board is a five member elected board that is a policymaking and oversight board for the school division. The school division has 2,165 employees (FTEs), including 1,133 licensed teachers, 96 school administrators, and 134 central administrators.

The final SOL scores for 2001-02 resulted in one hundred percent of Roanoke County's schools reaching full accreditation.

Roanoke County Schools were awarded the Gold Medal for Academic Excellence by *Expansion Magazine*. RCPSD ranked in the top 18 percent of 2,433 school districts evaluated and received the fourth highest Education Quotient in Virginia. (January 2002) Roanoke County was recognized as one of the best 100 communities for music education in America. (Spring 2003) RCPSD received the Foreign Language Association of Virginia award for Excellence in Foreign Language Teaching, K-12. (2003)

Roanoke County Public School Division Budget

The RCPSD has a 2003-04 budget of \$123,230,344.

RCPSD breaks its total budget down into eight funds. The primary fund is the School Operating Fund, which pays for the basic operation of all the county schools. The other funds include:

- Grants Fund (local, state and federal grants flow into this fund)
- School Nutrition Fund (revenues and expenditures of the school breakfast and lunch program)
- Textbook Fund (accounts for the purchase, sale and/or rental of textbooks)

- Capital Fund (state funding for school construction and technology)
- Debt Fund (payments for principal and interests for loans used to build or renovate school facilities)
- Regional Alternative School (jointly operated facility with Bedford County for troubled students).

Table 1: Funds in the Roanoke County School Division Budget

Type of Fund	Amount	Percent of Total
School Operating Fund	\$104,532,177	84.83%
Grants Fund	\$3,905,018	3.17%
School Nutrition Fund	\$3,871,000	3.14%
Textbook Fund	\$965,536	0.78%
Capital Fund	\$1,186,193	0.96%
Debt Fund	\$8,409,277	6.82%
Regional Alternative School	\$361,143	0.29%
Total Funds	\$123,230,344	100.00%

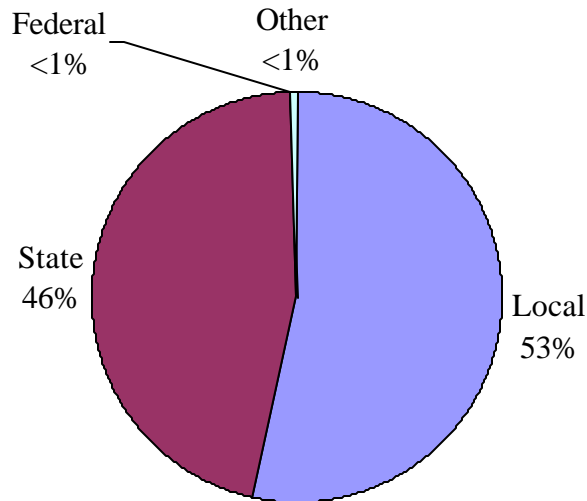
The funds in the school operating fund come from three primary sources of revenue – state funds, local funds and federal funds. Federal revenue is relatively low in the school operating fund because most federal revenue is grant money received in the Grant Fund. While the table below makes it appear that Roanoke County does not receive much federal revenue, the division is one of the best in the state at obtaining federal grants.

The table below shows the relationship and percentage of each of these funding types.

Table 2: School Operating Fund Revenue

Local	\$55,975,459	53.55%
State	\$47,841,825	45.77%
Federal	\$143,487	0.14%
Other	\$571,406	0.55%
Total Revenue	\$104,532,177	100.00%

Figure 1: School Division Revenue 2003-04



This school operating fund is expended in five primary categories:

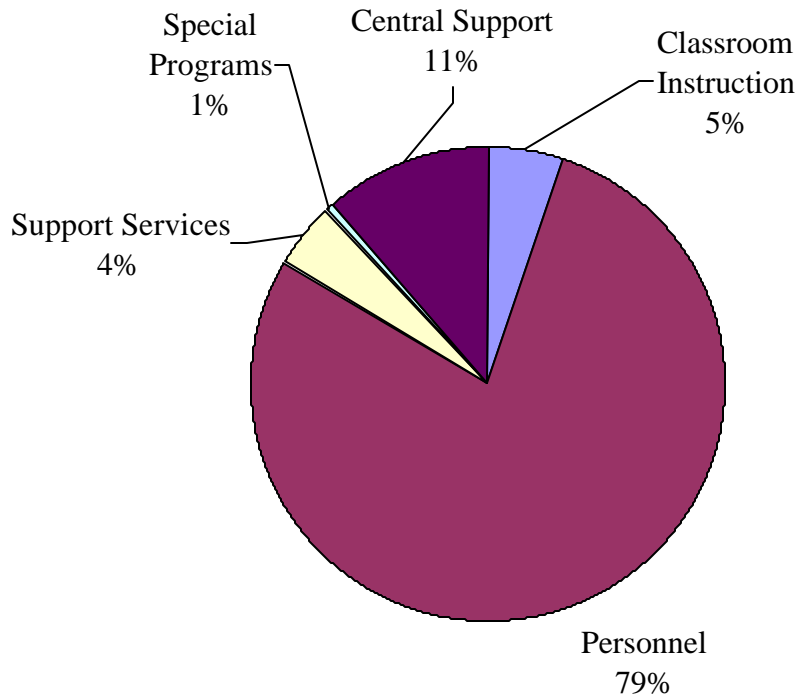
- classroom instruction (expenditures that deal directly with the interaction between students and teachers in the classroom)
- personnel (salary and benefit costs of classroom personnel instructional and central office support staff, and school administration)
- central support (the school board, Superintendent and other central office functions)
- support services (providing transportation and the maintenance and operation of all school facilities)
- special programs (summer school and adult education programs).

The table and chart below show the percentage and relationship of these expenditure categories.

Table 3: Expenditure Categories in School Operating Fund

Classroom Instruction	\$5,201,743	4.98%
Personnel	\$82,153,196	78.59%
Support Services	\$4,638,797	4.44%
Special Programs	\$549,128	0.53%
Central Support	\$11,989,313	11.47%
Total	\$104,532,177	100.00%

Figure 2: Primary Expenditure Categories



RCPSD breaks down its personnel budget into the following categories:

Table 4: Personnel Budget Categories

Personnel Budget	Amount	Percent
Instructional	\$61,513,495	74.87%
Administrative	\$7,049,633	8.58%
Classified	\$13,590,068	16.54%
Total	\$82,153,196	100%

From the above table it is clear that the largest single expenditure in the RCPSD budget is salaries for instructional personnel. Salaries for instructional personnel make up 58.85 percent of the total budget.

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 populations. 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 index¹. 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 limitation – 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 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 Roanoke County Public School Division's expenditure and revenue data to the other eleven school divisions in its cluster, the study team was able to rank

¹ The composite index is a number developed by DOE to measure the local government's ability to pay for schools.

RCPSD in each expenditure or revenue category. The team attempted to discern why the division ranked as it did in each of these categories, especially in those categories in which it was an outlier one way or another.

The data in Table 5 show how Roanoke County compares to the other divisions in its cluster. The designation of the 1st division indicates the one with the lowest expenditure per pupil in that category, whereas the 12th 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.

Table 5: Roanoke County Compared to Its Cluster

Category	Amount / Pupil	Rank (1 is lowest)
Administration	\$194.96	11 th
Attendance and Health	\$206.43	11 th
Instruction	\$5,535.82	7 th
Debt Service and Transfers	\$529.17	3 rd
Facilities	\$1,300.65	9 th
Technology	\$214.50	10 th
Ops and Maintenance	\$617.68	6 th
Special Education	\$1,049.16	10 th
Transportation	\$350.67	6 th
Total Expenditures	\$6,905.56	7 th
Local Revenue	\$3,229.93	7 th
State Revenue	\$3,818.99	12 th
Federal Revenue	\$798.69	11 th

In this table 1st is the lowest in amount per pupil and 12th is the highest.

Note: “Total Expenditures” is the sum of Administration, Attendance and Health, Instruction, Transportation, and Operations and Maintenance.

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 Roanoke County falls where it does in that category.

A. Administration:

Roanoke County is ranked 11th out of 12, or second highest, 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. At first glance this appears to be a case of an organization spending too much on administering itself. But the reality is that Roanoke County's relatively high level of expenditure can be clearly explained and is not the result of inefficiency.

According to the Virginia Department of Education's reporting guidelines, administration is defined as, "any activity concerned with establishing and administering policy for operating the [division]." These activities include board, executive administration, information, personnel, planning, fiscal, purchasing, and reprographics services. Roanoke County Public School Division expended \$194.96 in administrative costs for each attending student during the 2001-02 school year, ranking it second highest among its peers. During the same fiscal year, RCPSD expended over \$2.7 million for administrative costs. When administrative spending is considered as a percentage of the entire school budget, RCPSD ranks fourth highest at 1.9 percent. Table 6 highlights the spending on administration.

Table 6: Administration Spending for 2001-02*				
Peer School Division**	Administration Spending/Pupil	Administration Spending	Administration Spending As a Percent of Budget	2002 Student ADM
Bedford	\$76.49	\$809,292	1.0	10,581
Fauquier	\$102.34	\$990,378	1.1	9,677
Rockingham	\$116.92	\$1,253,953	1.4	10,725
Augusta	\$118.13	\$1,263,499	1.6	10,696
Hanover	\$135.09	\$2,321,312	1.5	17,184
Warren	\$135.82	\$685,371	2.0	5,064
Montgomery	\$147.61	\$1,333,769	1.1	9,036
Frederick	\$152.80	\$1,632,670	1.3	10,685
York	\$180.73	\$2,160,775	2.4	11,956
Harrisonburg City	\$183.23	\$716,801	0.9	3,912
Roanoke	\$194.96	\$2,715,424	1.9	13,928
Albemarle	\$246.38	\$2,972,814	2.1	12,066
Peer Average	\$149.21	\$1,571,338		
* Last complete year for data				
** County divisions unless otherwise noted				
SOURCES: DOE <i>Annual School Report</i> , Tables 13 &15, FY2001-02				

Several factors are driving Roanoke County's administrative expenditures to appear higher in comparison to its peers than they actually are.

1. RCPS funds a health insurance benefit of \$2,500 per retiree each year. This cost \$551,072 and was reported as part of the division's annual administrative expenditures. The majority of peer school divisions either do not offer such a benefit, or they spread the expenditures out over the areas where the retiree worked (so most expenditures would fall into instruction.)
2. RCPS is self-insured for workers' compensation. The division appropriates \$350,000 annually to an Internal Services Fund that is jointly managed with the County government. The only other school division in this cluster that is self insured for worker's compensation is Albemarle. All the other divisions pay a premium for worker's compensation and report it to DOE as part of the expenditure category where that employee works, i.e. instruction or transportation.
3. RCPS operates its own print shop staffed by three employees. According to the DOE instructions, this category is for "centralized services for duplicating school materials..." Roanoke County School Division believes that this operation is much

cheaper than sending materials out to be printed. So while other school divisions may spend more on printing costs than Roanoke County, their printing costs are spread out among their functions while RCPSD's costs are contained within the administration category.

These three examples illustrate an important point. Although Roanoke County School Division's administrative expenditures appear to be much higher than the average in its cluster, **when the above factors are removed from the overall administrative cost (since they are not contained in the costs of all the other divisions) RCPS total administrative costs become \$1,686,665.51 and its per pupil expenditure becomes \$121.10, which would be only the fifth lowest cost (out of 12) for the school divisions in its cluster.**

In addition, these details clearly show the limitations of using the DOE data for direct comparisons. Due to the different accounting systems among school divisions and different ways of doing business, it is very difficult to directly compare expenditures among local school divisions in Virginia.

B. Attendance and Health:

Roanoke County is ranked 11th out of 12 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 other health related employees – nurses, clinic aides, psychologists, etc.

RCPSD is relatively high in this category on an expenditures per pupil basis. One explanation appears to be that RCPSD is counting staff in this category (psychologist, occupational therapists, speech therapists) that other divisions may count as special education staff. Another reason RCPSD has higher attendance and health costs is that it has added extra school nurses. The statewide ratio for school nurses is one per every 1,000 students. RCPSD has made the policy decision to increase this to one per every 600 students.

C. Transportation:

Roanoke County is ranked 6th out of 12 among comparable school divisions in transportation spending per pupil.

Compared to its 11 peers, RCPSD ranks 6th in the amount it spends per pupil for transportation (\$350.67). RCPSD expends 3.4 percent of its total budget on pupil transportation, the third lowest percentage compared to its peers. Table 7 illustrates RCPSD's transportation costs with its peers.

Table 7: Transportation Spending for School Year 2001-02			
School Division*	Cost per Pupil**	Transportation**	Transportation As a Percent of Total Budget
Harrisonburg City	\$266	\$1,041,510	1.3
Warren	\$317	\$1,599,209	4.7
York	\$334	\$3,997,744	4.4
Montgomery	\$339	\$3,063,541	2.5
Hanover	\$346	\$5,948,238	3.8
Roanoke	\$351	\$4,884,143	3.4
Fauquier	\$399	\$3,866,537	4.4
Augusta	\$411	\$4,398,944	5.4
Bedford	\$450	\$4,759,389	5.8
Rockingham	\$453	\$4,862,961	5.4
Frederick	\$462	\$4,937,590	4
Albemarle	\$591	\$7,135,978	5.1
* County divisions unless otherwise noted. ** Figures rounded to nearest dollar SOURCE: VA DOE			

In 2001-02, RCPSD recorded the fifth lowest cost per mile compared to its peers for transporting both special needs students and all students at \$1.99 and \$2.01 per mile, respectively². RCPSD is also ranked fifth among its peers for the average number of students riding on each bus (60). During the same school year, RCPSD expended less per student than the average statewide amount to transport students (\$2.01 vs. \$2.34, respectively), but spent more than the statewide county average (\$2.01 vs. \$1.98, respectively).

D. Instruction:

Roanoke County is ranked 7th out of 12 among comparable school divisions in instructional spending per pupil. This category refers to the direct costs of instruction, primarily teacher salaries.

² Based on documents submitted by all school divisions to the Virginia Department of Education for 2001-02, the latest complete year available for division comparisons.

In these twelve divisions, per pupil expenditures in 2001-02 ranged from \$4,537 to \$6,110. RCPSD's per pupil costs were \$5,536 that year.

In terms of the percentage of the total budget spent on instructional activities, Roanoke County schools again rank seventh at 53.2 percent.

Instructional expenditures are the largest item in the school budget. These expenditures consist of classroom instruction, guidance and social work services, homebound instruction, professional development, curriculum development, and media services. Of the 12 school divisions in the RCPSD cluster, in 2001-2002 average salaries for teachers in RCPSD were the highest at \$43,253. RCPSD also had the highest teacher salaries of its neighboring divisions, a competitive edge that may help keep teacher turnover in RCPSD relatively low. See the report section on Human Resources for a full discussion of teacher salaries.

E. Facilities:

Roanoke County is ranked 9th out of 12 among comparable school divisions in facilities spending per pupil. This category is composed of acquiring land and buildings, remodeling and constructing buildings, and improving sites. RCPSD has recently renovated three elementary schools and opened a new high school, which explains its relatively high ranking in this category. This category does not include normal building maintenance.

F. Special Education:

Roanoke County is ranked 10th out of 12 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.

For the 2002-2003 school year, the Roanoke County Public School Division identified 2,365 children with special education needs out of a student population of 14,119.

RCPSD enrolled 16.75 percent of its students in special education programs; compared to the state average of 13 percent. RCPSD does not include expenditures for speech therapists or occupational therapists in this category – they are accounted for under attendance and health.

G. Debt Service and Transfers:

Roanoke County is ranked 3rd out of 12 among comparable school divisions in debt service and transfer spending per pupil. This category includes debt service payments and transfers to other organizations, or transfers from one fund to another.

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. 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 outlays of government funds associated with these obligations are accounted for as debt service payments (principal and interest) along with certain transfers of monies from one fund to another fund.

The RCPSD is appropriately reflecting its payments on debt in the debt service fund. The school division's Debt Service and Transfers costs are in the lower one-third of school divisions within its peer grouping. The County contracts with a bond attorney, who analyzes the resources and debt obligations of the County and its component units, which includes the school division.

In 1997, the Roanoke County Blue Ribbon Committee on Capital Improvement presented a plan consisting of Phase I and Phase II improvements for the infrastructure of the RCPSD. Phase I of the plan provided for \$47 million of school construction and renovation. Unique in the plan, was the proposal that the County would make the debt service payments (\$6,333,889) on the new debt and that the RCPSD would continue to make debt service payments (\$2,585,597) on the school division's existing debt. In summary, the plan level funded the debt service payments of the school division.

In December 2003, the County borrowed and committed to Phase II of the plan, \$22 million in school construction and renovation submitted by the Roanoke County Blue Ribbon Committee on Capital Improvement. (The County is using the Virginia Public School Authority (VPSA) for debt financing.) Again, the County will make the debt service payments on the new debt and the school division will continue to make debt service payments on its existing debt.

The County Board of Supervisors and the Roanoke County School Board appointed the members of the Roanoke County Blue Ribbon Committee and the members were representative of the community.

Below is a chart that provides additional information as to the debt service of the RCPSD as compared to some other school divisions in the same peer group.

Table 8: Debt Service Among Comparable School Divisions

School Division	Debt Service Payments at June 30, 2003	Debt Service Balance at June 30, 2003	Reason for Debt	Type
Roanoke County	\$ 8,919,486*	\$ 70,936,319	School construction, additions, renovations	VPSA bonds, Literary Loans, Gen. Oblig. Bonds
Bedford	\$ 6,514,200	\$ 85,918,433	School construction, additions, renovations	VPSA Bonds, Literary Loans
Hanover	\$14,115,858	\$119,997,143	School construction, additions, renovations	VPSA bonds, Literary Loans, Gen. Obl. Bonds
Montgomery	\$ 7,094,259	\$116,325,561	School construction, additions, renovations	VPSA bonds, Literary Loans, Gen. Obl. Bonds
Rockingham	\$ 6,422,000	\$ 35,078,000	School construction, additions, renovations	VPSA Bonds, Literary Loans

*\$6,333,889 – paid by the County
2,585,597 – paid by the School Division
\$ 8,919,486

H. Operations and Maintenance:

Roanoke County is ranked 6th out of 12 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.

The Facilities and Operations section of the RCPSD budget lists expenditures for activities directed toward keeping buildings comfortable and safe and keeping the grounds, buildings, and equipment in working order. The budget includes costs for general facilities, utilities, and building, equipment, warehouse, and energy management services. In the school cluster that includes RCPSD, operations and maintenance expenditures range from 3.5 percent of the Division budget (Harrisonburg City) to 10.0 percent (Warren County). RCPSD’s costs total 5.9 percent of the budget. The comparisons among the 12 divisions in the cluster are shown in Table 9.

Table 9: Operations and Maintenance Expenditures for 2001-02*				
Peer School Division**	Ops/Maint. Spending/Pupil	Ops/Maint. Spending	Ops/Maint. Spending As a Percent of Budget	2001-02 Student ADM
Hanover	\$464.98	\$7,990,169	5.1	17,184
Bedford	\$473.18	\$5,006,756	6.1	10,581
Fauquier	\$573.18	\$5,546,656	6.3	9,677
Rockingham	\$592.94	\$6,359,334	7.1	10,725
Augusta	\$596.37	\$6,378,826	7.9	10,696
Roanoke	\$617.68	\$8,603,067	5.9	13,928
Albemarle	\$659.30	\$7,955,151	5.7	12,066
Warren	\$671.20	\$3,386,899	10.0	5,064
Frederick	\$695.16	\$7,427,779	6.1	10,685
Harrisonburg City	\$727.93	\$2,847,668	3.5	3,912
York	\$747.00	\$8,931,108	9.7	11,956
Montgomery	\$815.71	\$7,370,712	6.1	9,036
* Last complete year for data ** County divisions unless otherwise noted SOURCE: DOE Tables 13 & 15, FY01				

In terms of Operations and Maintenance costs per pupil, RCPSD is the sixth lowest among its peers, expending \$618 per pupil for these activities. However, as a percentage of the Division's total budget, RCPSD ranks fourth lowest, with only Harrisonburg City, Hanover, and Albemarle spending a smaller proportion of their budgets on Operations and Maintenance than RCPSD does.

Strict comparison among school divisions in operations and maintenance costs are very difficult. Divisions vary greatly in the number of buildings they maintain, the age of the buildings, their sizes, and the degree to which buildings may have been renovated or systems upgraded. It appears that RCPSD is solidly in the midrange when comparing costs per pupil and without much more extensive review of all the cluster divisions, it is of questionable validity to draw conclusions from operations and maintenance spending. Because the maintenance work order data is not maintained in an easily usable format and was not available for this review the efficiency of the maintenance effort in the RCPSD cannot be clearly assessed.

I. Technology:

Roanoke County is ranked 10th out of 12 among comparable school divisions in technology spending per pupil. This category includes technology-related expenditures and ongoing expenses such as Internet service providers.

