

THE DEVELOPMENT PROCESS OF THE KANSAS
GENERAL FUND BUDGET

By

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CHAPTER I

INTRODUCTION

Statement of Problem

During the course of a school year, every public school system develops a budget for the ensuing fiscal year. These budgets provide the structural shell from which a district's educational programs are operated. "Every school budget reflects a set of choices and values - it represents the list of priorities that have been established for the district's school" (11, p. 2). With the importance that a school budget has, the preparation of this budget is an extremely important task. This developmental task has grown from a simple one to a very demanding task in the 1980's.

There are many complexities in developing a school budget in today's educational world. The reduction in the amount of money available to schools, due to decreases in federal and state funding, has been a leading contributor to the growing complexity of budgeting. Taxpayer's revolts that have spawned the Proposition 13 type legislation in California, Massachusetts and several states, and the defeat of millage referenda have forced school districts to produce budgets that are austere and provide for minimal educational program expenditures.

The steady decline in school enrollments over the past years has caused districts to lose budget expenditure authority. This loss of budget authority has resulted in reductions in employment levels, thus

creating larger class enrollments and pupil-teacher ratios. This decline in enrollments has created, and will continue to create, budget development problems.

Further complications in the budgeting process have been brought about by the demands from the public for new and/or expanded programs. With the passage of Section 504 of the Rehabilitation Act of 1973 and PL-94-142 in 1977, the demand for special education services and related programs has placed burdens on strapped educational budgets. Other examples of the public's demand for new programs include the demands for bilingual education, gifted and talented programs and competency education testing programs.

The sphere of employee negotiations has produced a complexity that must be addressed in the budget development process. As the school district's budget authority has dwindled, the demands placed on the budget through the negotiation process have increased. The country's economic condition dictates to the various employee bargaining units the need for larger salary increases. The salary demands must be accommodated through the budgeting process.

The rate of change in education has called for alternative methods to allocate school funds. The growth in educational technology and "growing sophistication of the public concerning and understanding of school finance have all added to the need for more complex budget planning" (7, p. 168).

The increased sophistication of citizen organizations in school budgeting across the United States has contributed to the development of certain other complexities. In the past, most parents and citizens left the operation of the public schools to the administration and

board of education. However, the public's attitude has changed and they are becoming involved. Since 1972, the bylaws of The National Congress of Parents and Teachers (P.T.A.) have said that "the local P.T.A. groups should seek to participate in the decision-making process establishing school policy" (7, p. 1). The P.T.A. is not the only citizen's group wanting to be involved in the budget process. There are many groups such as the National Committee for Citizens in Education, The A.A.U.W., The League of Women Voters, the Farm Bureau, and other such groups wanting, and even demanding, to be involved. As Dersh (11) says:

All you need is the willingness to work, a pocket calculator, and a conviction that the school budget is your business-- that is too important a matter to be left in the hands of 'experts' and the bureaucrats, and that parents and citizens can and should play a significant part in making their school budget work for their community and their community's children (p. 4).

Board of education members in financially troubled districts and/or states, are beginning to ask more about what is in the budget and wanting to become involved in all stages of the budget development process. Board members are wanting to know how every activity in the school system gets translated in dollars. Board members are being told (42, p. 23) "to take back fiscal policy making in the school system...and see that the budget reflects the values of the board and the administrators." Board of education members have come full circle in their desire to be involved in the budget process. Not many years ago, board members were not interested in being involved because mill levies were not going up, budgets were not being cut and employees were not being laid off. But as the realities of today's school finances and economic conditions have caught up with districts, board members are being asked tougher questions by the citizenry and are demanding to be able to answer these people with correct responses.

One final example of a contributing factor to the complexities of budget development is the university and college instruction that school administrators receive in budget development. This instruction has not kept pace with the increasing intricacies of school finance, thus, school administrators are not being schooled in the nuances of school budgeting and are being taught the traditional line item incremental budgeting. With this lack of proper instruction at the graduate level, school administrators are stepping into their first jobs neither understanding the budget process nor totally understanding school finance.

DeYoung's (12) book, Budgeting In Public Schools, written in 1936, spurred the development of budgeting education in the United States. DeYoung's emphasis on education planning as the basis for planning expenditures and revenues was a landmark concept. Since DeYoung's book, there have been numerous budget development processes invented. Some of these processes are:

Zero Based Budgeting

Program, Planning, Budgeting System

Unit Allotment Budgeting

Incremental Budgeting

Centralized Budgeting

Decentralized Budgeting

Production Function Studies

Continuous Budgeting

Educational Research Services: Comparative Analysis

According to Candoli, Hack, Ray and Stollar (7), concepts of school budgeting can be plotted along a continuum from very poor to outstanding. At the lower end of the continuum are the methods that see the budget

development process as a closed, authoritarian, unresponsive process with little involvement in planning (7). The upper end of the budget continuum has methods that call for broad involvement and an emphasis on educational planning and evaluation as a basis for budget development (7).

With the complexities and difficulties of budget development and lack of training in the budget development process for administrators, school districts are seeking services from outside sources. These outside sources are either certified public accounting firms or budget development consultants. With the use of these outside individuals, many of a district's budgetary decisions are being externally.

The complexities and difficulties of budget development have not escaped the school districts of Kansas. The process of budget development in Kansas has grown from a simple one to a very demanding task in the 1980's. The demands of budget development in Kansas can best be seen in the development of the Kansas General Fund Budget.

The Kansas General Fund Budget is the largest and most important unified school district budget in Kansas. In addition to the General Fund Budget, there are 12 possible other budgets that school districts may use. The General Fund Budget follows the budget design outlined in Handbook II - Financial Accounting For Local and State School Systems (16). The General Fund Budget is extremely important because it serves as the primary revenue source for several other Kansas budgets. These other budgets are:

Vocational Education

Special Education

Food Service

Transportation

Drivers Training

Adult/Community Education

Capital Outlay

The funding of these budgets is done through the General Fund Budget, making the budgets eligible for state equalization aid. The General Fund Budget is the only budget that can receive state equalization aid.

Purpose of the Study

The purpose of this study is to research the budget development processes used by Kansas Unified School Districts in regard to their General Fund Budget. Specifically, this study will seek to answer the following questions:

1. What budget development processes are most prevalent in school districts in Kansas?
2. Do larger school districts use a different budget development process than smaller school districts?
3. Is there a relationship between the involvement of the various administrative groups, district size, development process used and time of involvement in the budgeting process?
4. What is the use of related budget development elements, i.e., budget preparation calendar, board of education policies?
5. Did the school finance and school business management courses taken by Kansas superintendents and principals adequately prepare them for their budget development work?

The Kansas General Fund Budget is the most complex and important budget developed during the school district's fiscal year. Equally as

important as the budget itself is the process by which that budget is developed. The development process determines what the content of the budget document will be. The budget and its preparation may very well reflect the quality of school administration in a district. If the budget development process is disorganized, it is difficult to answer specific questions about "what is in the budget?" (11). Disorganization in the preparation could suggest that money is being wasted (11). A well prepared and organized budget could suggest quality in administration of a district.

Significance of the Study

Very little is known about the developmental process of the Kansas General Fund Budget and this study will provide a baseline study which should be useful to school administrators and as a data base for more in-depth study in the future. This study will provide information for:

1. Future administrators on how districts of various size prepare their General Fund Budgets.
2. The Kansas Association of School Boards on prevailing involvement practices for board of education members in the budget development process.
3. Course content of school finance and business management classes at the universities and colleges, where school superintendents and business managers/officials are prepared.

CHAPTER II

REVIEW OF THE LITERATURE

Introduction

The pattern followed in the review of the literature was to investigate only literature relating to budgeting in the public schools. The main topics addressed in this review were:

1. Definition of budgeting
2. Purpose/function of the budget
3. Budget preparation calendar
4. Budgeting processes
5. Budget development research

Definition of Budgeting

The literature on school budgeting indicates that there is no single definition of the term "school budget." The word "budget" is a simple word with profound implications for educational administration. The more one probes into its potentialities, the more varied and complex its meanings become (28). The following definitions of the term "school budget" illustrate the variance and complexity of the term:

The budget, in the strict sense of that term, is a complete financial plan for the definite period, which is based upon careful estimate both of expenditure needs and of probable income of the government (4, p. 2).

The executive or working budget is the professional translation of current policies, current and anticipated needs into sums of money through a specific form (34, p. 460).

The ideal school budget is defined then as a complete financial forecast both of expenditures and receipts, based on the educational plan. It takes into consideration past experiences, present conditions and future needs (12, p. 8).

The budget may be defined as a planned pattern of expenditures to achieve the educational goals over a specified period of time (24, p. 110).

The budget is the fiscal interpretation of the educational program. In one sense, the budget can be regarded as an expression of the educational hopes and aspirations of the people (27, p. 444).

The budget is the planned educational program of the district expressed in dollars (36, p. 77).

The school budget is sometimes defined as an educational plan expressed in terms of dollars and cents (22, p. 79).

A budget is a forecast, in detail, of the results of an officially recognized program of operation, based on the highest reasonable expectation of efficiency (1, p. 32).

The educational budget is the translation of educational needs into a financial plan which is interpreted to the public in such a way that when formally adopted it expresses the kind of educational program the community is willing to support, financially and morally, for a one-year period (44, p. 81).

The budget is the instrument used to present to an authorizing body a comprehensive financial plan based on a known educational program for a given period of time. At the time of its presentation to the school board by the superintendent, it is looked upon as a plan of attack. When adopted by the board of education and supported by the appropriations necessary to activate it, the budget becomes the ruler of the financial acts that follow. At this point, it becomes an instrument of financial control over the future expenditure acts necessary to fulfill the educational objectives (28, p. 20).

The amount and source of revenue and its application to specific resources is documented in a district budget, which then allows the district to express its educational philosophy in financial terms (52, p. 1).

Budgeting is the formulation of a financial plan in terms of work to be accomplished and services to be performed (40, p. 7).

In defining the term "school budget" the literature also refers to two types of budgets. According to Rabinoff (40), the two types of budgets are "short-term" referring to an annual budget that runs for a period of 12 months and "long-term" representing long-term fiscal planning, possibly for a 10 year period. Another way of describing the two types of budget is "annual budget" representing the legally expendable fiscal allowances for one fiscal year and "long-term budget" representing planned expenditures and receipts over a long period of time, usually five years and not more than 10 years (23). Finally, Knezevich and Fowlkes (28) used the term "fisco-educational planning" to denote long term budget planning, which involves educational and financial considerations in a continuous fashion for an undetermined period of time.

To some, the term "school budget" has a legal connotation because it refers to a prepared document that must be filed with a state government agency. To others the term means a "financial plan serving as a pattern for control over future operations" (30, p. 67). No matter what definition of the term is used, the influence of the budget is great. No aspect of education escapes the influence of the budget according to Kohler (30, p. 9), "No phase of the educational program -- and no phase of its financial support -- can see the light of day without passing through the budgeting process."

Purpose/Function of the Budget

The purposes of the budget have evolved in accordance with the changes that have taken place in the public schools. As the schools have grown in size and complexity, the need for the budgeting of expenditures has increased. The budget of the public schools serves many purposes or functions.

DeYoung (12) developed 12 functions for a school budget:

1. The budget is the servant of education.
2. It gives an overview.
3. It aids in analysis.
4. It develops cooperation within the school.
5. It stimulates confidence among the taxpayers.
6. It estimates the receipts.
7. It determines the tax levy.
8. It authorizes expenditures.
9. It aids in administrating the school economically.
10. It improves accounting procedures
11. It aids in extracurricular activities.
12. It projects the school into the future (pp. 9-13).

Mort and Reusser (35) said that the budget serves a number of well-defined purposes:

1. It projects the school program as accepted by the board and the community into the future for at least one year.
2. It shows what revenue is anticipated from the various sources.
3. It shows the estimated expenditures of the various elements of the school program as well as the system as a whole.
4. It determines the amount of money to be raised from local sources.
5. It aids the administration in conducting the schools according to an accepted plan (p. 161).

The purpose for which a budget is developed, according to Ovsiew and Castetter (38, p. 23), "is to define the nature, scope and values of the process by which it is created." Ovsiew and Castetter also believe that the purposes for which a budget exists are:

1. Give an account of financial stewardship.
2. Facilitating the control of expenditures.
3. Identifying key elements in the management of funds, facilities, and personnel.
4. Appraising the operation of the school program.
5. Specifying education objectives and financial plans (p. 23).

Johns and Morphet (24) looked at the purpose of a budget in a different light. They see the purposes as "... means to provide for an appropriate allocation of authority between the executive (superintendent) and legislative branch (board of education) of a school system"

(p. 444). The purpose of providing an accurate forecast of revenues and expenditures over a specific time frame and as a basis for keeping revenue and expenditures in a reasonable balance are also reasons for a budget, according to Johns and Morphet (24).

Jordan (25) maintains that the basic function of a budget is to serve as an instrument for planning, so that the educational program will not be interrupted or restricted because of insufficient funds or depleted accounts.

Candoli, Hack, Ray and Stollar (7, p. 168) believe that the function of a budget is to "numerically translate the educational program of a school district to the patrons of the district." Thus, the purposes of the budget are:

1. It establishes a plan of action for the future.
2. It requires an appraisal of past activities in relation to planned activities.
3. It necessitates the establishment of work plans.
4. It necessitates foreseeing expenditures and estimating revenues.
5. It requires orderly planning and coordination throughout the organization.
6. It serves as a public information system (p. 168).

According to Roe (44) the benefits of budgeting may be listed as follows:

1. Establishes a plan of action for the coming year.
2. Requires an appraisal of past activities in relation to planned activities.
3. Necessitates the establishment of work plans.
4. Provides security for the administration by assuring the financing and approval of a year's course of action.
5. Necessitates foreseeing expenditures and estimating revenues.
6. Requires orderly planning and coordination throughout the organization.
7. Establishes a system of management controls.
8. Provides an orderly process of expansion in both personnel and facilities.
9. May serve as a public information device (p. 83).

Whetstone and Yates (56) state that the purpose of a budget is

...to help school personnel meet the public demand for accountability and cost effectiveness in three important ways:

1. By providing additional tools to help plan and manage educational activities and resources in order to achieve their best use, consistent with community goals and educational needs.
2. By providing increased and improved data from which decisions can be made.
3. By helping the administration to plan more effectively for reallocation of resources necessitated by the changing needs and desires of the community (p. 10).

Rabinoff (40) feels that the purpose of a budget is to

...provide the necessary administrative machinery and operations to request funds, make them available for needed facilities, programs, projects and individuals who then exercise control to see that they are used in an effective and efficient manner (p. 2).

Rabinoff (40) further states that the purposes of a budget are:

1. Budgets express the school's plans and programs.
2. They determine such things as class size, supplies, equipment and facilities, methods used, results and educational values sought as well as personnel available.
3. They reflect an institution's philosophy and policies and determine what phases of the program are to be emphasized.
4. They can determine the tax levy for the district (pp. 7-8).

Frohreich (17, p. 1) states that the functions of a budget are to "...provide direction for the obtainment of a district's goals and objectives and is also a reflection of the communities' priorities in terms of where it places its revenue resources."

Finally, Stedry (50) contends that a budget serves two major functions:

1. A budget may serve as a plan, indicating requirements of certain factors, e.g., cash, at some future date which serves the function of providing information for subsequent decisions and possibly guiding them.

2. A budget may serve as a control, containing criteria of cost or performance which will be compared with actual data on operations, thus facilitating evaluations and possible encouraging or even enforcing some measure of efficiency (p. 3).

Budget Preparation Calendar

No matter what budget development process is used, development of a budget calendar is recommended. A common thread running throughout the literature on budget development is the establishment and importance of a budget calendar. The budget calendar is a highly useful tool for identifying what budgetary actions are required, and when and by whom they are to be accomplished. The level of detail that will be contained in a budget preparation calendar will depend on the degree to which exhaustive detail will improve the overall quality of the budgeting development process (21).

Hentschke and Shaughnessy (21) indicate that general budget calendars are very useful in indicating when general budget related activities usually take place. Budget calendars can also portray how individuals involved in the budget development process will interact with other groups, and what those other groups will be doing and when.

Because of the complexity of the budgeting process, an in-depth budget preparation calendar may be needed. In order to portray how the many activities in the budget development process are coordinated and actually make up the budgeting process, the use of some type of management tool may be necessary (21). One of the best known and widely used techniques for budget planning, scheduling and control is the PERT chart (21). By using a PERT chart to plan and manage the budgeting process, the administrator has access to:

1. A disciplined and logical basis for planning a project that helps to include essential jobs and eliminate unnecessary ones.
2. A clear picture of the scope of the total project.
3. Identification of responsibility for performing specific tasks (21, p. 4).

Ovsiew and Castetter (38) indicate that some of the important characteristics of a budget calendar are:

Fixed dates for performing certain acts in the budget cycle.
 Fixed responsibilities for performance of certain budgetary acts.
 Kinds of information needed are specified, and responsibility for data gathering is delegated.
 Provision is made for staff participation as part of the budgeting process in developing budgetary needs.
 Means for the lay public and interested community groups to share in the budget review are specified.
 Budgeting is viewed as a continuous, coordinated, systematic process (p. 12).

Hill and Colmey (22) indicate that at the beginning of every fiscal year the school administration should prepare a calendar for budget preparation. They further state that

...if the calendar is used as a guide, it will be possible to actually 'build a school budget'. This is done by creating channels of communication for receiving recommended program needs in terms of personnel, facilities and supplies (p. 81).

According to Frohreich (17) a budget calendar is the initial and most essential step that school administrators should take in developing a budget.

A sequential calendar of events, which designates the time frame for analysis and reporting budget requests and or subsequent review by the administration and board of education, will result in a more accurate budget (p. 15).

Frohreich (17) states that the budget calendar should include the following:

1. Dates by which individual departments, etc., are to have prepared their estimated needs for the ensuing school year.

2. Dates by which the administration is to have the budget ready for board of education review, public hearing, final approval and a date for certifying a tax levy to municipal clerks (p. 16).

The California School Boards Association (52) indicates that budget development is usually started with the establishment of a schedule (budget preparation calendar). This schedule must be tied to the legal requirements of the state, but can be expanded to include "major milestones of input and review" (p. 13). The schedule can also identify who will be involved and who has responsibility for specific actions and documents. The Association states that "... the budget schedule or budget calendar is really the roadway to an efficient budget development process" (p. 13).

Budgeting Process

There is no single budgetary process used to develop a school budget. The processes used are as varied as the school districts which use them. School administrators have prepared budgets on varying levels of sophistication since the beginning of the public schools.

Budgeting Cycle

Seidl (47) states that the major steps in the budgeting cycle are:

1. Its preparation by staff and administration.
2. Its presentation and justification to those concerned with the operation of the school.
3. Its formal approval and adoption by proper authority.
4. Its appraisal to determine the effectiveness of preparation and administration (p. 13).

According to Seidl (47) one or more of the budgeting steps should be constantly taking place throughout the school year. Also, one cannot forget the setting within which the steps of the budgeting cycle

take place. There are five major interrelated areas which must be considered before the budgeting process can have much chance of bearing fruit. These areas are:

1. Philosophical objectives
2. Program to implement the objectives
3. Personnel
4. Buildings and equipment
5. Finance and management (47, p. 15)

Roe (44) indicates that there are seven basic steps in the budgeting cycle:

1. Planning
2. Coordinating
3. Interpreting
4. Presenting
5. Approving
6. Administering
7. Appraising (p. 93)

Hill (22) says the budgeting cycle covers two years of "skillful executive leadership" and involves four fundamental steps. Figure 1 illustrates Hill's two-year cycle.

