DOCUMENT RESUME

ED 047 670 JC 710 058

AUTHOR LaVire, Willis A., Ed.
TITLE Positive Approaches to Business Management: Conference Proceedings.
INSTITUTION Florida Univ., Gainesville. Inst. of Higher Education.
SPONS AGENCY Kellogg Foundation, Battle Creek, Mich.
PUB DATE [70]
NOTE 129p.; Proceedings of a conference sponsored by the Southeastern Junior College Leadership Center, University of Florida, Florida State University, Division of Continuing Education, August 2-5, 1970, Gainesville, Florida

EDRS PRICE EDRS Price MF-$0.65 HC-$6.58
DESCRIPTORS *Administrative Personnel, *Administrator Role, *College Administration, *Junior Colleges, Professional Personnel

ABSTRACT

In August 1970, an institute for newly appointed junior college business managers was planned around the business management function. This function would include purchasing, physical plant, personnel, auxiliary services, and financial records. The following seven speeches from the proceedings are presented: Evolution of Responsibility in the Business Office; Factors Influencing Financial Policy Decisions; Faculty Involvement; Business Managers I Have Known; Budget Formulation; The Business Manager in The Community College World; and PPBS: Planning in Decision Making. (CA)

INSTITUTE OF HIGHER EDUCATION
UNIVERSITY OF FLORIDA

POSITIVE APPROACHES TO BUSINESS MANAGEMENT

Conference Proceedings

Edited by
Willis A. LaVire

Sponsored
by
Southeastern Junior College Leadership Center
University of Florida
Florida State University
Division of Continuing Education

August 2-5, 1970
Flagler Inn
Gainesville, Florida

Under a grant from the W. K. Kellogg Foundation

ACKNOWLEDGEMENTS

Positive Approaches to Business Management

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Acknowledgement is accorded the Division of Continuing Education of the University of Florida for development of brochures, physical arrangements, and printing of the proceedings.

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PROGRAM

Sunday, August 2

Registration - 2nd Floor Lobby
Flagler Inn

Dinner
Presiding: Dr. James Wattenbarger - Director, Institute of Higher Education, University of Florida
Welcome: Mr. William Elmore - Vice-President for Business Affairs, University of Florida
"Evolution of Responsibility in the Business Office"

Monday, August 3

Presiding: Dr. Raymond E. Schultz - Professor of Higher Education, Florida State University
Speaker: Dr. Charles Greene - President, Muskegon Community College, Muskegon, Michigan
"Financial Policy Development"

Lunch - light buffet

Speaker: Mr. Jimmie C. Styles - Vice-Chancellor, Tarrant County Junior College District
"Faculty Involvement"

Visits to the University Business Offices

Dinner
Speaker: Dr. Maurice L. Litton - Professor of Higher Education, Florida State University
"Business Officers I Have Known"

Tuesday, August 4

Presiding: Mr. Oscar Hamilton - College of Education, University of Florida
Speaker: Mr. Thomas M. Baker - Administrator, Financial Affairs, Division of Community Colleges, Department of Education, Tallahassee, Florida
"Formulation of Educational Plan (Budget)"

Lunch

Speakers: Mr. Jimmie C. Styles
Mr. Tom Baker, Dr. Charles Greene -
"Implementing the Educational Plan (Budget)"

Visit to Santa Fe Business Offices

Dinner
Speaker: Dr. Joseph W. Fordyce - President, Santa Fe Junior College
"The World of the Community College"

Wednesday, August 5

Presiding: Dr. Dayton Y. Roberts - Assistant Director, Institute of Higher Education, University of Florida, Gainesville, Florida
Speaker: Dr. Lysle R. MacKeraghan, Education Specialist, Training and Applications Department, Naval Training Device Center, Orlando, Florida
"PPBS: Planning in Decision Making"

Evaluation of Conference
Dr. James L. Wattenbarger - Director Institute of Higher Education, University of Florida

Introduction

An administrative organization exists to facilitate the identification and achievement of goals and objectives. Organizational structures differ. However, the central aim of all organizational structures is the identification and achievement of goals in the most efficient and effective possible manner.

The junior colleges have been part of the American educational scene since 1900, but only in recent years has the comprehensive community college become a major educational force. Historically the organization of the junior and comprehensive two-year college has evolved in similar fashion to that of the four-year colleges and universities. However, there are unique goals, functions, and objectives which manifest a different type of organization. The community colleges provide for the first two years of college work, vocational and technical education, education for adults, general education, and guidance services.

A typical organization chart of a comprehensive community college would include three broad functions: academic affairs, student affairs, and business affairs.

The business management function would include purchasing, physical plant, personnel, auxiliary services, and financial records. This institute was planned around the business management function.

Thirty-three business managers from the southeastern region of the United States attended the Institute for Newly Appointed Business

Managers titled "Positive Approaches to Business Management." The meetings were held August 2-5, 1970, in the Flagler Inn which adjoins the University of Florida campus in Gainesville, Florida.

The planning committee for the institute determined that the proceedings would begin with a general overview of the profession and narrowed the focus until very specific tasks relating to business management would be studied and discussed.

Several developments concerning business managers in junior colleges deserve mention:

1. Institutional research is being emphasized to an ever greater extent in community colleges.
2. More concern is being expressed for developing costing techniques for purposes of establishing program and unit costs.
3. There is an increasing use of computers in the budgetary processes.
4. There is more attention to data gathering and retrieval.
5. A changeover from line item budgets to budgeting by major and minor programs is apparent.
6. There is an increasing demand from those who pay the way for evaluation techniques which can establish the worth of programs and techniques.
7. There is increasing faculty and staff involvement in determining institutional objectives and financial needs.

All participants were requested to evaluate the Institute with respect to the relevancy and treatment of the subject matter and the appropriateness of the time schedule. Over 95 percent of the participants rated the Institute as "very valuable" on a five-point scale ranging from "not important" to "very valuable." Three of the twenty-five participants felt that the time schedule could have been improved, but they did not agree on how this could have been accomplished.

One of the participants seemingly expressed the general feeling of all who attended when he said, "The program, physical facilities, food, atmosphere, and friendliness of all concerned deserve the highest compliment. My thanks to the staff and the Kellogg Foundation."

The Editor

EVOLUTION OF RESPONSIBILITY IN THE BUSINESS OFFICE

by Mr. William Elmore
Vice-President for Financial Affairs
University of Florida
Gainesville, Florida

I am very happy to have this opportunity to welcome you to the University of Florida and to this workshop. The staff of the office of Administrative Affairs and I are looking forward with pleasure to your visit and inspection of our facilities tomorrow. We shall be happy to answer your questions (except those questions concerning our obvious lack of space - we haven't solved that one, either). Please do feel free to discuss with our people any of the problems you might have - we are probably struggling with them, too.

A word about our organizational structure might be of help to you before your visit. The office of Administrative Affairs is structured along functional lines, with the Directors of Finance and Accounting, Personnel, Physical Plant, Internal Control and the Administrative Computer reporting directly to me. The Directors of Purchasing, Campus Shop and Bookstore, and Auxiliary Services (including laundry, printing, vending and the contracted food service) report to the Business Manager who, in turn, reports to me. Several of the larger auxiliaries which are student-oriented, including Housing and the J. Wayne Reitz Union, are responsible to the Vice-President for Student Affairs for program and to me for financial matters.

Like many other functions, the business office of today has evolved out of necessity. However, the college business office did not have opportunities for the slow, steady growth afforded other enterprises. Our static stage lasted many long years, from inception to the beginning of the Second World War. We happened during that war, and were expected to be fully developed in 1945.

Looking back to the "good old days," the days of the green eyeshades and sleeve garters, the business office primarily was held responsible for bookkeeping and stewardship of the assets of the institution. Occasionally, the chief business officer might have been called upon for limited advice on fiscal matters, but usually the giving of such advice was the prerogative of the governing board and the school's banker. Matters such as purchasing, personnel management and operation of the physical plant were left to individual department heads and, possibly, a few custodial personnel. If the school were large enough, the business office might have had a hand-operated adding machine on a wheeled cart and perhaps a bookkeeping machine. The funny part of it is that many of us vividly remember a business office of this configuration.

What pulled the business office out of this role? What magic turned business officers into viable leaders in the academic community, with wide and varied responsibilities? What force was sufficient to accomplish all of this in less than a quarter of a century?

The primary answer to these questions is, of course, that after World War II we suddenly had a lot more customers, and precious little time was allowed us to gear to meet their needs. The impact of the GI Bill and an accelerating economy placed tremendous demands for growth and development on all institutions and on every department, including the business office, within each institution. During the war years some of us caught a glimpse of where we were going, for our schools received many students for officer training and other war-related courses, but the major impact occurred in 1945 and 1946. Many of the expanded responsibilities of the business office, therefore, stem merely from the increase in the size of the institution it serves.

Of nearly equal importance in thrusting upon us the responsibilities we have today is a factor synonymous with the impact the federal income tax had on the accounting profession. The interest of state and federal government in higher education, evidenced through such programs as HUD, NSF, HEW, VA, USOE (to name a few) has broadened the horizons of the business office and forced sophistication in the span of a few short years.

Advanced office systems technology, while not strictly a causative factor of our growing responsibility has, by enabling us to do more things quickly and effectively, allowed us to assume many new roles. The part technology has played in the development and maintenance of our physical assets can not, of course, be overlooked.

Well, now that we have given thought to "how we got where we are," let's spend a moment looking toward our destination, or what should be our destination. A great future lies ahead.

The importance of the business office to the academic community of today continues to increase as the institution grows and becomes more complex.

Few can argue with the fact that the business office today is the chief source of fiscal advice not only to the president, but also to the governing board. We have graduated from bookkeepers to managers with, in most cases, responsibilities and opportunities for service broader in scope than our brothers in business. Centralized purchasing and personnel departments are coping with a volume of state and federal regulations that stagger the imagination. Sophisticated boards and legislatures are demanding modern systems and business programs, including planned program budgeting and planning models. The role of our institutions in educating vast numbers of students, in community affairs, and in research, has forced the business office to employ the most capable personnel available and to utilize the most up-to-date advances in the areas of computers and business equipment. Our physical plant, with its laboratories, air conditioning, and problems connected with vehicle parking, traffic control and power distribution requires the highest managerial and engineering skills. Finally, and of greatest importance, the business office has the responsibility for creating an economic climate and a service organization that will assist the institution in the fulfillment of its academic goals.

Let's look at our opportunities for service in more detail. No matter what degree of complexity our schools represent, we, as business officers, have the same opportunities.

To quote from the American Council on Education's College and University Business Administration, "Business officers should have a demonstrable understanding of the general concepts of educational philosophy and of the functions which their offices must perform. They must administer the physical and financial programs in such a way as to assist in achieving the educational aims and objectives of their institutions while at the same time maintaining fiscal integrity and economy....We must assist in achieving the educational aims and objectives of our institutions" - this phrase should be the keystone of our profession. It cannot be emphasized too strongly that the business office is not an end in itself, rather it exists only to serve the institution in performing its mission.

Opportunities to serve are present daily. Our presidents and governing boards have fiscal problems of such complexity that they - and this is true of education by and large - cannot begin to cope with them in detail. It is our responsibility as business officers to construct our records and systems so that information can be developed quickly. It is also our responsibility to develop ourselves and to obtain and train a class of business office personnel that can solve the fiscal problems facing the administration. Here in Florida, the legislature is demanding a more modern method of planned program budgeting; no longer will grinding out budget formulas be adequate. The systems for securing and managing the multitude of state and federal grants for research and construction and the precise accounting procedures necessary to manage these funds must be available and in good order. The role of the chief executive officer today is much broader, and he must be furnished sound fiscal advice covering a wide range of considerations with readily available alternatives. This service to the chief executive, the governing board, and the academic community is one of the most challenging but, at the same time, the most rewarding responsibilities facing the business officer.

The services provided by the purchasing division have advanced a long way from the days when each department head purchased and rationed out chalk, erasers, pencils and paper. The wide range of products and services required by our departments must be supplied accurately with minimum effort on their part. State and federal purchasing rules and regulations must be interpreted and executed without causing an undue number of administrative headaches. We must be capable of providing advice on the writing of specifications for the acquisition of a wide range of highly technical products.