One of the primary reasons for the high level of technology spending is RCPSD's laptop initiative. In addition to the normal technology expenditures for a high-

performing district of its size, RCPSD is also issuing laptops to high school students. The cost of purchasing and supporting these laptops has increased the Division's technology expenditures and will continue to do so. (See page 21 for a discussion of the Laptop Initiative.)

Table 10: Technology Expenditures

Technology Expenditures	Amount
Classroom Technology	\$494,509
Technology Support	\$844,925
Technology Administration	\$294,285
Technology Attendance	\$81,338
Total	\$1,715,057

III. Findings and Recommendations

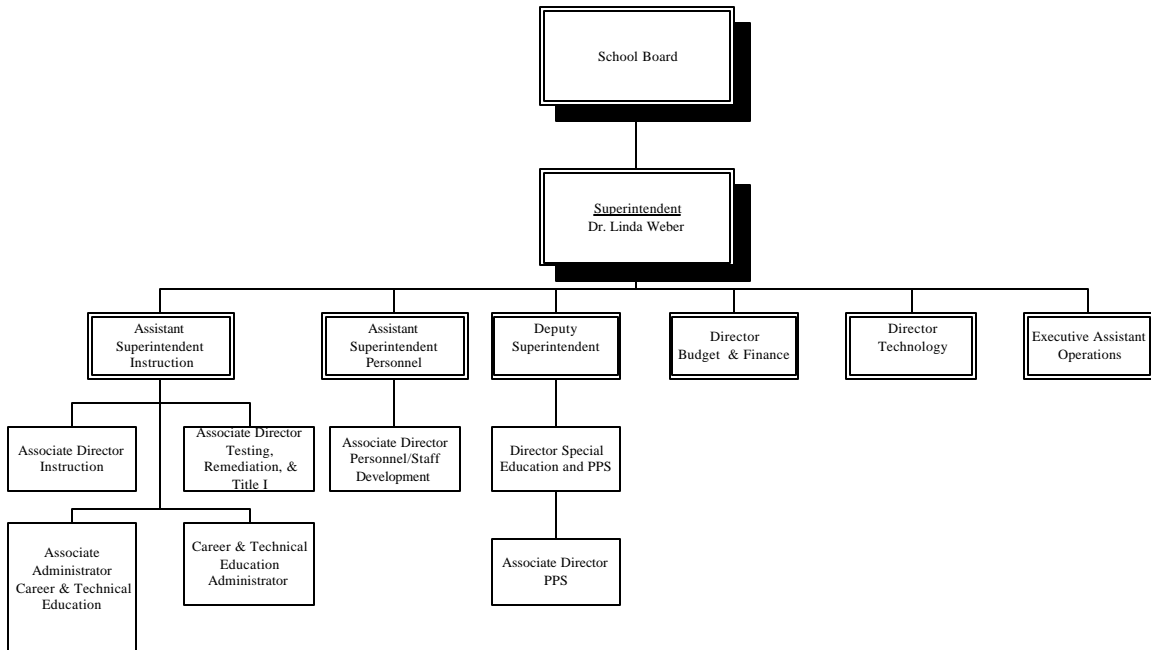
Note: A listing of all recommendations can be found in Appendix II.

Administration

ORGANIZATION

The Division is led by Dr. Linda Weber, Superintendent. Directly reporting to Dr. Weber are one deputy Superintendent, assistant Superintendents for personnel and instruction, directors of technology and budget and finance, and one executive assistant for operations. Of the 2,165 total employees in the school division, 80 are in the central office. An effort has been made since Dr. Weber's arrival to pare down the size of the professional staff in the central office and to combine and reassign positions. There are a total of 1,133 full-time teachers in the Division.

Figure 3: Administration Organization
Roanoke County Public Schools



Roanoke County School Board

The Superintendent has a close working relationship with the School Board. The Board has five members. The Board's current level of involvement in decisions related to division operation appears to be appropriate. Conversations with central office and school personnel provide no recent examples of interference or intervention by Board members, but instead demonstrate proper use of channels of communication through the chain of command whenever Board members desire information about any particular situation in the Division.

Principals are quick to point out that Board inquiries are welcome about any aspect of operations or student issues, and that teachers and parents should feel free to contact Board members with their concerns. They do hope, however, that teachers and parents feel comfortable trying to resolve issues with school administration or even the Superintendent first rather than feeling it necessary to go directly to the Board. As one principal states, the board members are neighbors and are readily accessible, so informal conversations take place all the time.

The Board has been active in convincing the county to provide funding for new buildings, renovations, and improvements.

The Parent Teacher Association and the Community

One of the strengths of Roanoke County Public Schools is the involvement of parents and the community. As is the case elsewhere in the Commonwealth, the school PTAs actively support fund raising efforts at each school to meet special needs. The extent of these efforts can be substantial. One principal estimated total private fund raising (both PTA and school-driven) to be as much as \$100,000 per year. These funds supplement budgets for specific projects (e.g., computer labs) as well as fully fund special activities (e.g., band trips.)

Parents are also reported to be very involved in operational activities. Most notably, the laptop initiative has drawn intense interest from parents who want to ensure that there are both sufficient safeguards against improper use and legitimate academic reasons to deploy the technology. One parent spoke at length to a principal about the risk of giving a teenager "an expensive portable typewriter" and questioned whether teachers would indeed make use of both the software and the Internet as part of the academic workload. Nonetheless teacher surveys in 2003 show enthusiasm for the initiative and ways in which the laptops are being implemented into lessons.

Such acute involvement is to be lauded, as it indicates an activist community that will continue to drive the Division toward higher achievement.

School Principals

The RCPSD operates 30 schools (including the Career Center, Alternative School, and the Technical Center.) District boundaries have been reevaluated and adjusted as necessary to compensate for changes in school-aged population and the addition of new schools.

RCPSD 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.

Interviews with numerous principals and assistant principals indicate a very smooth working relationship with both the central office and the Board. Assistance from the central office, including maintenance, recruiting, and planning, is almost always quickly available.

Administration Findings and Recommendations

Finding:

Most if not all RCPSD employees encountered during the execution of this review were polite, affable, accommodating, and productive. RCPSD administrators set the tone for the collegial atmosphere that is easily sensed even by the most casual observers. The Superintendent and her key administrators foster an environment of equality, respect, and high expectations. RCPSD administrators take great pains in training, mentoring, and interacting and working together with all employees, especially those working at the schools. The result is a work force that believes in product ownership and is focused on student achievement and academic excellence, community service, and staff development and improvement.

Finding:

RCPSD has adopted an excellent mentoring program that involves all the top administrators in the division, including the Superintendent. The Division takes great pride and goes to great lengths to make new employees feel they are a critical part of the success of the Division. RCPSD also initiated a retirement program that rewards attendance and reduces the amount of sick days employees take in a given year. Division retirees are key players in mentoring new staff and filling in for vacationing or ill staff, from teachers to custodians to maintenance staff.

Finding:

There are 71 known education foundations operating for school divisions in the Commonwealth. According to documents provided by RCPSD, except for Albemarle and Fauquier counties, all of RCPSD's division peers have established education foundations³.

Long the primary fund-raising mechanism of institutions of higher education and the arts and museum communities, foundations play an important role in augmenting community funds and support. The Roanoke County Public Schools Education Foundation, Inc is a 501c(3) created in 1991 to help fund student scholarships or classroom projects. Since that time, the Foundation has, "provided almost \$300,000 in scholarships to 439 students; \$38,000 to teachers for special classroom projects; and over \$92,000 in funding assistance related to student travel, international education, remedial and substance abuse education programs."⁴ The Education Foundation is more than a vehicle for fund raising; it involves the community with the schools and draws strong and lasting ties and alliances among the commercial, small business, finance, and wider communities.

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 community's interest and involvement.

The Roanoke County Public School Division provides educational services to more than 14,000 students in 30 schools – 17 elementary, five middle schools, five high schools, an alternative school, a career center, and a technology center. The Division, which excludes the cities of Roanoke and Salem, is largely homogenous – fewer than ten percent of the student body are members of a minority. In the cluster of 12 school divisions that includes Roanoke County, the County has the ninth highest per capita income at \$32,053. In the division, a mixture of rural and suburban development, the average housing value is \$118,100.

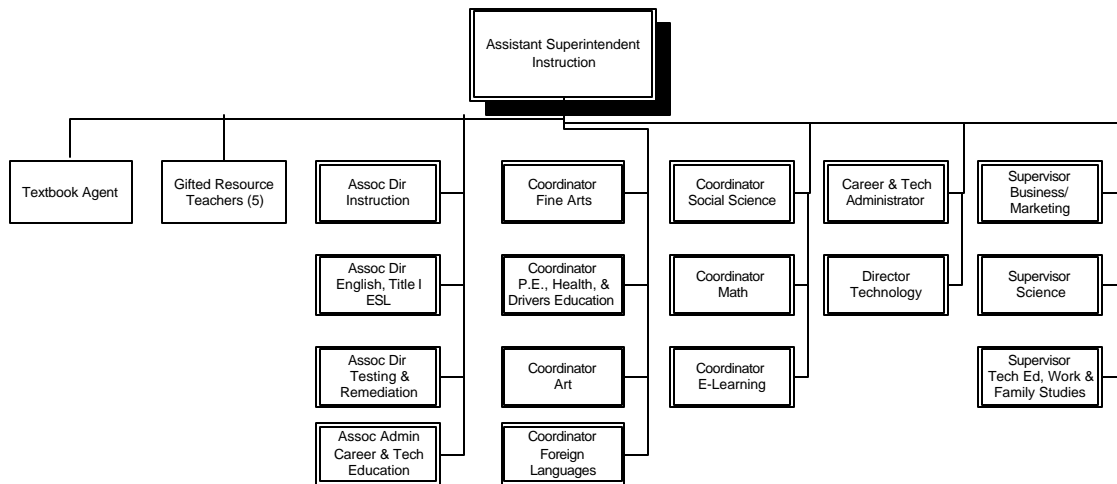
³ RCPSD internal document, July 2003

⁴ Letter of support to Foundation supporters, May 15, 2003.

Organization

Educational services or instruction are organized under the Assistant Superintendent of Instruction (ASI). This position supervises all instructional efforts in the Division with the exception of special education. In addition to traditional subject areas e.g., English, math and social studies, the ASI oversees career and technical education, E-Learning, work and family studies, business and marketing, testing and remediation, the gifted program, and the textbook purchasing operation. Such an organizational structure has the advantage of placing accountability for educational achievement in the ASI, her staff, and the individual school principals who report to the Superintendent of the Division. See Figure 4 below.

Figure 4: Assistant Superintendent of Instruction



However, due to the wide-ranging responsibilities of the ASI, the position is currently responsible for supervising 22 positions. This significant span of control is roughly twice as large as what is generally regarded as an effective span of control. Although the ASI did not report experiencing any difficulties with the broad responsibilities of the position, some of the ASI supervisees indicated that they would prefer opportunities to interact with the ASI more frequently and in greater depth. The Division should be aware that this span of control is unusual and realize that a different ASI may, in the future, require a substantially altered organizational structure in order to handle the responsibilities of the position.

Educational Achievement

Instructional excellence has been adopted as the number one priority of the Division. One indication of the emphasis placed on educational excellence is the mentoring program in place in the Division. All new teachers are mentored by experienced instructional staff. In addition, central office professionals each mentor a student identified as being at-risk. The focus on classroom quality has resulted in success in achieving educational goals. Some of the features of this success include:

- All schools are fully accredited;
- The 2000 SAT mean score for RCPSD students was 1045;
- Stanford Achievement test scores for grades 6, 8, and 9 are above the national average;
- In the 2001-02 school year Roanoke had a 1.12% dropout rate -- lower than the state average of 2.02%;
- More than 87 percent of the high school graduates pursue some form of post-secondary education;
- The Roanoke County Public School website lists more than 30 honors and recognitions the Division's teachers and staff have been awarded for excellence and achievement, and;
- In 2003, fully 47 percent of the graduating class of RCPSD earned advanced studies diplomas, suggestive of a highly motivated student body and a wide array of course offerings.

In addition, the Division promotes teacher excellence through mentoring, tuition reimbursement for course work for certification, and an annual goal setting/evaluation process for teachers to establish instructional or professional goals.

Table 11: High School Diplomas by Type: 1999-2002

Type	1999-00	2000-01	2001-02
Advanced Studies	530	533	467
Standard Diploma	408	366	428
Special Diploma	31	32	31
ISAEP*	16	0	42
Cert. Of Completion	1	2	14
GED Certificate	9	0	0
Modified Standard Diploma	0	0	3
TOTAL	995	933	985

*GED Certificate as a part of the Individual Student Alternative Education Plan (ISAEP)

Finding:

The Division reduced the student teacher ratio in K-2 in 2001 from 22:1 to 16:1 on the premise that lower class sizes in those grades would help students learn to read better. Studies have shown that if students read better then everything in school that follows (for example SOL testing) is more successful. The change has not been going on long enough to accurately measure its impact, but the principals of the Division believe that it is making a large impact on the reading abilities of students in those classes.

Instructional Expenditures

In the cluster of 12 school divisions in which Roanoke County is included, RCPSD ranks seventh lowest in terms of spending per pupil. In these twelve divisions, per pupil expenditures in 2000-01 ranged from \$4,537 to \$6,110. RCPSD's per pupil costs were \$5,536 that year.

In terms of the percentage of the total budget spent on instructional activities, RCPSD schools again rank seventh at 53.2 percent. The range among the twelve divisions is from 29.1 percent to 68.0 percent of total division spending on instruction. Appendix I shows instructional expenditures for the twelve divisions.

Curriculum Development

Curriculum development is an ongoing process designed to align classes with Standards of Learning and No Child Left Behind requirements, assess whether classes should be added, combined, or dropped, periodically select appropriate textbooks, and develop on-line classes. In some cases, curriculum changes are affected by budgetary

constraints, i.e., electives may be combined or full year classes changed to one semester.

The Division has used its Six-Year School Improvement Plan to identify and implement curriculum changes that strengthen student preparation for additional education, employment, and civic responsibility. During the last several years, the curriculum was redesigned to integrate technology into class work, the student-teacher ratio for K-2 was lowered to 16:1, and distance learning was instituted to provide instruction in areas that have low enrollment.

During the 2003-2004 school years, textbook-based instruction for all ninth graders has been augmented by the introduction of lap top computers. The use of PCs enables students to use the Internet for supplementary subject information, access homework assignments, and become less textbook dependent for learning. The use of technology in teaching has been found to promote student learning and RCPD plans to expand this technology initiative in the coming years. Such a dramatic change from long-established textbook-based instruction will require educators to master the technology being used and to add new materials and methods to current teaching approaches. Curricula that integrate the new technology with proven methodologies will be necessary in order to reap the desired benefits for all students. Roanoke County School Division is working to make this change happen.

Talented and Gifted Program

The Roanoke County Public School Division has a system-wide talented and gifted (TAG) program that identifies students with advanced talents or abilities and provides enrichment and challenge to their school experiences. Teachers, parents, or gifted resource staff identify students for screening in an annual process. The TAG program parallels the state plan for gifted students and is revised annually. A committee of parents, teachers, and members of the school board and business community review and revise TAG program offerings.

For elementary students curriculum enhancement is the basic tool employed to meet their superior abilities. As the student progresses into middle and high school, advanced classes are provided for TAG students. Opportunities for enrichment are also available in specialized schools e.g., The Governor's School for Mathematics and Science, the School for the Performing Arts or through career mentoring, field trips, and evening or weekend programs.

Textbook Purchasing

The Roanoke County Public School Division purchases textbooks through a central office that handles all textbook purchases for all division schools.

The textbook selection and purchase process begins with a committee of teachers, parents, and administrators who review and select the books to be adopted. Each elementary and middle school has one committee. In high school, committees are specialized as to the subject area under consideration.

The Virginia Department of Education (DOE) provides a recommended or suggested list of texts. However, divisions are not required to follow DOE's suggestions. DOE also has a textbook and instructional material adoption schedule that establishes which books are to be bought each year. For example, science books are to be reviewed and adopted during 2003-2004 for the year beginning September 2004.

Sample textbooks are distributed to the committee in January and, following a winnowing of possible choices, two book publishing companies make presentations to the committee. On each committee, each school has one vote and the text with the highest number of votes is adopted for purchase and use.

Whenever possible, books are purchased off the state-negotiated contract which ensures the best price. The Division does not engage in any joint purchasing with other divisions. However, due to budgetary requirements, the purchase cannot be formalized until after July 1. The purchase is initiated in early July to help make certain that the texts will be available for the beginning of school in September, a goal that is not always met.

Books that are not being replaced are mended or re-glued to extend their useful life to six years. Out-of-date or sample books are offered to teachers, home schoolers, etc. The majority of books to be discarded are offered for sale. In some instances, local community groups purchase books for shipment overseas. Books not sold are shredded and recycled.

The Division's textbooks budget for 2003-04 is \$965,500, 63 percent from state reimbursement, and 32 percent from local operating funds. The remainder comes primarily from the sale of textbooks. The 2003-04 textbook budget is a 14.4% increase over the 2002-03 budget that is detailed in the table below. Prior to 1987 the textbook fund was self-supporting through book rental fees. Since that time books have been provided to students free of charge.

Table 12: Textbook Expenditures 2002-03

Grade	Amount
Kindergarten	120,483
Grade 1	234,702
Grade 2	144,817
Grade 3	22,415
Grade 4	49,418
Grade 5	43,793
Special Education for Elementary	27,251
Grade 6	16,966
Grade 7	8,170
Grade 8	13,829
Grade 9	42,534
Grade 10	76,244
Grade 11	27,383
Grade 12	<u>15,981</u>
Total	\$843,986

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.

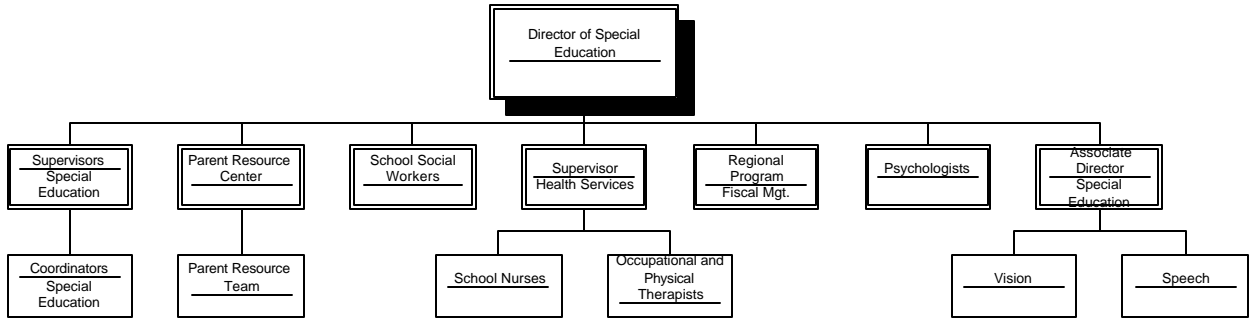
The Individuals with Disabilities Act (IDEA) (federal law) mandates a free and appropriate public education for all children, regardless of the severity of the disability. Additionally, this law requires school divisions to provide an education to students with disabilities in the least restrictive environment. 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 re-authorized 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 each 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.

**Figure 5: Roanoke County Public Schools
Special Education Organizational Chart**



The special education programs include multiple services with psychological and occupational/physical therapies, nursing services, vision and speech services, and transitional services. Also, the special education program is responsible for federal and state compliance, development of the Annual Special Education Plan, dissemination of information, and the provision of certified and trained personnel. The Roanoke County Public School Division has close to 550 positions that are dedicated specifically to serving the needs of its special education students. Below is a breakdown of those positions:

Table 13: Special Education Staff

Special Education Teachers	195
Speech Therapists	17
Psychologists	9
Occupational therapists	6
Physical Therapists	1.5
Visiting Teachers/Social Workers	3
Vision Specialists	1
Vocational Evaluator	1
Disability Services Coordinator-Autism	2
Disability Services Coordinator-Technology	1
Instructional Assistants (Fluctuates)	310
Total	546.5

For the 2002-2003 school year, the Roanoke County Public School Division identified 2,365 children with special education needs out of a student population of 14,119

See Appendix III for a brief description of activities and support provided by special education programs in the Roanoke County Public School Division.

Finding:

The RCPSD Special Education programs promote and provide equal opportunities for educational excellence and social, emotional, and physical well being for students in RCPSD with special needs. The Special Education Program offers a variety of services from specialists who focus on education, behavioral, cognitive, sensory and social disabilities. The Roanoke County Public School Division afforded some type of special education program for 16.75 percent of its student enrollment for the school year 2002-2003. The state average for enrollment in special education programs is around thirteen percent. The Division ranked in the top two (16.88 percent) for enrollment in special education programs within its peer school divisions and in the highest three of its peer school divisions in special education spending per student (\$1,049) based on the average daily membership for 2001-2002.

