



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

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Improved Administrative Program Monitoring by the Department of Public Instruction Can Save Over \$19 Million Annually

Summary

As directed by the North Carolina General Assembly's Joint Legislative Program Evaluation Oversight Committee, this evaluation examines the efficiency and effectiveness of the administrative services delivered by the Department of Public Instruction (DPI). In Fiscal Year 2012–13, the State of North Carolina spent nearly \$12 billion to provide a system of free public education to eligible students. DPI is responsible for ensuring these funds are effectively used to achieve the mission and strategic goals established by the State Board of Education. To achieve this objective, DPI provides services that directly contribute to student outcomes as well as administrative services that indirectly support the achievement of student outcomes and ensure state funding is appropriately used by Local Education Agencies (LEAs).

The cost to provide these administrative services could be reduced by \$19.5 million annually without adversely affecting North Carolina's public school students. These cost savings could be realized by changing the formula to allocate funds for school bus operations and reducing textbook warehouse staffing to reflect current operational requirements. An additional \$6.1 million of non-recurring savings could also be realized by reducing the statewide fleet of spare school buses and the inventory of school bus replacement parts to the level necessary to meet operational requirements.

DPI does not have a performance management system that ensures its administrative programs and activities are effectively contributing to the vision of the State's public school system.

To address these findings, the General Assembly should:

- direct DPI to take specific actions to ensure improvements in the efficiency of its administrative services are effectively implemented and that the associated cost savings are realized; and
- require DPI to design and implement a performance management system that ensures administrative support programs effectively contribute to the vision of the North Carolina public school system, and includes processes for identifying and monitoring the achievement of program objectives, the efficiency of program activities, and the adequacy of associated procedures.

In addition, the State Board of Education should develop strategic goals that can be used to guide administrative support programs toward achievement of the State's vision for the public school system.