1st Year	2nd Year
Planning Presentation Adoption	Administration

Figure 1. Hill's Two Year Budget Cycle

The "planning" step, according to Hill (22), should attempt to learn what the potential income will be and what the educational needs of the

district will be and then recommend these needs to the board of education. The "presentation" step involves providing adequate information on the proposed budget to the board of education.

Knezevich's and Fowlke's (28) budget cycle consists of five steps that depict the evolution of the budget from its conception to its execution and inevitable appraisal. These five steps are:

1. Preparation
2. Presentation
3. Adoption and Authorization
4. Administration or Execution
5. Appraisal (p. 34)

DeYoung (12) developed a four stage budgeting cycle. This cycle is:

1. Planning: determine what the desired educational program of the school district is and then project budgetary estimates which are adequate for implementing the program.
2. Adopting: (A) tentative budget brought before board of education
(B) present budget to patrons
(C) budget adopted by board of education
3. Administering
4. Appraising: appraisal periodically to determine that the expenditure and financing plans are planned (p. 21).

Three basic steps in the budgeting cycle have been developed by Rabinoff (40, p. 12) and they are "collecting the necessary information, classifying the information and presenting and adopting the budget."

Jordan (25) embellishes the budgeting cycle by calling the cycle GOPAAR. The first step in this process is to develop budgetary/school goals. Second, is the determination of the patterns for the administrative structure through which the goals will be accomplished. In the third step, priorities are determined for the stated goals. Following the determination of the priorities and the development of the budget, is the approval of the budget by the board of education. Finally,

comes the administration and review of the budget (25). Each of the various phases of the GOPAAR process are dependent on each of the others.

Johns and Morphat (24) maintain that the budgeting cycle consists of a number of steps which are:

1. Determining the purposes of the educational program.
2. Developing educational plans to achieve the purposes agreed upon.
3. Preparing a budget document to forecast expenditures and revenue necessary to implement the educational plan during a stated period of time.
4. Presenting, considering and adopting the budget.
5. Administering the budget.
6. Appraising the budget (p. 448).

Finally, Gerwin's (18) budgeting cycle has eight steps and includes the state legislature as the first step in the cycle. Gerwin's budgeting cycle is:

1. State legislature convenes to enact laws, among which are those laws affecting the budgets of local school districts.
2. Budget forms sent to the subunits in the school districts administrative hierarchy so that they may enter their requests.
3. Administrative staff makes a preliminary review of budgetary requests and drafts a preliminary budget.
4. Revenue forecasts are made for the coming year.
5. Preliminary budget, including expenditures and revenue estimates, is presented to the board of education.
6. Board of education reviews the preliminary budget.
7. Public Hearing on proposed budget.
8. Budget approved by board of education (p. 42).

Budgeting Philosophy and Policies

Every school district should have a definite budget philosophy (36). This philosophy should be practical and not based on "abstractions, verbalism or 'window dressing' language" (p. 77). Nelson (36) indicates that budget philosophy could be as the following examples:

The budget should reflect a superior educational program which will in cost be in the upper 10 percent of those provided within the state.

The program in cost represented by the budget should be better than mere average (p. 80).

Frohreich (17) says that all districts should have board of education policies which deal with the budgeting process. A standard set of budgeting policies, which could be adopted by all school districts is not practical because of the wide diversity of states and school districts (17). Frohreich indicates that there are five general areas that budget policies should address. These areas are:

1. General policies dealing with budgeting philosophy and the process to use.
2. The budget preparation and a budget preparation calendar.
3. Presentation of the budget to the board of education.
4. Administration of the budget.
5. Evaluation of the budget (pp. 99-103).

Nelson (36) states that the board of education policies dealing with the budget should state:

1. The budget will be developed annually on the basis of board approved policy.
2. Budgeting will be considered as a continuous process rather than a year-end rush. A budget calendar will be provided which will expedite the budget process.
3. The entire budgeting process will be one open to public scrutiny and the budget division will give all known facts to both the proponents and opponents of the board and administration (p. 80).

DeYoung's Equilateral Triangle

The first real foray in defining the budgeting procedure was done by DeYoung (12) who spurred the classic concept of a balanced budget by symbolizing the developmental process as an equilateral triangle.

DeYoung's triangle shows that a budget is based on an educational plan and matched by a spending plan equal to a financing plan. The skill in this budgetary process is to adjust all three parts of the budget so that they balance precisely (12) (see Figure 2).

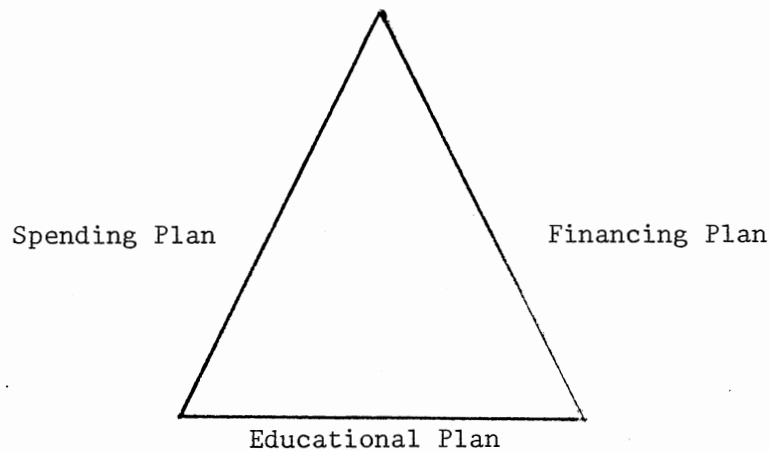


Figure 2. DeYoung's Equilateral Triangle

The educational plan shows the scope of the school program prepared for the coming year. This educational program should not be isolated from the spending and fiscal programs in the budget (12). The general nature of the educational program, and of the budget as a whole, is influenced by the nature of the educational philosophy held by the board of education, administration, teaching staff and community (12).

The spending plan of DeYoung's budget consists of accurate estimates of all proposed expenditures. The finance plan calls for an evaluation of the various sources of revenue and "for the accurate, detailed reckoning of receipts" (12, p. 121).

DeYoung's budget triangle is still basic to today's budgeting processes. Although the process has undergone several changes, the structural shell remains the same.

Dersh (11) has expanded DeYoung's concept to four essential components of a budget. These components are:

1. A revenue plan, sometimes called receipts or income.
2. An expenditure plan, also called allocations or expenses.
3. An educational plan, including the goals and objectives of the school district and the programs included in the budget. It is sometimes integrated with the expenditure plan.
4. A priority plan (this section, which identifies the priorities which have been adopted by the board, is often included in the educational plan) (p. 12).

Jarvis, Gentry and Stephens (23) proposed a variation of DeYoung's equilateral triangle which consists of four concentric circles. The circles have as their innermost core the "desired educational program" of the school. This inner core is supported by the encompassing circles of "necessary expenditures" and "method of financing" (23). This then, constitutes the school district's balanced budget.

More recently, the budget process has been pictured as resources flowing into the educational program to obtain educational output or results (17). This process is in contrast to DeYoung's equilateral triangle and is illustrated in Figure 3.

Budgeting Processes

The various budgeting processes, while present in practice and distinguishable in the abstract, are not always mutually exclusive. There is some overlap between processes.

Incremental Budgeting

The review of the literature indicates that the simplest budget development process is the incremental process. In such a process, the determining factor for the context of this year's budget is last year's

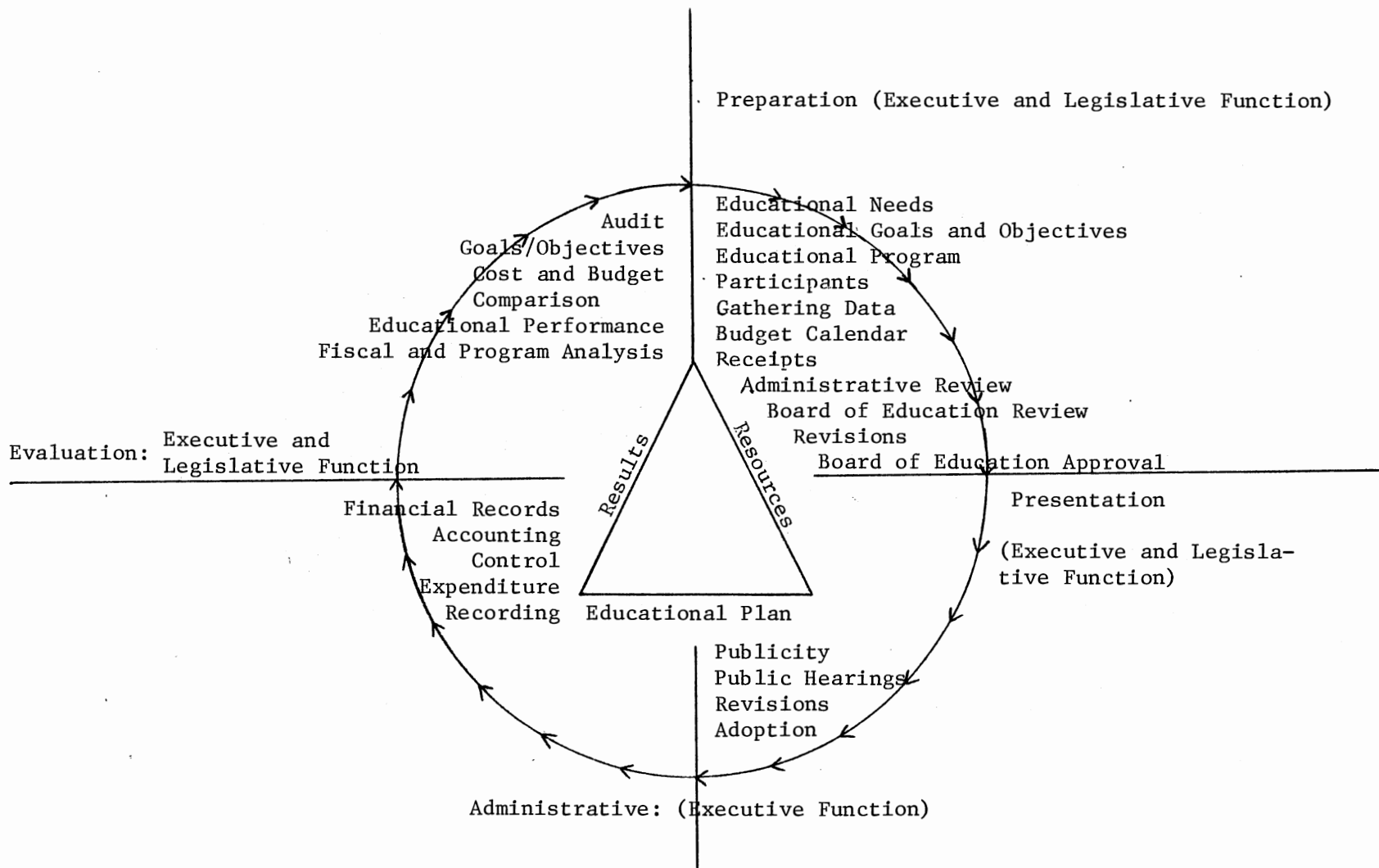


Figure 3. The School Budgeting Cycle: A Continuing Process

budget. The incremental developed budget is not based on the comprehensive review of programs, program alternatives or planning, but is a product of previous budget decisions (49). The incremental process is simple and quick. The new budget's few line items are increased/decreased by the same percentage which the law allows the total budget to increase/decrease (49).

Unit Allotment Budgeting

The unit allotment technique for developing a budget, was first employed in the large city school system in the 1930's. This procedure involved the establishment of certain allowances per student. This allotment, expressed in terms of dollars, was then multiplied by the number of students in a specific building or in the total district to arrive at the budget. All budgeting decisions, however, are made by the central administration. This method could not be applied equally well to all objects or expenditures. Also, its value depended primarily upon the philosophy of the administration as well as the educational and statistical criteria employed in determining the basic allocation (12).

A variation on the unit allotment method is the "guidelines" concept (53) of budget construction. This concept works from a common base unit, such as average daily attendance, in the allocation of money to schools or departments. This common "guideline" then can be used for allocation of needed teachers, supplies, equipment. Examples of Throop's (53, p. 16) "guidelines" allocations are "counselors = 400 ADA to 1 counselor, library books and subscriptions = \$6.00 p/ADA and instructional supplies = \$20.00 p/ADA."

Mechanical Budgeting

Expenditures and revenues balance with little thought being given to the desired educational program (44). The mechanical budget can be set out on two sheets of paper, one sheet for revenue and one for expenditures (17). Budgeting simply becomes a bookkeeping task which is required by law.

Toward the close of the fiscal year, the central office administrative staff

... enters into a few weeks of intensive ... analysis of past and current budgeting records and makes projections for the ensuing budget. Very little thought is given to the district's long-range budgeting needs or educational programs. The only planning done is to determine what operations can be cut, eliminated, or padded, based upon anticipated revenue (44, pp. 86-87).

Yearly Budgeting

This process devotes little thought to the district's or school's educational plan. Rather, major concerns center around an attempt to construct a budget in a period of three to four weeks for presentation to board of education (7). There is no pre-planning and everything is done at the very end of the fiscal year (23).

Administration-Dominated Process

This process is one originally devised and enforced by management. The central office staff solicit minimum assistance from principals, teachers and community (23). According to Candoli et al. (7, p. 170), the "prevailing philosophy seems to be that the fewer who know about the budget, the less will be the static, and the fewer the questions."

Centralized Budgeting

A centralized budget development process views and works with all schools in the district as if they were one. This process makes no differentiation for the differences in schools; and budget allocations are given with no attention paid to existing resources or to any past budgetary requests. All budgeting decisions are made at the central office and all schools must accept these decisions.

This concept tends to treat the entire system as a homogeneous unit rather than recognize that even the smallest systems are most heterogeneous, made up of varying diverse persons with unique needs, abilities, capabilities (3, p. 170).

Functional Budgeting

School officials first seek to determine their educational objectives. Then an educational plan is developed which will enable the school district to achieve its educational objectives (23). The educational plan is translated into a budget which is presented to the community and board of education for approval and adoption (7).

The resulting budget is one which the community agrees to and is frequently a compromise between what school officials think is needed and what the community is willing to pay. This process over a period of years normally results in a greater sensitivity on the part of the citizenry for the needs of the school system and an increased desire to provide revenue for a qualitative educational program (23).

Continuous Budgeting

The concept of continuous budget development views the process as a daily operation. Once a budget is approved by the board of education,

work begins on next year's budget. The strengths and weaknesses in the operation of the present budget are continuously evaluated, and these evaluations are used to develop the new budget.

The continuous consideration of the budget is not an automatic operation, certain administrative devices must be used: (A) scheduling decisions of the budget through the year at staff, teachers, and board meetings; (B) setting up 'tickler' files around the system which prod people to think about and make suggestions concerning the budget; (C) establishing a calendar which distributes the various phases of budget making over a 12 month basis; (D) requiring reports which force consideration of items that should be included in the budget (7, p. 171).

Participatory Budgeting

Using this process, the budget is "perceived as a means of involving all those affected by the budget" (17, p. 22). The degree of participation will vary among school districts, but the idea is to secure input to the budget from those most closely associated with the expenditure of the funds.

Users of this process subscribe to the philosophy that since schools are tax-supported, the citizenry should be consulted about budgetary requests to finance the educational program of the community (23). Also, teachers and non-teaching personnel who develop the educational plan are afforded the opportunity to suggest procedures and materials for purchase which they believe will aid them (33).

Decentralized Budgeting

With this process, budget amounts or allocations are provided on a school-by-school basis, and principals and teachers decide how to spend the money. The principal is totally responsible for the expenditures of the budget amount/allocation given to the building.

Decentralized budgeting is referred to by such terms as School-Based Budgeting (6), Site-Management (48), School-Site Budgeting (45), Forward Funding (19) and Global Budgeting (8).

The essence of decentralized budgeting is that school personnel have discretion to allocate funds across a variety of budget categories according to priorities established at the school level (5).

The methods for determining the building allocations for decentralized budgeting vary. Methods used include:

1. Resource Allocation Model: provides schools with a lump sum based on student enrollment for the budget category of certificated and non-certificated staff as well as selected capital outlay, supplies and service purchased accounts (41, p. 5).
2. Personnel Unit Model: provides schools with a specific number of personnel units on the basis of student enrollment. One unit is the equivalent to the average salary for teachers in the system (57, p. 5).
3. Average Dollar Base System: provides schools with money using the same formula for funding that a state uses to allocate money to local schools (37, p. 3).
4. Weighted Per Pupil Factor: provides schools with money based on a varying per pupil amounts which are determined via the educational differences and levels of students, i.e., elementary student, middle school student, learning disability student, gifted education student, SMH student, TMH student, etc. (6, p. 17).
5. Educational Equivalent Unit: provides money based on a per pupil amount that is equal to the average amount of money paid a teacher (9, p. 7).
6. Past Expenditure History: using historical expenditure information for a combination of any given number of years, money is allocated based on what the buildings' past expenditure has been (19, p. 36).
7. Full-time Equivalency/Average Daily Attendance/Average Daily Membership: these methods provide allocations based on the number of students in a school. Each student is equal to a set dollar amount (53, p. 16).

School-Based Budgeting exists in school systems when

...the board of education or central office provide principals, in conjunction with staff, with an opportunity to prepare and administer a budget for the allocation of resources at the school level, with such a budget to include allocations for certificated and non-certificated staff, as well as for supplies, equipment and services (6, p. 6).

Site Management embraces the following principles:

1. Funds are allocated to schools on the basis of the need of students in the schools.
2. The specific educational objectives of a school are set by people associated with the school.
3. Decisions about how funds are to be spent for instruction are made at the school.
4. The organization of the instruction is determined at the school level.
5. Parents participate in the school budget decision making (48, p. 1).

Global Budgeting is a concept devised by the Lanark County Board of Education in the Province of Ontario, Canada (8). With this concept, the staff is:

...required to create a list of priorities for programming. Then the principal and the staff collectively determine the numbers of personnel they will employ and the amounts to be expended on supplies, libraries and all other resources (8, p. 1).

The concept permits the staff to place emphasis on the current goals and objectives for the school and to allocate the appropriate finances to support these goals (8). With Global Budgeting, each school principal is given the prerogative of adding or reducing programs providing that:

1. The principal and staff prepare the community of the school for the proposed addition or reduction, thus trying to prevent major political problems for the Central Office and Board of Education.
2. In the event of the reduction of a grant-bearing program ...the school must be prepared to absorb the loss of revenue from its total budget as a school (8, p. 5).

Program Planning Budgeting System

The Program Planning Budgeting System (PPBS) technique is defined in a variety of ways. Two of these ways are:

PPBS is a process wherein the objectives of achievement are noted, and alternative methods of achieving the objectives over an extended time frame are determined, analyzed, budgeted, selected and evaluated (41, p. 21).

The concept of PPBS means budgeting, on a priority basis, instructional and support programs which have been set up to accomplish mutually agreed upon objectives. Processes - number and mixture of services and goods - to achieve these objectives are determined through simulation and analysis on an alternative basis. Recurring budgeting is done on a priority basis after previous processes have been evaluated (43, p. 81).