Finding:

The special education program at the Roanoke County Public School Division is often cited as a leader among Virginia school divisions in ensuring that students with special needs receive assistance. The school division's special education programs and activities involve general and special education teachers, professionals, parents, community organizations, and technology as well as the students in analyzing and providing the necessary support.

Finding:

The RCPSD's special education program ensures a collaborative effort involving the general teachers, special education teachers and professionals, school psychologist, principal, 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 IEPs are evaluated every marking period — nine weeks or as needed 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 or other alternate placement if the Division cannot meet the needs of its special education students.

Finding:

The school division has experienced only three requests for legal actions or Due Process Hearings involving the needs of special education students in the past three years (zero in 2002-03). The three requests were resolved through informal mediation.

Finding:

With only three requests for legal actions or Due Process Hearings in the past three years, it appears that the Division of Special Education and Pupil Personnel in the Roanoke 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 RCPSD have remained low because of the proficiency of the Special Education Program.

Finding:

The RCPSD has an individual that is specifically dedicated to managing the various categories of grant funds for the Special Education Programs. The position is in the Office of Budget and Finance.

Grants usually require a number of reports that must be filed with various entities including the federal government. The individual files all of these required reports and works to ensure that the Division receives the available grant funding, requests reimbursements, and verifies that expenditures are properly recorded.

Additionally, the Division of Special Education and Pupil Personnel has an individual within the Division who reviews all special education services to ensure that the school division maximizes its use of available Medicaid funding.

Finding:

Grant accounting is integral to the success of the special education programs. With a special education budget of \$5.9 million for 2003-04, the school division recognizes that adequate funding and accountability are important factors in guaranteeing the success of the special education programs. Allocating appropriate resources to the financial aspects of the special education programs allows the school division to maximize available funding while validating the special education program expenditures.

Human Resource Management

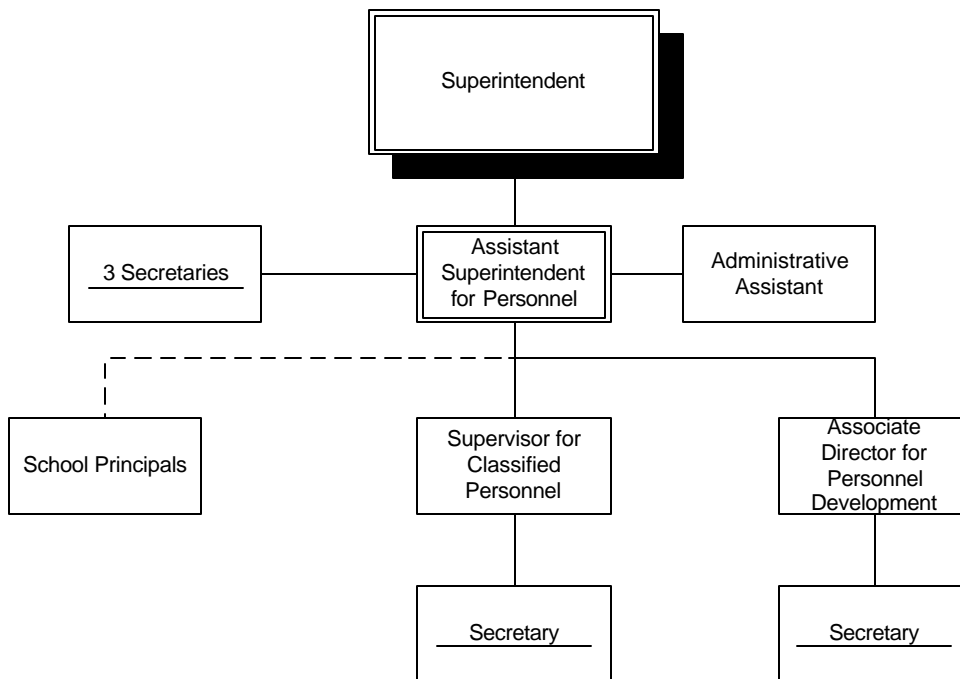
MISSION

Implement practices to support and assist teachers and support staff in the instruction of positive learning for all students.

ORGANIZATION

The Human Resources (HR) office is comprised of one (1) assistant Superintendent, one (1) associate director for personnel development, one (1) supervisor for classified personnel and one (1) administrative assistant and five (5) secretaries. The interview process for new teachers involves the Superintendent, the assistant Superintendent for personnel, the associate director for personnel development, and the appropriate principal. An organization chart follows:

Figure 6: Human Resources



BUDGET

The assistant Superintendent is responsible for an \$80 million dollar budget for 1,133 teachers and another \$13.5 million for non-teaching positions (classified positions). A teacher is defined as anyone who is certified with at least a four-year degree and includes librarians, counselors, and other professional staff.

OPERATIONS

The Roanoke County Public School Division (RCPSD) employs 2,165 FTE; 1,133 are full-time teachers. Of the 1,133 classroom teaching staff, 249 (20 percent) are now retirement-eligible. The HR division is responsible for recruitment (for both teaching and non-teaching staff), compensation, mentoring, and enforcing HR policies and laws such as ADA and EEOC. The central office HR staff is involved in preliminary interviews for teachers at job fairs and reviews the number of candidate-resumes eventually forwarded to the principals.

Recruiting and Retaining Teachers

The task of recruiting teachers is perceived not as a tedious burden but rather an opportunity to invigorate the teaching environment. Recruiting venues include the traditional settings such as college campus visits, small job fairs, website advertisement (including the Virginia Department of Education's Teacher to Teacher site), and word of mouth. RCPSD actively recruits from institutions of higher education such as Roanoke College, Mary Baldwin College, University of Virginia, and Longwood University. While these traditional recruiting streams yield an abundance of talented recruits, the single most productive recruiting pool can be found at the annual regional job fair held at the Salem City Civic Center, which draws upwards of 1,000 teachers.

For the price of a \$1,000 show floor fee, RCPSD and the other 14 Regional Study Group 6 school divisions vie for the attention and, ultimately, the contract signature of Southwest Virginia's most talented teachers.⁵ Of the 100 to 130 new teachers hired annually, this single event nets about 25-30 recruits for an average cost of about \$33 to \$40 per recruit.

A generic application is completed by all potential recruits attending the job fair providing all competing school divisions with the same type of information on all recruits. Recruits can sit for a preliminary interview with school division recruiters that may result in a more traditional and complete interview later. It is not uncommon for RCPSD to extend contracts to exceptional interviewees on the spot. RCPSD administrators claim their competitive teacher salaries, strong teacher support, low student/teacher ratio, and pleasant work environment give the Division the edge over its competitors.

⁵ Regional Study Group 6, as determined by the Virginia Department of Education are: Alleghany/Highland, Botetourt, Covington City, Craig, Danville City, Floyd, Franklin, Henry, Martinsville City, Montgomery, Patrick, Pittsylvania, Roanoke, Roanoke City, and Salem City. Some of the recruits hail from West Virginia, Texas, Florida, and Canada. The RCPSD spends about \$5,000 on recruitment activities annually.

RCPSD confronts the same obstacles as other divisions when recruiting for science, foreign language, and special education teachers – chronic teacher shortage areas across the Commonwealth. However, RCPSD revised the terms of teacher contracts several years ago to allow RCPSD recruiters to target the number and type of teacher specialty they need in the coming academic year. Teachers must now provide school administrators with a 90-day notice before retirement. As a result, RCPSD administrators can determine the exact number of teachers and subject areas that will be lacking for the upcoming year, before recruiting begins.

Overall, RCPSD has an experienced teacher corps. Many teachers who leave for work in other divisions soon return to the Division because the work environment is conducive to learning. Also, RCPSD employs an extensive teacher mentoring system that provides a network of support for teachers. The mentoring system is credited with instilling and fostering a sense of belonging so critical for content employees.

Table 14: Roanoke County Public Schools Years of Teaching Experience 2003-2004 School Year						
Grade	0-2 YRS	3-5 YRS	6-10 YRS	11-15 YRS	16-20 YRS	21+ YRS
K	13%	9%	21%	12%	10%	35%
1	11%	13%	15%	17%	9%	35%
2	20%	12%	20%	9%	9%	30%
3	13%	28%	6%	17%	2%	34%
4	14%	16%	12%	6%	6%	46%
5	20%	25%	20%	5%	3%	27%
Source: RCPSD. Grades K-5 are the only grades for which such information is available						

Mentoring

Each teacher coming into the school system is assigned to not one but three mentors. One mentor is an experienced colleague from the same school, one is a central office administrator, and one is a retired teacher⁶. Many mentors have multiple teachers assigned to them. Even the Superintendent has six teachers assigned to her. Teachers are introduced to their mentors a week before classes begin. RCPSD has found that teachers and mentors alike have embraced the mentoring system. The three mentors, each with a different set of experiences in classroom teaching and administration, have a stabilizing effect on new recruits. Conversely, the mentoring system allows administrators a unique opportunity to keep their fingers on the pulses of their teachers. What better way to set timely policies and procedures than with an almost daily interaction between classroom teachers and school administrators? With

⁶ RCPSD spends about \$11,000 on its mentoring program.

teachers staying longer, RCPSD benefits through more teachers with greater years of teaching experience.

Training

Lack of training does not appear to be a concern at RCPSD for several reasons. Most federal and state grants and other funds received by RCPSD specify a certain percentage of funds (sometimes as much as 20 percent) to be dedicated to teacher training. Also, RCPSD allows their teachers to take advantage of no-cost training offered by the Virginia Department of Education or other in-state services. RCPSD budgets about \$70,000 annually from local funds for teacher professional development.

Compensation

For the 2003-04 school year, RCPSD’s teacher salaries (for 200-day contract employees) range from \$31,000 for a teacher with a four (4) year college education and no teaching experience to \$45,500 for a teacher with a four-year degree and 20 plus years of teaching experience. There are supplements provided for those with credits leading to a masters and doctorate and supplements for those degrees as well.

Table 15: Roanoke County Average Teacher Salary vs. Peers

Peer SD	2002 Avg Teacher Salary	Local SD	2002 Avg Teacher Salary
Roanoke County	\$43,253	Roanoke County	\$43,253
Albemarle County	\$39,847	Salem City	\$43,209
York County	\$39,596	Botetourt County	\$40,846
Fauquier County	\$39,568	Roanoke City	\$40,725
Harrisonburg City	\$38,793	Franklin County	\$39,599
Frederick County	\$38,525	Alleghany County	\$36,940
Hanover County	\$38,498	Montgomery County	\$36,583
Augusta County	\$36,842	Bedford County	\$36,115
Montgomery County	\$36,583	Craig County	\$35,188
Rockingham County	\$36,243	Floyd County	\$35,050
Bedford County	\$36,115		
Warren County	\$34,539		

Source: DOE 2002-2003 Classroom Teacher Salary Survey

When compared to its 11 cluster peers for 2002 (the latest data available), RCPSD ranks highest in average teacher salary. When compared to its competition locally

(where teachers leaving for higher salary would most likely end up working) RCPSD salaries are just as competitive. Straight salary comparisons often lack context, therefore a comparison to county per capita income provides a clearer picture.

When RCPSD 2001 average teacher salaries are compared with the 2001 average per capita salary, RCPSD drops to a 6th place tie⁷. That is, RCPSD average teacher salaries are greater than the county per capita salary by a factor of 1.27 (127 percent). When compared to geographical neighbors, RCPSD ranks 9th (See Table 17). In short, RCPSD teachers are doing well when compared to their peers and neighbors on a straight teacher salary comparison. The Roanoke County taxpayers and policy-makers should be commended in their determination to attract and retain the best teachers in their classrooms. While RCPSD does not fair as well with its neighbors or peers when comparing 2001 average teacher salary and county per capita income, RCPSD does not seem to suffer ill effects in its hiring capabilities. The following charts illustrate the rankings.

Table 16: 2001 Average Teacher Salary vs. Per Capita Income			
Peer SD	2001 Avg Teacher Salary	2001 Per Capita Income	Factor
Montgomery County	\$35,142	\$19,849	1.77
Harrisonburg City	\$36,731	\$22,945	1.60
Rockingham County	\$34,251	\$22,945	1.49
Augusta County	\$36,503	\$25,045	1.46
Frederick County	\$37,091	\$28,063	1.32
Fauquier County	\$37,005	\$29,058	1.27
Roanoke County	\$42,240	\$33,208	1.27
Warren County	\$34,319	\$27,268	1.26
York County	\$37,738	\$30,261	1.25
Hanover County	\$36,835	\$31,129	1.18
Bedford County	\$30,223	\$26,852	1.12
Albemarle County	\$37,435	\$34,551	1.08
SOURCE: DOE 2002-2003 Classroom Teacher Salary Survey and 2001 Weldon-Cooper Center for Public Service			

⁷ 2001 is the latest data available for county per capita income.

Table 17: 2001 Average Teacher Survey vs. Per Capita Income for Local Divisions			
Local SD	2001 Avg Teacher Salary	2001 Per Capita Income	Factor
Floyd County	\$34,666	\$18,740	1.85
Montgomery County	\$35,142	\$19,849	1.77
Franklin County	\$36,477	\$21,107	1.73
Alleghany County	\$34,706	\$23,079	1.50
Craig County	\$33,009	\$21,976	1.50
Botetourt County	\$39,358	\$26,839	1.46
Roanoke City	\$40,823	\$30,249	1.35
Salem City	\$43,174	\$33,208	1.30
Roanoke County	\$42,240	\$33,208	1.27
Bedford County	\$30,223	\$26,852	1.12
SOURCE: DOE 2002-2003 Classroom Teacher Salary Survey and 2001 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 at least 90 days prior to his or her departure date.

New teachers are observed in the classroom and evaluated four times annually and are subject to a written review every year. Tenured faculty members (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 members are more difficult to terminate but they enjoy no other perks. All teachers are vested in the Virginia Retirement System (VRS) after five years and the school division pays the entire contribution.

Incentives/Retirement

RCPSD reduced its \$1,000 signing bonus for its teachers in 2000 to \$100 because they found the higher amount was not necessary to recruit the best teachers. A few years ago, the school division changed the payroll schedule for all employees from 10 checks a year to 20 checks a year. This accelerated the time the first check was received by new employees and allowed teachers and non-teaching staff an easier way to budget for their personal finances. Teachers are eligible for tuition assistance

(up to \$450 annually). The Division expends about \$8,000 annually on tuition reimbursements.

At one time, teacher absenteeism was problematic until a new program was introduced to address the issue. Currently, teachers earn one sick day a month and two personal days a year with full pay and prior approval from the principal. They also receive three partial personnel days whereby \$75 is deducted from their daily pay to defray the costs of a substitute. Teachers can now carry over (with no limit) as many sick and personal days as they accrue until they leave the employ of RCPSD or retire from the system. When an employee retires, he or she is given \$35 for each sick and personal day carried forward. If a teacher or classified staff has five years or more with RCPSD but is not eligible to retire, he or she is provided with \$10 per day. Those who leave with less than five years receive nothing for any sick or personal days remaining. This modest incentive program is hailed as the single reason teacher absenteeism is now kept in check. The relatively high pay rate for teachers may also reduce absenteeism – in divisions where the teacher salaries are lower, sick days are (anecdotally) more widely used, perhaps being seen as a ‘right’ in lieu of higher compensation.

RCPSD established an early retirement program whereby a person 55 years or older with 10 years with RCPS is eligible to retire with the following benefits: retired teachers (or non-teaching staff) can return to work for the Division for 25 days a year for five years and receive 20 percent of their salary plus \$2,500 towards their health insurance costs. This system allows the school system to maintain a large skilled substitute pool. Retired teachers provide up to 40 percent of the substitute pool. Currently, there are 250 teachers and 70 classified positions in the early retirement system. Administrative retirees are also embraced as viable assets. They are hired as mentors, provide administrative assistance during the heavy recruiting periods, and lend their expertise wherever it is needed.

Finally, while RCPSD employs several best practices, one is especially worthy of mention here. The HR supervisor for classified personnel will often visit different schools during the course of the school year and assist a classified employee (custodian, food service cook, bus driver, etc) in his or her work. This practice allows the supervisor to experience and understand the nuances of the positions he hires for while enhancing communication, morale, and employee productivity. An estimated 250 employees are visited annually. While there is no way to measure the monetary benefit of such a practice, it is believed it pays dividends by creating a more employee-focused environment.

Health Insurance

The RCPSD participates in a cooperative arrangement to purchase health insurance for its employees. The Division combines its efforts with Roanoke County government to bid for health insurance. The school division and local government gain the benefit of larger economies of scale in obtaining a network of health insurance providers.

Finding:

The cost of health insurance in RCPSD is above the state average but below the average of the programs participating in the Local Choice Program offered by the Commonwealth of Virginia. RCPSD is able to control costs by combining with the county government to purchase health insurance.

Table 18: Roanoke County School Division Health Insurance Compared to the State Average - 2001-02

	Roanoke County Schools' Expenditures				Statewide School Divisions' Average Expenditures			
	Employee	Employee + child	Employee + spouse	Family	Employee	Employee +1	Employee + spouse	Family
Division Share	\$278.25 (88.35%)	297.58 (63.00)	\$515.83 (63.00%)	\$515.83 (63.00%)	\$216.58 (83.38%)	\$249.33 (59.53%)	\$303.92 (52.10%)	\$301.83 (44.55%)
Employee Share	\$36.67 (11.64%)	\$174.84 (37.00%)	\$303.00 (37.00%)	\$303.00 (37.00%)	\$43.17 (16.62%)	\$169.50 (40.47%)	\$279.42 (47.90%)	\$375.75 (55.45%)
Total	\$314.92 100.00%	\$472.42 100.00%	\$818.83 100.00%	\$818.83 100.00%	\$259.75 100.00%	\$418.83 100.00%	\$583.33 100.00%	\$677.58 100.00%

Roanoke County Schools' Total Monthly Premium as a percentage of Statewide Average (Division share plus employee share)	
Employee	121.23%
Employee +1	112.79%
Employee + Spouse	140.37%
Family	120.84%

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 19 shows the current monthly Roanoke County health insurance costs.

Table 19: Current Monthly Costs of Roanoke County Health Insurance

	School Board Share	Employee Share	Total (monthly)	% of Total Paid by School Board	Employees	Total Cost
<i>Trigon</i>						
Employee	\$278.24	\$36.70	\$314.94	88.35%	972	\$306,121.68
Employee +1	\$297.60	\$174.80	\$472.40	63.00%	119	\$56,215.60
Family	\$516.86	\$302.96	\$819.82	63.05%	483	\$395,973.06

Total monthly cost of health insurance is \$758,310.

Total annual cost of health insurance premiums (Division and employee shares) is \$9,099,724.

Comparison to 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 \$149 per month higher than Roanoke County's cost.

Table 20: Comparison of Roanoke County to Local Choice Program

	School Board Share	Employee Share	Total (monthly)	% of Total Paid by School Board	Local Choice Average	Differential
<i>Trigon</i>						
Employee	\$278.24	\$36.70	\$314.94	88.35%	\$359.00	-\$44.06
Employee +1	\$297.60	\$174.80	\$472.40	63.00%	\$664.15	-\$191.75
Family	\$516.86	\$302.96	\$819.82	63.05%	\$969.30	-\$149.48

The table above shows that although the RCPSD is higher than the state average for health insurance, it is still below the average of the divisions participating in the Local Choice Plan. This differential shows the power of larger school divisions to acquire health insurance.

Facilities Operations and Management

Mission

The mission of the maintenance department of the RCPSD is to provide prompt and efficient maintenance to support the educational programs.

Organization

The head of the maintenance department reports to the Director of Operations. The head of maintenance supervises 35 staff: 34 tradesmen and 1 clerical position. The department has no designated senior or lead workers. All staff reports directly to the department head.

The staff consists of eight carpenters, four painters, four plumbers, four electricians, and other staff with responsibilities for HVAC, mechanical, welding, small engine repair, furniture refinishing, locksmithing, equipment operation, and grounds keeping. Some maintenance activities are contracted out. In addition, seasonal employees are used for summer mowing and grounds keeping.

Recommendation 1:

The Maintenance Department may wish to consider being reorganized to decrease the excessive span of control of the Director. Lead worker positions in each area, e.g., plumbing, electrical, should be established to provide on-site expertise and supervision of maintenance activities. These positions should be filled by promotions of existing employees and not new hires. These lead workers may be due salary increases because of the increase in their job role. This would free the Director to focus on the need for and deployment of resources and for analyses of work processes, costs, and system needs.

Work Processes

Requests for maintenance work are transmitted to the Maintenance Department from the schools and auxiliary building by either email or triplicate hard copy forms. The requests are prioritized as to importance and assigned to staff for completion. The department maintains its work records in hard copy only. That is, the work orders and information concerning the work performed is not accessible in an electronic information format.

The absence of either a data base or spreadsheet format to enter and track maintenance requests and activities handicaps the department from determining such work-related information as date of request, date of assignment of work, date of completion, nature of request or system repaired, identification of buildings or systems which require above average maintenance attention, number of hours required to complete specific tasks, and costs in labor and/or materials for specific maintenance actions.

