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CORWIN PRESS, INC.
A Sage Publications Company
Newbury Park, California

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Distributed by Corwin Press, Inc., A Sage Publications Company

Address inquiries and orders to:



Corwin Press, Inc.
P.O. Box 2526
Newbury Park, California 91319

SAGE Publications Ltd.
6 Bonhill Street
London EC2A 4PU
United Kingdom

SAGE Publications India Pvt. Ltd.
M-32 Market
Great Kailash I
New Delhi 110 048 India

Printed in the United States of America

Library of Congress Cataloging-in-Publication Data

Main entry under title:

School business administration.

Includes index

1. Public schools—Business management.

I. Jordan, K. Forbis (Kenneth Forbis), 1930—

LB2823.5.S36 1985 371.2 84-24877

ISBN 0-8039-2417-8

91 92 93 94 10 9 8 7 6 5 4

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PREFACE

This work presents a general discussion of the principal areas of school business administration. It has been prepared for use as a textbook in school business administration and also as a reference for the practicing school business administrator. Teachers will find the book of particular value as a reference and source of information on the various aspects of school business administration. Rather than serving as a manual for the practicing school business administrator, the book has been designed to emphasize the principal concerns within each of the major responsibility areas in school business administration. Each chapter contains an overview of a specific subject with attention given to major areas of concern and to the relevant administrative tasks.

The organizing theme of each chapter is a set of principles that should be used to guide the decision-making process. In addition to providing an overview of the content of each chapter, the principles can serve as discussion points in the classroom and as guides to further study. Attention is given to the various components in each responsibility area and to the contribution that each makes to successful operation of the educational program. The underlying theme throughout the discussion is the service role of school business administration and its supportive relationship to the operation of the total school program.

Renewed interest is being expressed in education as the nation is confronted with fiscal and social problems. Concerns include improving student performance, resolving social problems, and providing competent youth for jobs in an increasingly complex society. Management theories and techniques, technological developments, and economic pressures from other social services have impacted upon the schools in a variety of ways. Traditional patterns of school administration are being challenged. Authoritarian management has

been replaced by the management team and participative decision making. Employee organizations and collective bargaining have changed relationships. Electronic data processing and computers have become commonplace in the business office as well as in the classroom. Various management techniques have come into common usage as expenditures for education have continued to increase and pressures have mounted for greater efficiency and accountability. At the same time, the entire process of education has become more complex through the increased use of technology. Each of these developments has contributed to increasing demands for services and support from the school business office. Rather than providing an in-depth discussion of each of the developing areas, the book has been designed as a survey discussion so that students may become better acquainted with a range of topics. The focus is on theoretical concepts and their relationship to operational problems.

In the first chapter, attention is given to the social and economic context in which the schools function and the school administrator works. The role and function of the school business administrator is addressed in the second chapter. Following these opening chapters, attention is given to major areas of particular interest to the school business administrator: management techniques, personnel, purchasing, budgeting, and accounting. The chapter on data processing focuses on selection, installation, and potential uses of this rapidly developing tool for the school business administrator. Various aspects of school facility planning, financing, operation, and maintenance are addressed in a three-chapter section. Attention is also given to specific services such as pupil transportation and food services. In recognition of the importance of developing and maintaining public support for schools, principles and processes of communication are addressed in the concluding chapter.

Material has been presented that is relevant in principle to all states. Because new data are emerging daily, factual information has been limited to that necessary for the discussion. The principles, concepts, and statistical data contained in the text should be supplemented with the variety of handbooks and related material published by state departments of education, the United States Department of Education, and various professional organizations. These materials will be invaluable as school business administrators operationalize the concepts addressed in this text.

Special recognition is given to the various publications of the Association of School Business Officials that were most helpful in the preparation of this manuscript. This organization has played an important role in the development of the profession of school business administration as well as in the various research efforts that have contributed to knowledge and practice in this support arm of the educational process.

The authors wish to express their appreciation for the support and counsel received from a variety of professional colleagues. They have contributed much information and have been a continuous source of encouragement. Special thanks and recognition are given to Lois Kinkaid and Kris Cook of Arizona State University, Paulette Gardner of Virginia Polytechnic University, Carole Salmon, and Steve Parker of Annapolis.

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CHAPTER

1

POLITICAL, ECONOMIC, AND ORGANIZATIONAL CONTEXT

The degree of commitment and level of support provided to American public elementary and secondary education is considered to be unique among the nations of the world. Free public education equally available to all youth has long been a part of America's rhetoric, but the reality has begun to be achieved only in the last few decades following the 1954 Brown decision of the United States Supreme Court that outlawed discrimination based on race. The result has been that all youth are provided with access to a free education through high school. Implementation of this public policy has placed great stress on the nation's educational delivery system and has also been a major factor contributing to the growth of educational programs, services, and expenditures.