No longer is personnel management limited to hiring and firing. The need for staffing our institutions with well-trained, qualified personnel who are dedicated and of high morale demands the utmost in professional personnel management. To serve the institution adequately in this field becomes more challenging each day. In order to compete for the types of personnel needed to meet the requirements of today, we must provide a wide range of services, benefits, and attractive working conditions, while at the same time complying with and advising our departments on a wide range of complex federal and state personnel regulations.

Let's face it! Even though some may dream of returning to the ancient Greek university, where professors conducted classes on street corners or under shade trees, it just isn't going to happen. Our physical plants of today consist of more than four walls, a leaking roof, and a pot-bellied stove. Our sophisticated customers and course offerings demand educational and service spaces with controlled climates, complete laboratories, telephones, teaching aids, computers, and sufficient utilities to support all of these systems. The physical plant manager of today must be a skilled administrator supported by a staff of highly trained engineers and technicians.

This brief mention of a few of the responsibilities resting on today's business administrator points up the reasons for our existence, and our continued value to the institutions we serve. For, contrary to the belief of some, we did not create the complex world in which we operate. Nor is our primary purpose in life to harrass. Rather, we must do everything possible to construct a service organization that will allow teachers to teach, students to learn, and researchers to do their thing.

FACTORS INFLUENCING FINANCIAL POLICY DECISIONS

By Dr. Charles M. Greene, President
Muskegon Community College
Muskegon, Michigan

I have been requested to present an overview of this workshop, and to outline some of the concepts and approaches which relate to financial policy matters in the community-junior college. The activities of these next three days have been carefully planned. It is hoped that they will establish a broad framework within which each of you will be able to relate your daily functions when you return to your duties on your respective campuses.

This morning we will focus briefly on the factors within and without an institution that relate to the broad area of financial planning and financial policy development. In order to establish some common denominators, I propose to:

1. Examine some of the forces that have effects on the planning and budgeting processes.
2. Review conceptions and misconceptions concerning budgeting and the budgeting process.
3. Explore the development of a planning system from which a budget development process can emerge which will provide a budget that can become an effective management tool.
4. Examine the new role of the business manager in the financial policy planning of an institution.

If you haven't already heard in your communities that the cost of education could be pared down because educators are notoriously bad businessmen, I am certain that you will. In almost every community there are those who feel that they know more about what is needed in education than those who are charged with the responsibility. Recently, in Michigan, a secondary school board cut nearly $15,000 from an annual budget. These funds were earmarked for innovative and experimental teaching activities. The rationale for the cut was based on an evaluation of the experimental teaching activity for which funds had been provided the past year. This evaluation indicated that the approach attempted proved to be no more effective than established, so-called "traditional" methods of past years. The board, obviously faced with high costs, decided that experimentation was too expensive a frill to be allowed to be continued.

Educators are currently being asked to defend requests for additional funds to meet increased costs of educational programs. Laymen and legislators question whether skyrocketing costs in public education are necessarily justified. Legislators often campaign on a "hold the line" motto. Educators plead that quality education costs money - but more often than not, these pleas remain unheard in legislative chambers. It is also becoming increasingly difficult for educators to seek additional funds from local tax sources. Laymen, especially those from profit-oriented corporations and small businesses, when requested to invest more resources, tend to evaluate the investment in terms of its profit potential and convincing assessments are difficult - for neither the product nor the by-product in education is readily visible. Stated in broad terms, an educator's responsibility is to continually explore and develop new ways of maximizing human potential. In actual practice, this is interpreted by educators as meaning the provision of diverse educational programs. A truly comprehensive community college is one that holds fast to a philosophical tenet that all human beings are individuals who possess worth and dignity. Providing educational programs that support this tenet is particularly expensive to implement. At the present time, the most successful achievement in student learning has been attained through highly individualized instructional programs and programs which utilize many, and unfortunately, expensive technological aids to instruction and learning. When a college is also dedicated to increasing educational opportunity to serve a larger segment of students with even more diverse educational, cultural and social backgrounds, the college spokesman becomes hard-pressed to translate these high costs of providing these experiences in simple terms.

In the last decade there has been a marked increase in the amount of pressure brought upon colleges to give a closer scrutiny to the allocation of its fiscal resources. Stated in simple terms, colleges, while being asked to cut back or hold the line in terms of expenditures by taxpayers, are being asked to fling the doors of educational opportunity open wider and admit more students. To do the latter successfully, colleges must be able to maintain a degree of flexibility in course and program needs, remain responsive to the constantly changing needs of students in our society, and strive for more efficient allocation and reallocation of its resources. The problem then, is not how to hold the line on expenditures, but rather, how can the resources of the institution be channeled to permit the institution the greatest amount of flexibility in terms of educational responsiveness, and yet maintain academic and fiscal respectability in programming and disbursement.

Since no organization has unlimited human or economic resources available to pursue its objective, budgeting becomes an essential fact of life. However, the restrictive and fiduciary aspects of budget are often emphasized to the exclusion of that role which the budgeting process may play in shaping future plans of the institution. Budgets are often considered only in terms of ceilings they place on expenditures - but because upper limits are placed on dollar expenditures, there is an defacto exercise of a planning option.

It is common for educational institutions to develop annual budgets for only one or two years in advance. This short-range budget consideration is not an assurance that long-range objectives can be obtained. It also fails to give proper attention to the total cost of a program or a plan of action that may extend over a five- to ten-year time span. A program which may have a modest initial cost may call for significant expenditures several years later if it is to be maintained. The failure to recognize this long-term cost may seriously jeopardize the operation of the institution.

One of the most humorous definitions that I have heard of a budget is that most often it is "an instrument which reflects the best way to spread the discontent." But what is a budget? Is it a ceiling for expenditures? Is it a convenient grouping of basic institutional costs that permits easy reporting and control? No, the budget is a document that represents the educational plan of the institution stated in fiscal terms. How many budgets represent a planned program of educational experiences - a plan, if you will, that has been designed to support the educational goals of the institution? Not only should the budget represent a statement of the educational plan, but a good budget is the result of a budgeting process - a process that recognizes the need for an established planning horizon. This horizon should be stated in both educational and fiscal terms. Educational terms are long-range educational objectives. Fiscal terms are long-range predictions of available resources. A good budget, therefore, results from a budgeting process that recognizes an horizon in excess of one or two years. An annual budget lends final shape and reality to planning efforts that have gone before.

It is unfortunate that budgets, as tools or instruments, are surrounded by a host of conceptions and misconceptions. To the taxpayer, the budget is primarily an instrument which requires a high tax base and apparently a higher educational cost. It is not uncommon today for members of the community to attack a budget, both from the line item basis - with particular reference to salaries and also from a fund basis - because of the implication it has to a local tax source. From within the institution, budgets are quite often viewed as limitations placed on divisions and departments for the forthcoming year. Unfortunately, in all too many institutions these limitations are limits for unplanned and uncoordinated activities. They do not relate to long-range goals. All institutions need to encourage the development of a budget concept that encourages the development of a budget rationale. The rationale must include a commitment for the fiscal resources to adequately reflect the educational objectives of the institution. It must be understood that a budget is merely a tool. Developed properly, the budget can be used to evaluate the progress of an institution towards its goal, stated or implied. An analysis of annual budgets gives an opportunity to evaluate the thrust of the institution. There are many who view the budget as a by-product of institutional management, an instrument that reflects the extent of the president's ability (or lack of it) to manage the educational business of the institution. An analysis and evaluation of annual budgets in many institutions shows drastic changes within expenditure items or activities centers from year to year. The conclusion that can be drawn from this type of an evaluation is that either no long-range goal or plan has been established within the institution, or that if one indeed exists, it must be one that is confused. It is unfortunate, but true, that in many institutions the budgeting process has become an implementing factor instead of a planned educational factor.

If we can agree that the budget is more than a tool for any single purpose, if we can agree that a budget is a comprehensive representation of an educational plan, and if we can agree that the budget does relate to the effectiveness of institutional management, then let us proceed to examine some of the forces that must be respected in the development of the budget.

The time is now upon us to look frankly and honestly at the changing position of the president at any college. A frank analysis of his office today indicates that it no longer enjoys the mandate of power once held. The president is no longer an administrator who focuses his entire energies solely on the implementation of policy. He is no longer primarily a scholarly speaker or a fund raiser. His role has changed. In many respects he has been forced to become an educational manager, who like the conductor of an orchestra, focuses most of his attention to directing the processes within the organization in such a manner that contributions of many individuals are blended into a planned and harmonious effort. The president today must recognize that as the trombonist in the orchestra is important to the recreation of a Mahler symphony, so also is the contribution of each student or faculty member important in the development of a harmonious, educational plan for the college. The president today must concentrate more of his time in the art and science of planning, organizing, and motivating diverse human resources than at any time prior to this day in American history. In the last decade we have come quickly to recognize that an increasing number of serious faculty members and students are expressing interest in becoming more involved in institutional affairs. The planning and budgeting processes of the institution must take this fact into consideration.

Recognizing the president's changing role, the educational plan of the institution is no longer solely the representation of his ideas. It represents an educational plan which now reflects how well the president is able to work through established administrative offices, to work with faculty, students, the board of trustees and various advisory groups in the development of a planned educational program that is both consistent with good business practice, good educational practice, falls within state and accrediting associations' requirements, and yet permits flexibility and freedom for students and faculty to cooperatively create and maintain an enriching and exciting educational environment.

Just as there has to be a recognition of the changing role of the president, there also must be the recognition that the college publics will not tolerate institutional spending that fails to establish long-range goals - planned goals which represent coordinated educational and fiscal objectives established within an extended planning horizon. Annual budgeting processes must be related to a total planning process and to this larger planning horizon.

There are many approaches to the planning process. Perhaps the foremost consideration is to establish a planning system and to recognize, in order to be effective, the time span for planning should be increased from the single year concept to include both a five-year and a ten-year plan. It would be more helpful if an additional time span, perhaps a twenty-thirty year horizon could be developed. For it is within this extended planning horizon of more than twenty years that individual programs from five to ten years in length could be projected and evaluated. Annual budgets, under this concept, become a stepping stone to move the institution forward on this ladder of predetermined objectives. Concomitant with the establishment of a planning system that includes a larger planning horizon, is the acceptance of a principle that recognizes that the job of planning for the future growth of the institution can no longer remain under the autocratic domain of one person. Even in institutions that establish a long-range planning office the officer in these roles must serve to coordinate the planning system. He must recognize the importance of informed participation of the entire campus community. No planning system can operate successfully if it does not permit involvement from within the campus community. No successful system dare remove itself from a total awareness of the institutional processes and purposes. Therefore, the administrative structure of an institution must not only be representative of an organizational plan to implement policies, decisions, and to carry on the day-to-day educational business of the college, but it must be conceived to function in a broader capacity so that data input can be utilized to develop an extended planning horizon.

In committing itself to a planning system that includes development of a coordinated planning process, the institution must establish an organizational vehicle which permits an interchange and flow of information. In this time of rising interest among faculty and students for participation in the governance of the institution, it is necessary that this organizational pattern reflect the opportunity for the dissemination of planning information - especially the status of decisions within the planning spectrum.

Once a planning system has evolved and a planning process has been developed, the first step in the management of a financial planning program is to review or to establish college objectives. These objectives must specifically define the desired attainment of the college. The organizational pattern of the institution must permit clear communication channels to convey and to evaluate new ideas. These new ideas must be evaluated in terms of their relation to the defined objectives and established priorities. Hopefully, the organizational pattern will include a functional assignment of responsibilities for objective review and priority recommendation at all levels within the institution.

The task of setting objectives is a difficult one for college administrators - and perhaps one that cannot be completely delegated. Some educators feel that the perspective of the college is best stated by the president. If this is the case, a draft of desired objectives would be assembled in his office and then disseminated for review and modification by his first line administrators. This document then must be reviewed by all members of the college community. College faculty, student and staff input is vital to the ultimate acceptance and agreement on the purposes of the institution. Often, information sources external to the college can and should be utilized to develop data and information pertinent to the definition of the objectives.

The external information could provide data from local, state, and national sources. The consideration of educational needs at these levels would be of major importance. The external source would also provide an input from any master plan for education that might exist in the state, and this input would be vital in defining the scope and role of any institution.