Without such information easily available, planning for future resource needs and system upgrades is extremely difficult. Identification of systems or equipment that are demanding frequent maintenance can be used as a tool to plan future work or replacement so as to avoid unnecessary emergencies or system outages.

Recommendation 2:

The department may wish to consider instituting a computer-based software program, either a database or spreadsheet, to record requests, work assignments, request and completion dates, and labor and material costs. Such a program can help control maintenance activities and costs and can provide the division with information on systems or areas that may need to be upgraded or replaced. It can also be used as a measure to help assess the efficiency of the entire maintenance program.

Overtime Costs

A review of Maintenance Department overtime (OT) costs for the last three years reveals that such expenditures have grown significantly. In fact, they have more than

doubled. During FY 2000-2001, total OT expenditures were \$31,476. During that year the employee who reported the most OT worked 474 extra hours (the equivalent of an extra 11.9 40-hour weeks) and earned \$11,554 in OT compensation. By FY 2002-2003, maintenance OT costs had more than doubled to \$66,791, a 112 percent increase. In that year, one employee worked 656 OT hours (the equivalent of an extra 16.4 40-hour weeks) and earned \$17,064 in OT compensation. The school division reports that much of the OT is planned and pre-approved.

A review of OT costs for the past three years, 2000-01 to 2002-03, reveals that emergency overtime accounted for only ten percent of the costs. That is, of more than \$160,000 in overtime payments, just \$16,000 paid for work deemed of an emergency nature that was performed during non-standard working hours, evenings or weekends. Another 28 percent of the \$160,000, or close to \$45,000, was incurred by part-time, seasonal workers. The remainder, almost \$100,000 was for planned and scheduled overtime.

Scheduled OT is used to complete backed-up work that, while not an emergency, needs to be completed in a timely manner. Examples of activities that are performed using OT include HVAC, electrical, lock and door repairs, and cabinetry. Without easily accessible maintenance data available for analysis, it is not possible to determine if changes in work assignments or work processes could decrease the need for scheduled overtime.

Aside from the issue of whether scheduled overtime of this extent is the most efficient way to accomplish certain projects, there is a lack of clarity concerning OT costs as the three categories mentioned above are combined in one OT fiscal account. Better information and control of these expenditures could be possible if the three were reported separately. It is particularly misleading to label part-time wages as OT instead of merely 'part-time wages'. There is also the question of whether the Division could save money by adding full-time staff instead of paying time-and-a-half for OT hours. This determination can only be made by analyzing scheduled OT hours and costs and comparing those with the costs of additional staff, an examination which is difficult when the OT account does not clearly reflect such costs.

Finding:

The Maintenance Division paid over \$66,000 in overtime compensation during the year ended June 30, 2003. Information gathered shows that three employees worked on carpentry projects a total of 1,552 hours of overtime and received compensation totaling \$37,695.

Recommendation 3:

The school division may wish to consider further analysis of the overtime hours and compensation of the employees of the maintenance division. The Division should consider the risks and liabilities associated with the volume of overtime worked by

the maintenance staff. The dollar amount of overtime appears sufficient to fund a full-time maintenance position and indications are that the Division has ample carpentry projects to justify the position.

Contracted Services

The Roanoke County Public School Division also contracts for a number of maintenance services that require specific expertise, preventive maintenance, or certification. Fire alarms, equipment and elevator maintenance, and inspection are examples. Contractors also perform HVAC and chiller maintenance, floor refinishing, pest extermination, sprinkler inspections, and stadium turf maintenance. The 2003-04 building services budget identifies over \$600,000 in planned expenditures for contracted services and repairs.

Maintenance: Energy Efficiency

The RCPSD has one of the finest energy conservation programs in the Commonwealth. Since implementing an energy efficiency and cost avoidance program in 1998 the Division has saved over \$2.25 million in energy costs over five full school years, for an average annual savings of \$451,040. That amount of savings is sufficient to pay the starting salary (without benefits) of 14.5 new teachers every year.

Table 21: Utility Costs vs. Square Footage by Year

Year	Total Utility Cost	Total Square footage	Cost per Sq. Foot
1997-98	\$1,645,646	2,203,987	\$0.747
1998-99	\$1,421,716	2,261,459	\$0.629
1999-2000	\$1,434,779	2,261,459	\$0.634
2000-01	\$1,715,407	2,261,459	\$0.759
2001-02	\$1,419,288	2,261,549	\$0.628
2002-03	\$1,990,930	2,464,459	\$0.808

Table 22: Total Energy Efficiency Savings 1998-2003

Type	Cost without program	Actual Cost	Savings	Savings %
Coal	\$33,570	\$31,724	\$1,846	5.50%
Electricity	\$6,302,593	\$4,985,578	\$1,317,015	20.90%
Natural Gas	\$2,988,632	\$2,166,022	\$822,610	27.52%
Sewer	\$356,672	\$285,688	\$70,984	19.90%
Water	\$238,611	\$195,863	\$42,748	17.92%
Total	\$9,920,078	\$7,664,875	\$2,255,203	22.73%

Finding:

The RCPSD has budgeted \$1,946,500 for utilities at the schools and school division buildings for the 2003-04 school year. These costs include electricity, natural gas, water, sewer, and telephone lines.

The Division hired Energy Education Inc. to conduct an energy audit in 1997. The company and the Division agreed on an energy management contract in 1998 at a rate of \$600,000 over four years. If the company did not save the Division that amount of money in utility costs (\$150,000 per year) then the Division would not have to pay for the service. The company used mainly a behavioral change program – changing people’s habits about energy usage. The company sent out consultants to review the utility bills, consultants to review the facilities and suggest changes, and consultants who set up data collection software.

Next the Division hired a former science teacher as a full time energy manager. His role initially was to work with Energy Education to make the program successful. Now this employee constantly monitors energy usage and conducts inspections of schools during both regular school time and late night hours to determine what lights, computers, equipment, etc. are on and are consuming electricity. His vigilance helps to keep this program successful over the long term.

The RCPSD has also 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.

RCPSD benefits 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).
- 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).

Nine Virginia school divisions are currently partners in this program. These divisions are Arlington, Chesapeake, Covington City, Fairfax County, Falls Church, Harrisonburg City, New Kent County, Roanoke County, and Virginia Beach City Schools.

Recommendation 4:

RCPSD's energy management program should serve as model for the entire Commonwealth. The leaders and staff of the Roanoke School Division should be praised for this effort.

Recommendation 5:

The RCPSD may wish to consider entering into a performance contract in order to reduce its energy costs. A performance contract is one where a contractor pays for renovations to school buildings and then is repaid out of the savings on the division's utility bills. The Virginia Department of Mines, Minerals and Energy has pre-approved several contractors so that local school divisions do not have to enter into the RFP process; they only need to select several vendors from the list to get price estimates for the work the division wants to accomplish. The division is allowed to spread the costs out over a 12 year repayment period. In the case of the RCPSD, older lighting fixtures and ballasts could be replaced with newer, more energy efficient lights and reduce the total annual electric bill by approximately ten percent. Currently the Division spends almost \$2 million per year on utility bills and a ten percent reduction would be almost \$200,000.

The savings from this type of program would not immediately flow back into the coffers of the school division. The contractor (who pays for the work up front) would have to be repaid out of any savings before they could be realized by the Division. At the end of the contract the Division would have both newer equipment in some of its facilities and lower utility costs. This type of program is worth pursuing, even for a

division as efficient in energy conservation as Roanoke County Public School Division.

Financial Management

Budget and Planning

The RCPSD's Office of Budget and Finance is responsible for all aspects of the school division's annual budget, development of the annual salary scale, annual independent audit of the school activity funds, the joint independent audit of the county and the school division, and the school division's comprehensive annual financial report (CAFR). Additionally, the Division manages the following activities:

- School activity funds (bookkeepers in each school)
- Group health & dental programs (contract management)
- Grants management
- Capital planning, including debt financing
- School nutrition (effective July 1, 2003)
- Worker's compensation
- Student accident reporting
- Property & casualty insurance
- Flexible benefits programs
- Tax sheltered annuities
- Health Insurance Portability and Accounting Act (HIPAA) implementation & regulations
- Acts as fiscal agent for the R. E. Cook Alternative School (Bedford and Roanoke Counties)
- Acts as fiscal agent for the Roanoke Valley Regional Board
- Cobra notifications and premium collections

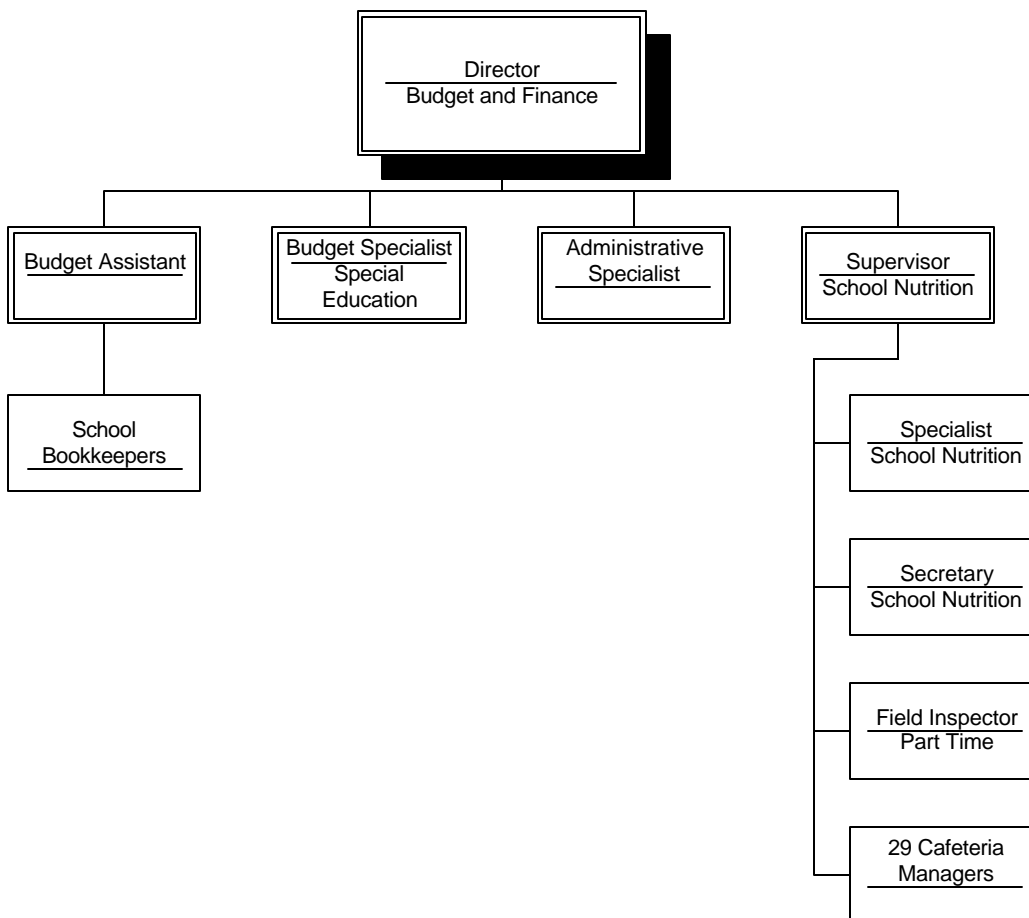
The Office of Budget and Finance currently handles the Employee Flexible Benefits Program; Health Insurance Coverage enrollment and changes; HIPAA implementation, training, and compliance; and letters required by the Consolidated Omnibus Budget Reconciliation Act (COBRA - the law amended the Employee Retirement Income Security Act [ERISA], the Internal Revenue Code, and the Public Health Service Act to provide continuation of group health coverage that otherwise would be canceled for employees).

Four positions report directly to the Director of Budget and Finance. Brief descriptions of the positions and an organizational chart for the Budget and Finance Division follow:

- (1) Budget Assistant - assists in the development, implementation, and monitoring of the school division budget, the individual school bookkeepers (responsible for individual school budget transactions and all transactions for their respective school activity funds) and monthly receipts and disbursement report and reconciliation of bank accounts, and the Tax Sheltered Annuities for school division employees.
- (2) Administrative Specialist - is responsible for Health and Dental Insurance, Workers Compensation, Student Accidents, Flexible Benefits, and COBRA notices.
- (3) Budget specialist - responsible for grants and the budget and financial transactions for special education, and the Roanoke Valley Regional Program.
- (4) Nutrition supervisor - responsible for 2.5 positions in the central administrative offices and 29 school sites with a total staffing of 150; (126 full time, 18 part-time, and 6 contracted employees.)

The Superintendent of the Roanoke County Public School Division provides supervision for the Director of Budget and Finance.

Figure 7: Roanoke County School Division Budget and Finance Office



The Director of Budget and Finance is working to ensure that the school division has internal controls in place, safeguards its resources, and utilizes technology fully. Staff are cross-trained and provide back up for the various functional areas; however, this is restricted because of the minimal staffing levels in the Budget and Finance Division.

The Office of Budget and Finance produces an annual budget document that includes the Budget Development Calendar; the School Board approves the budget development calendar in December prior to the budget fiscal year beginning July 1. Below is the school division's published Budget Development Calendar for FY 2003-2004:

November 2002

- Identification and prioritization of budget initiative with principals and senior Staff

December 2002

- Budget kick-off and distribution of Operation Budget Preparation Instructions to staff
- Budget Development Calendar approved by School Board
- Salary Committees begin to formulate salary recommendations

January 2003

- Operating Budget Requests submitted to Budget Office by all departments
- School Nutrition Services, Textbooks, Debt and Grant Budget Requests submitted to Budget Office
- Draft Operating Budget compilations distributed to Senior Staff
- Preliminary revenue projections completed by Budget Office
- Review of Operating Budget: Revenues and Initiatives
- Enrollment projections presented to School Board
- Public comment on FY2004 Operating Budget

February 2003

- Review of Operating Budget: Support Services
- Review of Operating Budget: Instruction
- Review of Operating Budget: Personnel
- Salary Teams present recommendations to School Board
- Operating Budget discussions – Superintendent and senior staff
- Presentation of Proposed Operating Budget to School Board
- Operating Budget School Board Work Sessions

March 2003

- Operating Budget School Board Work Sessions (as needed)
- Joint Budget Work Session with Board of Supervisors
- Presentation of Executive Budget Summary to School Board
- School Board adoption of FY2004 Operating Budget and Other Fund Budgets
- School Board adopted budgets presented to Board of Supervisors

April 2003

- Public hearings and discussions with School Board, School Staff and Board of Supervisors on Operating Budget
- Budget Office distributes per pupil cost for public education in accordance with state law by April 15th

May 2003

- Appropriations Resolution approved by Board of Supervisors

Finding:

The RCPSD includes staff from Roanoke County in the school budgeting process. Roanoke County staff participate in meetings also and serve on school division budget planning committees. Joint meetings with the School Board and the Roanoke County Board of Supervisors prior to the school budget submission facilitate refinement of the school division’s goals and funding requests.

The Director of Budget and Finance works with each of the schools in developing, implementing, and monitoring the funds, in transferring funds and in preparing any accounting entries necessary to ensure that the funds are properly recorded and reported. The Director of Budget and Finance prepares and presents monthly budget and financial status reports to the Roanoke County School Board as well as provides financial management information on a daily basis to the Board and other interested parties. A breakdown of the approved budget for 2003-04 is provided below:

Fund	Budget 2003-04
School Operating Fund (General)	\$104,532,177
Grants Funds	3,905,018
School Nutrition Fund	3,871,000
Textbook Fund	965,536
Capital Fund	1,186,193
Debt Fund	8,409,277
Regional Alternative School	361,143
Total Funds	\$123,230,344

Finding:

The budget development, approval, and implementation process of the school division demonstrates an efficient and effective model that other school divisions in the Commonwealth may wish to use. Sharing the school division financial information with the County promotes understanding and the development of relationships that can be instrumental in meeting the goals of both the school division and the County. (The school division provided the inclusion of local government staff in the school division budgeting process as a best practices submitted to the Joint Legislative Audit and Review Commission’s [JLARC] Website School Division Best Practices for Support Services.) Also, the budget calendar is an excellent tool in monitoring progress and establishing accountability over the budget process.

Finding:

The school division prepares its own comprehensive annual financial report (CAFR). The financial statements are prepared in conformance with generally accepted accounting principles and the school division is included with the financial audit of Roanoke County. The county contracts with a certified public accounting firm for the audit of its financial records. As a component unit of this audit, the school division has received an unqualified opinion (no material findings) for the past three years.

Finding:

The RCPSD is one of a limited number of school divisions that produces an individual Comprehensive Financial Annual Report separate from the CAFR prepared by the local governmental unit. The RCPSD's CAFR has been awarded Certificates of Achievement for Excellence in Financial Reporting, both from the Government Finance Officers Association and the Association of School Business Officials.

Finding:

Each local school board is required by the Standards of Quality for Public Schools in Virginia to revise, extend, and adopt biennially a division-wide six-year improvement plan for the school division. The improvement plan must be developed with staff and community involvement. The RCPSD formed a steering committee, which along with the Superintendent established the goals of the school division's Six-Year Improvement Plan. A compilation of a needs assessment document narrowed the focus for the plan to seven areas: (1) Instruction, (2) Human Resources, (3) Health and Safety, (4) Community Relations, (5) Facilities and Operations, (6) Technology, and (7) Budget & Finance. The RCPSD's Six-Year Improvement Plan is a well-developed document that clearly defines goals, strategies, measures, timelines, budgets, and the person accountable for implementation of the goal. The plan also requires an annual review of each goal.

Finding:

Roanoke County government approves a fund balance policy when it adopts the annual budget for the County and the school division — the County policy has always allowed the school division to retain any general fund operating balance. The policy specifies that any school division fund balance must be used for capital projects of the school division. Below is a table that shows the school division fund balances along with the corresponding percentage of the budget since 1995:

Table 23: Operating Fund Balances FY95-03

Fiscal Year Ended June 30	Operating Fund Balance	Fund Balance % of Budget
1995	\$1,326,683	1.85%
1996	\$1,250,706	1.64%
1997	\$1,122,274	1.40%
1998	\$1,144,086	1.36%
1999	\$1,951,696	2.24%
2000	\$2,475,202	2.72%
2001	\$3,322,436	3.49%
2002	\$4,008,278	4.08%
2003	\$4,190,157	3.45%

The school division indicates that the increased student enrollment has precipitated the increase in the operating fund balance. The Virginia Department of Education counts students each month of the school year until March and then adjusts the funding for school divisions based on the average student count. This could result in funding levels above levels at which the school division had budgeted to spend for the year. The school division has experienced an enrollment increase in the past two years that is as great as the enrollment increase over the previous 10 years. The County and the school board are aware of the enrollment increase as well as the increase in fund balances. The County and the school division are analyzing the information for trends in enrollment and determining whether any changes should be made when developing the budget and school division operational plan.

Finding:

The school division had a \$4,190,157 fund balance or 3.45 percent of the 2002-2003 annual budget. The school division used \$1.4 million to complete minor capital projects under the Capital Improvement Plan. The remaining balance was used to begin implementation of a Personal Computer Initiative for the school division. Both the County and the school division are cognizant of the fund balances and are working to address any identified unwarranted operating fund balances.

Finding:

The Office of Budget and Finance performs some functions that in other organizations are performed by the Human Resources division. This is inefficient because employees must go to more than one place for information about benefits. For example, an employee going on maternity leave would go to HR to complete the paper work for payroll and FMLA only to be sent down to the Office of Budget and Finance to complete paper work relative to any changes in health insurance coverage.

Recommendation 6:

The school division may wish to consider reassigning the following responsibilities to the Department of Personnel:

- Flexible Employee Benefits Program
- Health Insurance Coverage changes
- HIPAA implementation, training, and compliance
- COBRA letters to the Department of Personnel

The school division's current practice may not be the most efficient method and may not provide the highest level of service to the school division employees. For example, a person planning to use maternity leave would need to visit the Department of Human Resources to complete the paper work for payroll and Family Medical Leave Act (FMLA) only to be sent down to the Office of Budget and Finance to complete paper work relative to any changes in health insurance coverage. Re-aligning these positions will more appropriately reflect the missions and goals of the respective departments and provide more efficient service to school division employees.

Financial Management

The RCPSD works closely with the Finance Department of Roanoke County for accounting and financial transactions including payroll and accounts payable. Additionally, the school division complies with the County regulations and procedures for purchases.

The Finance Department of Roanoke County has designated three employees to prepare and process the school division payroll and any third party payroll payees, such as tax sheltered annuities vendors. This payroll function also includes any activities relative to employee leave records (leave balances are posted on each paycheck). The Finance Department of Roanoke County provides ongoing training and hosts a website for school division staff on preparing and submitting leave information. Approximately 2,699 full and part time school division employees are paid on a semi-monthly basis. The total monthly payroll is approximated at \$7,682,385.