PPBS is a process for accomplishing the following budgeting tasks:

1. Determining Needs: Deciding what kinds of educational programs are relevant to the community.
2. Generating Objectives: Specifying the desired measurable results of educational programs at various levels.
3. Choosing Among Alternative Methods: Identifying and deciding among various methods for achieving the educational objectives.
4. Allocating Funds On Priority Needs Basis: Spending community money on educational programs which deal with areas of a community's greatest educational need.
5. Evaluating Educational Programs: Measuring actual achievement resulting from programs and comparing it with desired achievement indicated in the objectives.
6. Revising: Redefining needs, objectives, educational programs and allocation of funds based on feedback obtained from evaluation (55, p. 2).

The PPBS process is distributed over four separate but interrelated functions -- Planning, Programming, Budgeting and System Evaluation (55). Their sequence and relationship are depicted in Figure 5.

Using PPBS calls for a school system to take the four functions of PPBS, Figure 4, and expand and delineate the four basic functions as illustrated in Figure 5.

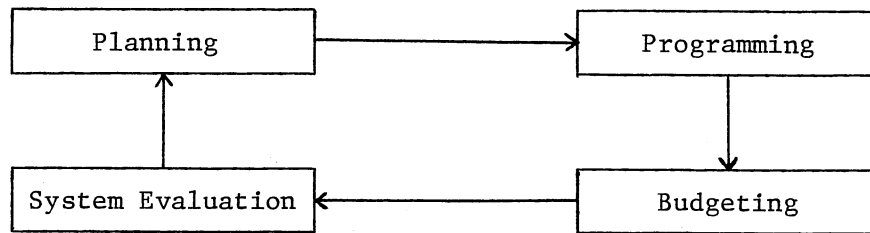


Figure 4. Basic Functions of the PPBS Process

Zero Based Budgeting

In 1969, Peter Pyhn of Texas Instruments developed a budgeting system entitled Zero Based Budgeting (ZBB). This process of budget development moved into state governments in 1972 in Georgia, and in 1978-1979, educational institutions implemented the process (10).

ZBB is an operating plan and budgetary system which requires each administrator to justify their budget request in detail. The process shifts the burden of proof to each administrator to justify why they should receive any money at all. ZBB requires that all programs be described in "decision packets" which are systematically analyzed and ranked in order of importance and then funded according to this ranking (10).

ZBB is a management system that promotes the use of school resources in the most effective manner. The system requires program planning prior to the allocation and utilization of resources. ZBB increases participation and involvement of the staff and improves the quantity of administrative information gathered for budget development purposes (10).

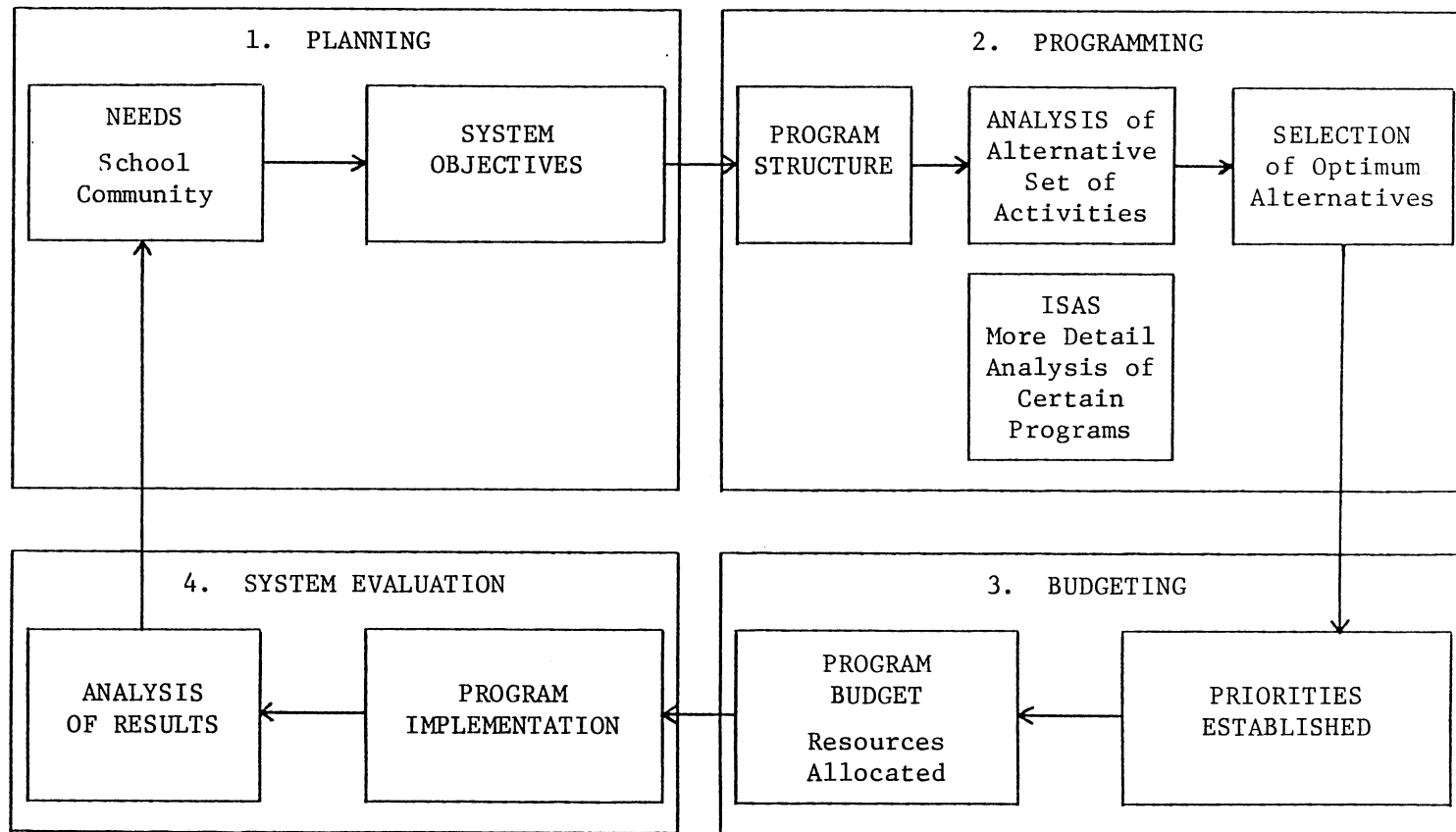


Figure 5. Four Basic PPBS Functions Flow Chart

The four basic ZBB budgeting steps, according to Curtis (10) are:

1. Identifying 'decision units.'
2. Analyzing each 'decision unit' in a series of 'decision packets.'
3. Evaluating and ranking all 'decision packages.'
4. Prepare detailed budget reflecting the ranking of 'decision package' (p. 8).

"Decision Units" are elements of a school such as personnel, instructional programs, services received or purchased, equipment, special projects that can have money allocated to them for the purpose of expending this money (10).

A "Decision Package" is an analysis of each described function or operation of a "decision unit." This "decision package" is

...written on the program or sub-program level and contains written justification, expectations, and from five to ten major objectives of expenditures for each alternative educational plan (10, p. 28).

The most critical element in the ZBB process is the evaluation of "decision package" alternatives. According to Curtis (10, p. 16), this evaluation function focuses on "different ways of performing the function and different levels of effort for performing the function."

The total budget is then developed by the combination of the "decision packages" selected based on their ranking of importance to the educational building and their district (10).

Production Function Study

A complicated budgeting process and one that is built on assumptions that there is a significant relationship between what happens to a student and the variables of learning. Benson (2) describes this process by stating that:

These studies attempt to relate the production of certain measurable and, presumably, important educational outcomes

to the consumption by the school district of certain defined school resources - such as teacher's time, instructional materials and equipment, and so on - subject to certain conditions of the student and of his or her peers in the classroom (p. 188).

Production Function Studies, when completed, tell the district where to budget their money. They tell the district to allocate more money for salaries or to lengthen the school year for more effective teaching, or to save money in utilities by shortening the school day (2).

Educational Resource Services: Comparative Analysis

Educational Resource Services, a non-profit institution sponsored by eight national organizations of school administrators and school boards, provides a method of budget development based on a comparative analysis. This system provides an individualized comparative analysis of a school district's line item budgets for the current year with those corresponding line items of 18 other selected school districts. This procedure also compares a district's budget with all participating school districts in the Educational Resource Services' program, with school districts that have comparable enrollments and with school districts with comparable per pupil expenditures.

The Educational Resource Services Comparative Analysis System can aid in making basic financial decisions and analyze budget priorities. Some administrators use this system for determining district goals and objectives, to explain the rationale for various budget recommendations and for preparations in the negotiations process.

Budget Development Research

A study of the budgeting procedures of small independent school districts in Oklahoma was conducted by Farrar (14). This study attempted to identify the desirable practices and procedures in budgeting used in various school districts. Farrar concluded that

. . . there remains little if any doubt that the most significant element in the school budgeting process is the development of an appropriate stated educational plan that provides the basis for actual preparation of the financial aspect of a school budget . . . it was absolutely essential to achievement of the maximum effectiveness of financial management in a school district (p. 200).

Tobiska (54) studied the budget preparation process in Nebraska. This study was designed to determine budget preparation procedures used, the structural patterns of budget preparation, the defined budget calendar and the individual and committee responsibilities for various sections and parts of the budget. The conclusions of this study indicated that:

1. The responsibility for preparation of the budget as well as major involvement in assisting with the preparation, seems to be well established as resting with the superintendent, board of education and teachers in that order.
2. An orderly, planned and written time schedule, or budget calendar, of tasks to be performed is not prepared by a majority of schools surveyed.
3. Budget preparation is considered to be a continuous operation by the authorities, but this concept is not practiced in any appreciable degree by schools surveyed.
4. Only about half of the schools surveyed revealed a method for determining priorities of items, programs or practices.
5. The use of regular publicity of school budget plans and the whole area of public involvement do not fall into the practices of the majority of schools surveyed (p. 212).

The application of using a time network analysis in developing a school budget was studied by Brown (3). Brown tested the feasibility of using a technique which would better enable school officials to plan for the utilization of input resources of the staff, time, community

people and data processing equipment. The procedures used in the study included placing on a network graph those sequential activities and events which the analysis revealed as relevant to the budget development process. Two conclusions were drawn from the study. First, the system techniques were adaptable for planning and controlling the development of a budget operation of some school systems and, second, that time network techniques can be applied to other school operations (3).

In studying the budget processes in the Missouri schools in 1954, Perry (39) concluded that:

1. Budgeting should be made a continuous process.
2. Participation in budget preparation should be provided for all persons concerned with the education of children in all phases of budgeting where the qualifications of the participants warranted.
3. The conference, the committee and the staff meeting should be used as methods of participation in budget preparation.
4. A definite educational plan should be formulated, be presented/approved by the board of education before a tentative budget is prepared and made a definite part of the budget document (p. 293).

The Baltimore public school's budgeting practices were studied by Kiser (26) in 1967. Kiser analyzed Baltimore's budgeting practices in relation to the scientific management movement. Kiser concluded that:

1. Budgeting involves a network of activities within the schools...of people who make decisions and who attempt to influence these decisions.
2. As the roles of persons, who make budget decisions, become more specialized, budgeting practices become more systematic.
3. Teacher's attempts to influence budget decisions pervade the formulation and adoption stages of the budget process.
4. Scientific management concepts have corresponded to school budget practices to a moderate extent especially in the years between 1950-1966.
5. School budgeting practices make no provisions for determining whether expenditures achieve the expected results from the educational plan (p. 262).

Lovik (32) studied the budgeting procedure in selected California unified school districts and concluded that:

1. Two-thirds of the districts had written policies covering the budget development program.
2. Less than 10 percent used a local lay advisory committee as a sounding board on budget matters.
3. An organized program existed to explain and interpret the budget to district staff in 53 percent of the districts, but only 24 percent had such a program for the community.
4. Long range budgeting was practiced in over 50 percent of the districts (p. 303).

In an examination of the budget-making process used by superintendents where budgets had been approved by the electorate, approved in part or rejected in entirety, Koeniz (29) found that:

1. Superintendents who involved citizens in the developmental phase had a higher rate of approved budgets.
2. Superintendents who had an organized procedure for development and involvement of staff in the process had a higher rate of approved budget (p. 173).

In 1981, Ferry (15) conducted a study in Connecticut in which 86 percent of all local school superintendents in the state indicated the extent to which they used different factors to make budgeting decisions. Ferry's (20, p. 13) results showed that "the single most relevant factor considered by superintendents in developing the budget was 'collective bargaining contract provisions'."

The priority budget development ranking criteria of Ferry's (20, p. 13) study, based on a four point scale, were:

Priority Budget Ranking Criteria	Mean Responses
1. Collective Bargaining Contract Provisions	3.70
2. State and Federal Laws and Regulations	3.58
3. Governing Board Fiscal Policies	3.55
4. Number of Clients Affected	3.51
5. Program Quality and Evaluation Results	3.18
6. Administrator's Judgement and Intuition	3.09
7. Staff Recommendations and/or Needs Assessment . . .	3.02
8. Internal-Organizational Political Pressures	2.73
9. Non-Client Expenditures	2.72

10. Accreditation Standards	2.65
11. Past Practice and Local Tradition	2.55
12. Impact of Matching Funds	2.31
13. External-Community Political Pressures	2.30
14. National and Regional Curricular Trends	2.11
15. Principle of Least Opposition	1.70

Scurrah and Shani (46) conducted a study focusing on organizational implications of PPBS. They hypothesized that:

...groups using a conventional budgeting approach would have a greater amount of interindividual conflict than PPBS groups and that PPBS groups would have a greater amount of intraindividual conflict than conventional budget groups (p. 77).

From their study Scurrah and Shani (46) concluded:

1. Groups using the conventional budgeting approach did have a greater amount of interindividual conflict than did the PPBS group.
2. The PPBS group's produced budget tended to be rated by four evaluators - two faculty members and two budget administrators, more highly than budgets produced by the conventional groups (p. 77).

In studying decentralized budgeting/school site budgeting, Kowalski (31) sought to identify the perceptions of principals relative to this process. Kowalski's findings reveal that the majority of the principals in the study supported, at least in theory, the concept of school site budgeting (31). The support for school site budgeting did not seem to be associated with the factors of:

1. The level of principal (elementary, secondary).
2. The size of the school district enrollment.
3. The enrollment of the principal's schools.
4. The level of training of the principal.
5. The amount of administrative experience.
6. The age of the principal (31, p. 76).

Kowalski (31, p. 76) further concluded that the support from the principals for the concept was based on the "perceived benefits of the model/system." Finally, Kowalski concluded that

...principals do appear to be willing to assume the added responsibility and work involved in order to achieve the addi-

tional flexibility and autonomy they perceive associated with decentralized budgeting (p. 76).

Duncan and Peach (13) studied the implications of school-based budgeting for principals and concluded that:

Taken overall, the single organizational change of transferring discretionary budget control to the school has many far-reaching implications for the principal. In addition to changes in decision-making processes and communication patterns, the school may be thrust more into public view. Along with the professional educators, the community may more readily realize the cost of equipping and supplying a school. Consequently, along with the need for more thoughtful and precise planning, careful evaluation of all activities becomes mandatory. The principal, then, must take the initiative to help broaden the perspective of all staff members so that all programs can be carefully analyzed and assessed (p. 41).

Summary of Budgeting Processes

For school districts, the budgeting process constitutes the primary mechanism for planning and controlling educational activities. Most people understand that budgeting affects teacher's salaries, quantities of supplies, and the kind of maintenance a school receives. What is not so readily understood is that budgeting also affects important decisions about what is taught, how it is taught and who teaches it (6).

The literature indicates there are several budgeting processes with variations for each one. These processes are known by different names and used in slightly different manners. The various budgeting processes can be consolidated into eight budgetary processes which are:

Incremental Process

The new budget and the budget's line items are increased (or de-

creased) by the same percentage which the state allows the budget to increase.

Program Planning Budgeting System (PPBS)

The budget is developed on a priority basis, considering the needs of instructional and support programs which have been initiated to accomplish mutually agreed upon objectives. All expenditures are predetermined to accomplish the various program objectives.

Unit Allotment Process

Allowances per student are developed by the central office administration and these allowances are expressed in terms of dollars per student. This per student allotment is then multiplied by the number of students in a specific building or in the total district to arrive at the district's budget and line items.

Zero Based Budgeting

Budget development based on "decision packets" which are systematically analyzed, ranked in order of importance and then selected for inclusion in the budget. The process requires each administrator to justify each of their budget requests.

Educational Resource Services:

Comparative Analysis

A method of budgeting based on comparative analysis. This system provides an individualized comparative analysis of a district's line item budgets with corresponding line items of other school systems.

The analysis provides information on per pupil expenditures, budget priorities, and rationale for various budget expenditures.

Production Function Studies

A budgeting system that uses a formula that assumes there is a significant relationship between what happens to a student--called outputs--and three variables to characterize conditions of learning--called inputs. The "input" variables describe: (1) the out-of-school environment of the student, (2) the given student's fellow students, and (3) components of the schooling environment.

Decentralized Budgeting

Budget amounts/allocations are provided on a school-by-school basis and principals and teachers decide how to spend the money. The principal is totally responsible for the expenditure of the budget amount/allocation.

Centralized Budgeting

The budget is developed with no attention to existing resources or past budgeting requests. All budget decisions are made by the central office and all schools must accept these decisions.

No formula or process has been developed that will produce a perfect school budget. Substantial progress has been made in the area of budget development but much remains to be done. However, one basic criterion is known in regard to school budgeting and that is "to make budgeting such an effective facilitating device that it furthers the intentions of the public and the school" (12, p. 543).

CHAPTER III

METHODOLOGY

This study was undertaken for five reasons. First, was an attempt to find what budget development processes are most prevalent in developing the Kansas General Fund Budget. Second, the study attempted to find out if larger school districts used a different budget development process than smaller school districts. Third, the study attempted to find if there was a relationship between the involvement of the various administrator groups, district size, development process used and time of involvement in the budgeting process. Fourth, an attempt was made to find the use of related budget development elements. Fifth, the study tried to find out if the school finance and school business management courses taken by Kansas superintendents and principals adequately prepared them for their budget development work.

Definitions

The following definitions of terms are given to clarify the language of this study. Some of the terms utilized in the study are more delimited than popular use of the term would suggest.

General Fund Budget--The largest budget for Kansas unified school districts. The budget follows the budget design outlined in Handbook II--Financial Accounting For Local and State Systems. The budget

serves as the primary revenue source through transfer of collected tax revenues to several other budgets.

Administrative Groups--The board of education, central office administrators such as superintendent, deputy/associate/assistant superintendent/business manager and building principals.

Related Budget Development Elements--Items that relate to the budget development process but are not a part of the developmental process. These elements include board of education policies relating to budgeting, budget preparation calendar, development of an education plan and the budget document.

Chief Budgeting Official--The individual who had overall responsibility for the development of the district's General Fund Budget.

Design

The design of this study was descriptive in nature involving only nominal and percentage data. It covered the following areas:

1. Identifying the budget development processes used by the various sized school districts.
2. Reporting the involvement of the various administrative groups in the budget development process.
3. Identifying and reporting on the related budget development elements used by various sized school districts.
4. Identifying the time frame in which the various administrator groups were involved in the budget development process.
5. Reporting on the perceived value of the administrator's school finance and school business management courses in regard to providing assistance with their budget development work.

6. Identifying the "preferred" budget development process of boards of education and superintendents. This is in contrast to identifying the budget development processes currently used.