By the 1980s, over 45 million youth, approximately 2.4 million teachers, and 300,000 administrators and supervisors were directly involved in either public or private elementary and secondary schools. At the elementary school level, the Bureau of the Census has estimated that 99 percent of the age group is in school, and at the high school level that 94 percent of the age group is attending school.

This educational delivery system involves more than 100,000 public and private schools. In the public school sector, these schools are administered by slightly less than 16,000 local school districts, each of which has its own school board (Grant, 1983). Because the governance structure for private schools varies, the number of governing bodies cannot be determined for the approximately 19,000 private schools.

Rather than being separate from the social and economic fabric of the community, schools are viewed as a vital part of the social and economic fabric of many local communities. The public schools often are major employers and consequently contribute to the economic well-being of the community. In addition to teachers and administrators, employment opportunities are provided for a range of service employees involved in various support activities such as building operation and maintenance, school transportation, and food services. Education impacts on local communities in other ways. Social benefits of the schools include cultural and recreational services for citizens, both as spectators for student activities and as participants in school programs involving adults.

The level of citizen investment in education through taxes and tuition payments in public and private education is often construed to be relatively high. However, when analyzed in terms of the total economic resources of the nation, educational expenditures are not as significant as often perceived. Expenditures for elementary and secondary education were approximately \$130 billion in 1982-1983. This represents an investment of about 4.2 percent of America's gross national product for public and private elementary and secondary education. When expenditures for higher education are included, the projected expenditures for 1982-1983 were \$215 billion, about 7 percent of the nation's gross national product (Grant, 1983).

BASIC PRINCIPLES

Education plays an important role in American culture. Some may contend that education has been a major contributor to America's competitive position in the world economy. The following principles relate to the role of elementary and secondary education in American culture:

- (1) Each child of school age is guaranteed access to a free elementary and secondary education.
- (2) Responsibility for providing education rests with state governments.
- (3) For the operation of schools, virtually all states have created local school districts with lay citizen local school boards that have responsibility for the day-to-day operation of schools.
- (4) Even though schools are staffed and administered by professionally trained educators, policies and procedures for school

operation are determined by local school boards composed of lay citizens.

- (5) In governance and operation, America's public elementary and secondary schools are a paradox of differences and similarities. Great differences may be found in enrollment and geographical size, but great similarities exist in grade structure, teacher qualifications, and curricular content.
- (6) Rather than supporting services that contribute little to society, funds for education are a public investment in the future of individuals that yield positive economic returns to society.
- (7) Public attitudes toward schools and their willingness to provide adequate funding contribute to the development of a continuing dynamic tension between the sometimes conflicting goals of access, excellence, and efficiency.
- (8) The sole mission of a local school district is the education of youth, and the primary function of the school district's administrative organizational structure is to facilitate the educational process.
- (9) The functional administrative organization for schools should reflect a carefully integrated pattern of authority, responsibility, and resources.
- (10) Successful administration of schools is dependent upon a staff that communicates and works together to achieve a balanced interaction of technical, human relations, and conceptual skills.

RATIONALE FOR A SYSTEM OF PUBLIC EDUCATION

Governmental involvement and support of public education can be attributed to a variety of circumstances. First, the founding fathers recognized that an educated citizenry was important to the preservation of America's form of government. Rather than education being a function of the central government, responsibility has been vested with the individual states.

In addition to the legal justification for the operation of the public schools, an economic justification may be postulated. Public action is justified because elementary and secondary educational opportunities for the over 40 million public school children are deemed vital to the public interest, but are very costly and the benefits are long-term rather than immediate. The rationale for a public system of elementary and secondary education is based on the contention that the services can be made universally available only through a publicly established and supported delivery system. Examples of other pub-

licly initiated and supported monopolistic public service activities include airports, public roads, the interstate highway network, public utility companies, and public transportation. For such activities, a government may choose to supply the service itself or to license and regulate private providers.

A second justification for a system of public education is that government participation in education is justified when the potential social and economic costs and the negative impact resulting from the absence of the service likely will be greater than the cost of providing the service. For example, the importance of an educated citizenry to America's future cannot be measured, but the potential impact of an uneducated citizenry is viewed as a potential risk that cannot be tolerated. Another consideration is the future welfare burden attributable to uneducated, or undereducated, citizens. Evidence of public commitment to this concept can be found in the actions of state and local governments, as well as the federal government, in their support for vocational education and jobs programs. As the job structure of America's economy changes, the educational system is called upon to adapt so that it may prepare citizens to meet the emerging employment needs.