Following are the school division categories of employees for payroll and an example of the semi-monthly total for each category:

Table 24: Payroll Categories

Type	Number of Employees	Gross Wages
October 15, 2003		
Instructional/Administrative on Contract	1,386	\$2,824,595
Classified on Contract	900	689,112
Instructional Part Time (Not on Contract)	286	340,170
Classified Part Time (Not on Contract)	155	62,483
October 31, 2003		
Instructional/Administrative on Contract	1,390	2,858,837
Classified on Contract	911	664,969
Instructional Part Time (Not on Contract)	235	193,746
Classified Part Time (Not on Contract)	136	48,473
Average Monthly Payroll	2,699	\$7,682,385

Employee contract information including salary is maintained on a school division database (developed and maintained by the County) and the information is uploaded into the Lawson Payroll Personnel System at the County. The Lawson System is used by other governmental units nationwide and is based out of Minneapolis, MN.

The Finance Department of Roanoke County also pays all invoices and vouchers (accounts payables) for the school division. Information is keyed into the financial system, authorized on-line, and uploaded to the Roanoke County financial system for payment (the supporting documentation is forwarded to the Finance Department of Roanoke County). The County provides monthly summary and detail reports of payments (expenditures) to the various schools and departments; the reports are also available on-line. The department heads will soon have the ability to use Crystal Report Writer to query the information and develop specific reports.

Finding:

Each school principal and each division department head has the authority to purchase and authorize payment of goods and services. This is a best practice that should be used by other school divisions.

All school division purchases must follow the guidelines of the Roanoke County Procurement Regulations (similar to the state). The school principals and the

department heads of the school division also have County issued charge cards that can be used for purchasing goods and services, subject to County procurement and purchasing regulations. A procurement professional from the County is on-site one half day a week at the school division and is always available by phone or email. The Roanoke County Finance Department's Division of Purchasing performs random compliance reviews of purchases made using the County charge cards including charge cards issued to school division employees.

Roanoke County and the Roanoke School Division use Tier Technology—The Performance Series financial system. Currently the County operates the accounting module, the budgeting module, and the purchasing module with the fixed assets module soon to be implemented.

The school division and the County share the costs of any hardware or software used to maintain or upgrade the payroll and financial system. Additionally, the County provides Information Technology (IT) support and the school division is charged accordingly.

The County appropriates the annual school budget at the beginning of the year (July 1); however, the County provides monthly cash settlements to the school division in an amount sufficient to cover the monthly expenditures. The Finance Department of Roanoke County is responsible for cash management and uses a “pooled” investment procedure for all County funds.

Finding:

The RCPSD and the County operate a joint financial system including finance, budget, procurement, and a personnel/payroll system. The Finance Department of Roanoke County has responsibility for the school division payroll. The school division does not fund any payroll positions in its annual budget.

Finding:

The teamwork and relationship between the school division employees and the employees of the Finance Department of Roanoke County have facilitated a model not only for processing payroll but also for demonstrating the benefits of consolidating certain activities between school divisions and local governing units that other school divisions and local governmental units may wish to emulate. (The school division submitted the operation of the joint financial systems with the County as a best practices to the JLARC Website [School Division Best Practices for Support Services](#).) The model eliminates duplicative efforts and augments efficiencies while generating the value-added benefits of participating in a joint effort.

The teamwork and relationship between the school division employees and the employees of the Finance Department of Roanoke County has facilitated a model for processing invoices and vouchers which other school divisions and local

governmental units may wish to emulate. This process also eliminates duplicative efforts and is efficient.

Both the payroll process and the accounts payable process of the RCPSD and the Finance Department of Roanoke County demonstrate areas that other local governmental units may wish to pursue. Both processes work to reduce redundancy of efforts while helping to ensure continuity and backup for these functions.

Finding:

The RCPSD and the Finance Department of Roanoke County work cooperatively to process the accounts payable (invoices and vouchers) of the school division. The Finance Department of Roanoke County processes payments for the school division weekly. Invoices and vouchers are reviewed for authorized signatures and any required supporting documentation; however, both the responsibility and the authority for compliance reside with the school principals or the school division department heads.

Risk Management

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. 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 RCPSD strives to minimize risk and provide internal controls over its assets. Currently the school division relies on its staff, internal procedures, and the random compliance reviews performed by the Roanoke County Finance Department's Division of Purchasing. (The county contracts for annual financial audit of its records including the school division with an external private certified public accounting firm.)

Texas has declared that a school district with 5,000 students or an annual budget of \$20 million or more should be supported by an internal audit function. Further, an internal auditor function provides validity in determining if funds are being spent appropriately and used efficiently.

Recommendation 7:

The school division's and the County's efforts to manage risk and provide internal control are to be acknowledged. To further these efforts, the school division may wish to consider establishing an internal audit function, perhaps in conjunction with the Finance Department of Roanoke County. An internal audit function will supplement the work of the external auditor. One suggestion may be that the school division 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:

The school division maintains a self-insurance program for health insurance benefits and workers' compensation claims. A third-party contractor processes the liability claims activities for each, and the actual claim experience is used along with other complex factors in re-evaluating the programs on a regular basis.

The Director of Budget and Finance at the school division works closely with the Director of Risk Management for Roanoke County to secure the lowest cost available for property and casualty insurance program for the school division. Until last year, the school division and County were under the same insurance contract. However, the County experienced significant cost increases due to the September 11 disaster and the school division secured a separate insurance contract at a lower cost than that of the County. It is possible the County and the school division will procure an insurance contract together again in the near future.

Recommendation 8:

The RCPSD may wish to contact the Division of Risk Management at the Virginia Department of Treasury. The Division of Risk Management offers liability coverage for all public officials and employees both full and part-time, including school board members, Superintendents, teachers, school administrative staff, school support staff-maintenance, housekeeping, food service, student teachers, part-time teachers, and all volunteers. The coverage provides support services, which include pre-litigation consultation with a private attorney, access to insurance consultants, access to property insurance, fidelity bonding, and automobile liability insurance, and low deductibles.

The Division of Risk Management obtains the lowest prices available in Virginia, requires no underwriting, and public entities cannot be refused enrollment in nor removed from the Plan.

Appendix IV contains the details of the Local Government Liability Insurance Plan.

Finding:

A disaster could make it difficult for the RCPSD to continue operations. Hurricane Isabel verified the susceptibility to disasters not only of school divisions, but also that of local governments and the Commonwealth.

Finding:

The Roanoke County School division has a disaster recovery plan and business continuity plan in place. The Division has established a co-operative agreement with the county concerning use of various county facilities, computer technology, and other infrastructure necessary to continue operations. The County has an extensive Disaster Recovery Plan and all school division systems are operational from the County offices.

Grant Accounting

Identifying grant opportunities — whether federal, state, foundation, or corporate grants — is critical to school divisions statewide. With increasing needs and limited resources, school divisions are cognizant of the importance of supplementing or supplanting school operating funds with grant funds.

Finding:

Currently, identifying available grants is assigned to each division of the RCPSD. Indications are that this procedure is working well as each division has explicit knowledge of grants in their specific area. As noted in the Special Education section of this report, the RCPSD employs an individual who is specifically dedicated to

managing the various categories of grant funds for the special education programs and another individual who ensures that the school division is maximizing available Medicaid funding.

Fairfax County Public School System (FCPS) has submitted the establishment of a Grants Development Section as a best practice to the JLARC Website School Division Best Practices for Support Services. FCPS projects a 3,000 percent return on a budgeted cost of \$238,000 for the section. The FCPS division also reported a project to streamline the grants reimbursement process as a best practice to JLARC. FCPS is working with the Virginia Department of Education to allow electronic submission of reimbursement requests with a long-term plan to submit each reimbursement to the state through a web-based application. Once this project is successful, FCPS plans to submit the application to jurisdictions nationwide in cooperation with the U. S. Department of Education.

Finding:

Certainly, the RCPSD is committed to securing and managing grant funds properly. About 10 years ago, the RCPSD established a grants position to help maximize the grant funding available to the Division. After analyzing the data for several years, the Division abolished the grants position citing the lack of any increased grant funding available to the Division.

The Division has automated its grants reimbursement process to the extent possible under the current Virginia Department of Education submission requirements. The RCPSD is cognizant of the proposed web-based application for grant reimbursement and anxiously awaits implementation of the project.

Activity Funds

Regulations published by the Virginia Board of Education and the Virginia Administrative Code (8VAC20-240-10) define school activity funds as “all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, school fund-raising, etc., and from any activities of the school involving personnel, students, or property....” These funds are collected directly from the student or student activities. Additionally, the school division allots County funds to the various departments to support educational activities.

Both fund sources are classified for and accounted for separately in the school activity fund. School divisions in the Commonwealth classify activity funds as: (1) allotment funds — from the County for each School Department, and (2) funds collected from students (fees), fund raising events (such as to pay for the prom), athletic events, club fees, etc. All allotment funds from the County must be spent on activities or events for the students and not on supplies. The *Code of Virginia* (22.1-100) requires that any unexpended allotted funds remain a part of the funds of the appropriating body

(County) for the next year. This restriction is not applicable to funds collected directly from students or student activities, such as athletic events, fund raisers, etc.

Further, the Virginia Administrative Code (8VAC20-240-20 & 8VAC20-240-40) identifies policies and procedures as well as establishes the audit requirement of any activity funds of the school divisions throughout the Commonwealth.

Appropriate accountability of funds is a paramount concern of any public organization. A school division must exercise proper control over not only public (state) moneys but also other funds collected from students and student or school related activities. Activity funds provide the means to properly account for moneys related to school activities such as student organizations and athletics.

Activity funds by their nature are particularly vulnerable to misuse and fraud. It is critical that a school division has internal control procedures in place to safeguard activity fund moneys. Activity funds are usually centralized at the campus level with a designated activity fund bookkeeper that reports directly to the principal. The principal has primary responsibility for the activity funds.

Finding:

The RCPSD uses the Manatee Accounting System, which is used by school divisions nationwide to manage activity and other external funds. The Division enters all activity fund transactions into the system. Two signatures (bookkeeper and the principal) are required on every check (disbursement). Checks are pre-numbered sequentially. Campus principals review deposits, and the monthly bank statements come directly to the principal for review and approval before forwarding to the campus bookkeeper. Monthly reconciliations of the activity funds are prepared and forwarded to the Director of Budget & Finance for review. Appropriate accounting and managing of activity funds is vital to the school division.

The school division contracts for a separate and independent audit of the school activity funds. The audit report for the year ended June 30, 2003 showed that the RCPSD had \$1,761,468 in activity fund balances for its schools. One school had over \$278,000 in the activity fund balance and some other school activity fund balances were well over the \$100,000 insured deposit amount established by the Federal Deposit Insurance Corporation (FDIC). Accordingly, the audit report indicated that some schools had invested activity funds in Certificate of Deposits, and Individual Financial Institutional Securities, and a Central Investment Account, while other schools had no investments.

Finding:

During this review, it was noted that the school division's accounting system showed an account — the Central Investment Fund — as an active account with a balance of \$116,446. Upon further research by the school division, it was discovered that the Central Investment Fund Account should be an inactive, closed account. The Division had not updated the financial institution names on this account in the

Manatee System. The Division reported that no funds were on deposit in the Central Investment Fund and that the funds were in Certificates of Deposit.

Recommendation 9:

Though the school division has made great efforts to optimize investment opportunities relative to the activity fund balances, the Division may wish to further enhance the policies and procedures relative to activity funds. The Division may consider transferring activity fund balances greater than the proposed threshold into other interest earning financial instruments. The Division may also wish to investigate the possibilities of using the Local Government Investment Pool (LGIP) for activity fund balances greater than any proposed checking account balance thresholds.

The Virginia Department of Treasury administers the LGIP and it is authorized by *The Code of Virginia (§§2,2-4600 through 2.2.4606)*. The LGIP is a special purpose state-administered investment pool offered to public entities for the investment of public funds; currently, public entities have deposited \$2.3 billion into the fund with a rate of return of 1.09%. Treasurers or any other person collecting, disbursing, or otherwise handling public funds can invest in the LGIP. At this time the following school divisions are participating in the LGIP: Danville Public Schools, Lynchburg City Public Schools, and Warren County Public Schools. Additionally, Jamestown High School, Lafayette High School, and Norge Elementary School use the LGIP as an investment instrument for activity fund balances. These three schools reported that the LGIP provided excellent service, relieved the worry of searching for the best investment rates, and generally supported the cash management goals of the school and the Commonwealth.

Consideration must be given to the school division's costs associated with any activity fund investment accounts including transferring funds and monitoring balances. Recognizing that investment earnings are currently at an all time low, the intent is that these policies will help position the Division to increase earnings as the economy grows and rates rebound.

Recommendation 10:

The Division may further wish to consider consolidating the banking arrangements for all school activity funds. The geographic location of the schools within the Division may restrict the available options in that daily deposits must be made and the financial institution must be within reasonable driving distance of the school. However, Norfolk City Public Schools (NCPS) was able to arrange bank pickup of cash for all schools. NCPS used a competitive negotiated proposal process to centralize the banking arrangements without compromising the individual nature of the school bank accounts. Schools in NCPS system have electronic access to their funds and NCPS estimated that interest earnings increased annually by \$100,000.

The table below lists the schools within the RCPSD that had a checking account balance greater than \$50,000 at June 30, 2003. Two of the checking accounts have an Annual Percentage Rate (APR) of interest of .10 percent and one has an APR of .11 percent and the remaining three accounts are in non-interest earning accounts.

Table 25: Current Activity Fund Interest Gains

School	Interest Rate at June 30, 2003	Account Balance at June 30, 2003	Interest at June 30, 2003
Cave Spring High School	0.11%	\$ 134,198	\$ 147
Hidden Valley High School	0.00%	\$ 124,712	\$ -
William Byrd High School	0.00%	\$ 56,490	\$ -
Cave Spring Middle School	0.00 %	\$ 96,934	\$ -
Glenvar Middle School	0.10 %	\$ 52,485	\$ 52
Hidden Valley Middle School	0.10%	\$ 103,726	\$ 104
Total		\$ 568, 545	\$ 303

Note: The interest amount assumes that the balances do not fluctuate significantly during the year.

The following table illustrates an estimated interest earnings using a scenario that would move checking account balances greater than \$10,000 into investment instruments (earning interest) with an anticipated 1% APR.

Table 26: Estimated Interest Accumulations for Activity Fund Accounts

School	Account Balance at June 30, 2003	Estimated Investment Amount	Anticipated APR of 1%	Estimated Interest Amount
Cave Spring High School	\$ 134,198	\$ 124,198	1%	\$1,242
Hidden Valley High School	\$ 124,712	\$ 114,712	1%	\$1,147
William Byrd High School	\$ 56,490	\$ 46,490	1%	\$ 465
Cave Spring Middle School	\$ 96,934	\$ 86,934	1%	\$ 869
Glenvar Middle School	\$ 52,485	\$ 42,485	1%	\$ 425
Hidden Valley Middle School	\$ 103,726	\$ 93,726	1%	\$ 937
Total	\$ 568, 545	\$508,545		\$ 5,085

Note: The interest amount assumes that the balances do not fluctuate significantly during the year.

These activity funds and any interest earned are not available to the school division for instruction, but are used to support extra-curricular activities. With a total activity fund balance including checking accounts and investment instruments of \$1.7 million at June 30, 2003, it appears that the RCPSD is in a position to obtain more lucrative investment opportunities.

Finding:

The school division has policies and procedures relative to Activity Fund Accounting. The Budget Assistant provides the activity fund bookkeepers with timely and informative updates to policies and procedures.

Finding:

The division, the Budget and Finance Office, and the activity fund bookkeepers enjoy a good working relationship with one another. They telephone one another with questions and are able to provide back-up for one another should an emergency occur. One suggestion may be for the Division to consider a meeting (perhaps quarterly, semi-annually) to allow the bookkeepers to discuss issues encountered. This may help build relationships and improve overall job satisfaction and performance.

Purchasing

The Purchasing Division of Roanoke County is authorized through the Roanoke County Procurement Code to conduct purchasing transactions of goods, services, and professional services for the RCPSD. The purchasing procedures include authority levels similar to the State's Procurement Process. The Purchasing Division complies with all federal, state, and county regulations and laws pertaining to public procurement. Construction purchasing is the responsibility of the school division and follows, basically, the same guidelines of the Roanoke County Procurement Act. Purchasing is an automated process for Roanoke County and the Roanoke School Division using the purchasing module of the Tier Technology — The Performance Series financial system. A purchasing professional from the County is on-site one-half a day per week at the RCPSD and always available by phone or email.

The school principals and the department heads of the school division also have County issued charge cards that can be used for purchasing goods and services. The Purchasing Division performs random compliance reviews of purchases by County employees and by school division employees including purchases using the County charge cards.

Finding:

The Roanoke County Public School Division and Roanoke County work together to ensure that goods and services satisfy the needs of their customers and at the same time assure that the taxpayers receive the maximum value for each dollar expended.

Finding:

The teamwork and relationship between the school division employees and the employees of the Purchasing Division of Roanoke County illustrated a purchasing process that demonstrates the benefits of consolidating certain activities between school divisions and local governing units.

Roanoke County works with State Purchasing Officials

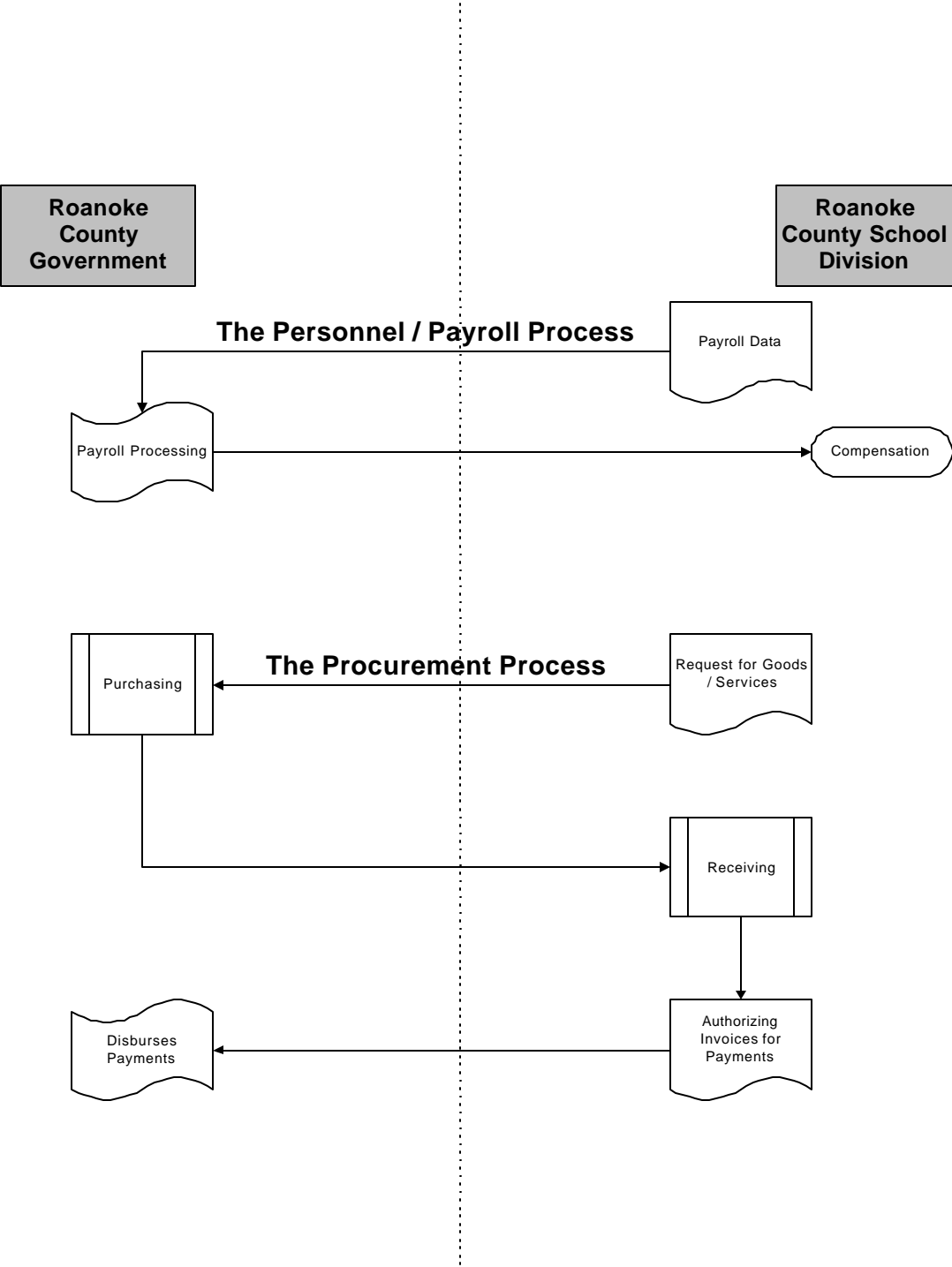
The Virginia Distribution Center (VDC) is the Commonwealth's distribution center located in central Virginia. The VDC purchases and distributes about \$30 million worth of food and custodial supplies annually to over 1,200 customers statewide. With savings on average of 34 percent compared to market 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 RCPSD'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 RCSD purchase prices of several commodities with VDC prices. For several commonly purchased items such as cans of peaches, beans, mayonnaise, and whole tomatoes, RCSD receives lower prices through agreements with the U.S. Department of Agriculture.