7. Identifying the "preferred" related budget development processes of the board of education, superintendents and building principals.

Scope and Limitations of the Study

This study was limited to the development of the 1981-1982 Kansas General Fund Budget. The study was further limited to a random sampling of 20 percent of the school districts in each of the four budget enrollment categories identified by the State of Kansas. These budget categories were based on the prior year's total full-time equivalency enrollment and were used to calculate the maximum General Fund Budget for each district in 1981-1982. These enrollment categories were 0-200, 201-399, 400-1799 and 1800 and over.

Limitations were further placed on the study by deleting from the random sampling those districts that had a new superintendent and/or chief budgetary officer for 1981-1982. These individuals were excluded because they were not employed in their present positions during the development phase of the 1981-1982 General Fund Budget. Verification of the presence of a new superintendent and/or chief budgetary officer was obtained from the Division of Financial Services of the Kansas State Department of Education.

Collection of the Data

With the limitations placed on the possible number of districts for random selection to participate in the study, there were 29 possible districts in the 0-200 enrollment category, 55 possible districts in the 201-399 enrollment category, 154 possible districts in the 400-1799 enrollment category and 30 possible districts in the 1800 and over category. A random sampling of 20 percent selected six districts in the 0-200 category, 11 districts in the 201-399 category, 31 districts in the 400-1799 category and six districts in the 1800 and over category.

To obtain the necessary data for the study, separate questionnaires were developed for the boards of education, for the superintendents and the building principals. These three questionnaires were mailed to each district selected to participate in the study. In working with the principals in the 1800 and over category, it was found that two of the selected districts had over 80 principals. It was then decided to random select 20 percent of the high school, junior high school/middle school and elementary school principals of these two districts. This selection process reduced the number to 17 principals.

The three questionnaires were constructed with some overlapping questions, some identical questions and some different questions. Overlapping questions permitted the same question to be asked, but in varying forms, on each questionnaire, e.g., board of education questionnaire "were the building principals involved in the budget development process?" and principals questionnaire "were you involved in the district's budget development process?" With the use of overlapping and identical questions, it was hoped that the validity of the answers to the questionnaire items, from the three groups could be checked by the researcher.

Since the questionnaires were specifically developed for this study, field review of the questionnaires was necessary. Selected to review the questionnaires were board of education members, superintendents and building principals not involved in the actual study. Each questionnaire was reviewed by five individuals. The individuals were asked to respond to the following questions:

1. Were the directions for each section of the questionnaire clear and understandable?
2. Were the definitions of the budget development processes clear and understandable?
3. Were the questions in the budgetary section clear and understandable?
4. Was the questionnaire length right, too long or too short?
5. What comments do you have for improving the questionnaire?

After the field review, the final drafts of the questionnaires were developed.

In mailing the questionnaires, a cover letter (Appendices A, B, C, D) was attached to each questionnaire explaining the purpose of the study and assuring anonymity of the respondents and their districts. For the districts in the smaller two enrollment categories (0-200 and 201-399), all three questionnaires were mailed to the superintendent. This was done because of the small number of building principals involved and because in several of the districts, the superintendent also served as a building principal. If a superintendent served as a building principal, the individual was only asked to complete the superintendent's questionnaire. In the larger two enrollment categories (400-1799 and 1800 and over), the questionnaires for the board of

education and superintendent were mailed to the superintendent. Because of the large number of building principals, their questionnaires were mailed directly to them. A stamped, return addressed envelope was attached to each questionnaire.

The board of education questionnaire, Appendix E, was to be completed by the board president. This questionnaire was designed in three parts. The parts and responding directions were as follows:

Part 1--Budget Development Process: Respondents were asked to indicate the budget development process their district used in developing their 1981-1982 General Fund Budget. Respondents were further asked that, if the process used was not the process preferred, to indicate their preferred budget development process.

Part 2--Budgeting Questions: Respondents were asked to respond to a series of 14 questions relating to the development and approval process of their district's 1981-1982 General Fund Budget. They were also asked to indicate if they would have preferred to use the budgeting step, if they marked "no" for response to the question.

Part 3--Budget Development Time Line: Respondents were asked to indicate what calendar months they were involved in the budget development and approval of their 1981-1982 General Fund Budget.

The superintendent questionnaire, Appendix F, was to be completed by the superintendent, or the chief budgeting official who had responsibility for developing the 1981-1982 General Fund Budget. This questionnaire was designed in four parts. The parts and respondent directions were:

Part 1 - General Information: Respondents were asked to give their district's 1981-1982 full-time enrollment and indicate the administrator

who had responsibility for developing the district's 1981-1982 General Fund Budget. Also, the respondents were asked to indicate the university or college, and the year, in which the administrator who had responsibility for developing the budget took courses in school finance and school business management.

Part 2--Budget Development Processes: This section and respondents' directions were the same as for the board of education's questionnaire, part 1.

Part 3--Budgeting Questions: This section and respondents' directions were the same as the board of education's questionnaire, part 3. This section contained 15 questions for the superintendent.

Part 4--Budget Development Time Line: This section and respondents' directions were the same as the board of education's questionnaire, part 3.

The building principal's questionnaire, Appendix G, was designed in three parts and was to be completed by the building principal. In case of a building having an assistant principal(s), the questionnaire was mailed only to the principal. The three parts to the questionnaire were general information, budgeting questions and budgeting development time line. The respondents' directions were the same as the superintendents' questionnaire.

The number of respondents receiving the questionnaire is shown in Table I.

Respondents failing to return the questionnaires within three weeks after the initial mailing, were issued a second mailing containing a letter (Appendix H) explaining the need for them to return the questionnaire, along with a new questionnaire.

TABLE I
QUESTIONNAIRE MAILING SUMMARY

Budget Enrollment Categories	Board of Education	Superintendent	Principal	Total
0-200	6	6	5	17
201-399	11	11	21	43
400-1799	31	31	111	173
1800 & Over	<u>6</u>	<u>6</u>	<u>53</u>	<u>65</u>
Total	54	54	190	298

Analysis of Data

Information obtained from the questionnaires was reported in nominal or percentage data. This means of reporting the data was selected because it best fit the design of the study. Several tables were used to report the nominal or percentage data. Where open-ended responses were received, the responses were simply reproduced in the study.

CHAPTER IV

PRESENTATION AND ANALYSIS OF DATA

Introduction

The purpose of this chapter is to describe and analyze the data collected in the study. The presentation of the data and analysis and interpretation of the data is divided into the following areas:

1. Budget development processes.
2. Related budget development elements.
3. Administrators' school finance and school business management courses.
4. Budget development time line.

The study attempted to answer five questions. First, what are the budget development processes most prevalently used in developing the Kansas General Fund Budget? Second, do larger school districts use a different budget development process than smaller school districts? Third, is there a relationship between the involvement of the various administrator groups, district size, development process used and time of involvement in the budgeting process? Fourth, what is the use of the related budget development elements? Fifth, did the school finance and school business management courses taken by Kansas superintendents and principals adequately prepare them for their budget development work?

There were 54 Kansas unified school districts involved in the study. The distribution of the questionnaires, and the number of questionnaires returned from these districts are shown in Table II. The first mailing of questionnaires produced a return of 141 questionnaires. The 141 returned questionnaires contained responses from 27 superintendents, 10 boards of education and 104 principals. The second mailing of questionnaires produced an additional 29 returned questionnaires. These 29 questionnaires were divided among eight superintendents, 13 boards of education and eight principal's questionnaires.

TABLE II
QUESTIONNAIRES MAILED AND RETURNED

Budget Enrollment Category	Superintendents			Board of Education			Principals		
	Mailed	Returned	%	Mailed	Returned	%	Mailed	Returned	%
0-200	6	2	33	6	1	17	5	4	80
201-399	11	9	82	11	4	36	21	13	62
400-1799	31	21	68	31	15	48	111	68	61
1800+	6	3	50	6	3	50	53	27	51
Totals	54	35	65	54	23	43	190	112	59

A breakdown of the 190 principals involved in the study and the number of questionnaires mailed and returned by position are shown in Table III.

TABLE III
 PRINCIPALS' QUESTIONNAIRES MAILED AND RETURNED BY
 POSITION AND BUDGET ENROLLMENT CATEGORY

Budget Enrollment Category	Elementary			Junior High/ Middle School			High School		
	Mailed	Returned	%	Mailed	Returned	%	Mailed	Returned	%
0-200	0	0	0	0	0	0	5	4	80
201-399	11	5	45	0	0	0	10	8	80
400-1799	58	30	52	13	10	77	40	28	70
1800+	36	19	53	11	4	36	6	4	67
Totals	105	54	51	24	14	58	61	44	72

The zeros in the 0-200 budget enrollment category for elementary principals are reported because the superintendents also served as elementary principals and were not mailed a principal's questionnaire. The zeros in the 0-200 and 201-399 budget enrollment categories for junior high/middle school principals are reported because there were no such positions in these enrollment categories.

Budget Development Processes

In order to determine what budget development processes were most prevalent, the superintendents and board of education presidents were asked to identify the budgeting process the district used in developing their 1981-1982 General Fund Budget. From 10 given budgeting processes, the superintendents and board of education presidents were to select

the one process which described or came closest to describing their development process.

The 10 budget development processes given the respondents were:

Incremental Process

Program Planning Budgeting System (PPBS)

Unit Allotment Process

Zero Based Budgeting (ZBB)

Educational Resource Services: Comparative Analysis

Production Function Studies

Decentralized Budgeting

Centralized Budgeting

Certified Public Accountant (CPA)

Budget Consultant

Tables IV and V present the data obtained from the superintendents and board of education presidents regarding the budget development processes used. Sums will not total the number of responses because of written comments pertaining to the development process used or no response.

As indicated by the data contained in Tables IV and V, there were two types of responses given regarding the processes used. One set of responses indicates the use of single budgeting process. The other responses indicate the use of a combination of two or more development processes.

In analyzing the single responses, one may note that the Program Planning Budgeting System (PPBS) was the leading process used. Twenty-nine percent (N=10) of the superintendents indicated they used PPBS and 30 percent (N=7) of the board of education presidents said PPBS was

TABLE IV
SUPERINTENDENTS' BUDGET DEVELOPMENT PROCESSES USED

Budget Development Processes	Processes Used	
	N	%
<u>Single Responses</u>		
Incremental Process	2	6
Program Planning Budgeting System (PPBS)	10	29
Unit Allotment	2	6
Zero Based Budgeting (ZBB)	1	3
Educational Resource Service: Comparative Analysis, Production Function Studies, Decentralized Budgeting	2	6
Centralized Budgeting	2	6
Certified Public Accountant (CPA)		
Budget Consultant		
<u>Multiple Responses</u>		
PPBS and CPA	1	3
Incremental Process and Decentralized Budgeting	1	3
Incremental Process and PPBS	2	6
Incremental Process, PPBS, Unit Allotment, ZBB, Educational Resource Service, Production Function Studies, Decentralized Budgeting, Centralized Budgeting	1	3
PPBS and Unit Allotment and Decentralized Budgeting	2	6
Incremental Process and PPBS and Unit Allotment	1	3
PPBS and ZBB	1	3
Unit Allotment and Centralized Budgeting	1	3
PPBS, Unit Allotment, ZBB, Educational Resource Service, Decentralized Budgeting	1	3

TABLE V
BOARD OF EDUCATION BUDGET DEVELOPMENT PROCESSES USED

Budget Development Processes	<u>Processes Used</u>	
	N	%
<u>Single Responses</u>		
Incremental Process	4	17.40
Program Planning Budgeting System (PPBS)	7	30.40
Unit Allotment	2	8.70
Zero Based Budgeting (ZBB)		
Educational Resource Service: Comparative Analysis, Production Function Studies, Decentralized Budgeting, Centralized Budgeting	1	4.35
Certified Public Accountant (CPA)		
Budget Consultant		
<u>Multiple Responses</u>		
PPBS and CPA	1	4.35
Incremental Process, PPBS, Unit Allotment, ZBB, Educational Resource Service, Centralized Budgeting	1	4.35
PPBS and Unit Allotment and ZBB	1	4.35
PPBS and Decentralized Budgeting	1	4.35
PPBS and Unit Allotment and Centralized Budgeting	1	4.35
Incremental Process and Decentralized Budgeting	1	4.35

used by their district. Incremental process, unit allotment, decentralized budgeting and centralized budgeting each received six percent (N=2) of the superintendents' responses, thus indicating these processes were the second most used. The board of education presidents indicated that the incremental process, 17 percent (N=4), was second in use to PPBS in their districts.

The multiple budgeting responses show 13 combinations of the presented budgeting processes. The data from the superintendents and board of education presidents indicate that of the 13 budgeting combinations, PPBS is a part of 11 of the combinations; the unit allotment process is represented in eight of the combinations; and the incremental, ZBB, and decentralized budgeting processes are used in eight of the combinations. Further evaluation of the combined processes indicates that four of the combinations used centralized budgeting; three of the combinations used Education Resource Service: Comparative Analysis process, and the production function studies and certified public accountant are each used in one of the combinations.

The services of a budget consultant as a process are not used according to the data received.

Shown in Table VI are the superintendents' and board of education presidents' budget process responses by budget enrollment categories. These data indicate that PPBS is used in all four categories and that superintendents indicated the use of budget process combinations more than board of education presidents.

Table VII presents the "open ended" comments from superintendents and board of education presidents regarding their budgeting processes.

TABLE VI
 SUPERINTENDENT AND BOARD OF EDUCATION BUDGET DEVELOPMENT
 PROCESSES USED BY ENROLLMENT CATEGORIES

Budget Development Process	0-200		201-399		400-1799		1800+	
	Supt BOE		Supt BOE		Supt BOE		Supt BOE	
	N	N	N	N	N	N	N	N
<u>Single Responses</u>								
Incremental Process					2	4		
PPBS	2	1	3		5	6		
Unit Allotment					2	1	1	
ABB					1			
Educational Resource Service: Comparative Analysis								
Production Function Studies								
Decentralized Budgeting			1		1			
Centralized Budgeting			1	1	1			
Certified Public Accountant (CPA)								
Budget Consultant								
<u>Multiple Responses</u>								
PPBS and CPA			1	1				
Incremental Process, PPBS, Unit Allotment, ZBB, Educa- tional Resource Service, and Centralized Budgeting				1				
PPBS, Unit Allotment, and ZBB						1		
PPBS and Decentralized Budgeting						1		
PPBS, Unit Allotment, and Centralized Budgeting								1
Incremental Process and Decentralized Budgeting					1			1
Incremental Process and PPBS					1		1	
Incremental Process, PPBS, Unit Allotment, ZBB, Educa- tional Resource Service, Pro- duction Function Studies, De- centralized Budgeting, and Centralized Budgeting					1			

TABLE VII

SUPERINTENDENT AND BOARD OF EDUCATION WRITTEN
RESPONSES ON THE BUDGET DEVELOPMENT
PROCESS USED

Superintendent: 201-399 Enrollment Category

PPBS comes closest. The principals and the superintendent develop the budget in the 200 category, with input from the staff.

Superintendents: 400-1799 Enrollment Category

The past year's expenditures are used as a base. Salaries, fringe benefit costs, fixed charges, etc., are budgeted. Line items that have been adequate are adjusted to meet inflation projections and/or known needs/planned purchases. If totals exceed maximum allowed, cuts are made in capital expenditures first, etc.

I see we get the amount or % all owed by the State Legislature - then plug in the salary items - teachers, principals, clerks, others, plug in the amounts for insurance and custodial services and divide the rest up the best we can. Not good, but how else?

The budget is developed by the superintendent by analyzing computer data for the past year and estimating new costs. A budget consultant from ESU assisted in developing the budget and it was reviewed by the Division of Financial Services at Topeka.

We use a system of expressed need and historical experience for departments and individual schools within the district. Allocations are generally made at the central office level. However, building level administrators may adjust allocations based upon building level needs.

Board of Education: 201-399 Enrollment Category

Our process is between Centralized and Decentralized Budgeting. The central office prepares the budget and allocates funds to each school; however, past budget requests are taken into consideration early in the process. Requests come from both teachers and principals.

Board of Education: 400-1799 Enrollment Category

Salaries are computed and other line items are adjusted to provide for projected needs.

These responses have not been computed into the data contained in Tables IV, V and VI.

If the process used was not the one preferred, superintendents and board of education presidents were then asked to indicate their preferred budget process from among the 10 budgetary procedures given. These responses are illustrated in Table VIII.

The data indicate that 14 percent (N=8) of the superintendents and board of education presidents preferred PPBS to their present system. The use of the incremental process and production function studies were each preferred by 12 percent (N=7) of the respondents. Educational Resource Services: Comparative Analysis, 10 percent (N=6), and centralized budgeting, 9 percent (N=5), were also preferred. Seven percent (N=4) of the respondents indicated that they preferred the use of a budget consultant or certified public accountant.

In analyzing the preferred process responses by groups, superintendents and board of education presidents, the data in Table VIII indicate that superintendents preferred using the production function studies process. The superintendents responses are spread over the 10 budgeting processes with the incremental process and PPBS method rating second highest as preferred processes by the superintendents.

Although the board of education presidents' responses are small in number, the data indicate that PPBS ranks highest among the preferred processes.

Related Budget Development Elements

The fourth research question of the study asked "what is the use of related budget development elements by the districts in Kansas?"

TABLE VIII
PREFERRED BUDGET DEVELOPMENT PROCESSES

Budget Development Processes	<u>Composite</u>		<u>Superintendent</u>	<u>Board of Educ.</u>
	N	%	N	N
Incremental Process	7	12	5	2
PPBS	8	14	5	3
Unit Allotment	2	3	2	
ZBB	3	5	3	
Educational Resource Services: Compara- tive Analysis	6	10	4	2
Production Function Studies	7	12	6	1
Decentralized Budgeting	3	3	1	2
Centralized Budgeting	5	9	4	1
Certified Public Accountant	4	7	3	1
Budget Consultant	4	7	3	1

Related budget development elements are items that take place during the budget development process but are not a part of the development process. These elements include board of education policies relating to budgeting, budget preparation calendar, budget preparation, development of an educational plan for the budget and the budget document.

Board of Education Budgeting Policies

The superintendents and board of education presidents were asked to respond to three questions dealing with board of education policies relating to budgeting. Of the responses to the question "does the district have board of education policies specifying who has responsibility for the districts' budget development process?", 100 percent (N=35 and N=23) of the superintendents and board of education presidents indicated that they have policies specifying who has responsibility for developing the district's budget.

The responses to the question "does the district have a board of education policy identifying the budget development process that the district will use?", indicates that districts having a policy identifying the development process are relatively few, 18 percent (N=4) for board of education presidents and nine percent (N=3) for the superintendents. Responses to the "no-preferred" option also indicate there is no preference among the superintendents and board of education presidents to have a policy identifying the budget development process to be used.

The final question dealing with budgeting policies asked "are these policies, regarding the budgeting process, reviewed and/or revised each year by the board of education?" The response data for this question show that board of education policies regarding the budgeting

process are not reviewed and/or revised yearly. Also, there was no preference on the part of the superintendents to review and/or revise these policies on a yearly basis. Sixty-eight percent (N=24) of the superintendents and 52 percent (N=12) of the board of education presidents responded "no" to the research question. Of the 12 board of education presidents who responded "no," only four indicated they "preferred" to review and/or revise these policies yearly.

Budget Preparation Calendar

In order to determine the use of a budget preparation calendar, questions were asked of the superintendents, board of education presidents and building principals. The first research question dealing with the calendar was asked of the superintendents. The question asked "was a budget preparation calendar developed that identified the various budgeting steps and target dates?" Table IX shows the superintendents' responses to this question.