Public provisions of a service such as education may also be justified when collective values agree that a specific service should be supplied to all citizens and should not be denied to some who either cannot pay the cost of the service or whose parents do not choose to do so. In this context, education is considered to be important because of the role that citizens play in making political decisions and the degree to which education contributes to a person's economic productivity. Even though an individual's earning power may be classified as a private benefit, the absence of earning power may result in a societal cost. A related consideration is that the societal benefit resulting from one genius having been identified and nourished in the nation's public schools cannot be measured. All citizens reap the benefits of education either directly through participation or indirectly through the positive impact that educated populace has on their culture and economy. The contention has been made that the alternative costs of unemployment and welfare may be higher than the level of expenditures required for education.

ECONOMIC BENEFITS OF EDUCATION

The contribution that education makes to the economic growth of the nation's economy has become a serious area of inquiry for economists and political scientists. Some contend that the economic

status of a child's parents is the primary factor in determining a person's economic future. Others contend that additional units of education make a positive contribution to an individual's earning power and consequently can be justified in the setting of priorities in the use of scarce resources.

Perhaps the greatest effort to increase the units of education available to a nation's citizens was achieved through the G.I. Bill at the conclusion of World War II. This veterans' readjustment program provided millions of persons irrespective of race or sex, with financial resources to pursue additional education. Longitudinal studies of this group have concluded that those who used the training opportunities had higher levels of income than those who did not participate. In addition, the participants were more likely to work in jobs requiring higher levels of skills (Bradley, 1956). Other studies of the veteran groups by the National Bureau of Economic Research have found that school quality (defined in terms of expenditures) in elementary and secondary schools contributed to increased achievement and earnings (Wachtel, 1976).

More recent studies have found a positive relationship between level of education and income (Becker, 1975). Perhaps more important from the standpoint of public policy choices about the role of government in funding education, Denison (1974) and Kendrick (1979) have contended that the use of public funds for education can be justified because education and the development of knowledge have been significant contributors to the economic development of the nation and also to the provision of the professional and technical personnel required for an increasingly complex society.

GOVERNANCE OF ELEMENTARY AND SECONDARY SCHOOLS

In all states except Hawaii, the state legislatures and constitutions have provided for the creation of 16,000 local school districts and have vested responsibility for the operation of the schools with local school boards. Among the states, significant differences exist in the powers, methods of selection, and actual number of local school boards.

The number of school districts in a particular state does not follow a consistent pattern. Some states with relatively small populations have as many or more school districts than more populous states. For example, in 1982, Nebraska had 1,056 local school districts; California had 1,041; Illinois had 1,011; and Texas had 1,074. In contrast, Florida had 67 local school districts; Louisiana had 66; Maryland had

24; Nevada had 17, and West Virginia had 55. In the latter instances, the state's school districts have been organized on a county unit basis. In another group of states (Iowa, Massachusetts, Michigan, Minnesota, Montana, New Jersey, Ohio, Oklahoma, Pennsylvania, and Wisconsin), the number of local districts ranged from 400 to 600 (Grant, 1983).

Local school districts range in enrollment from over 900,000 students in New York City to 10 or less in some of the more isolated parts of the nation. The 120 districts with the largest enrollments have slightly over 9 million of the over 40 million students in the nation's public elementary and secondary schools. Consequently, less than 1 percent of the school districts have over 20 percent of the total enrollment.

The governance structures for public school districts may appear to be somewhat similar, but the problems and complexities are quite different. Differences in size and the capacity to have the quantity and quality of human and material resources needed to address problems are obvious. Local school districts vary in geographical size, number of students, socioeconomic background of parents and students, focus of educational programs, relationship with other governmental agencies, and level of fiscal support. Each state also has its own set of statutes and regulations that control the operation of local school districts for public schools.

In contrast to the public schools that are subjected to uniform requirements and must serve all eligible students, the situation for private schools is not uniform because of the varying degrees to which states exercise control over these schools and their different reasons for existing. Depending upon state statutes and court decisions, private schools have widely varying degrees of independence among the states. The situation also varies because some private schools are not church-related; others are operated by the denomination at large; and still others are under the auspices of a single local congregation. Student populations among these schools also differ because some private schools have open admission for any applicant and others restrict admission to special needs or academically able students.

EXPENDITURES FOR ELEMENTARY AND SECONDARY EDUCATION

Of the estimated total expenditures of over \$130 billion for elementary and secondary education in 1982-1983, approximately \$115 billion were expended by the public schools. The growth in expenditures for the public schools is illustrated in Table 1.1 which shows the unad-