DGS compared prices for the top fifty items purchased by the RCPSD (by volume and total price.) Of the items on the top fifty list, nine could be purchased off state contract. Two of the nine items were purchased off state contract. Of the other seven items, the largest potential savings was in the purchase of manual pencil sharpeners. RCPSD purchased 144 manual pencil sharpeners at \$11.26 each, the state contract price was \$5.81 for a potential savings of \$784.80. The other forty-one items on the list were either design-build, sole source or proprietary items.

An additional comparison was made for janitorial supply items purchased by Roanoke. For these items, newly negotiated DGS contracts would enable the school division to save \$13,902.36 on the janitorial supplies it purchased last year.

Figure 8: Operation of Joint Financial Systems by Roanoke County Government and the Roanoke County School Division



Transportation

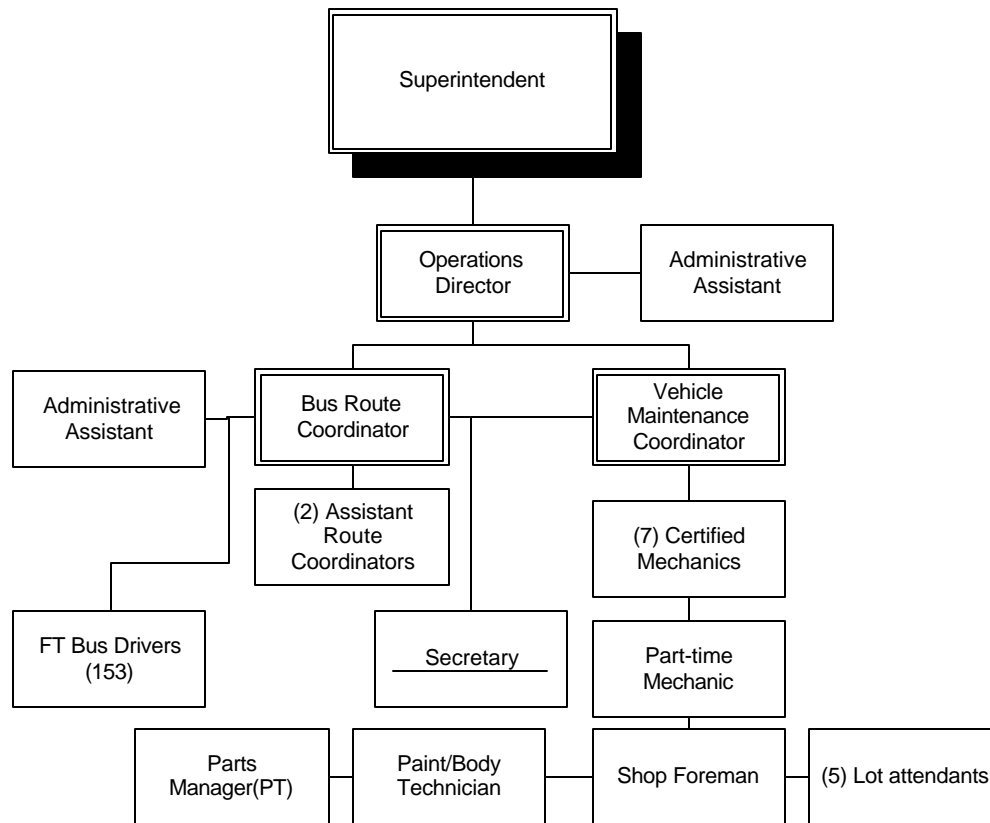
MISSION

“The mission of the Transportation Division is to provide safe and efficient transportation for regular, special, and summer programs and for extracurricular activities.”⁸

ORGANIZATION

The RCPSD transportation function is organized under the Director of Operations. Reporting to the operations director are one vehicle maintenance coordinator and one bus route coordinator. In turn, those two supervising positions manage several employees charged with different functions.

Figure 9: Transportation Division



⁸ Roanoke County Public Schools Budget and Salary Scales 2003-2004

BUDGET

The planned 2003-04 transportation budget is supported entirely from general fund revenues and amounts to \$3.3 million. This is an increase of one percent over the 2002-03 planned budget. It should be noted that the 2002-03 and the 2003-04 transportation line item budgets do not yet include the costs for health, dental, and life insurance since those line items are known only near the end of the fiscal year. Until that time, such costs are budgeted within the larger school division budget. For 2001-02, the last year complete budget data was available, just over 74 percent of the transportation budget was directed towards personal services. Fuel is purchased through a bidding process controlled by the school division and the county then reimburses the school division for its share of fuel. On average, each bus route costs the school division about \$23,613 in salary, fuel, and supplies. Highlights of the transportation budget are found on the last page of this section.

OPERATIONS

RCPSD owns 184 buses covering 153 routes (126 regular bus routes plus 27 special education routes). The buses travel a total of 1.8 million miles a year. There are six bus depots/fueling stations spread across the county; five are owned and operated by the school division and one by the County. According to documents submitted to the Virginia Department of Education, RCPSD spends about \$1.97 per mile for transporting students to and from school. The average daily ridership in 2002-03 was 9,157.

Most children travel on school buses for no longer than 20 minutes. The first elementary school children are picked up at about 7:00AM while high school students are picked up starting at 7:40AM. There are 153 full time drivers (and less than a handful double as school division employees elsewhere). Substitute drivers are paid \$50.00/day with no benefits. Full-time drivers are paid \$41.82/daily with benefits including five paid holidays, nine sick days, two personal days, life insurance, retirement contributions to the Virginia Retirement System, and available health and dental insurance. If drivers have more than nine years of service, the pay is increased to \$57.16/day. Substitute drivers with nine years or more service receive \$57.16/daily with no benefits. Most routes take 2.5 hours each way to complete. Only twelve to fifteen drivers take their buses home. Most pick up and drop off their buses at one of the five school division bus depots. Bus drivers are responsible for driving buses in need of services to the central garage.

RCPSD uses two bus types: transit buses that hold 78 students and conventional buses with 64 seating capacity. One estimate holds that 65 elementary school students can safely ride in a transit bus and 52 can safely ride in a conventional bus. For middle and high school students, 53 can ride in a transit bus and 44 in a conventional bus.

The longest round trip route is 75 miles; the shortest is 20 miles. There are no restrictions on mile-minimum for students. That is, children who virtually live across the street from a school are often bused to school.

Driver evaluations, eliminated during past budget crunches, may return to the Division. There are no set degrees of reprimands published or issued for bus drivers. While finding prospective drivers is not a particularly vexing issue, RCPSD officials say they could always use more. Discipline is not a problem on buses because each middle and high school has a resource officer. Students involved in brawls or other disruptive activities are often handcuffed and taken to court. This has reduced the infractions on buses. About 75 percent of the buses are wired for cameras but only 20 cameras are currently installed. The schools have the keys to the cameras and are responsible for reviewing all tapes if necessary.

The state requires that the buses be inspected every 30 working days or 2,500 miles. Typically RCPSD services buses after 2,500 miles. Typical service time averages about two hours. Six to eight buses are scheduled for routine maintenance daily. From 1984 to 1997, the County reimbursed RCPSD for services rendered on County vehicles. The County provided \$25 per hour for labor and all costs for parts. Once the County decided to service its own vehicles, the RCPSD laid off two mechanics, although one has since been rehired on a part-time basis.

Some of the maintenance tasks that are not conducted at the garage include front-end alignment and rebuilding of automatic transmissions. Mechanics will often remove the transmission and re-install it but the actual repair work is outsourced. RCPSD often seeks three bids for services or items, even those items not requiring bids. In addition to buses, the garage services 139 County support vehicles (about two to three daily).

The Division retires buses at about the 13-15 year mark (state guidelines recommend 12 years). The Division bought 15 buses this current year and will replace 12-15 buses next year. Other criteria besides years of service used to decide whether a bus should be retired are mileage, maintenance records, and major repairs. If, for example, a 13 year-old bus is sporting a newer transmission, it may be pressed into service longer. RCPSD often purchases buses at lower rates than buses purchased through the state contract. RCPSD has never teamed with adjacent divisions to purchase buses. Fuel is purchased on a "rack price" basis. The County solicits bids for diesel and gas fuel. Diesel fuel is delivered in minimum deliveries of 7,500 gallons while gas has an 8,200-8,500 per load minimum. Of the six fuel depots, one is not equipped with a 10,000 fuel tank. The County uses 600,000 gallons of fuel annually.

The Division used to auction retired buses at about \$1,200 a piece. Two years ago, a decision was made to sell retired buses to the highest sealed bids. The RCPSD fetched about \$1,900 per bus. Last year due to market saturation, RCPSD received

about \$1,000 per bus. Being flexible and savvy enough to respond quickly to market forces, RCPSD may return to auctions to leverage more for each retired bus. RCPSD will often cannibalize buses for spare parts and then sell the shell for upwards of \$200 a piece.

Per *Code of Virginia* 22.1-182, RCPSD does not allow its buses to be used by private and non-profit groups.

Fleet Management Software

RCPSD utilizes a fleet management software system (maintenance system) that transformed the activities at the central garage. Salem City and Montgomery County school divisions use the same software. The Division adopted the software system called Faster System by CCG in 1995. The software allows mechanics to automatically create work orders as well as track parts inventory, fuel transaction, labor time/costs, and subcontracted work. The software cost about \$45,000 to install including personal computers and a file server. It cut inventory value from \$96,000 to \$42,000 at the time of installation (now \$44,000.) The Faster System works with the Master Fueling System that incorporates fuel consumption data into the maintenance database. Each bus driver carries a special key that holds the bus identification number, number of gallons filled, date, site of fuel transaction, etc. This data can easily track those buses that are using fuel excessively, thereby signaling a possible fuel leak or engine problem. Since using the software, RCPSD has learned how to keep in stock those items used most extensively and not to purchase slow moving (and perhaps expensive) parts that move slowly. For example, oil and oil filters are stocked routinely but mufflers are not. Other parts held in inventory are: windshields, tires, brake shoes and drums, seat covers, tinted glass, light repair items, and hardware.

VersaTrans Bus Routing and Planning

RCPSD has not enjoyed the same success in implementing the VersaTrans Routing and Planning automated bus route software from VersaTrans Solutions, Inc. There are different opinions as to why it has failed to successfully implement the software; possible factors range from inept software contractors to RCPSD staff indifference. Adjacent Montgomery County Public School Division (MCPSD), which operates 103 bus routes, has successfully implemented VersaTrans and has been using it since the 2000-01 school year. At a cost of \$25,000, MCPSD utilized in-house staff to implement the software. While MCPSD staff noted it took staff about a year to master the software, they insist it was worth the investment. MCPSD has even eliminated a few unproductive bus routes since implementing the software program. VersaTrans' FleetVision (\$5,000) and VersaTrans' e-Link (\$1,500) software also link to the bus routing and planning software. These add-ons, used by MCPSD, allow an integration of data with the bus maintenance staff and school administrators. For

example, the Fleetvision software package can track the mileage of buses, alert maintenance crews as to when buses are due their periodic maintenance inspections, and simultaneously alert bus route coordinators of the same buses that need to be taken off line for maintenance. The e-Link software allows school administrators to identify the appropriate bus route for a new student and assign any student to that route from their desks. The notice is sent electronically to VersaTrans to the bus route coordinator who then will notify the driver of a new student added to his or her bus route. Currently RCPSD does not use the software to help plan bus routes.

Peer Comparison

Compared to its 11 peers, RCPSD ranks sixth lowest in the amount it spends per pupil for transportation (\$350.67). RCPSD expends 3.4 percent of its total budget on pupil transportation, the third lowest percentage compared to its peers. Table 27 illustrates RCPSD’s transportation costs with its peers.

Table 27: Transportation Spending for School Year 2001-02			
School Division*	Cost per Pupil**	Transportation**	Transportation As a Percent of Total Budget
Albemarle	\$591	\$7,135,978	5.1
Frederick	\$462	\$4,937,590	4.0
Rockingham	\$453	\$4,862,961	5.4
Bedford	\$450	\$4,759,389	5.8
Augusta	\$411	\$4,398,944	5.4
Fauquier	\$399	\$3,866,537	4.4
Roanoke	\$351	\$4,884,143	3.4
Hanover	\$346	\$5,948,238	3.8
Montgomery	\$339	\$3,063,541	2.5
York	\$334	\$3,997,744	4.4
Warren	\$317	\$1,599,209	4.7
Harrisonburg City	\$266	\$1,041,510	1.3
* County divisions unless otherwise noted.			
** Figures rounded to nearest dollar			
SOURCE: VA DOE			

In 2001-02, RCPSD recorded the fifth lowest cost per mile compared to its peers for transporting both special needs students and all students at \$1.99 and \$2.01 per mile, respectively⁹. RCPSD is also ranked fifth among its peers for the average number of

⁹ Based on documents submitted by all school divisions to the Virginia Department of Education for 2001-02, the latest complete year available for division comparisons.

students riding on each bus (60). During the same school year, RCPSD expended less per student than the average statewide amount to transport students (\$2.01 vs. \$2.34, respectively), but spent more than the statewide county average (\$2.01 vs. \$1.98, respectively). Contributing to Roanoke County's costs are the large area they must cover (250 square miles) and a population density of 343 people per square mile.

**Table 28: Transportation Budget
2001-02 to 2003-04**

Areas	01-02+	02-03	03-04
Bus Operations	1,949,052	1,678,865	1,718,545
FICA	95,940	109,688	112,280
VRS	70,678	135,354	138,552
Health Ins	365,957	-	-
Group Dental	20,059	-	-
Life Insurance	7,933	-	-
Wages/Sararies	1,388,485	1,433,823	1,467,713
Bus Monitoring	112,409	96,497	97,413
FICA	4,860	6,305	6,364
VRS	3,774	7,780	7,854
Health Ins*	28,083	-	-
Group Dental*	1,149	-	-
Life Insurance*	431	-	-
Wages/Salaries	74,112	82,412	83,195
Bus Maintenance	497,105	468,508	443,539
FICA	29,836	30,610	28,978
VRS	19,428	37,772	35,759
Health Ins*	38,054	-	-
Group Dental*	2,423	-	-
Life Insurance*	2,332	-	-
Wages/Salaries	405,032	400,126	378,802
Transportation	129,261	126,814	111,254
FICA	8,012	8,286	7,269
VRS	9,122	10,224	8,969
Health Ins*	5,950	-	-
Group Dental*	338	-	-
Life Insurance*	624		
Wages/Salaries	105,215		
Personal Services	2,687,827	2,370,684	2,370,751
Gas, Oil, & Grease	222,138	193,500	193,500
Tire, Tubes, Parts	158,428	168,200	168,200
Equipment Replcmt	16,519	17,000	17,000
Other**	527,856	493,800	528,800
Nonpersonal services	924,941	872,500	907,500
TOTAL	3,612,768	3,243,184	3,278,251
* Health, dental and life insurances are not line-itemed until later in budget season			
** Includes some personal services costs.			

Transportation Findings and Recommendations

Finding:

Like many school divisions, RCPSD 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, sixteen (16) central Virginia school divisions in Region 6 spent \$13.6 million for 198 new buses between 1999-00 through 2001-02¹⁰. While many divisions including RCPSD purchase school buses through the state contract, RCPSD claims they often realize greater savings by submitting competitive bids directly to three of Virginia's bus manufacturer representatives (Blue Bird, International, and Thomas). The study team believes even greater savings could be realized if Region 6 school divisions combined forces when purchasing buses.

Recommendation 11:

Under the auspice or authority of the Virginia Department of Education, or an ad hoc association of Region 6 members, RCPSD should pursue the option of combining efforts with all Region 6 members to yield maximum savings from bus manufacturers. According to the Virginia Pupil Transportation Association (VPTA) bulk purchasing can yield savings anywhere 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 elsewhere, 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 may have resulted in reducing potential savings. The collective purchasing power of Region 6 should be used to the advantage of the school divisions when purchasing school buses.

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 combine efforts as one entity when purchasing goods and services.

Recommendation 12:

RCPSD has taken advantage of leasing options in the past during lean budget years but since then the division puts money aside each year in order to pay cash for future

¹⁰ Region 6 Study Group as defined by the Virginia Department of Education include Alleghany, Botetourt, Covington City, Craig, Danville City, Floyd, Franklin, Henry, Highland, Martinsville City, Montgomery, Patrick, Pittsylvania, Roanoke, Roanoke City, Salem City.

bus purchases, which saves the interest and other financing costs associated with financing bus purchases.

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, RCPSD should keep open the option of leasing or lease-purchasing buses rather than purchasing buses outright, if the budget situation requires it. One report estimates that, “75 percent of the school districts in New Jersey now use lease-purchase programs to procure their school buses.”¹¹ Leasing or lease-purchasing buses would provide RCPSD 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.

Finding:

RCPSD’s transportation administrators are very astute in responding to market conditions in order to maximize a greater return on investment when selling obsolete buses. RCPSD recognizes that sealed bids are no longer the optimal choice for selling obsolete buses and are ready to return to auctioning as a means to maximize revenues on buses sold.

Finding:

Currently, RCPSD buses are washed and cleaned by a lot attendant working at the bus garage. While RCPSD 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 13:

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 RCPSD, it will allow existing staff to concentrate on more productive work tasks, and allow community service individuals to pay their debts to the community.

¹¹ “Tight Budgets Force Fleets to Look at Bus Purchase Options” Steve Hirano, School Bus Fleet. March 2002.

Finding:

RCPSD has reduced its inventory investment at its central garage from \$96,000 to \$44,000 since implementing the Faster System by CCG in 1995.

Recommendation 14:

RCPSD should be commended for reducing costs in inventory by integrating an automated system in its central bus garage. RCPSD administrators across all business endeavors should continually seek ways to cut operating expenses and divert those savings to the classroom.

Finding:

RCPSD has delayed implementing the VersaTrans Routing and Planning bus route software. Adjacent Montgomery County Public School Division (MCPSD), which operates 103 bus routes, has successfully implemented VersaTrans and has been using it since the 2000-01 school year. Likewise, Westmoreland and Powhatan Public School Divisions have also successfully implemented VersaTrans.

Recommendation 15:

RCPSD should make the successful implementation of the VersaTrans software package a priority. RCPSD has a successful history of incorporating automated systems in other business practices (i.e., Faster System to control inventory at the central garage) and the VersaTrans system, by all accounts, is no more difficult to learn than any other software system. RCPSD should seek the assistance from Montgomery County Public School Division and/or tie employee performance evaluations to the successful integration of the software system with current business practices. “Good routing practice and an appropriate mix of vehicle types and sizes are factors that transportation managers can control when balancing costs and reimbursements in an effort to reduce net cost (local taxes).”¹² The study team believes the first step towards this goal is the successful integration of the VersaTrans software package with RCPSD’s current business practices. Westmoreland County Public School Division eliminated two of 44 bus routes for an annual savings of \$30,000 using VersaTrans. While Powhatan County Public School Division cannot quantify savings, administrators there believe VersaTrans allowed them to consolidate several bus routes since its inception there in 2000. Montgomery County Public School Division (MCPSD) also succeeded in eliminating two bus routes over a two-year period using VersaTrans. Applying MCPSD’s ratio to RCPSD, the school system may be able to eliminate three bus routes, saving about \$70,800 annually.¹³

Finding:

In 2000, the position overseeing the two primary transportation functions: bus routes and driver coordination and vehicle maintenance was eliminated when the director of

¹² *Cost Per Running Mile*, Mike Starzinski, School-Bus.org.

¹³ On average, each RCPSD bus route costs, \$23,613 in salary, fuel, and, supplies.

that position transferred to the position of Director of Operations. The director of operations is responsible for several important functions including transportation, maintenance, capital outlay, and the warehouse.

Recommendation 16:

RCPSD should examine whether it is time to provide one of the two transportation coordinators the full responsibility and authority to manage and direct the transportation division. This would result in one less direct report for the director of operations and allow him to focus on other functions under his purview.