TABLE IX

BUDGET PREPARATION CALENDAR DEVELOPED BY SUPERINTENDENTS

	Yes		No		No-Preferred	
	N	%	N	%	N	%
0-200 Enrollment	1	50	1	50		
201-399 Enrollment	5	56	4	44		
400-1799 Enrollment	9	43	12	57	1	8
1800+ Enrollment	3	100				
Total	18	51	17	49	1	6

The results of this question indicate that slightly more than half of the superintendents, 51 percent (N=18), developed a budget preparation calendar. Only one superintendent preferred to develop a budget calendar that did not develop one. Looking at the results by means of the four budget enrollment categories, one finds that 100 percent (N=3) of the superintendents in the 1800+ enrollment category developed a budget calendar. Of the superintendents in the 400-1799 category, 57 percent (N=12) did not develop a calendar and only one preferred to develop a calendar.

To ascertain the principals' involvement with the development of the budget preparation calendar, this question was asked: "If a budget preparation calendar was developed for the district, did you have an opportunity to offer input regarding the calendar?" Table X presents the data on this question.

Data in Table X reveal 84 percent (N=94) of the principals did not have an opportunity to offer input regarding their district's budget preparation calendar. Twenty-seven percent (N=25) of the principals preferred to have an opportunity for input into the development of the budget calendar. The breakdown of the data in Table X by enrollment category and position reveals that principals, no matter how they are categorized, tend not to be given the opportunity for input into the development of the district's budget calendar.

A third question was asked by the superintendents and board of education presidents regarding their budget calendar: "Was there an annual budget preparation calendar adopted by the board of education?" Table XI presents the results of this question.

TABLE X
 PRINCIPALS' INPUT REGARDING ITEMS FOR THE
 BUDGET PREPARATION CALENDAR

	Yes		No		No-Preferred		No Response
	N	%	N	%	N	%	N
0-200 Enrollment	2	50	2	50	1	50	
201-399 Enrollment	1	8	12	92	4	33	
400-1799 Enrollment	10	15	57	84	16	28	1
1800+ Enrollment	4	15	23	85	4	17	
Elementary Principals	5	9	49	91	13	27	
Junior High/Middle School Principals	4	29	10	71	2	20	
High School Principals	8	18	35	80	10	29	1
Totals	17	15	94	84	25	27	1

TABLE XI
 ANNUAL BUDGET PREPARATION CALENDAR ADOPTED
 BY BOARD OF EDUCATION

	Yes		No		No-Preferred		No Response
	N	%	N	%	N	%	N
Superintendents	9	50	8	44	1	13	1
Board of Education	9	39	12	52	2	17	2
<u>0-200 Enrollment</u>							
Superintendents							1
Board of Education			1	100	1	100	
<u>201-399 Enrollment</u>							
Superintendents	4	80	1	20			
Board of Education	1	25	3	75			
<u>400-1799 Enrollment</u>							
Superintendents	5	56	4	44			
Board of Education	7	47	6	40			2
<u>1800+ Enrollment</u>							
Superintendents			3	100	1	50	
Board of Education	1	33	2	67	1	50	

The data reveal a discrepancy in the answers between the superintendents and board of education presidents. Fifty percent (N=9) of the superintendents indicated that the board of education did approve the annual budget preparation calendar, but only 39 percent (N=9) of the board of education presidents said the board of education adopted a calendar. The percentage of responses from both groups "preferring" to adopt the calendar is relatively low, 13 percent (N=1) for superintendents and 17 percent (N=2) for board of education presidents.

The discrepancy in the two groups' response data in Table XI is clearly illustrated in the 1800+ enrollment category. One hundred percent (N=3) of the superintendents' responses are "no" but 33 percent (N=1) of the board of education responses indicate that the board of education did adopt their district budget calendar.

Table XIII presents information on the following questions:

1. Was the budget preparation calendar announced and emphasized to the district's employees?
2. Did the principals receive a copy of the district's budget preparation calendar?

The superintendents and board of education presidents responded to question one and the principals responded to question two.

Data in Table XII show that the superintendents did not tend to announce or emphasize the district budget preparation calendar to the district employees. The board of education data indicate a different response than that of the superintendents. Fifty-six percent (N=5) of the board of education presidents responded "yes" regarding the announcing and emphasizing of the budget calendar to employees.

The data in Table XII show that principals, 81 percent (N=91), are not given a copy of their district's budget preparation calendar. Twenty-five percent (N=23) of the principals responding with "no" to the research question, preferred to receive a copy of the district's budget calendar.

TABLE XII
BUDGET PREPARATION CALENDAR ANNOUNCED AND EMPHASIZED
TO EMPLOYEES AND IF PRINCIPALS RECEIVED A
COPY OF BUDGET PREPARATION CALENDAR

	<u>Yes</u>		<u>No</u>		<u>No-Preferred</u>		<u>No Response</u>
	N	%	N	%	N	%	N
Superintendents	6	33	11	61	2	19	1
Board of Education	5	56	4	44	1	25	
Principals	20	18	91	81	23	25	1

Table XIII presents data on the question "Is the budget preparation calendar provided to the news media?"

These data reveal that district budget preparation calendars are not typically provided to the news media. The data also reveal that 23 percent (N=3) of the superintendents and 33 percent (N=2) of the board of education presidents would prefer to provide the calendar to the news media. The data in Table XIII, when separated by enrollment categories, reveal that both responding groups in the 1800+ category did not provide the news media with a copy of the budget preparation calendar. The

superintendents in the 400-1799 category have the largest "yes" response to the question.

TABLE XIII
BUDGET PREPARATION CALENDAR PROVIDED TO NEWS MEDIA

	Yes		No		No-Preferred		No Responses
	N	%	N	%	N	%	N
<u>0-200 Enrollment</u>							
Superintendents	0	0	0	0	0	0	1
Board of Education	0	0	0	0	0	0	
<u>201-399 Enrollment</u>							
Superintendents	1	20	4	80	1	25	
Board of Education	1	100					
<u>400-1799 Enrollment</u>							
Superintendents	3	33	6	67	1	17	
Board of Education	1	14	5	71	2	40	1
<u>1800+ Enrollment</u>							
Superintendents			3	100	1	33	
Board of Education			1	100			
<u>Totals</u>							
Superintendents	4	22	13	72	3	23	1
Board of Education	2	22	6	67	2	33	1

The final question regarding the budget calendar concerned whether or not the district made the calendar available to the community. Table XIV presents the data for this question.

The data in Table XIV reveal that 28 percent (N=5) of the superintendents and 33 percent (N=3) of the board of education presidents said the districts made the calendars available to the community. Sixty-six percent (N=12) of the superintendents and 56 percent (N=5) of the board

of education presidents responded that their districts did not make the calendars available to the community. The column totals for "no-preferred" indicates that of the five board of education presidents responding "no", 40 percent (N=2) preferred the calendar be made available to the community and 17 percent (N=2) of the 12 superintendents responding "no" preferred to have the calendar available to the community.

TABLE XIV
BUDGET PREPARATION CALENDAR MADE AVAILABLE TO COMMUNITY

	<u>Yes</u>		<u>No</u>		<u>No-Preferred</u>		<u>No Responses</u>
	N	%	N	%	N	%	N
<u>0-200 Enrollment</u>							
Superintendent	0	0	0	0	0	0	1
Board of Education	0	0	0	0	0	0	
<u>201-399 Enrollment</u>							
Superintendent	1	20	4	80			
Board of Education	1	100					
<u>400-1799 Enrollment</u>							
Superintendent	3	33	6	67	1	17	
Board of Education	2	29	4	57	2	50	1
<u>1800+ Enrollment</u>							
Superintendent	1	33	2	67	1	50	
Board of Education			1	100			
<u>Totals</u>							
Superintendents	5	28	12	66	2	17	1
Board of Education	3	33	5	56	2	40	1

Budget Preparation

The third item of the related budget development elements dealt with

budget preparation and the involvement of administrative groups, community building teaching staffs and long range fiscal planning. Also, the satisfaction of the superintendent and board of education in regard to the district's budget development process was ascertained in this section.

Data in Table XV illustrate the superintendents' and board of education presidents' responses to the question "Was the board of education involved in the budget development process aside from their involvement at the August budget hearing?" By Kansas statute, a board of education is required to hold a budget hearing on the proposed new budget during the month of August.

Based on the data shown in Table XV, 71 percent (N=25) of the superintendents believed that the board of education was involved in the budget development process. Eighty-seven percent (N=20) board of education presidents responded that they were involved in the district budget development process. Comparison of the data by enrollment category reveals that the only board of education presidents (N=3) responding that they were not involved in the budgeting process, were in the 400-1799 enrollment category. None of these three presidents "preferred" to be involved in their budgeting process according to the data.

Table XVI reports the responses from the superintendents regarding two questions. One, did they seek input from the building principals regarding items to be included in the General Fund Budget? Two, did the superintendents receive input from the principals for items to be included in the General Fund Budget?

According to the data, 86 percent (N=30) of the superintendents sought input from the principals regarding items for the General Fund

TABLE XV
 BOARD OF EDUCATION INVOLVEMENT IN THE BUDGET
 DEVELOPMENT PROCESS ASIDE FROM THE
 AUGUST BUDGET HEARING

	<u>Yes</u>		<u>No</u>		<u>No-Preferred</u>		<u>No Response</u>
	N	%	N	%	N	%	N
<u>0-200 Enrollment</u>							
Superintendents	1	50	1	50			
Board of Education	1	100					
<u>201-399 Enrollment</u>							
Superintendents	6	67	3	33			
Board of Education	4	100					
<u>400-1799 Enrollment</u>							
Superintendents	16	76	5	24			
Board of Education	12	80	3	20			
<u>1800+ Enrollment</u>							
Superintendents	2	67	1	33			
Board of Education	3	100					
<u>Totals</u>							
Superintendents	25	71	10	29			
Board of Education	20	87	3	13			

TABLE XVI
 SUPERINTENDENTS SEEKING AND RECEIVING INPUT
 FROM PRINCIPALS ON ITEMS FOR
 GENERAL FUND BUDGET

	<u>Yes</u>		<u>No</u>		<u>No-Preferred</u>		<u>No Response</u>
	N	%	N	%	N	%	N
<u>0-200 Enrollment</u>							
Seeking Input	0	0	2	100			
Receiving Input	0	0	0	0			
<u>201-399 Enrollment</u>							
Seeking Input	6	67	3	33			
Receiving Input	6	83	0	0			1
<u>400-1799 Enrollment</u>							
Seeking Input	21	100					
Receiving Input	21	100					
<u>1800+ Enrollment</u>							
Seeking Input	3	100					
Receiving Input	3	100					
<u>Totals</u>							
Seeking Input	30	86	5	14			
Receiving Input	29	98					1

Budget. Of these 30 superintendents, 98 percent (N=29) received input from the principals. The five superintendents who did not seek input from the principals did not indicate that they "preferred" to receive input. A breakdown by enrollment category, of these five "no" superintendents responses, shows that these responses were from the two small enrollment categories, 0-200 had two responses and 201-399 had three responses.

In an attempt to determine if the board of education involved building principals in the budgeting process, board of education presidents and principals were asked if "the building principals were involved in the budget development process?" Table XVII reports the responses to this question.

TABLE XVII
PRINCIPALS INVOLVED IN THE BUDGET DEVELOPMENT
PROCESS FROM THE VIEWPOINT OF BOARD OF
EDUCATION AND PRINCIPALS

	Yes		No		No-Preferred		No Response
	N	%	N	%	N	%	N
Board of Education	20	87	3	13			
Principals	45	40	65	58	18	28	2
Elementary Principal	22	41	31	56	10	32	1
Junior High/Middle School Principal	6	43	8	57			
High School Principal	17	39	26	59	8	31	1

The data reveal that 87 percent (N=20) of the board of education presidents believe that the principals were involved in the budget process, but only 40 percent (N=45) of the principals believed they were involved in the process. Of the 58 percent (N=65) of the principals who said they were not involved, 28 percent (N=18) indicated they preferred to be involved. In looking at the principal's response data in relation to their positions, the "no" responses are consistent throughout the three types of positions.

Table XVIII shows the data for the principals' responses to the question "did the building principals involve their staffs in their building's budget development process?" The data reveal that 41 percent (N=46) of the principals said they involved the staff, but 58 percent (N=65) of the principals responded they did not involve the staff. Of the 65 principals that responded with a "no" answer, 10 percent (N=11) indicated they would prefer to involve the staff.

TABLE XVIII
PRINCIPALS' INVOLVEMENT OF STAFF IN THEIR
BUILDING'S BUDGET DEVELOPMENT

	Yes		No		No-Preferred		No Response
	N	%	N	%	N	%	N
Elementary Principal	19	35	34	63	6	18	1
Junior High/Middle School Principal	9	64	5	36	1	20	
High School Principal	18	41	26	59	4	15	
Totals	46	41	65	58	11	10	1

In analyzing the data contained in Table XVIII by principal's positions, it may be noted that the elementary and high school principals revealed that they did not tend to involve their staffs. The junior high/middle school principals did typically involve the staff.

Data for the question "did the board of education have a procedure by which the community was involved in the budget development process?" reveals that boards of education did not have such a procedure, 82 percent (N=19) for boards of education, nor did superintendents, 97 percent (N=34). Of the total 53 "no" responses, no one indicated that they preferred to have the community involved in the budgetary process.

Table XIX presents information on:

1. Did the budgeting process involve long-range (three to five years) fiscal planning on the part of (A) the superintendent and (B) the board of education?
2. Were the principals involved in the district's long-range (three to five years) fiscal planning?

Data in Table XIX show that long-range fiscal planning of three to five years was not a part of the budgeting process in 60 percent (N=21) of the superintendents' districts and 57 percent (N=13) of the board of education presidents' districts involved in the study. Thirty-nine percent (N=9) of the board of education presidents and 37 percent (N=13) of the superintendents say that the budget process involved long-range fiscal planning. Of the 13 board of education presidents who gave a "no" response, 31 percent (N=4) preferred to involve long-range planning and five percent (N=1) of the superintendents who said "no" preferred involvement of long-range fiscal planning.

TABLE XIX

LONG RANGE (3 TO 5 YEARS) FISCAL PLANNING AS PART OF THE
BUDGETING PROCESS AND PRINCIPALS INVOLVEMENT IN THE
DISTRICT'S LONG-RANGE FISCAL PLANNING

	<u>Yes</u>		<u>No</u>		<u>No-Preferred</u>		<u>No</u>
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>Responses</u> <u>N</u>
Budgeting process involving long-range planning on the part of the:							
Superintendents	13	37	21	60	1	5	1
Board of Education	9	39	13	57	4	31	1
Principals involved in the district's long-range fiscal plan	26	23	85	76	25	29	1

Data pertaining to the principals' responses contained in Table XIX, indicate that 23 percent (N=26) of the principals were involved in the districts' long-range fiscal planning. The principals' data also indicates that 29 percent (N=25) of the 85 principals responding "no", preferred to be involved in the districts' long-range fiscal planning.

The superintendents and board of education presidents were asked if they were satisfied with the budget development process used by their districts for their 1981-1982 General Fund Budget. The principals were asked if they were satisfied with the amount of their involvement in the district's 1981-1982 budget development process. Table XX contains the data for the answers to the two questions pertaining to satisfaction with the 1981-1982 budget development process.

TABLE XX

SUPERINTENDENT/BOARD OF EDUCATION SATISFACTION WITH THE BUDGET
DEVELOPMENT PROCESS USED IN 1981-1982 AND PRINCIPALS'
SATISFACTION WITH THEIR AMOUNT OF INVOLVEMENT
IN THE DISTRICT'S BUDGET PROCESSES

	Yes		No		No-Preferred		No Responses
	N	%	N	%	N	%	N
Superintendents	33	94	2	6			
Board of Education	22	96	1	4			
Principal	47	41	58	52	24	41	7
<u>0-200 Enrollment</u>							
Principal	2	50	1	25	1	100	1
<u>201-399 Enrollment</u>							
Principal	2	15	10	77	3	30	1
<u>400-1799 Enrollment</u>							
Principal	28	41	38	56	13	34	2
<u>1800+ Enrollment</u>							
Principal	15	55	9	33	7	78	3

The data reveal that the superintendents, 94 percent (N=33), and the board of education presidents, 96 percent (N=22), were satisfied with the 1981-1982 budget development process. Of the principals, 42 percent (N=47) were satisfied with the amount of their involvement in their district's budget process, while 52 percent (N=58) of the principals were not satisfied with their amount of involvement. Of the 58 "no" responding principals, 24 preferred to be involved in the district's budgeting process.

The data pertaining to the principals' responses when analyzed according to enrollment categories, contained in Table XX, show that principals in the 0-200, 50 percent (N=2), and 1800+, 55 percent (N=15),

rollment categories were satisfied with their involvement in the district's budget development process. The principals in the enrollment categories of 201-399 and 400-1799 tended not to be satisfied with their amount of involvement.

The final question in dealing with budget preparation was asked of the superintendents and board of education presidents. The question was, "did you evaluate the budgeting process used in 1981-1982 for the purpose of improving the 1982-1983 process?" The data for the responses to this question are contained in Table XXI.

According to the data contained in Table XXI, 35 percent (N=8) of the board of education presidents said they had evaluated the 1981-1982 process. Sixty-five percent (N=15) of the board of education presidents said they had not evaluated the 1981-1982 process and only seven percent (N=1) indicated that they preferred to evaluate the process.

Of the superintendents, 77 percent (N=27) said they had evaluated the 1981-1982 budgeting process and 20 percent (N=7) said they had not evaluated the process. Also, 14 percent (N=1) of the superintendents preferred to have evaluated the 1981-1982 process for improvement in the 1982-1983 process.

The data by enrollment category, contained in Table XXI, reveal that 100 percent (N=3) of the 1800+ enrollment category superintendents had evaluated the budgeting process used in 1981-1982 to improve the 1982-1983 process. However, 100 percent (N=3) of the 1800+ board of education presidents said they had not evaluated their 1981-1982 budgeting process.

TABLE XXI
SUPERINTENDENT AND BOARD OF EDUCATION EVALUATION
OF 1981-1982 BUDGETING PROCESS

	Yes		No		No-Preferred		No Response
	N	%	N	%	N	%	N
<u>0-200 Enrollment</u>							
Superintendents	1	50	1	50			
Board of Education	1	100					
<u>200-399 Enrollment</u>							
Superintendents	5	56	3	33			1
Board of Education	2	50	2	50			
<u>400-1799 Enrollment</u>							
Superintendents	18	86	3	14	1	33	
Board of Education	5	33	10	67			
<u>1800+ Enrollment</u>							
Superintendents	3	100					
Board of Education			3	100	1	33	
<u>Totals</u>							
Superintendents	27	77	7	20	1	14	1
Board of Education	8	35	15	65	1	7	

Budget Educational Plan

Superintendents were asked if they developed an educational plan containing educational programs and special funding priorities for 1981-1982. Also, the superintendents were asked if this educational plan was approved by the board of education. Table XXII contains the data for the responses to these two questions.

Regarding the development of an educational plan, 43 percent (N=15) of the superintendents said they developed such a plan. Fifty-four percent (N=19) said they did not develop an educational plan.