Basically, establishing and reviewing objectives of a college is really the organization of a study to answer two basic questions: What is the purpose of the college? To whom does the college wish to direct its educational services? Once defined, evaluated and agreed upon, the specific objectives must receive the approval of the board of trustees. Once obtained, there must be a strong coordinated commitment to the attainment of these objectives.

These are the factors that relate directly to financial policy development. To be effective, there must be a commitment to a planning system, and a recognition of stated institutional objectives. There must be a planning process to insure a coordination of effort. And, to be really effective, there must be a fiscal rationale that translates established objectives in dollar allocation and relates these dollar amounts to the available sources.

What is the role of the business manager in financial policy development? Perhaps we could approach the definition of this role by reviewing some of the areas that are not his concern. The business officer or manager is not the planning officer. He is not the budget officer in the sense that he determines the fixed amount that will be spent by activity centers. He is not, as is the case in many institutions, the most important, the most powerful individual in the institution. His is a role which has changed much in the way the role of the president has changed in the past decade. He has become more of a resource manager, more of a fiscal consultant. Like the president's responsibility to assure an organizational pattern which will allow for opportunity for participation by faculty and students in the governance of the institution, the business manager must also provide an internal organization which will allow the functions of the business office to contribute to the smooth and efficient operation of the institution. He continues to be responsible for purchasing, for the physical plant, for personnel, for the operation of auxiliary enterprises, for controlling expenditures of established priorities. The success of the educational program depends to a great degree upon the performance of the business officer as he serves in these functions. But, in his new role, he emerges as a fiscal consultant within the long-range planning system. His input concerning the available resources of the institution must constantly be sought by his colleagues. He must now accept the additional responsibility to provide them with all types of statistical information so that they are able to recycle program priorities, bringing them in line with available resources. It is _not_, and let me reemphasize, it is _not_ the responsibility of the business manager to unilaterally recycle priorities to meet the demands of the available income. It _is_ his responsibility, however, to make suggestions, to give service that will allow the planning committee to recycle, reconsider and to regroup its program of priorities to fall more realistically in line with available resources.

The role of the chief business officer of the institution is both a rewarding and a frustrating role. Quite often he sees the successes emerging, or perhaps even the mistakes, in the commitment of an institution long before those who are involved with educational business permit themselves to be acquainted with the problem. The successful business manager is one who does not allow the frustrations to interfere with his good judgment, neither does he allow his good judgment to interfere with basic good human relations. In the final result, he is perhaps the most important advisor to the college, and he must limit his role to being just that - the advisor. The responsibility for the development of the educational programs and for the identification of new directions for the institution must come from within a planning system that includes the entire college community. The value judgments of what is important and what is not important must be removed from the business officer's considerations as he works in his primary role of fiscal advisor.

Let me assure you that you have chosen a professional responsibility that will be most exciting and most rewarding; and although at times the frustrations are supreme, I am certain that you will share many of the warm experiences I had as a chief fiscal officer. As such, you will know that because you are involved in the vital life of the institution, you are also involved in managing the resources of the institution. In so doing, you will have been able to provide educational and enriching experiences for students, and in turn have done a great service not only to them but to society in general.

FACULTY INVOLVEMENT

By Mr. Jimmie C. Styles, Vice-Chancellor
Tarrant County Junior College District
Fort Worth, Texas

Gentlemen, have you ever given serious consideration to how your position developed? Not just in education, but how the need for business managers became a reality? Why accounting and accountability is an absolute necessity in the educational environment? Do you think these questions are facetious? I would like to share with you one historical development that brought about the need for accounting.

In primitive days man had only one of everything. One horse, one cow, one wife - and there was no need for accounting. As a matter of human nature man became greedy and acquired more horses, more cows, and more wives. The only way he could tell how many of them he had was to get them all together in the cave, then count them on his fingers. This worked with the horses and cows, but when he got all his wives together in one room, he had a problem communicating. As an approach to this problem, he began to draw crude symbols on the wall to represent them, and that is how accounting was born.

This was all right for primitive man, but sometimes I wonder if business managers are not drawing crude symbols. They may be symbols which are meaningful to business managers, but faculty find them hard to interpret. In fact, they have very little meaning to the faculty until the symbols carry the ultimate representation of the word "no" when something is desired. As the head of a service organization in the educational community, a business manager should spend as much time and effort as possible to convert these symbol representations so they will equal the desired answer which is "yes." I am simply saying that we need to give more thought and consideration to finding ways of helping in the accomplishment of educational objectives.

Actually there are two systems of accounting used today: the system man uses and the one his wife uses. A woman's accounting differs from a man's because there are no round numbers and everything is expressed in terms of 4.49 and 9.98. In addition, any amount over two figures is automatically charged to her husband. What makes this system obscure is its basis in feminine logic. For instance, if a woman sees something in a store that is on sale at half price, she always buys a second one because that way she gets the first one for nothing. Have you, as business managers, experienced the bargain basement approach to purchases? Involving the faculty in the development and execution of the educational plan can prevent the business manager from being accused of using this type of logic, and it will also prevent the business manager from criticizing the faculty of using this type of logic.

To cite another example of female reasoning: a husband gives his wife $20 to buy a new hat and she sees just the hat she wants for $17, so she saves him $3 right there. While she is buying the hat, she sees a coat to go with it that is marked down from

$40 to $23, a reduction of $17; thus, with the $3 she saved him on the hat, plus the $17 she saved on the coat, her husband still owes her $20. I feel sure at one time or another you have encountered this type of logic and are familiar with the difficulty entailed in coping with this reasoning process.

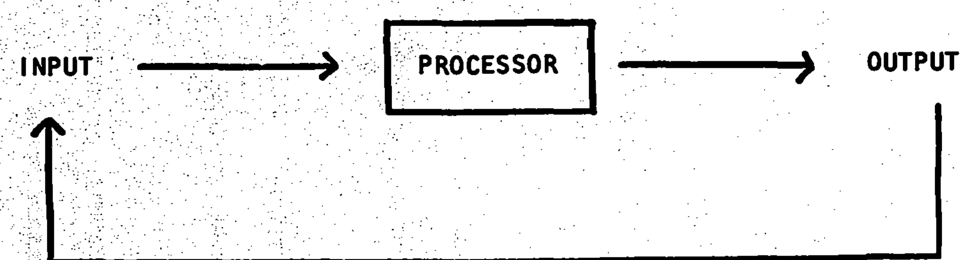
The entire point of these little stories is to show how, from different points of view, we create a credibility gap which prevents us from an efficient attainment of our goals. Have you ever stopped to think that an individual can determine his objective, acquire competent manpower, and develop an organizational structure; however nothing happens until he communicates with his group.

The group in question today is not singular, but plural. There are a number of groups. In education we must communicate with the business community, civic organizations, pressure groups, students, faculty, professionals, co-workers, as well as many other individuals.

For the purpose of this discussion, we will deal mainly with faculty involvement. We must impart our thoughts, plans, and knowledge to others in order to accomplish our desired objectives. In fact, anyone whose work is primarily mental produces nothing and influences nothing until he communicates. Every idea, fact, or opinion is in a dormant state until transmitted and understood. "If the road to hell is paved with good intentions," then the road to failure is surely paved with good ideas poorly communicated. However sound, ideas merely conceived by faculty members or business managers will have little impact until they are communicated to others.

ILLUSTRATION #1

COMPUTER CONCEPT



Communication, according to Webster, means to share in, to give to another, or the interchange of thoughts, opinions, or information. From just a superficial understanding of this definition, we can readily see that communication must be continuous and is a two-way process.

I know of few organizations that do not have communications problems to a degree. This difficulty is created by a lack of involvement of those being serviced by various offices. If we identify this communications problem as resistance, how can resistance be minimized?

Resistance will be less if:

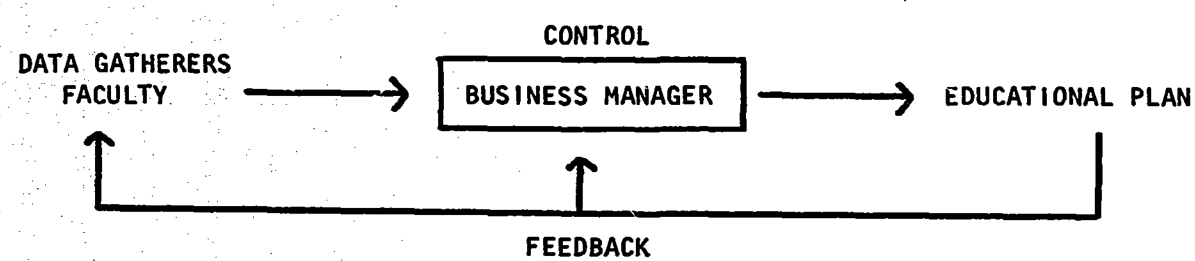
1. the faculty feels that they are involved in the developmental process rather than have something handed down to them from "on high."
2. the support of all can be obtained.
3. the change or operational aspects of the educational plan decreases faculty problems.
4. what we are proposing relates to the same values, ideas, and goals that we have always worked for.
5. the autonomy of the faculty involved is not threatened.

To sum it all up, less communication difficulty will be encountered if the faculty is familiar with what is taking place. If the project "educational plan" is to be adopted by group consensus, a provision must be made first to relieve any unnecessary fears or objections.

One-way communication was all right in the days of King Arthur and his Kinghts of the Roundtable, but in a dynamic society it

ILLUSTRATION #2

SYSTEMS CONCEPT



just doesn't work. To give you an example of one-way communication, I would like to read a letter which was purportedly sent to a potential motel customer after he had sent an inquiry regarding a reservation:

Dear Sir:

We are sorry to report that, at present, we are sold out until August 25, and even then, there are only rooms for four left. The majority of our rooms are for four people and usually when the space is so limited, couples like yours will split up and the three women will sleep in one four rooms full with two double beds and the men in the other four rooms. Another idea would be for two couples to take a four room and the third couple, a room for two. But, just now we have no room for two and even with cancellations, there would never be three cancellations on the rooms for two. So, if we have any four rooms, you would either have to take the two four rooms with two couples in one and one couple in the other or the two, four rooms with three apiece. Please let us know if the above is of any help to you.

Sincerely yours,

Have you ever received a letter or memo that has as much meaning as this one? Do you review your correspondence? Is it possible that you have written a letter or memo that conveys the intended message in a similar manner?

To ignore or show indifference to the reader or listener's response is fatal to effective communication. Simply talking or writing without regard for the recipient is conducive to misunderstanding and antagonism. An effective educational plan cannot be developed, maintained, or implemented unless we gain the confidence of our faculty. There can be no deep faith without understanding.

Faculty involvement is a means to an end, not an end in itself. It encompasses most activities by which others in our colleges are influenced. Faculty involvement can and should be the basis for cooperation. This involvement serves as the lubricant fostering the smooth operation of planning, implementation of the plan, and is the controlling factor in the evaluation of effectiveness. Through the use of adequate faculty involvement, the educative experience is more meaningful because the process of cooperation is realistic.

To summarize briefly at this point, I must say that a number of things need to be done. To adequately involve a faculty, we as business managers must keep ourselves as fully informed as possible. Before we can communicate effectively, we must clearly understand that which we are attempting to communicate.

Briefly, we must establish a mutual trust between the business office and the faculty. Acceptance of any program or statement is influenced by the faith and overall confidence and the motives and sincerity of the parties concerned. Therefore, we must find a common ground of experience before we can adequately communicate. It is necessary to reach the faculty to communicate effectively with them.

A barrier to communication can exist simply because of the jargon peculiar to any specialty. We must use mutually known words. As an example, if an individual could understand only French, it would be wise to speak to him in the French language.

Faculty involvement can be an interpreter of the educational plan. The reliance upon mutual "mind reading" is inadequate. To further illustrate this, remember that, "It profits a man nothing to sit in the park and wink at the girls as they pass in the dark," or "It profits a business manager nothing to work with his books and to develop an educational plan for a faculty that feels 'took'." There are many other ways of expressing this truism and a majority of them would be more kind.