Information Technology

MISSION

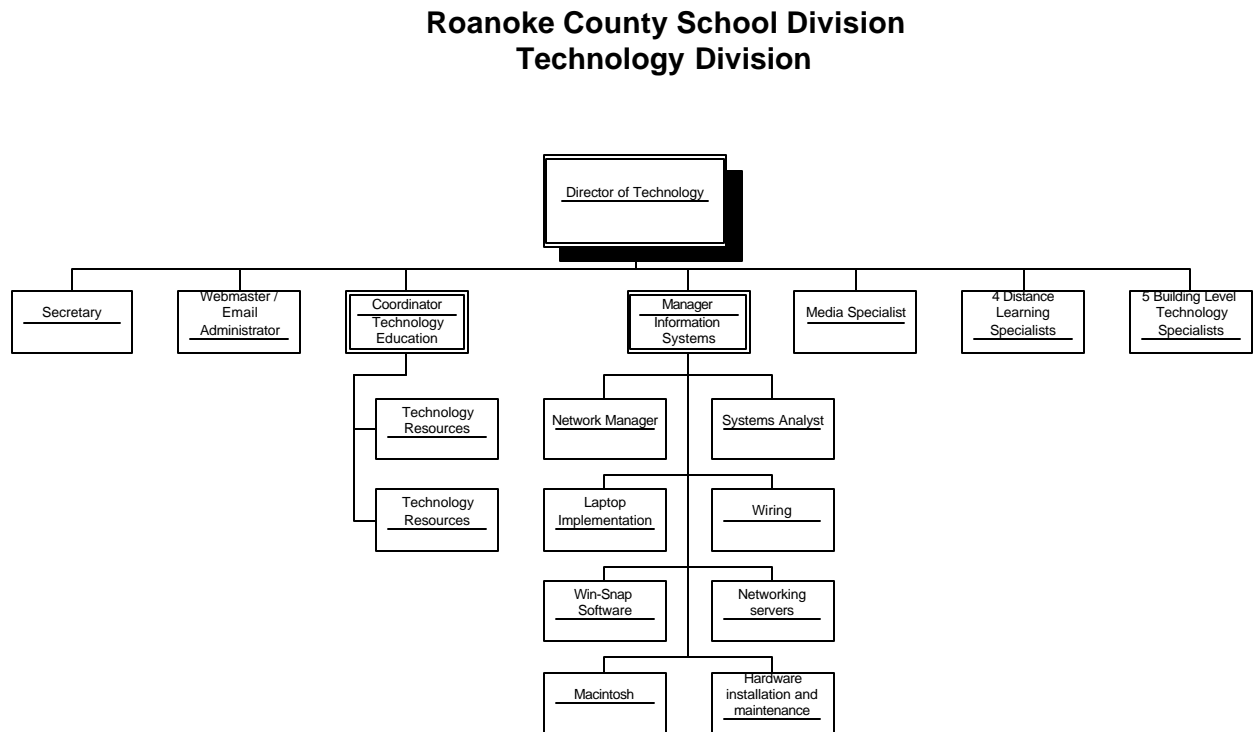
The mission of the Information Technology section is to support the educational and administrative functions by providing information technology. The IT section does not directly teach IT courses, but assists teachers in the use of technology in the classroom and in curriculum development.

ORGANIZATION

The Director of Technology reports to the Superintendent. The Director has fourteen positions reporting to her including:

- a webmaster / email administrator
- a media specialist
- a secretary
- four distance learning specialists (located at four high schools)
- five building level technology specialists (located at five high schools)
- a Coordinator of Technology Education (who manages two Technology Resource Specialists)
- a Manager of Information Systems (who manages eight technical staff members).

Figure 10: Information Technology Staff



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 five 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. RCPSD received \$804,000 per year in 2002-03 and 2003-04 under this initiative.

- 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. The consortium receives \$250,000 / year for five years. In 2001-02 the Division received \$26,479 under this program.
- 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 average reimbursement amount for RCPSD is \$124,993 over the last three years.
- 4) The Ed-Tech Grant is a federal grant which is formula driven 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 Roanoke's rate is relatively low the Division does not receive much in this grant, only about \$25,000 per year.
- 5) The Division also receives funding from Title V to help with the laptop project startup.

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 – Cox Cable Solutions. Cox installed new fiber optic cable between all of the buildings and was hired at a lower price than the previous ISP. Cox is responsible for the connections between buildings but, once inside the building, the Division's IT staff is responsible.

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.)

OPERATIONS

The Technology Division is responsible for the following:

- 1) The Director of Technology is the manager of the technology budget that includes education technology grants, hardware, software, technology supplies, equipment needs, etc.
- 2) The Technology Division is responsible for managing the Laptop Initiative, including support for students and teachers, maintenance, security, and maintaining wireless networks in all the high schools. The Division also purchases, formats and distributes all the laptops.
- 3) The Director of Technology is in charge of all technology related purchases (Whether they come out of the IT budget or the school's budget, the Director of Technology is to review all requests for IT purchases).
- 4) The Technology Division works with the instructional staff to incorporate PCs in the classroom.
- 5) The Director of Technology 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.

Table 29: Special IT Revenue

Areas	01-02	02-03	03-04
SOL Online Initiative	\$778,000	\$804,000	\$804,000
Technology Literacy Challenge Grant	\$26,479		
Ed-Tech Grant		\$26,257	\$25,389
E-Rate	\$114,962	\$125,556	\$134,461
Title V (Laptops)		\$143,133	\$134,317
Total Revenue	\$919,441	\$1,098,946	\$1,098,167

Laptop Program

The RCPSD began a program of providing laptops to high school students in the fall of 2003. In that year each 9th grader in the RCPSD received a laptop computer. In each of the next three years the incoming 9th graders will also receive laptops, so that in 2006 all high school students in Roanoke County schools will have laptops. The high schools have all been set up with wireless networks so that students can upload and download data and assignments, share “virtual classrooms,” and access Internet sites to conduct classroom assignments.

Using primarily end of the year fund balances from the School Operating Fund and Textbook Fund combined with grants, the Division is spending about \$1.78 million per year in FY03-04 and FY04-05.

Table 30: Laptop Computer Initiative Program Cost Projections

	FY02-03	FY03-04	FY04-05
Funding Sources:			
Year-end fund balances in reserve	-	1,240,912	1,085,191
Technology grant	320,383	400,000	400,000
Title II-D grant (Oct 2003 approval)	114,785	-	114,785
Title V grant (Oct 2003 approval)	32,348	-	19,586
Media services - distance lines	5,052	35,387	32,387
Textbook funds	100,000	100,000	115,000
Superintendent's contingency	100,000	110,626	-
HVH start-up funds	194,550	-	-
Homebound instruction savings	-	16,500	16,500
Total Funding	867,118	1,903,425	1,783,449
Funding Uses:			
Laptops - cash purchases	776,706	1,689,992	1,745,960
Laptops – leased in 05-06		-	-
Laptops – leased in 06-07	-	-	-
Laptops – leased in 07-08	-	-	-
Laptops – leased in 08-09	-	-	-
Laptops – leased in 09-10	-	-	-
Laptops – leased in 10-11	-	-	-
Laptops – leased in 11-12	-	-	-
MS Office software	-	56,776	58,757
Anti-virus software	-	23,531	28,162
Battery replacements	-	22,500	45,000
Total Expenditures	776,706	1,792,799	1,877,879
Surplus (Deficit) Funding	90,412	110,626	(94,430)

IV. Summary and Report Conclusions

The first theme found in this review is that larger school divisions face different challenges than smaller school divisions. In larger divisions the administration is able to achieve some economies of scale, but also must manage moving, feeding and teaching much larger numbers of students. Larger divisions have more buses, more buildings, more computers – all things that require maintenance and upkeep. Smaller school divisions have less equipment to maintain – and fewer resources to do it with. Smaller school divisions must have staff members who are more “generalists” and able to handle multiple roles. But in larger school divisions the larger staffs allow more specialized roles.

In the pilot review of New Kent School Division the study team found a small group of people performing multiple roles. In Roanoke County the study team found a much larger number of people managing a much larger, more complicated school division. In both cases the school divisions are accomplishing their primary mission – educating children – and doing it well. The primary measure of this success is that both divisions are fully accredited.

Part of the reason for this success in the Roanoke County School Division is that the Division does an excellent job with the complex tasks of transporting, feeding, and most importantly teaching 14,119 students every day. Despite challenging geography that requires the Division to operate several smaller, more remote schools, the Division’s leadership finds new and creative ways to control costs and ensure that funds are re-channeled into the classroom.

The second major theme of this project is that while opportunities exist for the RCPSD to save money on an annual basis, it was not wasting money to begin with. In no cases did the study team find waste, fraud, or abuse in the RCPSD. The Division staff is very sophisticated and knowledgeable in their financial operations, and they do not hesitate to change operations if a less expensive way to accomplish the mission is available. The staff is constantly seeking ways to do things better, whether it is academically, financially, or in terms of its service to its staff or the county residents.

**Table 31: Roanoke County Public School Division Efficiency Report
Recommended Savings Summary**

Recommendation	Potential Savings	Frequency	Note
Eliminate overtime by hiring additional maintenance staff	\$9,595	Annual	RCPSD spent \$66,791 on overtime in 2002-03. By hiring an additional carpenter, this overtime could be reduced.
Use software to potentially eliminate bus routes	\$70,800	Annual	The amount per route eliminated is \$23,613.
Change investment rules for Activity Funds	\$5,085	Annual	The Division had over \$500,000 in non-interest bearing checking accounts at the end of FY03.
Purchase janitorial supplies from VDC	\$13,902	Annual	
Purchase other items from state contract	\$784	Annual	Savings are from one item – pencil sharpeners.
Purchase buses through a consortium	Varies	Annual	Savings are estimated to be \$1,500 to \$2,000 per bus.
Eliminate textbooks by the continued development of online class content	Varies	Annual	As more online content is developed the Division should be able to purchase fewer textbooks for high school students.
Enter into a performance contract to replace older lighting in schools and save on energy costs	\$194,650	Annual	These savings would have to be used to pay off the performance contract costs before the Division receives the savings directly.
Total Savings	\$294,816		

Appendix I: Cluster Data

List of Rankings in Comparison to its Cluster (total of 12 divisions)

These rankings are based on per-pupil expenditures and revenue.
The data is taken from Tables 13 and 15 of the 2001-02 Annual School Report from DOE.

Category	Amount / Pupil	Rank (1 is lowest)
Administration	\$194.96	11 th
Attendance and Health	\$206.43	11 th
Instruction	\$5,535.82	7 th
Debt Service and Transfers	\$529.17	3 rd
Facilities	\$1,300.65	9 th
Technology	\$214.50	10 th
Ops and Maintenance	\$617.68	6 th
Special Education	\$1,049.16	10 th
Transportation	\$350.67	6 th
Total Expenditures	\$6,905.56	7 th
Local Revenue	\$3,229.93	7 th
State Revenue	\$3,818.99	12 th
Federal Revenue	\$798.69	11 th

In this table 1st is the lowest in amount per pupil and 12th is the highest.

Note: "Total Expenditures" is the sum of Administration, Attendance and Health, Instruction, Transportation, and Operations and Maintenance.

Each of the following pages 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 variations in expenditure classification.

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

School Division	Cluster	Instruction / Pupil	Instruction	Instruction %
York Co Pblc Schs	5	\$4,536.85	\$54,242,587.64	59.1%
Warren Co Pblc Schs	5	\$4,556.89	\$22,994,067.49	68.0%
Bedford Co Pblc Schs	5	\$4,558.93	\$48,238,037.15	58.4%
Hanover Co Pblc Schs	5	\$4,751.63	\$81,651,985.63	52.4%
Augusta Co Pblc Schs	5	\$4,961.79	\$53,071,296.80	65.4%
Rockingham Co Pblc Schs	5	\$5,312.90	\$56,980,849.11	63.8%
Roanoke Co Pblc Schs	5	\$5,535.82	\$77,102,959.87	53.2%
Frederick Co Pblc Schs	5	\$5,557.64	\$59,383,411.61	48.6%
Montgomery Co Pblc Schs	5	\$5,669.37	\$51,228,449.95	42.4%
Fauquier Co Pblc Schs	5	\$5,739.69	\$55,543,006.64	63.2%
Albemarle Co Pblc Schs	5	\$6,077.79	\$73,334,617.80	52.3%
Harrisonburg City Pblc Schs	5	\$6,109.86	\$23,901,770.85	29.1%

Note: All percentages for the Harrisonburg City Public School Division for expenditures in 2001-02 will seem very low. This is because the division issued bonds that year for \$41 million for school construction, thus increasing its Total Expenditures and Balances amount (in Table 13) to a much higher level than normal. So when the amount expended for instruction is compared to this higher total, the percentage of that total that is expended on instruction is low.

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

School Division	Cluster	Administration / Pupil	Administration	Administration %
Bedford Co Pblc Schs	5	\$76.49	\$809,291.58	1.0%
Fauquier Co Pblc Schs	5	\$102.34	\$990,377.89	1.1%
Rockingham Co Pblc Schs	5	\$116.92	\$1,253,953.28	1.4%
Augusta Co Pblc Schs	5	\$118.13	\$1,263,499.09	1.6%
Hanover Co Pblc Schs	5	\$135.09	\$2,321,312.26	1.5%
Warren Co Pblc Schs	5	\$135.82	\$685,370.97	2.0%
Montgomery Co Pblc Schs	5	\$147.61	\$1,333,768.76	1.1%
Frederick Co Pblc Schs	5	\$152.80	\$1,632,670.02	1.3%
York Co Pblc Schs	5	\$180.73	\$2,160,774.81	2.4%
Harrisonburg City Pblc Schs	5	\$183.23	\$716,800.87	0.9%
Roanoke Co Pblc Schs	5	\$194.96	\$2,715,423.51	1.9%
Albemarle Co Pblc Schs	5	\$246.38	\$2,972,813.55	2.1%

**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 %
Hanover Co Pblc Schs	5	\$64.89	\$1,114,988.37	0.7%
Augusta Co Pblc Schs	5	\$74.70	\$799,004.17	1.0%
Montgomery Co Pblc Schs	5	\$81.68	\$738,046.99	0.6%
Rockingham Co Pblc Schs	5	\$94.87	\$1,017,508.24	1.1%
Warren Co Pblc Schs	5	\$99.57	\$502,451.27	1.5%
Bedford Co Pblc Schs	5	\$115.56	\$1,222,714.70	1.5%
York Co Pblc Schs	5	\$133.04	\$1,590,591.16	1.7%
Albemarle Co Pblc Schs	5	\$148.46	\$1,791,320.64	1.3%
Frederick Co Pblc Schs	5	\$149.49	\$1,597,261.02	1.3%
Fauquier Co Pblc Schs	5	\$179.69	\$1,738,893.26	2.0%
Roanoke Co Pblc Schs	5	\$206.43	\$2,875,096.35	2.0%
Harrisonburg City Pblc Schs	5	\$235.78	\$922,385.03	1.1%

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

School Division	Cluster	Trans/Pupil	Transportation	Transportation %
Harrisonburg City Pblc Schs	5	\$266.23	\$1,041,510.20	1.3%
Warren Co Pblc Schs	5	\$316.93	\$1,599,209.33	4.7%
York Co Pblc Schs	5	\$334.37	\$3,997,744.16	4.4%
Montgomery Co Pblc Schs	5	\$339.04	\$3,063,541.46	2.5%
Hanover Co Pblc Schs	5	\$346.15	\$5,948,238.41	3.8%
Roanoke Co Pblc Schs	5	\$350.67	\$4,884,142.52	3.4%
Fauquier Co Pblc Schs	5	\$399.56	\$3,866,537.26	4.4%
Augusta Co Pblc Schs	5	\$411.27	\$4,398,944.04	5.4%
Bedford Co Pblc Schs	5	\$449.81	\$4,759,388.69	5.8%
Rockingham Co Pblc Schs	5	\$453.42	\$4,862,961.32	5.4%
Frederick Co Pblc Schs	5	\$462.10	\$4,937,589.81	4.0%
Albemarle Co Pblc Schs	5	\$591.41	\$7,135,978.15	5.1%

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

School Division	Cluster	Facilities / Pupil	Facilities	Facilities %
Warren Co Pblc Schs	5	\$0.00	\$0.00	0.0%
Fauquier Co Pblc Schs	5	\$0.00	\$0.00	0.0%
Augusta Co Pblc Schs	5	\$4.22	\$45,130.20	0.1%
York Co Pblc Schs	5	\$228.20	\$2,728,298.98	3.0%
Rockingham Co Pblc Schs	5	\$547.94	\$5,876,627.05	6.6%
Bedford Co Pblc Schs	5	\$805.99	\$8,528,129.84	10.3%
Harrisonburg City Pblc Schs	5	\$1,093.29	\$4,276,950.32	5.2%
Hanover Co Pblc Schs	5	\$1,124.11	\$19,316,737.90	12.4%
Roanoke Co Pblc Schs	5	\$1,300.65	\$18,115,408.71	12.5%
Frederick Co Pblc Schs	5	\$1,443.22	\$15,420,827.97	12.6%
Albemarle Co Pblc Schs	5	\$1,493.50	\$18,020,582.70	12.8%
Montgomery Co Pblc Schs	5	\$3,155.66	\$28,514,546.59	23.6%

Note: Warren and Fauquier County School Divisions did expend funds on facilities during the 2001-02 school year, but these funds were accounted for in other categories, such as Operations and Maintenance.

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

School Division	Cluster	Special Ed / Student	Special Ed Total	Special Ed % of Total
Augusta Co Pblc Schs	5	\$612.96	\$6,556,193	8%
York Co Pblc Schs	5	\$617.28	\$7,380,231	8%
Rockingham Co Pblc Schs	5	\$767.00	\$8,226,119	9%
Hanover Co Pblc Schs	5	\$784.48	\$13,480,561	9%
Bedford Co Pblc Schs	5	\$792.03	\$8,380,449	10%
Montgomery Co Pblc Schs	5	\$865.41	\$7,819,856	6%
Warren Co Pblc Schs	5	\$879.18	\$4,436,355	13%
Fauquier Co Pblc Schs	5	\$1,008.61	\$9,760,363	11%
Frederick Co Pblc Schs	5	\$1,015.07	\$10,845,973	9%
Roanoke Co Pblc Schs	5	\$1,049.16	\$14,612,743	11%
Albemarle Co Pblc Schs	5	\$1,070.00	\$12,910,562	9%
Harrisonburg City Pblc Schs	5	\$1,193.59	\$4,669,306	6%

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.

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 %
York Co Pblc Schs	5	\$2.61	\$31,147.00	0.0%
Warren Co Pblc Schs	5	\$518.07	\$2,614,194.43	7.7%
Roanoke Co Pblc Schs	5	\$529.17	\$7,370,342.94	5.1%
Augusta Co Pblc Schs	5	\$540.50	\$5,781,147.72	7.1%
Montgomery Co Pblc Schs	5	\$569.89	\$5,149,524.27	4.3%
Bedford Co Pblc Schs	5	\$633.02	\$6,697,949.38	8.1%
Rockingham Co Pblc Schs	5	\$645.96	\$6,927,959.22	7.8%
Frederick Co Pblc Schs	5	\$706.69	\$7,550,984.88	6.2%
Hanover Co Pblc Schs	5	\$748.74	\$12,866,266.69	8.3%
Harrisonburg City Pblc Schs	5	\$851.09	\$3,329,480.78	4.1%
Albemarle Co Pblc Schs	5	\$961.13	\$11,597,022.53	8.3%
Fauquier Co Pblc Schs	5	\$1,567.96	\$15,173,184.81	17.3%

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 %
Hanover Co Pblc Schs	5	\$464.98	\$7,990,168.97	5.1%
Bedford Co Pblc Schs	5	\$473.18	\$5,006,756.36	6.1%
Fauquier Co Pblc Schs	5	\$573.18	\$5,546,655.61	6.3%
Rockingham Co Pblc Schs	5	\$592.94	\$6,359,333.76	7.1%
Augusta Co Pblc Schs	5	\$596.37	\$6,378,825.55	7.9%
Roanoke Co Pblc Schs	5	\$617.68	\$8,603,066.50	5.9%
Albemarle Co Pblc Schs	5	\$659.30	\$7,955,150.80	5.7%
Warren Co Pblc Schs	5	\$671.20	\$3,386,899.46	10.0%
Frederick Co Pblc Schs	5	\$695.16	\$7,427,779.42	6.1%
Harrisonburg City Pblc Schs	5	\$727.93	\$2,847,667.86	3.5%
York Co Pblc Schs	5	\$747.00	\$8,931,108.49	9.7%
Montgomery Co Pblc Schs	5	\$815.71	\$7,370,712.26	6.1%

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

School Division	Cluster	Technology / Pupil	Technology	Technology %
Warren Co Pblc Schs	5	\$0.00	\$0.00	0.0%
Fauquier Co Pblc Schs	5	\$122.70	\$1,187,396.90	1.4%
Augusta Co Pblc Schs	5	\$131.11	\$1,402,350.46	1.7%
Hanover Co Pblc Schs	5	\$161.56	\$2,776,189.58	1.8%
Bedford Co Pblc Schs	5	\$162.13	\$1,715,502.82	2.1%
Albemarle Co Pblc Schs	5	\$162.67	\$1,962,770.08	1.4%
Montgomery Co Pblc Schs	5	\$190.60	\$1,722,283.21	1.4%
Rockingham Co Pblc Schs	5	\$195.47	\$2,096,383.60	2.3%
Frederick Co Pblc Schs	5	\$209.58	\$2,239,357.33	1.8%
Roanoke Co Pblc Schs	5	\$214.50	\$2,987,523.67	2.1%
Harrisonburg City Pblc Schs	5	\$310.68	\$1,215,382.37	1.5%
York Co Pblc Schs	5	\$405.47	\$4,847,758.56	5.3%

Note: Warren County School Division did expend funds on Technology during the 2001-02 school year but these expenditures were reported under other categories.