TABLE XXII

DISTRICT EDUCATIONAL PLAN DEVELOPED CONCERNING EDUCATIONAL
PROGRAMS AND SPECIAL FUNDING PRIORITIES AND THE
ADOPTION OF THE PLAN BY THE
BOARD OF EDUCATION

	<u>Yes</u>		<u>No</u>		<u>No</u>
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>Response</u>
					<u>N</u>
<u>0-200 Enrollment</u>					
Educational Plan					
Developed	2	100			
Plan Adopted	1	50	1	50	
<u>201-399 Enrollment</u>					
Educational Plan					
Developed	3	33	6	67	
Plan Adopted	2	67	1	33	
<u>400-1799 Enrollment</u>					
Educational Plan					
Developed	8	38	12	57	
Plan Adopted	6	75	2	25	1
<u>1800+ Enrollment</u>					
Educational Plan					
Developed	2	67	1	33	
Plan Adopted	2	100			
<u>Totals</u>					
Educational Plan					
Developed	15	43	19	54	1
Plan Adopted	11	73	4	27	

The data pertaining to the board of education approving the educational plan, reveal 73 percent (N=11) of the superintendents said the board of education approved the educational plan. Only 27 percent (N=4) of the superintendents did not have the educational plan approved by the board of education.

Table XXIII presents data on the following information:

1. Did the superintendents seek input from their principals regarding items to be included in the superintendents' educational plan?
2. Did the superintendents receive input from their principals regarding items to be included in the superintendents educational plan?
3. Did the principals develop an educational plan for their building containing special programs and funding priorities?
4. Did the principals submit their building's educational plan to the superintendent?
5. Was the principal's educational plan included in the district's educational plan?

One hundred percent (N=15) of the superintendents indicated that they sought and received input from principals regarding items to be included in the superintendent's educational plan.

The data contained in Table XXIII indicate that 44 percent (N=49) of the principals developed an educational plan for the buildings. Fifty-three percent (N=63), however, said that they did not develop an educational plan for their buildings. Of the 63 principals who did not develop an educational plan, 17 percent (N=11) indicated that they preferred to develop an educational plan.

Sixty-three percent (N=31) of the principals responded they had submitted their building's educational plan to the superintendents. There were 35 percent (N=17) of the principals who said they did not submit the building's educational plan to their superintendents. The data indicate that 57 percent (N=28) of the responding principals felt that

their building's educational plan was included in the district's educational plan. There were 37 percent (N=18) of the principals who said they submitted the building's educational plan, but they did not perceive it to be included in the district's educational plan. Of these 18 principals who responded "no" to the question, 28 percent (N=5) preferred to have their building's educational plan included in the district's plan.

TABLE XXIII

DEVELOPMENT OF THE DISTRICT'S EDUCATIONAL PLAN BY THE
SUPERINTENDENT SEEKING/RECEIVING INPUT FROM THE
PRINCIPALS AND DEVELOPMENT OF THE
PRINCIPALS' BUILDING EDUCATIONAL PLAN

	Yes		No		No-Preferred		No Responses
	N	%	N	%	N	%	N
Superintendent seeks input from principal	15	100					
Superintendent receives input from principal	15	100					
Principals develop an educational plan for their building	49	44	63	56	11	17	
Principals submit their building's educational plan to the superintendent	31	63	17	35			1
Principals' educational plan included in district's plan	28	57	18	37	5	28	3

To determine if the board of education had an educational plan, and how this plan was established, three research questions were developed for the board of education presidents. These questions were:

1. Did the board of education have an educational plan, containing educational programs and special funding for 1981-1982?
2. Was this educational plan established with input from the superintendent's office?
3. Was this educational plan established with input from the building principals?

Table XXIV contains the data for these three questions.

TABLE XXIV

BOARD OF EDUCATION'S EDUCATIONAL PLAN AND THE DEVELOPMENT
OF THE BOARD OF EDUCATION'S EDUCATIONAL PLAN FROM
THE INPUT OF THE SUPERINTENDENT'S OFFICE
AND PRINCIPALS

	Yes		No		No-Preferred		No Response
	N	%	N	%	N	%	N
Board of Education developed an educational plan	11	48	11	48	3	27	1
Established with input from superintendent's office	11	100					
Established with input from principals	11	100					

The data indicate that the responses to question "1" are evenly divided. Forty-eight percent (N=11) of the board of education presidents said "yes" they had an educational plan, and the same percentage indicated they did not have an educational plan. There were three board of education presidents who indicated they would have preferred to have an educational plan.

Questions "2" and "3" received 100 percent (N=11) of the board of education responses in the "yes" column. This indicates that they received input from the superintendent's office and building principals regarding the educational plan.

Shown in Table XXV are the data on two questions. First, was the district's educational plan used to develop the 1981-1982 General Fund Budget? This question was asked of superintendents and board of education presidents. Second, was the principal's building level educational plan used to develop the building's 1981-1982 budget? This question was asked of the principals.

TABLE XXV
USE OF THE EDUCATIONAL PLAN TO DEVELOP
THE 1981-82 GENERAL FUND BUDGET

	Yes		No		No-Preferred		No Responses
	N	%	N	%	N	%	N
Superintendents	11	100					
Board of Education	13	87	2	13			
Principal	38	78	9	18	1	11	2

Eighty-seven percent (N=13) of the board of education presidents said "yes" their district's educational plan was used to develop the 1981-1982 General Fund Budget. Thirteen percent (N=2) of the responding presidents said the district's educational plan was not used in developing their 1981-1982 General Fund Budget. One hundred percent (N=11) of the superintendents indicated that the 1981-1982 General Fund Budget was developed using the district's educational plan.

Of the principal responses, 78 percent (N=38) indicated that they used their building's educational plan to develop the 1981-1982 building budget. Eighteen percent (N=9) of the principals said they did not use the building's educational plan to develop the building budget.

The response data to the question, "was the district's educational plan established with input from the community?", reveal that of the 15 superintendents who developed an educational plan, 27 percent (N=4) said "yes" the educational plan was established from community input. Sixty-seven percent (N=10) of the superintendents, however, said the plan was not established from community input. Only one out of the 10 superintendents who responded "no" said they preferred to have community input into the district's educational plan. The 11 board of education presidents were evenly divided on the question. Forty-five percent (N=5) indicated "yes" and a like percent indicated "no" on the issue of community input into the district's educational plan.

Budget Document

The fifth related budget development element that the study researched was the development and use of a budget document. The budget document referred to in the study was a document that contained the

various General Fund Budget line item budgets and justifications for various expenditures.

Table XXVI contains the data from the superintendents to the following five questions:

1. Did the superintendent prepare a budget document containing the various line item budgets and justification for various expenditures?
2. Was the document given to the board of education for their review of the budget?
3. Did the document contain the district's approved educational plan?
4. Was this document provided to the news media?
5. Was this document made available to the community?

The data reveal that 71 percent (N=25) of the superintendents said they did prepare a budget document and 29 percent (N=10) indicated they did not prepare such a document.

Of the 25 superintendents who said they prepared such a document:

1. Ninety-six percent (N=24) said the document was given to the board of education for the budget review.
2. Twenty-eight percent (N=7) responded that the budget document contained the district's approved educational plan. Sixty-eight percent (N=17) said that the educational plan was not contained in the budget document.
3. Thirty-six percent (N=9) of the superintendents said that the budget document was provided to the news media. Sixty percent (N=15) responded "no" to the document being provided to the news media.
4. Fifty-two percent (N=13) indicated that the budget document

was made available to the community. Forty-four percent (N=11) responded "no" to the budget document being available to the community.

TABLE XXVI
PREPARATION AND DISTRIBUTION OF THE
DISTRICT'S BUDGET DOCUMENT

	<u>Yes</u>		<u>No</u>		<u>No-Preferred</u>		<u>No</u>
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>Responses</u>
							<u>N</u>
Superintendent prepares a budget document	25	71	10	29			
Budget document given to the Board of Education	24	96	1	4			
Budget document contains the district's approved educational plan	7	28	17	68			1
Budget document given to the news media	9	36	15	60			1
Budget document made available to the community	13	52	11	44			1

The responses from superintendents and principals regarding the question "did the building principals receive a copy of the budget document prepared by the superintendent for use by the board of education?" are contained in Table XXVII.

The data reveal that 60 percent (N=15) of the superintendents responded "yes" to the principal's receiving a copy of the budget document.

TABLE XXVII
 BUILDING PRINCIPALS RECEIVING A COPY
 OF THE BUDGET DOCUMENT

	Yes		No		No-Preferred		No Response
	N	%	N	%	N	%	N
Superintendents	15	60	9	36	1	11	1
Principals	51	46	59	53	13	22	2
Elementary Principals	26	48	27	50	6		1
Junior High/Middle School Principals	8	57	6	43	2	33	
High School Principal	17	39	26	59	5		1
<u>0-200 Enrollment</u>							
Superintendents							1
Principals	1	25	2	50			1
<u>201-399 Enrollment</u>							
Superintendents	3	50	3	50			
Principals	9	69	4	31	2	50	
<u>400-1799 Enrollment</u>							
Superintendents	10	67	5	33			
Principals	29	43	39	57	5	13	
<u>1800+ Enrollment</u>							
Superintendents	12	67	1	33	1	100	
Principals	12	44	14	52	6	42	1

There were 36 percent (N=9) of the superintendents responding "no" to this question. There was one of the nine "no" respondents who preferred to have the principals receive a copy of the document.

The data further reveal that 46 percent (N=51) of the principals said they received a copy of the budget document. Fifty-three percent (N=59) of the principals indicated they did not receive a copy of the document. Twenty-two percent (N=13) of the "no" respondents preferred to have a copy of the budget document given to them.

In analyzing the data contained in Table XXVII by principal's positions, the only group of principals having more "yes" responses to the questions were the Junior High/Middle School principals. In the junior high/middle school group, 57 percent (N=8) said "yes" and 43 percent (N=6) said "no."

Data found in Table XXVII, by enrollment category, reveal that the principals in the 201-399 enrollment category, responded more favorably to the question, 69 percent (N=9) "yes" versus 31 percent (N=4) "no."

The final segment relating to the budget document dealt with a series of questions about the principal's building budget. The principals were asked to respond to the following questions:

1. Did the principals and their teaching staff develop a building budget containing line item budgets for various building programs?
2. Did the principals submit this building budget to the superintendent?
3. Was the principal's building budget included in the district's 1981-1982 General Fund Budget?

The principal's response data to these questions are contained in Table XXVIII.

TABLE XXVIII

PRINCIPAL'S INVOLVEMENT OF THEIR BUILDING STAFFS IN THE
DEVELOPMENT OF THE BUILDING BUDGET--SUBMISSION
OF THE BUILDING BUDGET TO THE SUPERINTENDENT

	Yes		No		No-Preferred		No Responses
	N	%	N	%	N	%	N
Principals/staff develop a build- ing budget	33	29	77	69	9	12	2
Principals submit building budget to superintendent	27	82	6	18			
Principal's build- ing budget included in district's Gener- al Fund Budget	30	91	2	6			1

The data show that 29 percent (N=33) of the principals responded "yes" to developing a building budget containing line item budgets for various building programs with the staff. Sixty-nine percent (N=77) said they did not, and of this 69 percent, 12 percent (N=9) responded that they would have preferred developing such a budget with the staff.

Eighty-two percent (N=27) of the principals said, yes, they submitted the building budget to the superintendent. Eighteen percent (N=2) indicated they did not submit the building budget to the superintendent. Ninety-one percent (N=30) of the principals responded with "yes" regarding the question "was the building budget included in the district's 1981-1982 General Fund Budget?" Six percent (N=2) said "no," the building budget was not included in the district's General Fund Budget.

Administrators' School Finance and School
Business Management Courses

The fifth purpose of this study dealt with the school finance and school business management courses taken by Kansas superintendents and principals. Specifically, the study attempted to ascertain if these courses taken by Kansas superintendents and principals adequately prepared them for their budget development work.

To determine the effectiveness of the school finance courses taken by the superintendents and principals, this question was asked: "Did your school finance course adequately prepare you for your budget development work?" The data for this question show that 74 percent (N=26) of the superintendents responded "no," their school finance course did not adequately prepare them. Of the 26 "no" respondents, four indicated they preferred the school finance class to adequately prepare them for budget development work. Twenty percent (N=7) of the superintendents said "yes" the school finance class did prepare them adequately for budget development work.

The data further showed that 49 percent (N=46) of the principals said their school finance course adequately prepared them for their budget development work. Fifty-one percent (N=57) of the principals, however, responded "no" their school finance course did not adequately prepare them. Fifteen of the 57 "no" respondents preferred to have their school finance course adequately prepare them for their budget development work.

A corresponding question dealing with school business management courses was asked of the superintendents and principals. This question

was: "Did your school business management course adequately prepare you for your budget development work?"

The response data relating to the superintendents' and principals' school business management courses reveal that 14 percent (N=5) of the superintendents and 32 percent (N=36) of the principals indicated that their course adequately prepared them for their budget work. Sixty-nine percent (N=24) of the superintendents and 46 percent (N=52) of the principals responded that they were not adequately prepared for budget work through their school business management course.

Finally, the superintendents were asked if their school finance and/or school business management course influenced their choice of a budget development process. The superintendents' response data show that 66 percent (N=23) responded "no" to any influence on choice of budget development process from school finance and/or school business management classes. Twenty-three percent (N=8) indicated their school finance and/or school business management courses did influence their choice of budget development process.

Budget Development Time Line

To determine the time involvement of the various administrative groups, each was asked to indicate the month(s) they were involved in the development and approval of the district's 1981-1982 General Fund Budget. They were asked not to indicate the months they were involved only in negotiations.

Table XXIX contains the response data from the superintendents and board of education presidents. The data indicate that three percent (N=1) of the superintendents began the development of the 1981-1982

TABLE XXIX

COMPOSITE OF SUPERINTENDENTS AND BOARD OF EDUCATION RESPONSES ON TIME OF INVOLVEMENT
IN THE BUDGET PROCESS AND RESPONSES BY ENROLLMENT CATEGORIES

	<u>Composite</u>		<u>0-200</u>		<u>201-399</u>		<u>400-1799</u>		<u>1800+</u>	
	<u>Supt.</u>	<u>BOE</u>	<u>Supt.</u>	<u>BOE</u>	<u>Supt.</u>	<u>BOE</u>	<u>Supt.</u>	<u>BOE</u>	<u>Supt.</u>	<u>BOE</u>
	N	N	N	N	N	N	N	N	N	N
September										
October										
November	1						1			
December	1						1			
January	8	2			2		6	2		
February	13	4	1	1	5	6	6	2	1	1
March	19	7	1	1	6	1	10	3	2	2
April	26	8	2		8	1	14	4	2	3
May	31	16	2	1	8	3	19	9	2	3
June	34	20	2	1	8	4	21	12	3	3
July	33	22	2		9	4	20	15	2	3
August	35	23	2	1	9	4	21	15	3	3

General Fund Budget in November and December. In the month of January, 23 percent (N=8) of the superintendents worked with the 1981-1982 General Fund Budget. The percentage of superintendents involved with the development of the budget is larger each month, beginning with December, and culminates with 100 percent (N=35) of the superintendents involved with the 1981-1982 General Fund Budget in August.

According to the data in Table XXIX, nine percent (N=9) of the boards of education began the 1981-1982 budget development work in January, with the percentage increasing each month to 100 percent (N=23) in August.

Table XXX contains the principals' response data by enrollment categories to their time of involvement in the budgeting process. Analyzing the data reveals that principals in the 400-1799 and 1800+ categories are involved in budget development work all 12 months, with the only exception being the month of July for the 1800+ category. The months of January, 31 percent (N=22); February, 46 percent (N=32); March, 39 percent (N=39); and April, 57 percent (N=40), have the highest response rates for involvement with the 1981-1982 budget. The months of May, 43 percent (N=30); and June, 23 percent (N=16), are the next heaviest involvement months for the principals.

Table XXXI contains the principals' response data by position to their involvement in the budgeting process. This data is consistent for all three positions, with the data contained in Table XXX. There is no one group of principals more or less involved than the composite principals' data suggests.

The data contained in Table XXXII illustrates the responses for the three administrative groups to time of involvement in the budgeting

TABLE XXX

COMPOSITE OF PRINCIPALS' RESPONSES TO TIME OF INVOLVEMENT
IN THE BUDGET PROCESS AND RESPONSES
BY ENROLLMENT CATEGORIES

	<u>Composite</u>	<u>0-200</u>	<u>201-399</u>	<u>400-1799</u>	<u>1800+</u>
	N	N	N	N	N
September	10	1	1	4	4
October	8	1		5	2
November	7			6	1
December	11	1		7	3
January	22	1		13	8
February	32	1	1	22	8
March	39		3	25	11
April	40	1	4	24	11
May	30		4	17	9
June	16		3	9	4
July	5		3	2	
August	7		1	4	2

TABLE XXXI

PRINCIPALS' RESPONSES TO TIME OF INVOLVEMENT IN THE
BUDGETING PROCESS BY PRINCIPALS' POSITIONS

	<u>Elementary</u> N	<u>Junior High/ Middle School</u> N	<u>High School</u> N
September	3	2	5
October	1	3	4
November	2	2	3
December	4	2	5
January	12	3	7
February	16	5	11
March	15	6	18
April	15	4	21
May	11	4	15
June	7	1	8
July	2	0	3
August	1	2	4

TABLE XXXII

SUPERINTENDENT, BOARD OF EDUCATION, PRINCIPAL
COMPOSITE OF RESPONSES TO TIME OF INVOLVE-
MENT IN THE BUDGETING PROCESS

	<u>Superintendent</u> N	<u>Board of Education</u> N	<u>Principal</u> N
September			10
October			8
November	1		7
December	1		11
January	8	2	22
February	13	4	32
March	19	7	39
April	26	8	40
May	31	16	30
June	34	20	16
July	33	22	5
August	35	23	7

process. The principals were the only group to be involved in the development process all 12 months. As the principals tend to conclude the budget development in the months of May, June and July, the superintendents and boards of education increase their involvement culminating in August with the state required budget hearing.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

This study was designed to report on the development process of the 1981-1982 Kansas General Fund Budget. The first purpose of the study was to ascertain what budget development processes were being used by Kansas school districts to develop the General Fund Budget. A second purpose involved an attempt to determine if larger school districts used a different budget development process than smaller school districts.

The third purpose of the study was to analyze the relationships between the involvement of the administrative groups, the size of the district, the budget development process used and time of the involvement of the administrative groups in the budgeting process. The fourth purpose of the study was to find the use of related budget development elements. An effort was made to determine the extent of use of board of education policies covering a district's budgeting process, a budget preparation calendar, the budget preparation procedures, the use of an educational plan and a budget document.

The fifth purpose of this study attempted to ascertain the effectiveness of school finance and school business management courses taken by Kansas superintendents and principals as perceived by the administrators responding.

The results of this study should be of value to school administrators, university and college educational administration departments and to the Kansas Association of School Boards. Very little is known about the developmental process of the Kansas General Fund Budget. This study can be a base-line study to provide information for:

1. School administrators on how districts of various size prepare General Fund Budgets.

2. The Kansas Association of School Boards on the prevailing involvement practices for board of education members in the budgeting process.

3. Course content for school finance and school business management classes at universities and colleges.

A review of the literature relating to budgeting in the public schools was presented in Chapter II. The review indicated there is no single definition of the term "school budget." The word "budget" is a simple word with profound implications for educational administration. The more one probes into its potentialities, the more varied and complex its meanings become.