It is of critical importance that faculty be fully involved in the development of the educational plan. Why faculty involvement? The business office of an educational institution is a service organization. In order to render a service to the educational processes of the institution, it is necessary that the business manager utilize all talents available. It is difficult to render a service unless the service organization has a realization of need. Many times the business manager becomes enamored with meticulously keeping the accounts. As a service organization, it is necessary to coordinate the activities of business and education.

An effective educational plan cannot be maintained unless we gain the confidence of faculty in our college. What better way of developing confidence in an educational program than getting acquainted with the minute aspects of the plan? This will help bring about a mutual understanding of problems. Faculty need to understand business problems and the business manager should have a grasp of the educational problems.

The important thing is that both the business manager and faculty must understand that if the business office is to be of service to the faculty, there must be a continuous flow and interchange of information. The faculty should learn the how and why of an educational plan. They should emerge from the involvement process with an understanding of how the educational plan should be established and why certain adaptations, monitoring,or controls are necessary. It is easy to theorize and expound upon the needs of an educational institution and the procedures to follow so that the educational plan can be effectively implemented. It is difficult, however, for instructors to be sufficiently aware of problematic situations unless they themselves are involved.

Handing faculty members an educational plan that has been "developed on high" and expecting them to accept and understand it is parallel to accepting the lecture method as the most effective manner of presenting educational materials. Faculty interests and problems are wide-ranging and their needs are many. Through cooperative work faculty members can obtain insight into the functions of the business office. In colleges where faculty and business managers work together, the development of purchasing procedures, cost estimates, and other aspects of business necessary for the realization of the educational plan are much more effective.

The lack of understanding on the part of faculty is viewed with alarm by some business managers. Some program is needed to more fully acquaint the faculty with business matters. There is, however, little agreement as to the concepts that should be included in such a program. Many larger colleges have adopted seminar programs and other inservice techniques designed to give college professors direct information on the operation of the business office. Some

ILLUSTRATION #3

FACULTY INVOLVEMENT

CONTROL

IMPLEMENTORS

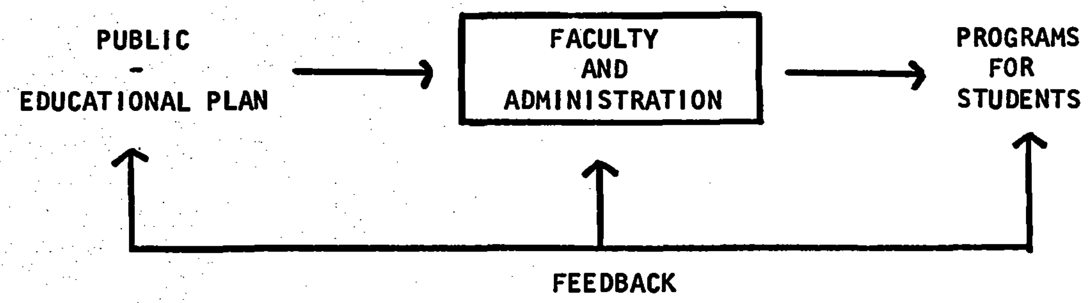


ILLUSTRATION #4

INSTITUTIONAL INVOLVEMENT

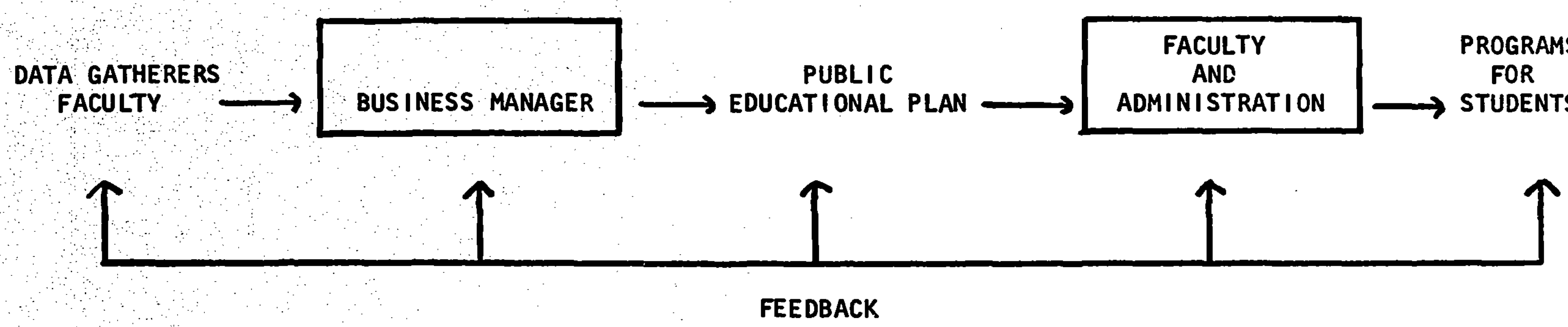
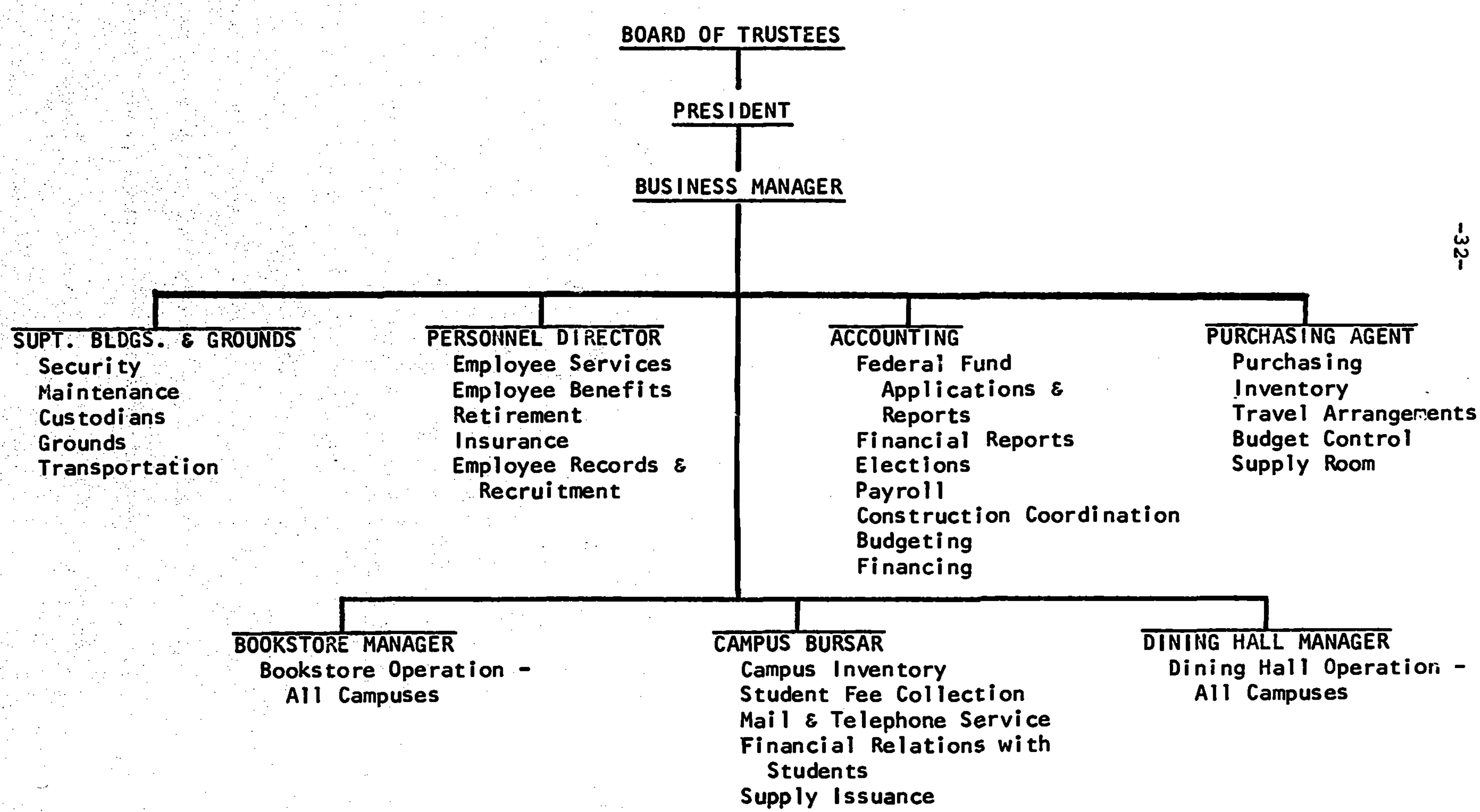


ILLUSTRATION #5

ORGANIZATION OF BUSINESS OFFICE
(Large Organization)



colleges may go as far as to allow a professor to spend from four to six weeks in observation of business operations.

After World War II many faculty members sensed the need for greater involvement because many administrations were not responsive to changed conditions. Colleges doubled or tripled enrollments, quadrupled their budgets, and constructed more buildings in ten years than they had during the previous two centuries. Through all this, the basic administrative procedures were maintained.

The business manager is responsible directly to the president of the college. Among his responsibilities are purchasing, obligation of and accounting for all college funds, dining hall and college store operations, and the inventory maintenance and security of all college properties. Further, he is responsible for transportation of employees; operation of the motor pool; mail and telephone service; student fee collections; and reporting, accounting, and applying for federal and state grants. He coordinates planning and construction of physical plant with architects and contractors. He prepares the budget, with approval of the president, for submission to the board. He is responsible for employee services, personnel records, employee recruitment, employment benefits, and budget control and coordination. He is responsible for accounting and financial reporting and for performing other duties as may be assigned by the president.

Business relationships and functions are all inextricably interwoven into the entire economic, social, and scientific fabric of the academic community. The future of an educational institution depends upon cooperation of everyone in the solution of social and economic problems.

ILLUSTRATION #6

BUSINESS MANAGER

The business manager is responsible directly to the president of the college.

Among his responsibilities are purchasing, obligation of and accounting for all college funds, inventory and accountability of all college property, dining hall and college store operations, and of the maintenance and security of all college properties.

Further, he is responsible for transportation of employees, operation of the motor pool, mail and telephone service, student fee collections, and reporting, accounting and applying for federal and state grants.

He coordinates planning and construction of physical plant with architects and contractors, prepares the budget, with approval of the president, for submission to the board.

Also, he is responsible for employee services, personnel records, employee recruitment, employment benefits, and budget control and coordination.

The business manager is responsible for accounting and financial reporting, and for performing other duties as may be assigned by the president.

A problem area in many institutions can be referred to as the speciality problem. Education, as is true in other professions, has many specialists. The generalists of yesterday find it difficult to adapt to a highly specialized organization. Phenomenal recent growth of educational institutions requires more specialists, thus making the generalist more uncomfortable. An avenue of cooperation is needed through which business managers and faculty will be able to integrate their activities.

Provision must be made in the educational plan to utilize faculty and staff talents. The content must be examined periodically to determine whether it continues to meet the requirements of the educational institution. This study can be effectively assisted by cost analyses and conferences with leaders in the college. All citizens, not just business managers, have a stake in the education of our youth. The business manager and faculty have certain experiences which can be utilized extensively in meeting the objectives of an improved educational plan. The teacher understands educational techniques and procedures, and the business manager has the background in financial applications. Together their knowledge and abilities will be of value to the college. Teachers and business managers should feel the obligation to aid in the accomplishment of the educational objectives of the college.

The educational plan should reflect the needs of the college community in such a way that the activities <u>will</u> become interwoven with the life of the community. In order to do this, a great deal of cooperative endeavor must be attained. Consideration <u>must</u> be given to the value of faculty involvement when developing the educational plan. Too many times we are guilty of sitting in an ivory tower developing educational plans and forgetting the primary purpose of our job. The prime purpose is providing educational experiences for those who attend the college. There are many benefits to be derived from using the techniques of faculty involvement. Some of these are:

1. The experiences are meaningful to the faculty. They are in contact with the realism of business activities. It is one thing to read and study business policies and practices, but quite another to become involved in the development and implementation of these policies.
2. Faculty members have an opportunity to glimpse behind the scenes and view the problems and difficulties of business managers. This opportunity can serve as a reality check because the faculty begins to view the business operation as a producer rather than as a consumer.
3. There is an opportunity for faculty members to acquire information with regard to types of services provided by the business office.
4. The interest of the faculty is stimulated. The activity involved in establishing the educational

plan and the arranging for its implementation and follow-up, all provide faculty motivation. This motivation results in greater participation and more practical preparation of an educational plan.

