

Albemarle County Joint General Government/School Division Efficiency Committee

Recommendations

November 2015

1 INTRODUCTION

During the Five-Year Financial Plan discussion this past fall, it became clear that funding existing and future needs is a challenge that exists for both local government and the school system. Various alternative approaches to address funding needs were discussed by the Board and with the public during community meetings held in November and December of 2014. In response to the need to address these challenges, the adopted FY16 budget called for a Joint General Government/School Division Efficiency Committee/Study. The Committee has completed its report and will continue to meet quarterly to monitor progress on the various initiatives that will be underway.

2 JOINT GENERAL GOVERNMENT/SCHOOL DIVISION EFFICIENCY COMMITTEE

For many years, Albemarle County's general government and school operations have collaborated on combining a number of key operational functions to optimize efficiency for both organizations. These operations include Finance, Human Resources, Legal, and Facilities Development. The extent and effectiveness of these joint operations represent a best practice and achievement unprecedented throughout the state and have served both organizations well.

In 2007, the Center for Public Policy at the Virginia Commonwealth University provided a Resource Utilization Study for the School Division and, in 2009, they provided a similar study for the General Government. These studies provide analysis of how the County utilizes its dollars, staff and facilities to achieve results and recommendations for improvement. The School Division and the County's General Government implemented numerous efficiency improvements based on these recommendations.

In May, 2015, the Joint General Government/School Division Efficiency Committee began with the following charge, responsibilities and membership to identify and evaluate potential efficiencies for consideration to address resource needs.

Committee Charge:

The charge of the Local Government/Schools Efficiency Committee is to identify existing shared services and to research and evaluate innovative opportunities for the two organizations to further collaborate, coordinate or consolidate routine processes or operations. The result of these synergies will achieve greater efficiencies, more effective delivery of services, or both.

Committee Responsibilities:

- Evaluate existing joint operations to identify pros/cons of operations;
- Consider modifications to existing joint operations based on the evaluation;
- Determine what business functions might be candidates for evaluation;
- Evaluate those identified business functions of both local government and schools where some form of collaboration, consolidation or joint coordination may result in improvements/efficiencies;
- Identify cultural/organizational barriers; recommend strategies for overcoming such barriers/resistance;
- Identify resource issues related to joint operations;
- Identify organizational processes or new processes/functions that offer potential for streamlining, or achieving greater efficiencies through economies of scale;
- Consider alternative service models or privatization of services as appropriate;
- Quantify impacts of recommendations.

Committee Membership:

The Committee is made up of fourteen members from general government and the school division.

Committee Members	Affiliations
Bill Letteri	<i>Deputy County Executive</i>
Dean Tistadt	<i>Chief Operation Officer of School Division</i>
Betty Burrell	<i>Finance Director</i>
Dr. Matthew Haas	<i>Assistant Superintendent for Organization and Human Resource Development</i>
Lori Allshouse	<i>Director of Office of Management and Budget</i>
Lorna Gerome	<i>Director of Human Resources</i>
Jim Foley	<i>Director of Transportation of Schools Division</i>
Jackson Zimmerman	<i>Fiscal Services Director of School Division</i>
George Shadman	<i>Director of General Services</i>
Vincent Scheivert	<i>Chief Information Officer of School Division</i>
Michael Culp	<i>Director of Information Services</i>
Kristy Shifflett	<i>Grants and Budget Analyst</i>
Andy Bowman	<i>Senior Budget Analyst</i>
Blake Abplanalp	<i>Sr. Project Manager</i>

Appointments were made by the Deputy County Executive and Chief Operating Officer of Schools.

Primary support was provided to the Committee by staff from the Office of Management and Budget. Focus areas were identified and subcommittees were established to further research. These areas were Healthcare, Budgetary Management, Records Management, Purchasing and Warehousing, Building Services and Maintenance, Grants Administration and Language Assistance across the organization and regionally. Additional staff members from both General Government and the School Division provided support and information to the Committee as needed.

3 EXECUTIVE SUMMARY OF RECOMMENDATIONS

The team identified twenty-six initiatives. Many of these identified efficiencies can be implemented within a short time while others will require more research and collaboration, with potential for implementation in a few years. The following charts highlight the Committee's recommendations, organized in three different tiers, based upon the Committee's assessment of feasibility, readiness and potential effectiveness associated with each strategy:

Tier One – Recommended Strategies for Immediate Implementation

Strategies that should be considered for implementation during FY16.

Subcommittee	Efficiency	Potential Savings
Records Management	Reducing Paper File Storage	Cost Savings will be known as a result of a cost benefit analysis of current costs spent on onsite and offsite locations.
Records Management	Implementation of Human Resources Electronic Records Management System Project plan	Time savings, cost avoidance resulting from less storage.
Records Management	Implement Shared Records Management Infrastructure	Potential for cost avoidance of up to \$100,000 for the School Division if found that the General Government's Laser fiche system can be used to support the School's needs for student record management.
Building & Grounds Maintenance	Provide increased School Division grounds maintenance by Parks & Recreation Department. (Geo Maintenance concept)	Estimated savings range from \$100K to \$200K over a 10 year period.
Building & Grounds Maintenance	Consolidate General Government and School Division's Building and Grounds equipment inventory throughout the County.	Potential for cost avoidance by utilizing County owned equipment and School Division equipment and avoiding need for additional rentals and replacement.