The literature reported that the purposes of the school budget have evolved in accordance with the changes that have taken place in the public schools. As the schools have grown in size and complexity, the need for the budgeting of expenditures has increased.

The review of literature indicated that there is no single budgeting process used to develop a school budget and the processes used are as varied as the school districts which use them. Furthermore, there are several budget processes with variations for each one. The various budgeting processes can be consolidated into eight processes.

These processes are Incremental Process, Program Planning Budgeting System, Unit Allotment Process, Zero Based Budgeting, Educational Resource Services: Comparative Analysis, Production Function Study, Decentralized Budgeting and Centralized Budgeting.

The literature also reported the use of related budgeting elements. These elements are identified as the budget preparation calendar, budgeting cycle, philosophy and policies on budgeting, and the development of an educational plan to develop the budget.

Research methods utilized in this study were as follows:

1. Random selection of 20 percent of the school districts in each of the four State of Kansas budget enrollment categories.
2. The issuance of a questionnaire to the superintendent, board of education president and building principals of each of the selected districts. The purpose of the questionnaire was to gather data on the budget development processes used, related budget development elements and time of involvement of the administrative groups in the budgeting cycle.
3. Reporting of the data obtained from the questionnaires by means of nominal and percentage data.

Findings

The study was designed to answer the research questions recorded in Chapter I. The findings of the study are presented in the following segments:

1. The budget development processes used by Kansas schools.
2. Board of education policies governing the budgeting practices.
3. The use of a budget preparation calendar.

4. The preparation of the budget through the involvement of the administrative groups, community, teaching staffs and long-range fiscal planning. Also, the satisfaction of the superintendents and board of education with the district's 1981-1982 budgeting process.

5. The reported development and use of an educational plan containing educational programs and special funding priorities.

6. The development and use of the budget document that contained the General Fund Budget line item budgets and justification for the expenditures.

7. The school finance and school business management courses taken by Kansas superintendents and principals.

8. The time involvement by the administrative groups in the budgeting process.

Budget Development Processes Used by Kansas Schools

Superintendents and board of education presidents were asked to indicate which of the 10 budget development processes came closest to the process used by their districts. Included in these 10 given processes were the eight processes already presented at the beginning of this chapter, plus the use of a certified public accountant and a budget consultant.

Data reported by the superintendents and board of education presidents indicate that two types of responses were given. One set of responses indicated the use of a single budgeting process. The other type of responses indicated the use of a combination of two or more developmental processes.

Analyzation of the single process responses of the superintendents indicated that Program Planning Budgeting System (PPBS) was the most prevalent process. Following PPBS were the incremental process, unit allotment, decentralized budgeting, and centralized budgeting processes. Zero based budgeting was also shown as a used process.

The board of education responses revealed that PPBS was the most prevalent process. The board of education data also reveals that the incremental process is the second most prevalently used. The unit allotment method and centralized budgeting also received some mention from the board of education presidents.

The data concerning the multiple budgeting processes, indicate 13 combinations being used. Of these 13 combinations, as indicated by the superintendents and board of education presidents, PPBS is a part of 11 of the combinations. The unit allotment process was used in eight combinations. The incremental process, zero based budgeting and decentralized budgeting processes are also represented in eight of the combinations. Four of the combinations used centralized budgeting, three used Educational Resource Services. Comparative Analysis, and the production function studies and certified public accountant were each used in only one of the combinations.

Analyzing the single responses from the superintendents and board of education presidents by means of the four enrollment categories, showed that PPBS was used most often and was used in all but the 1800+ enrollment category. The data for the multiple responses showed that superintendents indicated more use of combined budgeting processes, that the 400-1799 enrollment category used more combinations of budgeting processes than did the other three categories and that PPBS is the most

prevalent process used in the combinations whatever the enrollment category.

Regarding the composite of the "preferred process", PPBS received the most responses, 14 percent (N=8), followed by the incremental process and production function studies. All 10 of the processes received responses ranging from three percent (N=3) for Decentralized Budgeting to PPBS with 14 percent (N=8).

The superintendents' response data when analyzed in order of most responses to least responses, shows that the "preferred process" was production function studies, followed by PPBS, incremental process, centralized budgeting, Educational Resource: Comparative Analysis, zero based budgeting, certified public accountant, budget consultant, unit allotment and decentralized budgeting.

The data for the board of education responses shows that PPBS was the most preferred. Board of education responses were also indicated for the incremental process (N=2), Educational Resource: Comparative Analysis (N=2) and the remaining processes each received one response.

Board of Education Policies Governing the Budgeting Practices

All superintendents and board of education presidents indicated that their districts had board of education policies specifying who has responsibility for budget development. The data further shows that the districts do not have a board of education policy identifying the budget process to be used. The data also revealed that these budgeting policies are not reviewed and/or revised yearly.

The Use of a Budget Preparation Calendar

The 35 superintendents' responses were divided regarding the development of a budget preparation calendar. Eighteen superintendents responded "yes" they did develop such a calendar and 17 responded "no."

In analyzing the principals' data pertaining to being asked by the superintendent for input into the preparation calendar, the principals' response was generally negative. Ninety-four of the principals did not have an opportunity to offer input regarding the calendar. Only 17 of the principals gave a "yes" answer to this research question. The typically negative answer of the principals is found throughout the data when analyzed by enrollment categories and by principals positions. Twenty-five of the 94 principals responding "no" preferred to have input into the district's budget preparation calendar.

The responses of the superintendents and board of education presidents on the question of was the budget preparation calendar adopted by the board of education are contradicting. Fifty percent of the superintendents said the calendar was adopted by the board of education, but only 39 percent of the board of education presidents indicated that the calendar was approved. In analyzing these responses by enrollment categories, the contradicting nature of the responses is seen in the enrollment categories of 201-399, 400-1799 and 1800+.

The discrepancy of responses among the three administrative groups continues when analyzing the data regarding announcing and emphasizing the budget calendar to district employees and principals receiving a budget calendar. The superintendents said the calendar was not emphasized to employees, but the board of education responses show that the calendar was emphasized. The principals again responded with a large

"no" vote, 81 percent (N=91), regarding receiving a copy of the district's budget preparation calendar.

The data for the answers to the questions regarding whether the budget preparation calendar was provided to the news media and made available to the community, are basically the same. Both the superintendent and board of education's answers are "no" to the two questions.

Preparation of the Budget

Based on the data, the board of education feels they were involved in the budget development process in addition to the August budget hearing. The superintendents concur with the board of education responses. The only "no" responses received from the board of education presidents were in the 400-1799 enrollment category.

The opportunity for the principals to offer input in the General Fund Budget was examined with a series of questions asked of the superintendents, board of education presidents and principals. The responses to these questions tend to fall with the superintendent and board of education's responses being "yes" and the principals responding "no."

The superintendents, 86 percent (N=30), did seek input from the principals and 98 percent (N=29) said they received input from the principals regarding items to be included in the General Fund Budget. The board of education, 87 percent, said that they involved the principals in the budget development process. However, the principals, 58 percent (N=65), said "no" they were not involved in the board's budgeting process.

In responding to the question of did the principals involve staff in their building's budget development process, the principals said

"no," 58 percent (N=65) versus 41 percent (N=26) saying "yes." In analyzing the principals' responses by positions, the junior high/middle school principals had the most positive responses, 64 percent (N=9), to involving their staffs in developing their building budgets.

The data show that there was usually no procedure whereby the board of education involved the community in the district's budget development process. Both the superintendents and board of education presidents responses were "no" to involving the community in the budgeting procedure.

The superintendents and board of education presidents responded "no" to the use of long-range (three to five years) fiscal planning as part of the district budgeting cycle. Sixty percent of the superintendents and 57 percent of the board of education responses were "no" on this issue. There were, however, five percent (N=1) of the superintendents and 31 percent (N=4) of the board of education "no" respondents that felt long-range fiscal planning should be a part of the budgeting procedure.

The principals were also asked if they were involved in the district's long-range fiscal planning. Seventy-six percent (N=85) of the principals responded by saying "no" they were not involved. Twenty-nine percent (N=25) would have preferred to have been involved.

The percentage and number of "yes" responses of superintendents and board of education presidents regarding their satisfaction with their budget development process used in 1981-1982 is very high. Ninety-four percent of the superintendents and 96 percent of the board of education presidents' responses were "yes" regarding satisfaction with the 1981-1982 budgeting process.

The principals, when asked if they were satisfied with their amount of involvement in the district's budget process, responded with 41 percent (N=47) saying "yes" and 52 percent (N=58) responding "no." There were 22 of the principals responding "no" who would have preferred to be more involved in the district's budgeting system. In analyzing the principals' responses by enrollment categories, it was noted that the principals in the small category (0-200) and large category (1800+) responded with a higher percentage of indicated satisfaction with their amount of involvement than did the principals in the other two categories. In the 201-399 category, seven percent (N=10) said "no" and in the 401-1799 category, 56 percent (N=38) said "no." In the 1800+ enrollment category, there were nine principals who responded "no" and seven of these nine said they would have preferred to have been more involved in the district's budgeting system.

Among the superintendents, 77 percent (N=27), indicated they had evaluated the 1981-1982 budgeting process for the purpose of making the 1982-1983 process more effective. The board of education responses to evaluation of the 1981-1982 process, were 65 percent saying "no," they had not and 35 percent saying they had.

The Reported Development and Use of an Educational Plan

Fifty-four percent (N=19) of the superintendents did not develop an educational plan containing educational programs and special funding priorities. Of the superintendents who did develop an educational plan, 73 percent (N=11) had the plan adopted by the board of education. One may note that the superintendents in the 0-200 and 1800+ categories

usually developed educational plans, and the superintendents in the other two categories usually did not.

The data reveal that superintendents, 100 percent (N=15), did seek and receive input from their principals regarding items to be included in the superintendent's educational plan.

The data further show that only 44 percent (N=49) of the principals developed an educational plan for their respective buildings. Once these building educational plans were developed, 63 percent (N=31) of the principals indicated they submitted this plan to their superintendents for inclusion in the district's educational plan. Once submitted to the superintendent, 57 percent (N=28) of the principals indicated that their plan was included in the district's educational plan.

The board of education is divided on the issue of having an educational plan for 1981-1982. Forty-eight percent (N=11) said "yes" and the same number said "no" to the question of having their own plan. However, of the 11 "yes" respondents, 100 percent said "yes" to establishing their educational plans from input from the superintendents' office and building principals.

The research question "was the educational plan used to develop the 1981-1982 General Fund Budget?" received a high percentage of "yes" responses from the three administrative groups, but these responses go down in percentages by the respective groups. The superintendents had 100 percent "yes" responses, 87 percent (N=13) of the board of education presidents said "yes" and the principals had 78 percent (N=38) "yes" responses.

A discrepancy arises in the responses to the question of establishing the district's educational plan through input from the community.

Only four superintendents, 27 percent, said "yes" there was community input, and then 67 percent of the superintendents responded with "no." However, five board of education presidents, 45 percent, said "yes" and 45 percent (N=5) said "no."

The Development and Use of the Budget Document

Seventy-one percent of the superintendents said "yes," they did prepare a budget document containing the various line item budgets and justifications for various expenditures. Of the 71 percent (N=25) who prepared the budget document, 96 percent (N=24) responded "yes" to giving this document to the board of education for their review work on the budget.

In the development of this budget document, only 28 percent (N=7) of the superintendents indicated that the district approved educational plan was contained in the document. Once this document was completed, only 36 percent (N=9) of the superintendents provided the document to the news media and 52 percent (N=13) made the document available to the community.

There is disagreement between superintendents and principals on the matter of the principals' receiving a copy of the budget document. Sixty-seven percent (N=15) of the superintendents said "yes" the principals received a copy of the document, but only 46 percent (N=51) of the principals said they received a copy. There were 13 of the 51 principals responding "no" who would have preferred to receive a copy of the district's budget document.

The data reveal that 69 percent (N=77) of the principals, with their staff, developed a building budget containing line item budgets.

Of the 33 principals who developed a line item building budget, 87 percent (N=27) submitted this budget to the superintendent. In working with this building line item budget, 91 percent (N=30) of the 33 principals felt that their building's budget was included in the district's 1981-1982 General Fund Budget.

The School Finance and School Business Management

Courses Taken by Kansas Superintendents and

Principals

The superintendents' responses to the question "did their school finance course adequately prepare them for their budget development work?" show that 74 percent (N=26) did not feel their school finance course was adequate. When asked the same question, 51 percent (N=57) of the principals said their finance course did not prepare them adequately for their budget work.

A corresponding question regarding their school business management course was asked of the superintendents and principals. Sixty-nine percent (N=24) of the superintendents and 46 percent (N=52) of the principals responded "no" to their school business management course adequately preparing them for budget development work. It should be noted that there was a large number (N=24) of the principals not responding to this question and this could be due to the fact that a course in school business management is not required for certification as a principal in Kansas.

Superintendents were asked if their school finance and/or school business management courses influenced their choice of a budget development process. Based on the response data, the answer is typically "no."

Sixty-seven percent (N=23) of the responding superintendents said there was no influence from either course regarding their choice of a budget development process.

Time of the Involvement by the Administrative
Groups in the Budget Development Process

Following examination of the data from the three groups on when they are involved in the budgeting process, exclusive of negotiations, it was noted that the budgeting process began for all three groups in January. There was involvement in September, October, November and December, by the principals, but not in large percentages.

The superintendents indicated some budget involvement in November and December, but their budget work according to the data, began in January and increased until there was 100 percent participation in the month of August.

The board of education budget development work began in January, and increased each month until there was 100 percent participation in August with the required state budget hearing and final approval of the budget. The early involvement of the board of education in the process, November and December, was done by the boards of education in the 400-1799 enrollment category.

The principals start to become involved in the budget process in January and reached a high involvement peak in the month of April. From April, the principals' involvement in budgeting reduced to five percent in July and seven percent in August. The principals' data indicated that the principals in the 400-1799 and 1800+ enrollment categories were involved in the budgeting process all 12 months.

Conclusions

This study identified the budget development processes used by the unified school districts in Kansas. The study also reported the use of related budget elements, analyzed the effectiveness of school finance and school business management courses, and the time at which the administrative groups became involved in the budget development process. Following is a general list of conclusions drawn from the findings of the study:

1. Program Planning Budgeting System was the most prevalent budgeting process used in Kansas. This is true when a single process is used and when a combination of two or more processes are used.

2. The largest school districts do not use a different budget development process than do the smaller districts. Program Planning Budgeting System was used by districts in all four budget enrollment categories.

3. There was no relationship between the budget enrollment category and time of involvement in the budgeting process for both superintendents and boards of education. No matter what size the district, the superintendents and boards of education enter the budgeting process in the month of January. They continue and increase their involvement each month, until the budget hearing and approval of the budget in August.

4. There was a relationship between the process in the two largest enrollment categories, 400-1799 and 1800+, and principals time of involvement in the budget process. Principals in these two enrollment categories were involved in the budgeting process all 12 months. Principals in the 201-399 category become involved in budgeting beginning in February.

5. The amount of the principals' involvement in the budgeting process is perceived differently by the principals, superintendents and boards of education. The principals do not see themselves as involved in the budgeting process and the superintendents and boards of education believe that the principals are involved.

6. Although the principals do not perceive themselves as being involved in the district's budgeting process, they themselves do not involve their building staffs in the development process of their building budget.

7. Data on the use of related budget development elements revealed that:

- a. Boards of education have policies specifying who has responsibility for budget development, but do not have a policy specifying the development process to be used, and do not review and/or revise these policies each year.
- b. The use of a budget preparation calendar was used by slightly more than 50 percent of the districts. The same thing can be said for the adoption of the budget preparation calendar by the boards of education.
- c. The providing of budgeting materials (e.g., budget preparation calendar, budget document) to the news media was not done by the school districts.
- d. Various budgeting materials were not made available to the community.

- e. There were no procedures used by boards of education for involvement of the community in the district's budgeting process.
- f. Boards of education were involved in the budget development process in addition to the August budget hearing.
- g. The use of long-range (three to five years) fiscal planning as part of the budgeting process was not done by the school districts.
- h. Superintendents and boards of education were typically satisfied with the budget development process they used in 1981-1982. Superintendents had evaluated the 1981-1982 process for the purpose of improving the 1982-1983 process. Boards of education had not evaluated the budgeting procedure.
- i. The development of an educational plan, containing educational programs and special funding priorities, by the superintendent, and approval of this plan by the boards of education, was not done in the majority of the districts.
- j. When an educational plan was developed, this plan was used to develop the 1981-1982 General Fund Budget.
- k. Superintendents did develop a budget document containing the various line items and justification for expenditures. This document was used by the boards of education in their budget review.

8. The school finance and school business management courses taken by the superintendents and principals were not perceived to prepare them adequately for their budget development work. In addition, there was no influence on the superintendents' choice of a budget development process from either the school finance and/or school business management courses taken by the administrators.

Recommendations

This study was an initial effort to investigate the development process of the Kansas 1981-1982 General Fund Budget. While the study provided information in response to the research questions raised initially, it also resulted in the development of several recommendations for future study that were beyond the scope of the current study. These recommendations follow:

1. Further study of the Program Planning Budgeting System technique to determine if the system is being used in the true sense.

2. An analysis of the budget process to ascertain if there are other processes being used that were not identified in the study's 10 listed processes.

3. Further study is recommended to find out what the principals want and/or define as being involved in the budget development process.

4. Further study is needed to find out why there is no development of an educational plan and budget preparation calendar, when the literature on budgeting indicates that these elements are very important.

5. Further study on why the community is not involved in the budgeting process, and what procedures can be used to involve the community.

6. An analysis of the curricula of school finance and school business management courses taught at universities and colleges, for the purpose of recommending changes in course content, to adequately prepare school administrators for their budget development work. The use of advisory committees, composed of school practitioners, could be of immense help in this analysis.

The development of a school budget is a very important element in any school system. No formula or process has been developed that will produce a perfect school budget. Substantial progress has been made in the area of budget development, but much remains to be done. Every school administrator who develops a budget must constantly strive for refinement of the budgeting process. The school budgeting process may well be the most important function any school administrator executes, as it is through the budget that the goals for education in the community are realized.

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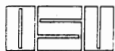
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APPENDIX A

QUESTIONNAIRE COVER LETTER TO SUPERINTENDENTS
IN THE 0-200 AND 201-399
ENROLLMENT CATEGORIES



Oklahoma State University

DEPARTMENT OF EDUCATIONAL ADMINISTRATION
AND HIGHER EDUCATION

STILLWATER, OKLAHOMA 74078
309 GUNDERSEN HALL
(405) 624-7244

March 8, 1982

Dear

I am in the process of completing a dissertation as part of a doctoral program at Oklahoma State University. This research project has been approved by the Department of Educational Administration and Higher Education.

The purpose of the research is to determine what processes districts used to develop the expenditure section of the 1981 Kansas General Fund Budget. Your district has been randomly selected to participate in this research project.

Enclosed are three different questionnaires. We ask that the Board of Education Questionnaire be completed by the board president, that you complete the Superintendent Questionnaire and that your principal(s) complete the Principal Questionnaire. Self-addressed envelopes are enclosed to return the completed questionnaires.

Anonymity of your responses is assured. No identifiable district information will be used in the completed research project.

Your early response to our request will be greatly appreciated. Thank you for your assistance.