5. Contacts with the business office and its activities are established which will help faculty members set meaningful financial priorities.
6. The faculty and business manager become aware of current practices in the academic community.
7. There is greater appreciation on the part of the faculty and business manager for what the college is trying to do and what obstacles must be overcome. Interest in the business office and its activities is stimulated. There is sympathy and even a desire to make contributions to its efforts.
8. The business manager's interest in the educational aspects of the college will be demonstrated to the faculty. This will be a help to them in developing the educational plan as well as in making detail changes in specific requests.

It is unfortunate that some educational plans are designed without taking faculty objectives into consideration. When this is done, it can be difficult for the educational community to profit from the plan. The faculty should play a significant role in determining the educational plan so that it can become an important part of the total program of the educational community. Learning activities and educational experiences should be developed by faculty involvement to insure progress for the institution.

With respect to faculty involvement, it might be concluded that the resources available on any college staff are of the type that will help business managers and will strengthen the business office. Although referring primarily to the business office, we must realize that these resources can be of value to other departments of the college. The proper use of faculty involvement should provide an avenue of cooperation, promote faculty-business office relations, and enrich the total educational program of the college. Through faculty involvement the business office should be able to promote an understanding of theory and practice in business activities. In essence, it is herein maintained that faculty involvement is of great value to the college.

Until now the discussion has centered on faculty involvement in developing the educational plan. In considering implementation of the educational plan, it is necessary to conduct cost studies as a means of explaining the work of the college to those who are interested. These are essential in implementing the educational plan. By means of these studies, the administration and faculty can make decisions about the services which may be rendered by the college. It is conceivable that the cost of some services may not be in direct relation to value received. Therefore, some may feel that the money can be spent more wisely on something else.

Studies of cost can identify economies in connection with the implementation of the educational plan. Studies that have utilitarian value give the administration and faculty opportunities to compare local costs with a similar college in the state or nation. It should be realized that decisions cannot be made solely on the basis of cost. Cost studies can eliminate many questions pertaining to college administration such as the following:

1. What is the cost of education in relation to the ability of the community to pay?
2. How does the cost of education compare with that at a similar college in the state or nation?
3. What is the administrative cost? How does this compare with similar colleges?
4. What is the cost of education per student? How does this compare with similar colleges?
5. What is the cost of any one activity per student? How does this compare with other college activities?
6. What is the cost of gross square footage per student?

IMPLEMENTING THE EDUCATIONAL PLAN

ANY COLLEGE DISTRICT

Comparative Analysis of Teaching Salaries Costs Per Semester Hour Taken and Per Semester Hour Passed

PROGRAM	Campus One		Campus Two	
	Per Hour Taken	Per Hour Passed	Per Hour Taken	Per Hour Passed
Basic Studies	15.32	18.54	18.66	24.47
Business and Economics	9.47	14.31	12.31	17.20
Fine Arts	23.45	31.46	31.87	38.18
Language Arts	11.90	16.41	12.41	16.15
Physical and Health Education	25.89	33.25	26.21	32.89
Social Science	8.44	11.23	8.20	10.17
Aeronautical Technology	12.77	15.07		
Architectural Technology			28.35	39.86
Automotive Technology	17.33	20.43		
Biology	8.12	10.65	10.01	14.06
Chemistry	12.43	16.81	21.97	31.51
Dental Hygiene			62.66	67.47
Drafting and Design	17.92	25.55	23.01	31.85
Electronics	11.53	17.16	12.50	13.64
Engineering	18.28	26.06	13.24	17.30
Geology	13.27	17.50	9.20	13.50
Home Economics	25.49	36.20		
Mathematics	9.32	17.68	11.77	26.61
Medical Laboratory Technology			135.00	270.00
Nursing	46.22	49.32		
Physical Science	12.82	19.18	20.50	28.10
Refrigeration & Air-Conditioning	12.31	14.06		
OTHER DATA				
Semester Credit Hours	58077	42182	33020	24655
Full-Time Equivalent Students	3872	2812	2201	1644
Full-Time Equivalent Teachers	170.96	170.96	102.07	102.07
Student/Teacher Ratio	22.64	16.45	21.56	16.11
Ratio of Gross Sq. Footage to Headcount	66 to 1		96 to 1	
Ave. Cost of Construction for this period of time	26 per sq. ft.		27 per sq. ft.	

ILLUSTRATION #8

ILLUSTRATION #9

TABLE I

SUMMARY OF ALL BENEFITS SHOWING RANK ORDER OF THEIR EXISTENCE AND PERCENTAGE OF JUNIOR COLLEGES THAT MADE EACH AVAILABLE

Fringe Benefit	Junior Colleges			
	Rank Order (by frequency)	Yes	No	No response
Retirement	1	99.2	0.8	—
Health Insurance	2	96.7	3.3	—
Faculty travel	3	94.3	5.4	0.3
Sick leaves	4	92.3	7.4	0.3
Secretarial assistance	5	91.2	7.4	1.4
Major medical insurance	6	90.7	8.5	0.8[a]
Faculty parking	7	76.9	17.4	5.7
Social Security	8	67.6	31.4	1.0
Leaves without pay	9	65.0	34.2	0.8
Life insurance	10	60.9	37.8	1.3
Leaves with pay	11	52.2	47.8	—
Faculty club	12	34.4	57.1	8.5
Purchases through college	13	20.6	74.8	4.6
Faculty families' education	14	15.9	83.8	0.3
Faculty housing	15	9.5	90.0	0.5
Retired faculty benefits	16	3.3	96.4	0.3
Moving expenses	17	3.1	93.3	3.6
Personal loans	18	2.1	97.4	0.5
Mortgage loans	19	0.8	98.7	0.5
Use of college facilities		b	b	b

This is a list of types of activities that received considerable discussion on the part of faculties regarding faculty involvement. The above table indicates the responses from 376 institutions.

Note 1 - Table taken from Junior College Journal, October, 1968, p. 32.

Note 2 - See appendix for a sample faculty involvement rating scale.

ILLUSTRATION #10

1. The high cost of achieving quality in the technologies virtually militates against any attempt to offer a wide variety of such curriculums in the small institution.

2. Tax climate in the district has an important bearing on the problem.

3. Faculty recruitment has special implications for administrators in some situations. Limited size of financial backing magnifies recruiting difficulties in smaller institutions.

4. The administrator must develop and maintain an effective in-service training program for all staff members.

5. The consequences of equipping and staffing for a curriculum which the students will not elect can be serious.

6. Problems in implementing the educational plan:

   A. Lack of time to evaluate procedural implementation

   B. Inattention to details due to rapid expansion of an institution, a division, or a department

   C. Lack of support or attention of faculty to budgetary details

   D. Lack of understanding by the majority of faculty and staff of the educational plan's real character and rationale.

An educational plan's worth and merit is based many times on the operational level. What is actually happening in the classroom, laboratory, or shop is the important factor. This must be the criterion upon which a plan or educational concept is judged.

BUSINESS MANAGERS I HAVE KNOWN

By Maurice L. Litton
Professor of Higher Education
Florida State University
Tallahassee, Florida

Before I launch into the topic assigned, let me give you a description of your counterpart in the university and senior college. Ingraham and King give us this picture, and perhaps it will be more meaningful if we relate it to other positions in the same institutions.

Comparison of Selected College Administrators[1]

		Presidents	Academic VPs	Bus. Mgrs.	Dean of Students	Librarian
1.	Median Age	54	51	49	45	49
2.	Percentage of Males	90	93	89	80	59
3.	Percentage who have master's or higher degree	88	96	54	88	84
4.	Percentage whose last position was with same institution	46	65	64	55	34
5.	Median number of years in present position	6	4	6	4	7
6.	Median number of years of predecessors	9	6	8	4	9
7.	Pay rank	1	2	3	4	5
8.	Percentage having rank with tenure	26	67	16	37	47

[1]Ingraham, Mark Hoyt and King, Francis P., The Mirror of Brass, University of Wisconsin Press, 1968.

One other bit of data from the same source: forty-nine percent of the business managers had major fields of study in business or commerce; 15 percent had majors in education; 9 percent came with social studies backgrounds; and the remaining twenty-seven were from many different areas.

Now let me turn to the topic assigned and discuss five business managers I have known.

The first one I want to mention was a business manager at a small, residential two-year college. The adminsitrative structure provided for the president and one dean. The president concerned himself with business, board and public relations affairs. The dean worried about the faculty and the students. (Parking was not an Excedrin headache at that college.)

Business manager Number 1 was hired because he had experience in the operation of a small business. His bachelor's degree in sociology was sufficient background to give him some academic respectability.

For the first year, the operation was effective. The president made the financial decisions that were in the purview of the institution. The business manager carried them out.

But as the business manager learned through reading, attending state meetings, and attending conferences such as this one, he began to be dissatisfied as he realized he was working in a mid-management level of administration.

At this stage of the game there were several courses of action open to him. He could have (1) resigned, (2) talked to the president with the hope of having his position upgraded, or (3) caused the president to be fired in the hope that he could improve his position with a new man. He apparently chose the latter because he began a campaign of criticism of the president. The president retaliated by firing the business manager and he (the president) was in turn fired by the board. Both were successful or unsuccessful depending upon your point of view, but the chief loser was the institution.

Business manager Number 2 was the first business manager at a new institution. He was brought in by the president with whom he had worked in another institution. Although he had no background in business (degrees in physical education and experience in coaching), he performed the management duties well. But he was just a little too friendly with the president. Each time the president was thwarted by the board of trustees in financial matters, the business manager would help him find ways to do what he wanted to do. In fact, it seemed that he went out of his way to encourage the president to live dangerously. An unauthorized "slush fund" ("You know the Board really wants you to have this, but they are afraid of what the State Department will say. Now we can do it this way and no one will ever know.") led reasonably soon to the dismissal of the president and the business manager. The moral of this story is that it may be all right to be dishonest, but you can't be stupid along with it.

Business manager Number 3, and I have known two or three that fit in this category, was similar to Number 2 but with a slightly different angle. This man was interested in "feathering his own nest" and felt, apparently, that anything was acceptable as long as the president was given his share. Here are some examples. The board was persuaded to purchase two memberships in the country club - one for the president and one for the faculty. Interestingly enough, the business manager and his friends on the faculty were the only ones to know about the second membership. The college frequently had leftovers - shrubbery, sod, etc. - that found their way to the new homes of the president and the business manager. This was obviously better than having to throw them away. And then, of course, there was no need to purchase lawn-keeping equipment when the college's equipment was idle every weekend.

None of these items alone caused any great problem. In fact, they were never mentioned until the president had been in his position long enough to get a few community members, including one board member, down on him. Then these little questionable activities came to light and were, if I am any judge, the extra ammunition needed to shoot the president out of the saddle. Needless to say, the business manager was unhorsed also.

Business manager Number 4 was employed in a relatively large, relatively wealthy college district. Everything you could think of in the way of equipment was available. The president, formerly an academic dean, was knowledgeable and effective in dealing with faculty and student affairs. But, by his own admission, he knew little of business affairs and wasn't much interested in learning. He was, of course, a pushover for our ambitious business manager who became the key administrator in the college simply because no one bothered to challenge him. It was really an interesting operation. Conferences with the administrative council made it perfectly clear that the business manager was the chief of staff in that organization. What happened? Nothing drastic. The man moved on to a state department position before any real damage was done.

The fifth and last guest I would like to present was business manager for another new, large, urban community college. The college was blessed with adequate but not sumptuous funding. Business manager Number 5 had good credentials, degrees and teaching experience in the business field, and administrative experience as a director of adult education for a public school system. The college had developed rapidly and, of necessity, each major administrator had developed his own area with a minimum of supervision. The operation when I saw it, and this was only a couple of years ago, was characterized by the personal touch. Hand receipts were given for everything, checks were written by hand - I think a posting machine was the most sophisticated machine they used. When quizzed, the business manager acknowledged that his operation was old-fashioned but it was one he and the president understood. He planned, as soon as he had time, to update some of their procedures. When you are losing ground every day, it's difficult to find time to catch up. How much damage

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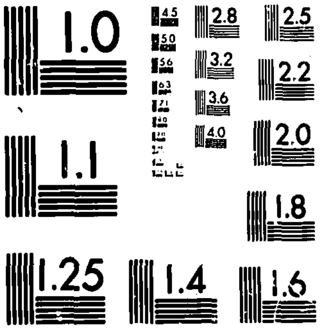

MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963-A

was done to the institution? I don't know but I do know that they were passed over for accreditation the first time; and, the business operation was the center of the criticism.