Purchasing/Warehousing	Expand utilization and consolidation of term contracts for bulk purchases and utilizing the warehouse facilities for these purchases.	Potential cost savings to be gained by combining bulk purchases of the School Division and General Government.
Purchasing/Warehousing	Create and publish policy and procedures for surplus property and warehouse operations and improve delivery logistics.	Potential for cost and time savings with the elimination of trailer rentals (\$4,800 per year) due to timely disposition of surplus.
Purchasing/Warehousing	Consolidate dual surplus property websites into one site that is available for all schools and general government.	Potential for cost and time savings as Materials Manager would only have one site to maintain. Proper setup of site could save staff time and could increase availability and utilization of site and increase reuse of items and decrease new purchases.
Purchasing/Warehousing	In addition to current auction of surplus online, consider periodic public/in person sales of surplus materials and equipment for sale of items that are not successful online. The goals are to increase revenue and lower disposal costs.	Cost savings – elimination of current system fees; possible increased sales; more sales could save disposal cost.
Language Assistance	Provide for contract language translation services across departments.	Cost avoidance (Potential to maintain compliance with Federal Title VI regulations); time savings (effective language program puts resources in the hands of staff for timely response).
Healthcare: Pharmacy/Clinic/Wellness	Increase promotion of wellness culture. Provide a greater number of employees with wellness activity flex time. (This concept is currently practiced within the Fire & Police Departments)	General healthier population leads to reduced health costs overall. Potential for Health Care cost avoidance due to healthier lifestyles for more employees.
Healthcare: Pharmacy/Clinic/Wellness	Initiate additional programs such as fitness tracker (i.e. Fitbit) programs.	General healthier population leads to reduced health costs overall, and builds culture of health and wellness.
Records Management	Shared Records Management Digital Storage (in addition to what we have & improved monitoring).	Cost Savings To Be Determined

Records Management	Improve records loss, disaster recovery, and compliance plan	Cost avoidance including eliminating the cost of recovering lost paper records as a result of theft, fire, or other disaster. This effort will attempt to detail the impact of any of these events occurring with paper records versus digital records.
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Tier Two – Recommended Strategies for FY17 Consideration

Strategies that should be considered for implementation during FY17.

Subcommittee	Efficiency	Potential Savings
Healthcare: Pharmacy/Clinic/Wellness	Reduce costs associated with pharmacy expenses by either providing an in-house pharmacy or other reduced pharmacy cost options to reduce both employees and employer costs.	Reduced costs of pharmaceutical products for employees & the county. Cost savings could potentially be substantial given the increasing costs of pharmaceuticals.
Grants Administration	Improve School Division and Local Government's grant management coordination, oversight and compliance efforts.	Cost savings would be obtained by increasing outside resources to fund county programs and initiatives. Cost avoidance by ensuring grants that are obtained to the County remain focused on strategic and financial plan alignment and by increased monitoring and adherence to grant compliance and stewardship. Increased revenue could be obtained by implementing county wide grants administration fees now applicable per Federal requirement changes.
Healthcare: Pharmacy/Clinic/Wellness	Consider establishing onsite health clinic for employees (often these are combined with in-house pharmacies) & explore potential for other cost-effective telemedicine opportunities that may involve telephone and/or	Potential cost avoidance (potential costs savings would be an increase if 1000+ employees are located on one campus); time savings.

	skype type tools.	
Healthcare: Pharmacy/Clinic/Wellness	Provide employees with fiscal incentives to participate in biometric health screenings.	Potential for identification of developing health risks earlier on and earlier establishment of preventative care that could avoid more expensive emergency care and or/ further more extensive expenses.
Building & Grounds Maintenance	Maintenance and Strategic Design of Capital projects	Potential to significantly mitigate our maintenance costs in the future.
Healthcare: Pharmacy/Clinic/Wellness	Provide employees with financial subsidy to join health clubs.	General healthier population leads to reduced health costs overall.
Language Assistance	Coordination of foreign language program and language translation services (above) across departments. Hire an individual to oversee an effective and efficient language assistance program, builds resources, monitors vendor performance and handles complaints	Cost avoidance (time lost in responding to audits, ability to effectively improve compliance with Title VI regulations). Increases ability to provide a more timely response.
Records Management	Shared Records Management Staffing. Establish one county Records Manager for School Division and Local Government rather than having one position in local government and one position in schools.	Cost avoidance with potential for cost savings of \$75,000.
Budgetary Management and Appropriations	Continue to streamline annual Resolution of Appropriations process for both the School Division and General Government, concentrating first, on the improvement of the grant appropriations process. Then work to identify further potential appropriation efficiencies in the areas of the General Fund, Capital Improvement Funds and the School Fund.	Potential to save staff time which will increase time available for fiscal management, analysis, compliance and other duties. Should also save review time for staff in other administrative departments. Also, these potential improvements will enable grant resources to be accessed more quickly, ensuring that the benefits to the community and school children are not delayed by administrative processes that may add significant value.

Tier Three – Recommended Strategies for Future Consideration

Strategies identified as having potential but need significant further evaluation.

Subcommittee	Efficiency	Potential Savings
Going Paperless	Establish baseline on costs of paper and printers/ink across county. Work with Information Technology and set short term and long term goals to reduce use of paper.	Cost savings - TBD
Building & Grounds Maintenance	Potential for consolidation of services	Cost savings by combining departments/services.
Fleet Management & Services	Consider improvement of current practices to fleet maintenance across all county vehicles.	Potential to decrease external vendor usage and improve service quality level. Improve maintenance guidelines and procedures.

4 APPENDIX

For further detail on implementation process or additional information please see accompanying Appendix.