Sincerely,

Richard A. Stedry
716 Lewis Drive, Box 1106
Hesston, Kansas 67062

Kenneth StClair, Professor
Department of Educational
Administration and Higher Education
Oklahoma State University

APPENDIX B

QUESTIONNAIRE COVER LETTER TO SUPERINTENDENTS
IN THE 400-1799 AND 1800+
ENROLLMENT CATEGORIES



Oklahoma State University

DEPARTMENT OF EDUCATIONAL ADMINISTRATION
AND HIGHER EDUCATION

STILLWATER, OKLAHOMA 74078
309 CUNDERSEN HALL
(405) 624-7244

March 8, 1982

Dear

I am in the process of completing a dissertation as part of a doctoral program at Oklahoma State University. This research project has been approved by the Department of Educational Administration and Higher Education.

The purpose of the research is to determine what processes districts used to develop the expenditure section of the 1981 Kansas General Fund Budget. Your district has been randomly selected to participate in this research project.

Enclosed are two different questionnaires. We ask that the Board of Education Questionnaire be completed by the board president and that you or the individual who developed your 1981 General Fund Budget complete the Superintendent Questionnaire. A questionnaire has also been mailed to principals in your district. A copy of the Principal Questionnaire is enclosed. Self-addressed envelopes are enclosed to return the completed questionnaires.

Anonymity of your responses is assured. No identifiable district information will be used in the completed research project.

Your early response to our request will be greatly appreciated. Thank you for your assistance.

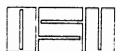
Sincerely,

Richard A. Stedry
716 Lewis Drive, Box 1106
Hesston, Kansas 67062

Kenneth StClair, Professor
Department of Educational
Administration and Higher Education
Oklahoma State University

APPENDIX C

QUESTIONNAIRE COVER LETTER TO BOARD
OF EDUCATION PRESIDENTS

*Oklahoma State University*DEPARTMENT OF EDUCATIONAL ADMINISTRATION
AND HIGHER EDUCATIONSTILLWATER, OKLAHOMA 74078
309 GUNDERSEN HALL
(405) 624-7244

March 8, 1982

Dear Board of Education President:

I am in the process of completing a dissertation as part of a doctoral program at Oklahoma State University. This research project has been approved by the Department of Educational Administration and Higher Education.

The purpose of the research is to determine what processes districts used to develop the expenditure section of the 1981 Kansas General Fund Budget.

Attached is a questionnaire that we ask you to complete. Please return your completed questionnaire in the self-addressed envelope.

Anonymity of your responses is assured. No identifiable district information will be used in the completed research project.

Your early response to our request will be greatly appreciated. Thank you for your assistance.

Sincerely,

Richard A. Stedry
716 Lewis Drive, Box 1106
Hesston, Kansas 67062Kenneth StClair, Professor
Department of Educational
Administration and Higher Education
Oklahoma State University

APPENDIX D

QUESTIONNAIRE COVER LETTER TO
BUILDING PRINCIPALS

*Oklahoma State University*DEPARTMENT OF EDUCATIONAL ADMINISTRATION
AND HIGHER EDUCATIONSTILLWATER, OKLAHOMA 74078
309 GUNDERSEN HALL
(405) 624-7244

March 8, 1982

Dear Building Principal:

I am in the process of completing a dissertation as part of a doctoral program at Oklahoma State University. This research project has been approved by the Department of Educational Administration and Higher Education.

The purpose of the research is to determine what processes districts used to develop the expenditure section of the 1981 Kansas General Fund Budget.

Attached is a questionnaire that we ask you to complete. Please return your completed questionnaire in the self-addressed envelope.

Anonymity of your responses is assured. No identifiable district information will be used in the completed research project.

Your early response to our request will be greatly appreciated. Thank you for your assistance.

Sincerely,

Richard A. Stedry
716 Lewis Drive, Box 1106
Hesston, Kansas 67062Kenneth StClair, Professor
Department of Educational
Administration and Higher Education
Oklahoma State University

APPENDIX E

BOARD OF EDUCATION QUESTIONNAIRE

ASSESSMENT OF THE GENERAL FUND BUDGET DEVELOPMENT PROCESS

Board of Education Questionnaire

I. Budget Development Process

DIRECTIONS: Respondents are asked to indicate the budget development process their district used in developing their 1981-1982 General Fund Budget. Please read the description of each of the budget development processes below and select the one, by placing a check mark in the column marked "Process Used," which describes or comes closest to describing your development process.

If the process used was not the process preferred, please check the preferred budget development process in the column marked "Preferred Process."

	Process Used	Preferred Process
Incremental Process The new budget and the budget's line items are increased (or decreased) by the same percentage which the State of Kansas allows the budget to increase.	_____	_____
Program Planning Budgeting System (PPBS) The budget is developed on a priority basis, considering the needs of instructional and support programs which have been initiated to accomplish mutually agreed upon objectives. All expenditures are predetermined to accomplish the various program objectives.	_____	_____
Unit Allotment Process Allowances per student are developed by the central office administration and these allowances are expressed in terms of dollars per student. This per student allotment is then multiplied by the number of students in a specific building or in the total district to arrive at the district's budget and line items.	_____	_____
Zero Based Budgeting Budget development based on "decision packets" which are systematically analyzed, ranked in order of importance and then selected for inclusion in the budget. The process requires each administrator to justify each of their budget requests.	_____	_____
Educational Resource Services: Comparative Analysis A method of budgeting based on comparative analysis. This system provides an individualized comparative analysis of a district's line item budgets with corresponding line items of other school systems. The analysis provides information on per pupil expenditures, budget priorities, and rationale for various budget expenditures.	_____	_____
Production Function Studies A budgeting system that uses a formula that assumes there is a significant relationship between what happens to a student—called outputs—and three variables to characterize conditions of learning—called inputs. The "input" variables describe: (1) The out-of-school environment of the student, (2) The given student's fellow students, and (3) Components of the schooling environment.	_____	_____

	Process Used	Preferred Process
Decentralized Budgeting	_____	_____
Budget amounts/allocations are provided on a school-by-school basis and principals and teachers decide how to spend the money. The principal is totally responsible for the expenditure of the budget amount/allocation.		
Centralized Budgeting	_____	_____
The budget is developed with no attention to existing resources or past budgeting requests. All budget decisions are made by the central office and all schools must accept these decisions.		
Certified Public Accountant	_____	_____
The budget is developed by the district's CPA. The CPA uses little or no input from district personnel and develops all budget line items.		
Budget Consultant	_____	_____
An outside consultant is hired by the district to develop the budget. The consultant develops and presents the prepared budget to the board of education.		
None of the Above Processes (Please briefly describe your district's process.)		

II. Budgeting Questions

DIRECTIONS: The questions below deal with the development and approval process of your district's 1981-1982 General Fund Budget. Please answer each question by checking the appropriate Yes or No response. If your answer is No, please indicate with a check mark in Column 3 if you would have preferred to use this budgeting step.

	Col. 1 Yes	Col. 2 No	Col. 3 Preferred
1. Does the district have board of education policies specifying who has responsibility for the district's budget development process?	_____	_____	_____
2. Does the district have a board of education policy identifying the budget development process that the district will use, i.e., Program Budgeting, Zero Based Budgeting, etc.?	_____	_____	_____
3. Are these policies, regarding the budgeting process, reviewed and/or revised each year by the board of education?	_____	_____	_____
4. Was there an annual budget preparation calendar adopted by the board of education that identified the various budget preparation steps and target dates?	_____	_____	_____

	Col. 1 Yes	Col. 2 No	Col. 3 Preferred
4A. Was the budget preparation calendar announced and emphasized to the district's employees?	_____	_____	_____
4B. Was the budget preparatory calendar provided to the news media?	_____	_____	_____
4C. Was the budget preparation calendar made available to the community?	_____	_____	_____
5. Was the board of education involved in the budget development process aside from being involved at the budget hearing in August?	_____	_____	_____
6. Were the building principals involved in the budget development process?	_____	_____	_____
7. Did the board of education have a procedure by which the community was involved in the budget development process?	_____	_____	_____
8. Was the board of education satisfied with the budget development process used for the 1981-1982 budget?	_____	_____	_____
9. Did the board of education evaluate the budgeting process used in 1981-82 for the purpose of improving the 1982-1983 process?	_____	_____	_____
10. Did the budgeting process involve long range (3 to 5 years) fiscal planning?	_____	_____	_____
11. Did the board of education have an educational plan, containing educational programs and special funding priorities, for 1981-1982?	_____	_____	_____
11A. Was the educational plan used to develop the 1981-1982 General Fund Budget?	_____	_____	_____
11B. Was the educational plan established with input from the superintendent's office (superintendent, assistant superintendent, business manager)?	_____	_____	_____
11C. Was the educational plan established with input from building principals?	_____	_____	_____
11D. Was the educational plan established with input from the community?	_____	_____	_____
12. Did any community people attend the budget hearing in August in addition to those community people who regularly attend board of education meetings?	_____	_____	_____
13. At the budget hearing, did any community people ask questions about the budget?	_____	_____	_____
14. Did any organized citizen groups such as taxpayers or the Farm Bureau raise any objections to the 1981-1982 General Fund Budget mill levy?	_____	_____	_____

APPENDIX F

SUPERINTENDENT QUESTIONNAIRE

ASSESSMENT OF THE GENERAL FUND BUDGET DEVELOPMENT PROCESS

Superintendent Questionnaire

I. General Information

A. 1981-1982 district FTE certified to the KSDE _____

B. Central office administrator who had responsibility for developing the district's 1981-1982 General Fund Budget:

- Superintendent _____
- Deputy Superintendent _____
- Associate Superintendent _____
- Assistant Superintendent _____
- Business Manager _____
- Other (Please give position title)

C. Please indicate the university or college, and the year, that the administrator who had responsibility for developing the 1981-82 General Fund Budget took the following courses:

	University/College	Year
School Finance	_____	_____
School Business Management	_____	_____

II. Budget Development Process

DIRECTIONS: Respondents are asked to indicate the budget development process their district used in developing their 1981-1982 General Fund Budget. Please read the description of each of the budget development processes below and select the one, by placing a check mark in the column marked "Process Used," which describes or comes closest to describing your development process.

If the process used was not the process preferred, please check the preferred budget development process in the column marked "Preferred Process."

	Process Used	Preferred Process
Incremental Process The new budget and the budget's line items are increased (or decreased) by the same percentage which the State of Kansas allows the budget to increase.	_____	_____
Program Planning Budgeting System (PPBS) The budget is developed on a priority basis, considering the needs of instructional and support programs which have been initiated to accomplish mutually agreed upon objectives. All expenditures are predetermined to accomplish the various program objectives.	_____	_____

	Process Used	Preferred Process
Unit Allotment Process Allowances per student are developed by the central office administration and these allowances are expressed in terms of dollars per student. This per student allotment is then multiplied by the number of students in a specific building or in the total district to arrive at the district's budget and line items.	_____	_____
Zero Based Budgeting Budget development based on "decision packets" which are systematically analyzed, ranked in order of importance and then selected for inclusion in the budget. The process requires each administrator to justify each of their budget requests.	_____	_____
Educational Resource Services: Comparative Analysis A method of budgeting based on comparative analysis. This system provides an individualized comparative analysis of a district's line item budgets with corresponding line items of other school systems. The analysis provides information on per pupil expenditures, budget priorities, and rationale for various budget expenditures.	_____	_____
Production Function Studies A budgeting system that uses a formula that assumes there is a significant relationship between what happens to a student—called outputs—and three variables to characterize conditions of learning—called inputs. The "Input" variables describe: (1) The out-of-school environment of the student, (2) The given student's fellow students, and (3) Components of the schooling environment.	_____	_____
Decentralized Budgeting Budget amounts/allocations are provided on a school-by-school basis and principals and teachers decide how to spend the money. The principal is totally responsible for the expenditure of the budget amount/allocation.	_____	_____
Centralized Budgeting The budget is developed with no attention to existing resources or past budgeting requests. All budget decisions are made by the central office and all schools must accept these decisions.	_____	_____
Certified Public Accountant The budget is developed by the district's CPA. The CPA uses little or no input from district personnel and develops all budget line items.	_____	_____
Budget Consultant An outside consultant is hired by the district to develop the budget. The consultant develops and presents the prepared budget to the board of education.	_____	_____
None of the Above Processes (Please briefly describe your district's process.) _____ _____ _____ _____ _____ _____		

III. Budgeting Questions

DIRECTIONS: The questions below deal with the development and approval process of your district's 1981-1982 General Fund Budget. Please answer each question by checking the appropriate Yes or No response. If your answer is No, please indicate with a check mark in column 3 if you would have preferred to use this budgeting step.

	Col. 1 Yes	Col. 2 No	Col. 3 Preferred
1. Are there board of education policies specifying who has responsibility for the district's budget development process?	_____	_____	_____
2. Is there a board of education policy identifying the budget development process that the district will use, i.e., Program Budgeting, Zero Based Budgeting, etc.?	_____	_____	_____
3. Does the board of education review and/or revise the policies regarding the budgeting process each year?	_____	_____	_____
4. Was a budget preparation calendar developed that identified the various budgeting steps and target dates?	_____	_____	_____
4A. Was the budget preparation calendar approved by the board of education?	_____	_____	_____
4B. Was the budget preparation calendar announced and emphasized to the district's employees?	_____	_____	_____
4C. Was the budget preparation calendar provided to the news media?	_____	_____	_____
4D. Was the budget preparation calendar made available to the community?	_____	_____	_____
5. Was the board of education involved in the budget development process aside from their involvement at the August budget hearing?	_____	_____	_____
6. Did you seek input from the building principals regarding items to be included in the General Fund Budget?	_____	_____	_____
6A. Did you receive input from the building principals for items to be included in the General Fund Budget?	_____	_____	_____
7. Did the district have a procedure by which the community was involved in the budget development process?	_____	_____	_____
8. Was long range (3 to 5 years) fiscal planning used in your budgeting process?	_____	_____	_____
9. Was an educational plan developed containing educational programs and special funding priorities for 1981-82?	_____	_____	_____
9A. Was this educational plan approved by the board of education?	_____	_____	_____
9B. Was this educational plan used to develop the 1981-1982 General Fund Budget?	_____	_____	_____

APPENDIX G
PRINCIPAL QUESTIONNAIRE

ASSESSMENT OF THE GENERAL FUND BUDGET DEVELOPMENT PROCESS

Principal Questionnaire

I. General Information

A. 1981-1982 building FTE _____

B. Please indicate the university or college, and the year, that you took the following courses:

	University/College	Year
School Finance	_____	_____
School Business Management	_____	_____

II. Budgeting Questions

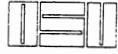
DIRECTIONS: The questions below deal with your involvement in the development of your district's 1981-1982 General Fund Budget. Please answer each question by checking either the Yes or No response. If your answer is No, please indicate with a check mark in Column 3 if you would have preferred to use this budgeting step.

	Col. 1 Yes	Col. 2 No	Col. 3 Preferred
1. If a budget preparation calendar was developed for the district, identifying the various budget preparation steps and target dates, did you have an opportunity to offer input regarding the calendar?	_____	_____	_____
2. Did you get a copy of the district's budget preparation calendar?	_____	_____	_____
3. Were you involved in the district's budget development process?	_____	_____	_____
4. Were you involved in the district's long range (3 to 5 years) fiscal planning?	_____	_____	_____
5. Did you involve your teaching staff in your building's budget development process?	_____	_____	_____
6. Did you develop an educational plan for your building containing special programs and funding priorities?	_____	_____	_____
6A. Did you use your educational plan to develop your building's budget?	_____	_____	_____
6B. Did you submit your building's educational plan to the superintendent?	_____	_____	_____
6C. Was your building's educational plan included in the district's educational plan?	_____	_____	_____
7. Did your school finance course adequately prepare you for your building budget development work?	_____	_____	_____

APPENDIX H

SECOND MAILING COVER LETTERS

FOR QUESTIONNAIRES



Oklahoma State University

DEPARTMENT OF EDUCATIONAL ADMINISTRATION
AND HIGHER EDUCATION

STILLWATER, OKLAHOMA 74078
309 GUNDERSEN HALL
(405) 624-7244

April 1, 1982

Dear Board President:

Three weeks ago, I sent you a questionnaire pertaining to the developmental process of your district's 1981-1982 General Fund Budget. Your responses to the questionnaire are very important to the total research project.

If you have returned the questionnaire thank you for your help. If you have not yet found time to return the questionnaire, will you please take a few minutes and complete the enclosed questionnaire. A stamped is enclosed for you to return the questionnaire to me.

Thank you for your help and much needed information.

Sincerely,

Richard A. Stedry
716 Lewis Dr. - Box 1106
Hesston, Kansas 67062



Oklahoma State University

DEPARTMENT OF EDUCATIONAL ADMINISTRATION
AND HIGHER EDUCATION

STILLWATER, OKLAHOMA 74078
309 GUNDERSEN HALL
(405) 624-7244

April 1, 1982

Dear Superintendent:

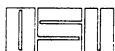
Three weeks ago, I sent you a questionnaire pertaining to the developmental process of your district's 1981-1982 General Fund Budget. Your responses to the questionnaire are very important to the total research project.

If you have returned the questionnaire, thank you for your help. If you have not yet found time to return the questionnaire, will you please take a few minutes and complete the enclosed questionnaire. A stamped envelope is enclosed for you to return the questionnaire to me.

Thank you again for your help and much needed information.

Sincerely,

Richard A. Stedry
716 Lewis Drive, Box 1106
Hesston, Kansas 67062



Oklahoma State University

DEPARTMENT OF EDUCATIONAL ADMINISTRATION
AND HIGHER EDUCATION

STILLWATER, OKLAHOMA 74078
309 GUNDERSEN HALL
(405) 624-7244

April 1, 1982

Dear Principal:

Three weeks ago, I sent you a questionnaire pertaining to your involvement with your district's 1981-1982 General Fund Budget. Your responses to the questionnaire are very important to the total research project.

If you have returned the questionnaire, thank you for your help. If you have not yet found time to return the questionnaire, will you please take a few minutes and complete the enclosed questionnaire? A stamped envelope is enclosed for you to return the questionnaire to me.

Thank you again for your help and much needed information.

Sincerely,

Richard A. Stedry
716 Lewis Drive, Box 1106
Hesston, Kansas 67062

VITA ²

Richard Allen Stedry

Candidate for the Degree of

Doctor of Education

Thesis: THE DEVELOPMENT PROCESS OF THE KANSAS GENERAL FUND BUDGET

Major Field: Educational Administration

Biographical:

Personal Data: Born in Chicago, Illinois, January 14, 1944, the son of Mr. and Mrs. Albert Stedry.

Education: Graduated from Elkhart High School, Elkhart, Indiana, in June, 1962; received a Bachelor of Music Education degree from Wichita State University in 1967; received a Master of Education degree in secondary school administration from Wichita State University in 1972; received a Specialist in Education degree in general school administration from Wichita State University in 1974; completed requirements for the Doctor of Education degree at Oklahoma State University, Stillwater, Oklahoma, in December, 1982.

Professional Experience: Taught instrumental and vocal music at Rose Hill High School, Rose Hill, Kansas, 1967-1968; taught instrumental music at Labette County High School, Altamont, Kansas, 1968-1970; taught instrumental music at Northwest High School, Grand Island, Nebraska, 1970-1972; Interim-Superintendent of Schools at Unified School District 374, Sublette, Kansas, 1973-1974; Superintendent of Schools at Unified School District 216, Deerfield, Kansas, 1974-1977; Assistant Superintendent of Schools at Unified School District 465, Winfield, Kansas, 1977-1980; Superintendent of Schools at Unified School District 460, Hesston, Kansas, 1980-1982.