What is the purpose of these remarks? I think there is a lesson to be learned from each of the five business managers. (1) If you can't work for a president, don't hurt the college with a crusade to get him fired. (2) Remember that in all money matters the president and the business manager must be as Caesar's wife - above suspicion. (3) The business manager must accept his role as a supportive one, subordinating his operation when needed, to the objectives of the institution. Finally, he must keep abreast of new developments and not be satisfied to continue to operate in the same old way.

Be loyal and honest; be willing to learn and serve; and, you will never be "talked about" in a speech such as this.

BUDGET FORMULATION

By Mr. Tom Baker
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State Department of Public Instruction
Tallahassee, Florida

Educational planning should precede the preparation of the budget. A characteristic of successful management is the ability to formulate plans which result in a budget that produces a well-balanced distribution of support for all areas of service and activities of the college. The chief business officer is a manager (versus an administrator). He is involved in decision-making. The scope of his responsibilities involves more decision-making than implementation. It's important that he understand the philosophy, goals, and purposes of his institution.

The business operation should be organized in a manner to service the needs of the college and meet the objectives of the college. The business operation exists to serve the college needs by:

1. Providing what is needed when it is needed (purchasing function)
2. Providing who is needed when they are needed (personnel function)
3. Providing payments for services and supplies, fringe benefits, maintenance of records (accounting function)
4. Providing space when needed and keeping it properly maintained (facilities function)

5. Providing food, supplies and sometimes housing for students and staff (auxiliary function)

In carrying out these functions, it can be readily seen why the business manager must have a clear understanding of the philosophy of the institution.

Let us assume there has been a review and a determination made of the purposes of the educational program of the college. Also, an educational plan has been developed to achieve the purposes agreed upon. Certain broad policy decisions have been made by the board in order to carry out the educational program (educational plan). These might be:

1. Initiation of an "open-door" policy (implication of increases in enrollment by age groups).
2. Increase in the holding power of students by approximately 10 percent next year (Achievement of this goal has implications toward enlarging and improving counceling and guidance services.).
3. Increased emphasis in vocational training (by adding two new vocational programs which are needed to meet the needs of the community).
4. Year-round operation (from semester to trimester).
5. Improvement of health services at the college through the addition of a full-time registered nurse.

In addition to the above decisions, the business office has made an estimate of income.

Financial policy decisions at the time approved by the board are as follows:

1. increase tuition per student per term (amount not yet determined)
2. hold fringe benefits of faculty members at current program
3. increase student/faculty ratio in academic program (not yet determined)
4. decrease normal carry-over balances in contingency fund (percentage not yet determined)

At this point we are ready to prepare a budget which will reflect the educational plan.

The budget document forecasts the expenditures and revenue necessary to implement the educational plan during a stated or fixed period of time. The budget is a device for carrying out the educational plan. It is sometimes defined as an educational plan expressed in terms of dollars and cents. Properly conceived, the budget represents a balance between the educational plan, the financial plan, and the spending plan. Curriculum planning and financial planning are carried on as separate functions - however at a point in time they come together. <u>This is the time</u>.

Building the Budget

The form of the budget should correspond with the accounting system and with the organization of the college. The chief business officer should take a positive approach toward the development of the budget. I might say he <u>must</u> take a positive approach. Why? For one reason, it can be an unpleasant task and for another, everyone else in the college is doing his "thing" and wants to continue. Budget preparation is a time-consuming job requiring detailed work.

There is a tendency to perpetuate budgets from year to year - it's easy to add a little to last year's budget - without due consideration to educational planning and goals. Leadership and planning are necessary on the part of many to arrive at a sound budget based on current educational plans.

When to Start

Start work on the budget early in the year. An acceptable starting month would be eight to ten months in advance of the effective date of the budget. The first consideration is the development of a guide, and this takes the form of a calendar of events - leading from the beginning of the formation of the budget to final adoption. Some boards have policies requiring that a budget calendar or time table be prepared and approved early in the year. Generally the budget calendar contains three components: (a) date (b) activities or procedures to be carried out (c) person, position, or area of responsibility for carrying this out.

From this point there are a number of approaches one can take in forming and/or developing a budget. The following represents one approach. The budget committee (or this may be the executive council) of the college will meet to study in more detail the educational program for the coming year, the curriculum and financial policies, and their implications. The budget committee should be comprised of instructional as well as administrative faculty. The chief business officer should serve on this committee. The council is armed with statistics and cost figures. The council (committee) relates the educational plan to the financial and enrollment picture by setting certain standards consistent with adopted policies. For example, the impact of the "open-door" policy was studied and approximate number and cost of additional counselors to increase holding power by 10 percent was determined. The costs of two new occupational programs and improving health services were determined. Additional facility needs were studied. These costs were weighed against current estimates of income. It was determined that:

1. Tuition should be increased per student per term by $15.00.
2. Increase student-faculty ratio from 19/1 to 24/1.
3. Decrease reserve contingency from 6 percent (normal for the college) to 3 percent.

Budget forms were then prepared for submission to department heads (or lowest budgetary unit). Information which these forms may contain:

1. number of FTE faculty by department (FT & PT)
2. salaries of each
3. student/teacher ratios
4. number of students
5. expenditures for supplies and materials (for current and past years)

In addition, the forms and instructions should reflect the new standards to be applied in developing the needs for the coming year as well as the broad financial policies approved by the board. Dates for completion and any other information consistent with over-all adopted policies and plans should be included and returned to the business office.

Forms are then sent to the departmental levels. After completion by departments (sections), they are sent to the division heads or (deans), then to the business office. All requests are checked for mathematical accuracy by the business office. If major alterations are necessary, they may be returned to various units for adjustments.

At this point,after the budget is consolidated by the business office, it is possible to determine whether the needs in the budget are financially feasible. The budget committee meets to review the total budget. Executive and board policy decisions may both be necessary. Although the board has kept pace with the educational and financial plan, it is at this point that both become involved.

A critical point in decision-making is at hand. Financial stress in the budget may make it necessary to eliminate some educational programs. These considerations become the bases of policy decisions (as the case may be) to put the financial and educational plan in balance. If cuts are necessary, the budget committee may ask the principals (deans or division heads) where reductions can be effected with the least disruption. The council submits the budget and their recommendation to the president. The president reviews, makes recommendations, and takes it before the governing board. The governing board approves but not necessarily as submitted. The final decision rests with the governing board.

Budget Implementation

The function of implementing and administering the budget is as important as building the budget. The annual budget should be adopted well in advance of the fiscal period. Adoption of the budget does not assume realization of all revenues that were estimated; therefore, budget amendments will be required from time to time.

Accounts for budgetary control should be incorporated in the accounting system. The budgetary classification should correspond with the classification of accounts. One of the main reasons for good budgetary control is to insure that expenditures do not exceed allocations. Budget control starts with the responsibility of the budgetary unit in the same manner as the development of the budget.

It is often thought that the chief business officer (controller) has sole responsibility for the budget. He does have over-all responsibility; however, the departmental chairmen have primary responsibility for control of expenditures within these budgetary units. The department chairmen must see that:

1. Appointment of new members and salaries does not exceed that budgeted.
2. Expenditures for supplies and materials do not exceed that allocated.
3. Flow of expenditures are such that they will last throughout the budget year.

The business officer (controller) should prepare monthly statements of actual expenditures and remaining budgetary balances for each department. Summary reports should be submitted to other appropriate offices and officers.

Budget Amendments

Periodic revisions to a budget are necessary as estimated revenues change and as they affect anticipated appropriations.

Responsibility, authority, and procedures for budget revisions should be a matter of written policy adopted and approved by the governing board. Revised estimates of revenue should be initiated by the same offices that prepared the estimates. Revised expenditure allocations are usually initiated at the departmental level. Usually if a budget revision is within the total approved budget, the president has the authority to approve. If the revision changes the anticipated net result intended in the original budget, it should go to the governing board for approval.

There are at least four (4) methods of effecting budget revisions:

1. increasing both income and departmental appropriations
2. decreasing both income and departmental appropriations
3. increasing one appropriation and decreasing another appropriation
4. transferring credits from the contingency fund to a departmental budget.

Plans should be developed for carrying out various programs outlined in the budget and provisions be made to follow-up on plans.

It is recommended that the accrual system of accounting be employed - i.e., revenues are recorded when earned or due and expenditures recorded when liabilities occur or when bills are received or services rendered, regardless of whether paid or not.

Auditing

Internal control comprises a plan of organization and methods and procedures to safeguard assets, check accuracy of records, and promote efficiency. For example, no one person should have complete responsibility or complete control over all financial transactions. That is:

1. No one staff member should collect student payments or tuition, deposit cash and maintain records (accounts receivable).
2. No one staff member should employ staff, prepare payroll, issue paychecks.
3. No one staff member should issue purchase orders, receive materials, approve invoices, and issue checks.

Internal Auditor

The internal auditor is responsible to the chief business officer. He serves management by reviewing the accounting, financial, and operational procedures of the institution. Major areas of activity of the internal auditor are cash receipts, disbursements, and inventories.

External Auditor

The external auditor serves the governing board and conducts an independent audit. The external auditor provides written reports to the board on the fiscal and operational integrity of the institution.

THE BUSINESS MANAGER
IN THE COMMUNITY COLLEGE WORLD

By Dr. Joseph W. Fordyce
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Santa Fe Junior College
Gainesville, Florida

Warren W. Willingham (College Board Review, Summer, 1970) has stated:

> Perhaps the root problem of access of higher education in the 1970's is how to expand equal and relevant opportunity as rapidly as possible without slipping into one or both of the alternate chasms - stifling individual choice for crippling high institutions.

Certainly, if a middle ground that will promote the ends of America's community junior colleges is to be found, a major responsibility will lie in the activities, the determination, and the dedication of the business managers of these institutions.

They, as much as anyone and perhaps more than most, must take responsibility for determining the kind of institutions that will indeed best serve America and for rededicating their lives and their activities to the implementation of their ideas and their ideals. If today, we are able to provide a few clues as to the kind of institutions we believe that these should be, we know that these notions will be of limited value in comparison with your own considerations and determinations. We are pleased and honored, however, that you would permit us to share a few of our ideas and our concerns with you.

We would say first that nothing human is foreign to the role of America's community junior colleges. These are indeed peoples' colleges and the aims and desires and beliefs and values of the American people must be those of America's community colleges. The business manager stands in a peculiar position to make sure that this translation is accurate and inspiring.

If the world of the community college is to become a meaningful one for America's world of the future, every aspect and every function of the college must be dedicated to the development and implementation of common aims and goals and every responsible officer, certainly the business manager not the least, must be dedicated to making every ounce of his activity responsive to the overall aims and goals of the institution.

For this reason, we at Santa Fe have centralized all activities of the college around the central theme of studying the world's environments in order that the individual can best find his place among them. We have said that there is an environment of ideas, an environment of things, and an environment of people, in all of which man must find his way and must be able to develop a system of communications by means of which these environments and he can become integrated, cohesive, and maximally productive.

I suppose that of all of these worlds the world of ideas might seem to the typical business manager as the one which relates least to his responsibilities. These are the matters I believe the typical business manager might say can and should be left to the teachers of Latin, of mathematics, of English literature, of the humanities. Although it is certainly true that a major responsibility for the development of this environment rests with instructional faculty members, that college is going to be a better one wherein the business manager is appreciative and understanding of the world of ideas and makes all of his enterprises facilitate its development.

The environment of things is certainly no stranger to the business manager, especially that aspect of the world of things that relates particularly to the community of the community college. Here we are concerned with all of the gadgets, ranging from thumbtacks to the most sophisticated electronics equipment, that have made the educational process the exciting and challenging one that it is today. With the opening of the world of computer-assisted instruction, the capabilities of data processing, the challenges and opportunities of flexible buildings, an important world for which the business manager can take major responsibility is today available to us.