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
Bedford Co Pblc Schs	5	\$5,673.96	\$60,036,188.48
Hanover Co Pblc Schs	5	\$5,762.73	\$99,026,693.64
Warren Co Pblc Schs	5	\$5,780.42	\$29,167,998.52
York Co Pblc Schs	5	\$5,931.98	\$70,922,806.26
Augusta Co Pblc Schs	5	\$6,162.26	\$65,911,569.65
Rockingham Co Pblc Schs	5	\$6,571.06	\$70,474,605.71
Roanoke Co Pblc Schs	5	\$6,905.56	\$96,180,688.75
Fauquier Co Pblc Schs	5	\$6,994.47	\$67,685,470.66
Frederick Co Pblc Schs	5	\$7,017.19	\$74,978,711.88
Montgomery Co Pblc Schs	5	\$7,053.40	\$63,734,519.42
Harrisonburg City Pblc Schs	5	\$7,523.04	\$29,430,134.81
Albemarle Co Pblc Schs	5	\$7,723.35	\$93,189,880.94

Local Revenue: Per-Pupil and Total Amount

School Division	Cluster	Local Revenue Per Pupil	Local % of Total
Warren Co Pblc Schs	5	\$2,251.19	37.60%
Augusta Co Pblc Schs	5	\$2,354.71	36.38%
York Co Pblc Schs	5	\$2,488.67	36.96%
Bedford Co Pblc Schs	5	\$2,714.14	41.57%
Hanover Co Pblc Schs	5	\$3,100.00	49.82%
Rockingham Co Pblc Schs	5	\$3,147.37	44.93%
Roanoke Co Pblc Schs	5	\$3,229.93	41.16%
Montgomery Co Pblc Schs	5	\$3,319.94	43.58%
Frederick Co Pblc Schs	5	\$3,669.37	50.19%
Harrisonburg City Pblc Schs	5	\$5,229.31	60.62%
Fauquier Co Pblc Schs	5	\$5,622.37	67.33%
Albemarle Co Pblc Schs	5	\$5,861.82	67.32%

State Revenue: Per-Pupil and Total Amount

School Division	Cluster	State Revenue Per Pupil	State % of Total
Fauquier Co Pblc Schs	5	\$2,443.18	29.26%
Albemarle Co Pblc Schs	5	\$2,502.16	28.74%
Harrisonburg City Pblc Schs	5	\$2,818.63	32.68%
Hanover Co Pblc Schs	5	\$2,892.32	46.48%
York Co Pblc Schs	5	\$3,328.69	49.44%
Frederick Co Pblc Schs	5	\$3,332.16	45.58%
Bedford Co Pblc Schs	5	\$3,370.23	51.62%
Warren Co Pblc Schs	5	\$3,401.92	56.82%
Rockingham Co Pblc Schs	5	\$3,476.53	49.62%
Augusta Co Pblc Schs	5	\$3,597.49	55.58%
Montgomery Co Pblc Schs	5	\$3,760.38	49.36%
Roanoke Co Pblc Schs	5	\$3,818.99	48.66%

Federal Revenue: Per-Pupil and Total Amount

School Division	Cluster	Federal Revenue per Pupil	Federal % of Total
Hanover Co Pblc Schs	5	\$230.33	3.70%
Fauquier Co Pblc Schs	5	\$285.26	3.42%
Frederick Co Pblc Schs	5	\$309.16	4.23%
Warren Co Pblc Schs	5	\$333.72	5.57%
Albemarle Co Pblc Schs	5	\$343.05	3.94%
Rockingham Co Pblc Schs	5	\$381.77	5.45%
Bedford Co Pblc Schs	5	\$444.58	6.81%
Augusta Co Pblc Schs	5	\$520.06	8.04%
Montgomery Co Pblc Schs	5	\$538.14	7.06%
Harrisonburg City Pblc Schs	5	\$577.77	6.70%
Roanoke Co Pblc Schs	5	\$798.69	10.18%
York Co Pblc Schs	5	\$915.94	13.60%

Appendix II: Report Recommendations

Recommendation 1:

The Maintenance Department may wish to consider being reorganized to decrease the excessive span of control of the Director. Lead worker positions in each area, e.g., plumbing, electrical, should be established to provide on-site expertise and supervision of maintenance activities. These positions might most appropriately be filled by promotions of existing employees and not new hires. These lead workers may be due salary increases because of the increase in their job role. This would free the Director to focus on the need for and deployment of resources and for analyses of work processes, costs, and system needs.

Recommendation 2:

The Maintenance Department may wish to consider instituting a computer-based software program, either a database or spreadsheet, to record requests, work assignments, request and completion dates, and labor and material costs. Such a program can help control maintenance activities and costs and can provide the division with information on systems or areas that may need to be upgraded or replaced. It can also be used as a measure to help assess the efficiency of the entire maintenance program.

Recommendation 3:

The school division may wish to consider further analysis of the overtime hours and compensation of the employees of the Maintenance Department. The School Division should consider the risks and liabilities associated with the volume of overtime worked by the maintenance staff. The dollar amount of overtime appears sufficient to fund a full-time maintenance position and indications are that the Division has ample carpentry projects to justify the position.

Recommendation 4:

RCPSD's energy management program should serve as model for the entire Commonwealth. The leaders and staff of the Roanoke School Division should be praised for this effort.

Recommendation 5:

The RCPSD may wish to consider entering into a performance contract in order to reduce its energy costs further. A performance contract is one where a contract pays for renovations to school buildings and then is repaid out of the savings on the division's utility bills. The Virginia Department of Mines, Minerals and Energy has pre-approved several contractors so that local school divisions do not have to enter

into the RFP process; they only need to select several vendors from the list to get price estimates for the work the division wants to accomplish. The division is allowed to spread the costs out over a 12 year repayment period. In the case of the RCPSD, older lighting fixtures and ballasts could be replaced with newer, more energy efficient lights and reduce the total annual electric bill by approximately ten percent. Currently the Division spends almost \$2 million per year on utility bills and a ten percent reduction would be almost \$200,000.

Recommendation 6:

The school division may wish to consider reassigning the following responsibilities to the Department of Human Resources:

- Flexible Employee Benefits Program
- Health Insurance Coverage changes
- HIPAA implementation, training, and compliance
- COBRA letters to the Department of Human Resources

The school division's current practice may not be the most efficient method and may not provide the highest level of service to the school division employees. For example, a person planning to use maternity leave would need to visit the Department of Human Resources to complete the paper work for payroll and Family Medical Leave Act (FMLA) only to be sent down to the Office of Budget and Finance to complete paper work relative to any changes in health insurance coverage. Re-aligning these positions will more appropriately reflect the missions and goals of the respective departments and provide more efficient service to school division employees.

Recommendation 7:

Certainly, the school division's and the County's efforts to manage risk and provide internal control are to be acknowledged. However, the school division may wish to consider establishing an internal audit function, perhaps in conjunction with the Finance Department of Roanoke County. An internal audit function will supplement the work of the external auditor. One suggestion may be that the school division 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 8:

The RCPSD may wish to contact the Division of Risk Management at the Virginia Department of Treasury. The Division of Risk Management offers liability coverage for all public officials and employees both full and part-time, including school board members, superintendents, teachers, school administrative staff, school support staff-maintenance, housekeeping, food service, student teachers, part-time teachers, and all volunteers. The coverage provides support services, which include pre-litigation

consultation with a private attorney, access to insurance consultants, access to property insurance, fidelity bonding, and automobile liability insurance, and low deductibles.

Recommendation 9:

Though the school division has made great efforts to optimize investment opportunities relative to the activity fund balances, the Division may wish to further enhance the policies and procedures relative to activity funds. The Division may consider transferring activity fund balances greater than the proposed threshold into other interest earning financial instruments. The Division may also wish to investigate the possibilities of using the Local Government Investment Pool (LGIP) for activity fund balances greater than any proposed checking account balance thresholds

Recommendation 10:

The Division may further wish to consider consolidating the banking arrangements for all school activity funds. The geographic location of the schools within the Division may restrict the available options in that daily deposits must be made and the financial institution must be within reasonable driving distance of the school. However, Norfolk City Public Schools (NCPS) was able to arrange bank pickup of cash for all schools. NCPS used a competitive negotiated proposal process to centralize the banking arrangements without compromising the individual nature of the school bank accounts. Schools in NCPS system have electronic access to their funds and NCPS estimated that interest earnings increased annually by \$100,000.

Recommendation 11:

Under the auspice or authority of the Virginia Department of Education, or an ad hoc association of Region 6 members, RCPSD should pursue the option of combining efforts with all Region 6 members to yield maximum savings from bus manufacturers. According to the Virginia Pupil Transportation Association (VPTA) bulk purchasing can yield savings anywhere 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 elsewhere, 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 may have resulted in reducing potential savings. The collective purchasing power of Region 6 should be used to the advantage to the school divisions when purchasing school buses.

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 combine efforts as one entity when purchasing goods and services.

Recommendation 12:

RCPSD has taken advantage of leasing options in the past during lean budget years but since then the division puts money aside each year in order to pay cash for future bus purchases, which saves the interest and other financing costs associated with financing bus purchases.

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, RCPSD should keep open the option of leasing or lease-purchasing buses rather than purchasing buses outright, if the budget situation requires it. 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 RCPSD 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 13:

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 the smaller RCPSD, 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 14:

RCPSD should be commended for reducing costs in inventory by integrating an automated system in its central bus garage. RCPSD administrators across all business endeavors should continually seek ways to cut operating expenses and divert those savings to the classroom.

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

Recommendation 15:

RCPSD should make the successful implementation of the VersaTrans software package a top priority. RCPSD has a successful history of incorporating automated systems in other business practices (i.e., Faster System to control inventory at the central garage) and the VersaTrans system, by all accounts, is no more difficult to learn than any other software system. RCPSD should seek assistance from Montgomery County Public School Division and/or tie employee performance evaluations to the successful integration of the software system with current business practices. “Good routing practice and an appropriate mix of vehicle types and sizes are factors that transportation managers can control when balancing costs and reimbursements in an effort to reduce net cost (local taxes).”² The study team believes the first step towards this goal is the successful integration of the VersaTrans software package with RCPSD’s current business practices. Westmoreland County Public School Division eliminated two of 44 bus routes for an annual savings of \$30,000 using VersaTrans. While Powhatan County Public School Division cannot quantify savings, administrators there believe VersaTrans allowed them to consolidated several bus routes since its inception there in 2000. Montgomery County Public School Division (MCPSD) also succeeded in eliminating two bus routes over a two-year period using VersaTrans. Applying MCPSD’s ratio to RCPSD, the school system may be able to eliminate three bus routes, saving about \$70,800 annually.³

Recommendation 16:

RCPSD should examine whether it is time to provide one of the two transportation coordinators the full responsibility and authority to manage and direct the transportation division. This would result in one less direct report for the director of operations and allow him to focus on other functions under his purview.

² *Cost Per Running Mile*, Mike Starzinski, School-Bus.org.

³ On average, each RCPSD bus route costs, \$23,613 in salary, fuel, and, supplies.

Appendix III: Special Education

The Roanoke County Special Education programs promote and provide equal opportunities for educational excellence and social, emotional, and physical well being for students in Roanoke County with special needs. The school division's special education programs and activities involve general and special education teachers, professionals, parents, community organizations, and technology as well as the students in analyzing and providing the necessary support. The Special Education Program offers a variety of services from specialists who focus on education, behavioral, cognitive, sensory and social disabilities and includes programs with psychological and occupational/physical therapies, nursing services, vision and speech services, and transitional services. For the 2002-2003 school year, the Roanoke County School Division identified 2,365 children with special education needs. The Department of Special Education provided the following descriptions of activities and support provided through its special education programs:

- A. **Special Education Region Supervisors/Coordinator** provide support to the special education programs and evaluate special education program services, provides technical assistance to building administrators and teachers, attends individualized education plan (IEP) meetings, and oversees special education services within their region.
- B. **Special Education School Coordinators are assigned to every school.** The Coordinator oversees the special education programs by providing technical assistance and management of the special education process to the school site. Coordinators ensure compliance with state and federal regulations for special education services, facilitate site-based in-services, and act as a liaison between the special education office and school. All coordinators attend monthly meetings and are required to return to their buildings to communicate with school staff all presented information. Minutes to the building meetings are submitted to school and central office administration.
- C. **The Roanoke County Special Education Advisory Committee and the Roanoke Valley Regional Special Education Advisory Committee** are state mandated citizens' groups appointed by the Local School Board and the Regional School Board respectively. The committees' purpose is to help formulate and develop long range plans for the provision of services for children with disabilities. This includes reviewing the Special Education Annual Plan and submitting recommendations to the appropriate School Boards.
- D. **Parent Resource Centers** provide resources and support to parents and families of children with disabilities. Services include maintaining a lending library for parents and teachers, developing newsletters that deal with special education issues, problem solving with parents who have educational

concerns, and referring parents to community agencies. Workshops are also provided for parents.

- E. **Parent Support Teams** are designed to support parent concerns, questions, and issues in the elementary schools. A part-time Coordinator oversees the team activities, which support the 17 elementary schools.
- F. **Day Treatment Programs** are a collaborative effort between Roanoke County Schools and Family Preservation Services. The programs are located in various schools throughout the county and are designed to serve only that school's attendance zone. Students receive individual and group counseling to address the specific and individual needs of each child. Concurrent Treatment, with the child in the classroom, and Crisis Intervention are also utilized to provide support and to deescalate inappropriate behaviors. Family Counseling/Parent Education is also provided to support the families as well as the children in resolving core issues contributing to negative behaviors in school. The goal of the programs is to help children gain skills important for life long interaction. The programs are designed to meet a child's mental health needs, through therapeutic interventions, in order to promote and support positive classroom interactions and to increase learning opportunities. The programs allow children to work in a less restrictive classroom setting by providing the mental health support needed.
- G. **The Roland E. Cook Alternative School is a day treatment program; it is a collaborative effort between Roanoke County Schools and Blue Ridge Community Services.** The mission of the program is to provide comprehensive and integrated treatment to youth with serious emotional or social interaction disorders. The primary goal of the program is to assist families and students so that the student may be maintained in the community setting. The program is located at the R. E. Cook School in Vinton and is based on a 5-hour school day. A multi-disciplinary team provides services that include educational, therapeutic recreational, and social activities.
- H. **Preschool Programs are offered to children, ages two to five years in various educational environments.** Maximum enrollment in the preschool classroom is sixteen with a combination of no more than eight students with disabilities and eight students who qualify from either tuition or the initiative program. Service options include:

- Home based instruction with consultation from a preschool specialist.
- Private preschool facilities with consultation from a preschool specialist.
- Center-based programs housed in the various elementary schools.

The center-based preschool programs may include:

- Students identified with disabilities from ages 2-5 (in accordance with their IEP).
- Children of Roanoke County employees based on tuition.

- Children who qualify for services through the Virginia Pre-School Initiative Act and live in that home school attendance area.

All sites are licensed through the Department of Social Services and operate as a State Licensed Preschool Program.

- I. **The Roanoke Valley Regional Special Education Program** is a joint financial venture of six school divisions—Botetourt, Craig, Franklin, Roanoke City, Roanoke County, and Salem. The Roanoke County School Division serves as the fiscal agent for this program. Joint special education services are provided to children from the six school divisions who have autism, severe disabilities, hearing impairments, or multiple disabilities. The Regional School Board consists of one member from each of the six local school boards. There is also a Regional Parent Advisory Committee. The Director of special Education for Roanoke County serves as the Regional Special Education Director. Membership in the Regional Program is decided at the discretion of the six counties/cities and decisions are based on a need for excessive training, extensive equipment, or a special placement.
- J. **Special Education Programs are provided for children from ages 2 to 21 years in all categories of disabilities.** Services are provided in various environments from preschool through high school. Special education students receive a variety of services from specialists who focus on educational, behavioral, cognitive, sensory, and social disabilities. Related services, such as speech/language, occupational and physical therapy, counseling, nursing services, transportation, or other services are provided if it will help children to benefit from special education. Transitional services are also provided to secondary students with disabilities. The special education students are provided vocational assessments, Postsecondary Education Rehabilitation Transition (PERT) evaluations, opportunities to participate in community-based instruction or supervised work experience, or counseling related to pursuing higher education degrees.
- K. **Nursing Services are provided to children with or without disabilities by registered nurses.** These services include monitoring children with significant health concerns, administering medication, providing training to school staff, developing individual health plans, and emergency protocols.
- L. **Psychological services are provided by a qualified psychologist or under the direction or supervision of a qualified psychologist. These include a wide variety of services** among which include consulting with other staff members in planning school programs to meet the special needs of children with disabilities and assisting in developing positive behavioral intervention strategies.
- M. **Social Work Services is the liaison between school and home.** A school social worker makes home visits, interviews parents and completes social histories as a part of the special education process. A school social worker also monitors attendance issues and court involved trancies and facilitates

- home-school issues. Home-schooled student services, drop out reports, and foster care reports are coordinated by this department.
- N. **The School Work Adjustment Program (SWAP) provides students with mild to moderate disabilities an opportunity to gain daily supported work experience throughout the school year in community settings.** Students must be at least sixteen years of age and preference is given to students in their last two years of school attendance. The program gives student “ a leg up” in their employment efforts and will assist them with their transition from school to community living. Individuals participating in this program work for approximately two and one-half hours per day at their training site and spend the rest of their day at school for academic and functional skills training.
 - O. **Family Service Specialists complete family/developmental assessments for all preschool students who are referred for full evaluations.** They also serve as a member of school based child study teams and serve as liaison between preschool families and school personnel.
 - P. **The Disabilities Service Coordinators are responsible for assisting school divisions in the implementation of individual designed programs for regional children who have autism or need assistive technology.** The Disabilities Service Coordinator for autism specifically serves as a liaison among school personnel, parents, and community service organizations in designing successful programming for the students through various strategies/methods. Training is provided for those implementing the programs in ABA (Applied Behavior Analysis, Discrete Trial teaching, ABA generalization, TEACCH strategies, visual strategies, sensory strategies, Floortime strategies, Incidental Learning strategies, motivation strategies, curriculum and materials, data documentation, and reinforcement strategies. The Disabilities Service Coordinator for assistive technology serves as a liaison between school personnel and parents in designing specialized technology for students of various disabilities. Communication, mobility devices, and computer enhancements are used to meet the unique needs of students with disabilities.
 - Q. **The Vision Specialist** serves students with impairment in vision that, even with correction, adversely affects a child’s educational performance. This includes both partial sight and blindness.
 - R. **Assistive Technology service** provides direct assistance to a child with a disability in the selection, acquisition, or use of an assistive technology device. Each school has a person designated as an assistive technology lead to assist IEP teams with technology considerations.

Appendix IV: Risk Management

LOCAL GOVERNMENT LIABILITY INSURANCE PLAN (VaRISK 2)

1. Through the Virginia local government program we can offer liability coverage for all public officials and employees, both full and part-time, school board members, superintendents, principals, school administrative staff, school support staff-maintenance, housekeeping, food service, teachers, student teachers, part-time teachers, all volunteers—literally everyone.

COVERAGE:

- Protection comparable to a combination of commercial general liability, employer's liability, educator's legal liability, law enforcement legal, medical malpractice and public official's errors & omissions, with coverage broader in scope than commercial insurance,
- all torts-personal injury and property damage,
- protection from discrimination, sexual harassment and comparable allegations,
- Law enforcement liability for any school security officers or moon-lighting police or sheriff's deputies,
- defense of alleged illegal or wanton acts to the point a trier of fact has determined such offense has occurred,
- medical malpractice protection for school nurses, aids or other medical personnel,
- civil actions following or arising out of EEOC, workers' compensation, unemployment compensation, administrative hearings, grievance panels or similar law or proceeding.

Coverage limits:

- \$1,000,000 per occurrence with no aggregate. This means there can be no limit to the number of actions covered under the Plan. The \$1,000,000 has proved over the years to be a sufficient sum for public entities in Virginia. Since 1986 the Plan has paid the limit only once.
- Legal defense expenses are unlimited, and include:
- The best private attorneys skilled in defense of public officials and public entities to work very closely with defendants,
- Skilled claims professionals exclusive to the defense of public officials and public entities, and:
 - all legal expenses incurred, including all defense costs,

- interest on judgments,
- expenses incurred by defendants at the request of Plan,
- premiums on appeal bonds,
- court costs, and
- plaintiff's attorney's fees awarded pursuant to 42 USC 1988.

SUPPORT SERVICES

Pre-litigation consultation with private attorney,
No cost or low cost access to consultants, loss control services and
occupational safety and health support,
Access to insurance consultants,
No cost access to the largest insurance brokerage firms in the world,
No cost assistance to the insurance market,
Access to property insurance, fidelity bonding and automobile liability
insurance by taking advantage of large pools,
Low deductibles.