Of all of the worlds for which education must prepare, the world of people is the most important. Here, upon first blush, responsibility might be delegated to the student personnel faculty of an institution and although, in my judgment, major responsibility does belong there, each major functional office of the institution must share in the responsibility for appropriate development. If problems of human relationships that so frequently seem as the most nearly insoluble of all of the world's problems are ever to be solved, it is my belief that the college community must be the most meaningful laboratory. The various publics with which the college must relate are really people in disguise - and they are people to be served if the community college is to serve its function. Certainly no aspect of the community college has better opportunity to do so efficiently and pleasantly than in those variate functions related to the responsibility of the business manager.

In summary, we are suggesting that the world of America's community colleges - the world of ideas, the world of people, the world of things - can best be served if the business manager adopts the point of view that by positive and agressive planning of the total resources and facilities of the institution he makes them available best to serve the aims and purposes of the college as they relate to the developing lives of the people to be served.

Certainly, the business manager cannot afford to be - nor can any college afford for him to be - a bystander, an innocent observer concerned only with efficient and unobtrusive (at the best) or highly authoritative and bombastic (at the worst) management of the bookkeeping and the repairing of the leaks in the roof. He must rather become a major educational officer conversant with, and a participant in, every major educational decision. As such, he can do his part to insure that the dream of America's community college world had its best chance for fruition.

During the fall, winter, and spring of 1969-1970, thirteen distinguished educators appeared at Santa Fe Junior Colelge to discuss "The Major Challenge Ahead for America's Community Junior Colelges." Dr. Edmund J. Gleazer, Jr., Executive Director of the American

Association of Junior Colleges answered the question in the form of another question, "Can America's junior colleges keep the open door open?" Dr. James L. Wattenbarger, Director of the Institute of Higher Education of the University of Florida indicated that if American community colleges are to fulfill their promise, adequate financial support must be found from sources other than the students themselves.

Dr. Jane E. Matson, Professor of Education at California State College of Los Angeles, said that more must be known about the student populations that the colleges plan to serve. President Joseph P. Cosand of the St. Louis Junior College District reiterated that colleges must be more aware of the real needs of students rather than the whims of some small segment of the public. Dr. B. Lamar Johnson of the University of California at Los Angeles said that the most important challenge facing America's junior colleges is that "of providing a consistently superior program of instruction." Dr. Max Raines of Michigan State University and Dr. Harold Grant of Auburn University indicated that the potential of community colleges could be realized only if there is a real reassessment of the human element of students and potential students. Dr. Leland L. Medsker of the University of California at Berkeley indicated that the test of America's junior colleges was yet to come and would likely be faced in a full and dramatic manner during the 70's.

Out of these considerations and those of many other of our colleagues and associates, my own conclusion as to the greatest challenge ahead must be: Can America's community junior colleges sufficiently humanize the process of education that they can serve the needs of the nation for universal post secondary education?

If they are to do so, dramatic changes must take place. The trappings of education - the rules and regulations designed to eliminate instead of educate, grading practices designed to confuse and to demean, reverence for cut-off scores on irrelevant tests and examinations - must be replaced by positive policies for educational growth. Learning must become a joyful and happy experience and great teaching must be seen as a process that facilitates learning and growth. Above all, a new faith and belief must be found in the almost limitless potential of the human being - every human being. If education becomes thus humanized, it will no longer be a "thing to be completed," the accumulation of credits, and the amassing of degrees; it becomes rather a way of life, a style of living and becoming.

It is possible that this kind of education, this kind of life, can become a reality in the 70's? My belief is that it can and that, because of the peculiar role and opportunity of America's community colleges, it is most likely to happen there. If it does, no small part of the credit will go and should go to those administrators who saw themselves as educators in the most meaningful sense.

This then, Ladies and Gentlemen, is the world of the community junior college. It is a great, big wonderful world that we are privileged to live in. It is my world - and welcome to it.

PPBS: PLANNING IN DECISION MAKING[2]

By Dr. Lysle R. MacKeraghan
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I. Introduction

A. Session Objectives

B. Some Problems in Talking about PPBS

C. PPBS at Its Source

II. A Research Study to Develop a PPBS Model

A. What Does PPBS Try to Do?

B. Steps in PPBS Development

C. Three Levels of PPBS Complexity

D. A Community College PPBS Model

III. PPBS Implementation

A. PPBS Development Steps

B. PPBS Contrasted to Conventional Budget Process

C. PPBS Issue Paper Format

D. A PPBS Center

E. Some Lessons Learned about PPBS

IV. Current PPBS Writings

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[2]Dr. MacKeraghan spoke from the outline herein presented. The editor felt that the topic was well presented through the outline approach and this approach has been retained intact for inclusion in these proceedings.

I. INTRODUCTION

A. Session Objectives

1. Discuss PPBS as a potentially important link between a business manager and his college.
2. Provide some knowledge about the structure functions of PPBS concepts.
3. Provide background from which participants can study PPBS further.

B. Some Problems in Talking about PPBS

LEVELS	AREAS OF EMPHASIS AND PROGRESS			
	PLANNING	PROGRAMMING	BUDGETING	MEASUREMENT
FEDERAL				
STATE				
LOCAL				
INSTITUTION				

1. Lack of Common Terminology and Consistent Concepts
2. Levels and Areas of Emphasis and Progress Vary
3. Disagreement about Whether a Particular PPBS Application Is or Is Not PPBS in Terms of Categorization and Coverage
4. Expecting Efficiency when Focus May Be on Effectiveness of Just Improvement

C. PPBS at Its Source[3]

1. Purpose
   a. Help Decision-Makers Allocate Limited Public Resources More Effectively
   b. Reduce the Portion of the Budget that Is "Uncontrollable"

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[3] Jack W. Carlson, Assistant Director for Program Evaluation, U. S. Bureau of the Budget.

c. Understand the Actual Impact of Programs

d. Assure the Orderly Presentation of Relevant Analysis for Decision-Making

e. Identify Programs that No Longer Serve National Objectives

f. Integrate Long-Range Objectives with Current-Year Budgets

g. Connect Planning and Budgeting with Actual Performance

2. Component Parts

a. Program Structures which Display Each Agency's Physical and Financial Activities According to Objectives or Common Outputs

b. Issue Papers which Summarize the Agency's and Budget Bureau's List of Major Policy During Each Planning and Budgeting Cycle

c. Special Analytic Studies which Reflect Intensive Analysis of Particular Problems

d. Program Memoranda which Register Agency Choices between Alternatives and Summarize Relevant Analyses Affecting the Decisions

e. Program and Financial Plans which Display for the Past Two and Next Five Years Data on the Financial Inputs and Physical Outputs Resulting from Proposed and Past Commitments

PPBS was designed as a process that would encourage the analysis of major policy issues and provide a method of making explicit tradeoffs among programs aimed at similar objectives. It was tied to the budget cycle to assure relevance and was organized flexibly to allow adaptation to the unique characteristics of each agency.

II. DEVELOPMENT OF A PPBS MODEL

A. What Does PPBS Try to Do?

Provide the means to help answer the following questions:

Planning: What is the organization trying to do?

Programming: What are the possible ways it has of doing it?

Budgeting: What are the costs of each of these ways?

Performance: How effective will each way be?

B. Stages in PPBS Development

1. Conceptual Stages
    a. Identify, Classify, and Catagorize PPBS Data Requirements within the Appropriate Program Structure
    b. Establish Meaningful and Measurable Relationships Among the Program Data
    c. Develop a Model of the Program Relationships for Use in PPBS Activities
    d. Analyze and Refine Model for Internal and External Use
2. Implementation Stages
    a. Design and Implement Methods for Identifying, Measuring, and Reporting Program Activities, Costs, and Performance Indicators for Use in Resource Allocation Decision-Making in the Program Budget Cycle
    b. Use PPBS Model, Its Formats, and Reporting System to Develop Program Alternatives, Costs, and Benefits for Use in Seeking Program Funds

C. Three Levels of PPBS Complexity

1. Simple - Program Budget Only

   a. Services to Be Performed

   b. Recasting of Resources

   c. Costing of Programs

2. Advanced - Performance Budget

   a. Program Performance Criteria

   b. Measure of Attainment of Program Goals

3. Complex - Full PPBS Capabilities

   a. Services to Be Performed

   b. Recasting of Resources

   c. Costing of Programs

   d. Program Performance Criteria

   e. Measure of Attainment of Program Goals

   f. Pre-Budget Planning

   g. Programming Analysis

   h. Multi-Year Program and Financial Plan

   i. Cost-Effectiveness Studies

   j. Program Information System (Internal & External)

D. COMMUNITY COLLEGE PPBS MODEL

AREA 1	AREA 2	AREA 3	AREA 4	AREA 5	AREA 6
COLLEGE PURPOSES	COLLEGE PROGRAMS	PROGRAM ACTIVITIES	RESOURCES	BUDGETARY EQUIVALENTS	PPBS OUTPUTS
EDUCATION	COLLEGE-PARALLEL	COLLEGE - PARALLEL	STUDENTS	INSTRUCTION	PROGRAM STRUCTURE
COMMUNITY SERVICE	VOCATIONAL-TECHNICAL	VOCATIONAL-TECHNICAL	FACULTY & STAFF	ADMINISTRATION	PROGRAM BUDGET
	COMMUNITY SERVICE	COMMUNITY SERVICE	FACILITIES	GENERAL EXPENSE	PROGRAM ANALYSES
		The following support the above		OPERATION OF PHYSICAL PLANT	PROGRAM EVALUATION
		GENERAL EDUCATION		LEARNING RESOURCES	
		GUIDANCE SERVICES		STUDENT SERVICES	
		DEVELOPMENTAL SERVICES		INSTRUCTIONAL ADMINISTRATION	
				BUILDING SCHEDULE	
				EQUIPMENT UTILIZATION SCHEDULE	

III. PPBS IMPLEMENTATION

A. Typical PPBS Development Steps

1. Develop Program Structure
2. Convert Appropriation Structure to Funds by Program
3. Implement Uniform Accounting System
4. Develop and Present Program Budget
5. Identify Major Program Policy Issues
6. Computerize Budget Development Process
7. Tie Fund Allotment Process into Reporting (Management Information) System
8. Revise System Sophistication, Operation, and Scope as Required

B. PPBS Contrasted to Conventional Budget Process

1. Adds Depth to Planning Process
2. Adds Direction to Budget Decision-Making
3. Challenges the Status Quo
4. Adds Further Element of Coordination
5. Improved Ability to View Resource Uses
6. Abolishes Separation of Capital and Operating Requirements Planning
7. Increases Volume of Facts Available for Decisions
8. Can Help Establish Decision-Making Where Action Can Take Place

C. PPBS Issue Paper Format

1. Purpose: Define a Major Area of Responsibility Where an Undesirable Condition Exists
2. Objective: Propose that the Area Be Analyzed

3. Format: Not to Exceed Five Pages

   a. State the issue.

   b. What is being done currently?

   c. Discuss at least two alternatives.

   d. Cite financial and other cost estimates for each year in multi-year terms.

   e. Describe limitations and other sources of help for each alternative.

   f. Explain how progress could be reported and measured.

D. <u>A PPBS Center</u>

1. A Staff Service to All College Decision-Makers

   a. Program Data Sources and Standards

   b. Program Statistical Analysis

   c. Program Operations Analysis

   d. Program Data Processing and Analysis

E. <u>Some Lessons Learned About PPBS</u>

1. Generalizations about processes to individual agencies are difficult. PPBS needs to be adapted to individual style of decision-making.

2. Top-level executive support is vital, as is support from professional employees.

3. To be effective, there must be a ready dialogue between the PPBS analytical staff and the chief executive: i.e., effective communication and cooperation.

4. Analytical staff should be analytical generalists, able to define a problem rather than tool specialists.

5. Central PPBS staff should be large enough to create a "critical mass."
6. Methods of organizing and implementing a PPBS are related to the extent of commitment to install its processes. Without a strong commitment, efforts will be hesitant, small scale, and with attendant difficulties. Active support and participation of functional departments is essential.

IV. CURRENT PPBS WRITINGS

A. United States Congress, Subcommittee on Economy in Government of the Joint Economic Committee. The Analysis and Evaluation of Public Expenditures; The PPB System, 91st Congress, 1st Session. Washington, D. C. U. S. Government Printing Office, May 29, 1969, 3 volumes, 1241 pages.

Volume 1

Part I. "The Appropriate Functions of Government in an Enterprise System"

Part II. "Institutional Factors Affecting Efficient Public Expenditures Policy"

Part III. "Some Problems of Analysis in Evaluating Public Expenditure Alternatives"

Volume 2

Part IV. "The Current Status of Planning-Programming-Budgeting Systems"

Volume 3

Part V. "The Performance of Program Budgeting and Analysis in the Federal Government"

Part VI. "Analysis and Evaluation in Major Policy Areas: Unresolved Issues and Next Steps"

This study consists of a compendium of papers from over 50 invited experts who examine the problems and possibilities of improving and strengthening the evaluation of public spending programs. The focus is on the PPB System, improving the budgetary process in terms of applying economic analysis, and the search for more effective systems of policy analysis and program evaluation in both Congress and the executive branch.

B. United States Congress, Subcommittee on Economy in Government of the Joint Economic Committee. Innovations in Planning, Programming and Budgeting in State and Local Governments. 91st Congress, 1st Session. Washington, D.C. U.S. Government Printing Office, August 29, 1969, 218 pages.

This report is a follow-up of the papers cited in (1) above. It is a compendium of twelve papers prepared by PPBS experts and specialists who have responsibility at the state and local level for the systematic analysis and evaluation of public programs. The papers focus on major policy and analytic problems of PPBS projects, their current stage of development, and plans for further implementation of such systems, as well as appraisal of program evaluation in the budgetary process. There are a number of excellent secondary references sprinkled through the document.

C. MacKeraghan, Lysle R. A Conceptual Planning-Programming-Budgeting Model for a Community College, unpublished doctoral dissertation. Gainesville: University of Florida, 1970, 117 pages.

This study was conducted to determine whether a conceptual PPBS model could be developed for a Florida Community College. The major purpose of such a model would be to provide a framework for identifying the costs of the community college's programs and aid educational decision-makers in the rational allocation of fiscal resources.

An additional design goal of the model was to provide the baseline for developing: (1) educational program and activity classification; (2) program budgeting of the educational system's services; (3) multi-year program planning; (4) system analysis of the effectiveness of an educational system's programs; and (5) a management information system to support these concepts.

The conceptual model was verified in a field application phase of the study and a set of intermediate PPBS program cost formats was developed to display a community college's program costs.

The study also contains a 233 item bibliography and reference section pertaining to educational PPBS and general PPBS writings.

FINAL SUMMARY

By James L. Wattenbarger
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It is difficult to know how long a conference like this should last. In some ways one just begins to get acquainted with people about the time the conference is over. On the other hand when a conference is too long, everyone gets a little bored and wants to get back to more pressing affairs. It is really a difficult decision. After trying week-long conferences for several years, we arrived at this three-day format in hopes that this would provide the kind of conference that would make you want to come back again to continue learning as we hope you have learned during this one.

You may be interested in knowing how we arrived at the format for this particular conference. We sent letters out to more than 120 community junior colleges in the Southeast asking the older-in-experience business managers to tell us what kind of problems they would have liked to have discussed during their first few years of operation as new business managers. On the basis of those suggestions, the staff consisting of Mr. Styles, Mr. Baker, and Dr. Greene worked together in setting up the program which we have developed with you here. You will recognize that we have selected the best possible staff for this particular conference. Proceedings of the conference will be produced. Dr. LaVire, who has been quietly sitting around here absorbing the whole atmosphere, will sometime in the next few months have an opportunity to edit the proceedings.

The proceedings will be available in multiple copies for those of you who want more than one copy. Each of you will automatically receive a copy as a participant in the conference. We have also provided you with a number of extra materials. If questions occur to you during the next year or at any time that you feel we could be of help, please feel free to drop us a line. We have enjoyed very much getting to know you.

Perhaps you would be interested in knowing about some of the information we have about you as a result of the questionnaire Dr. Litton handed out last Monday night. The median age of this group is 38. Of course, I must admit that was heavily influenced by people like Bob and Chuck, who bring the lower end of it down. Two of you reported that you had no degrees; eleven had bachelor's degrees; thirteen master's degrees; and one holds a specialist's degree. Seventy percent of you reported that your major was in the area of business; eight percent in education; four percent in social science; and the other eighteen percent were in related areas. Twenty-two percent moved into your present positions from the same institution. In other words, you moved over or up (however you want to view it) into your present positions from within your own institutions. I don't know whether the next figure is caused by the fact that you are from new colleges or that business managers have short tenure, but your immediate predecessors held their jobs only one year according to the answers you gave to us. (I hope that doesn't mean that should we have another conference next year that we'll have the same institution sending us new business managers.) It seems rather nice to know that in terms of the president and chief academic officer, chief business officer, chief personnel officer, and head librarian that you rank right in the middle in terms of salary. Forty-one percent indicated that you had faculty rank, but only twenty-six percent reported tenure. This means that perhaps a business officer might well look to becoming more active in the pursuit of faculty rank and tenure. It seems this is a matter of concern to them. I suspect that the low percentage on tenure is related to the fact that you are new on your jobs. It also may, however, be the result of the fact that many business officers do not have tenure in their positions. However, it might be interesting for you to explore the possibilities of being a permanent member of the faculty in any case.

You have heard Dr. MacKeraghan present a summary of his dissertation, and I'd like to pull together some of the other recent studies which we have been conducting here at the University of Florida and which may have particular value to you as business managers.

We have just finished, Dr. Cage and I, a fifteen month's study on financing community junior colleges. This particular study was the focal point for several other dissertations of which Dr. MacKeraghan's was one. Dr. Arney, for example, has completed a study on the patterns of financial support for community colleges in the fifty states. One of the most important conclusions of Dr. Arney's study is that there is a trend toward additional state support for community colleges with concommitantly less local support for junior colleges. If this trend has not already been found in your state, I think we can safely predict that it will be the case soon. Perhaps many states will move as Florida has just recently done to total state support for the community college program. Additional support may develcp at the federal level. You may be familiar with the Williams Bill Senator Harrison Williams of the state of New Jersey has introduced a bill which will provide federal support to community colleges in the various states. It will provide money for planning at the state level in particular.

We were talking about the need for exp.rtise to aid in the development of PPBS applications. I think this obviously becomes a responsibility of state-level leadership. The portent of Arney's study is that there will be more state support, and as a result, more state coordination and even more state control over community colleges than has been true in the past. Dr. Harmon Fowler has just completed a study on selected variables related to differential costs of community colleges. A good deal of the data in his study is included in the report which Dr. Cage and I have just completed. For example, Dr. Fowler has found that the ratio of costs for various programs in junior colleges ranges, when compared with the liberal arts general education associate degree programs, from a low of about 0.88 with the liberal arts program being 1.0 up to a range of 3.12, depending upon the type of occupational program. He also has found that the ability to develop this sort of comparative data is serverely limited by inadequate record keeping. There are few junior colleges, even those that are considered exemplary, which keep accurate enough data that would enable the analyses which are necessary in order to do the kinds of things that Dr. MacKeraghan talked about this morning. Dr. Matthews has completed (1970) his study of input-output relationships in selected junior colleges. The two major conclusions coming out of his study are: first, a reiteration of the fact that accountability as a concept in the community college is so new or so inadequately understood that it is almost impossible to get accurate information from junior colleges in reference to outputs; second, that we don't really know what an output is.

This assertion comes as a real shock to members of the legislature and to businessmen who feel that they know what the output of their businesses and their activities are. I'm not sure they are always as accurate in understanding their outputs as they most often feel they are, but educators have been particularly unable to define adequately what an output is.

We thought that we might look at the following outputs. For example: How many students who enter junior colleges receive associate degrees? And you know we found some interesting relationships between this and certain inputs. For example, the more money one spends on libraries, the fewer students receive associate degrees. Something is wrong! The major conclusions that Dr. Matthews reached were that the community junior colleges must define more clearly what they intend for their outputs to be and that they must develop more adequate information systems for measuring those outputs. Then we will be in a position to evaluate relationships between inputs and outputs which are not availabale at the present time.

Dr. MacKeraghan's whole PPBS model is based upon the premise of enabling an institution to do this sort of thing. If we can define what we're trying to do and devise ways of doing it, we can measure and see whether we've done it or not. We've a PPBS system!! I always appreciate hearing Lysle talk about PPBS because I think he has evolved a clear statement on PPBS, not always realized from those who talk about it.

Dr. George Corrick has just completed a study which I think will be of particular interest to you. George studied the resource allocation processes in selected junior colleges. How do we make decisions about the allocation of resources? He found out that most junior colleges don't have much decision -making activity at all. As a matter of fact, when negotiations for salary determine the salary schedule as has happened in several states already, then the college really makes practically no decisions about its own budget because from 70 to 85 percent of the budget is allocated to salaries. Once that decision is made, the rest of the funds are not really a great big problem in resource allocation. Dr. Corrick's model on this resource allocation is a very excellent one, and I think you'll appreciate seeing how this applies to your own institution.

One other interesting factor he found in one of the colleges was the effect of limited enrollment upon the resource allocation process. This one thing, that is, the limitation of enrollment, became the most limiting factor in the resource allocation process. In other words, by limiting enrollment, the college limited everything else they did. When an institution makes the decision to limit enrollment, then it must recognize the fact that this has far greater implications than merely a limit on the number of students. It affects the development of curriculum. It affects the application of curriculum to the needs of the students. It affects the salaries of faculty members considerably. It also affects the kinds of activities that a college can carry on, in addition to its regular structured program. Everything is affected by this one factor. When facilities become tight, our answer is not to limit enrollment, but to extend the day. I would predict that many junior colleges, particularly those in urban areas, will be running on a twenty-four hour schedule with a seven day week in the near future.

We're not going to be able to have the adequate facilities to take care of all of the educational needs of people. The only way we can expand is to expand time wise.

A final study in this whole series of financial studies is one that Joe Walters is conducting. He is trying to define the outputs of an educational institution. In this case, he will look at what peers think outputs may be as they examine a college for accreditation purposes. Joe has gone through almost two hundred different committee visits by Southern Association teams to some 190 junior colleges in this section of the country. He has listed more than 4,000 different recommendations that these committees have made in an attempt to determine if there are any patterns which might be identifiable as the professional evaluation of what output in an institution should be.

One of the jobs in this financial study was to determine what the target population of community colleges might be in the year 1980. In looking at community college enrollments we recognize very quickly that these students are not just young people between the ages of 18 and 21. Less than half of the students enrolled in junior colleges are in that age group. Less than half! More than half of junior college students are beyond this 21 year old age group. A study at Manatee Junior College indicated that 52 percent of those students who graduated in 1968 had entered Manatee Junior College in the fall of 1966 and that 48 percent had entered Manatee Junior College as far back as seven years before. This means that a great number of the students are coming into our colleges on a part-time basis and it may take them as long as seven years to complete the ordinary two years' work. Some of these go on to four year instiutions; some of them don't.

When we look at the numbers of students in the target population for 1980, we've got to look at the whole broad spectrum of junior college students - those students who are eighteen, who are under seventeen, who are in their thirty's and forty's and on into their seventy's and eighty's. I've been to a number of graduations where grandfather and grandson have graduated together. Grandfather is in his seventy's and grandson in his late teens or early twenty's It is not unusual for father and son to graduate in the same class, or mother and daughter, or father and daughter, or mother and son, or whatever combination, young and old to graduate from the same institution. The target population has to include the whole range of ages.

This means that you have to look at what the composition of our age groups is going to be in the 1980's. One thing we do know is that we're going to have fewer people below the age of seventeen percentage-wise in 1980 than we have now, but we're going to have a much larger portion of our population between the ages of eighteen and thirty-five. These are the years in which main attention to junior colleges may be given. So in spite of the fact that elementary and high school enrollments are predicted to decrease, we may expect a continued increase in the community college program all over the country.

At the present time there are about 2,125,000 students in junior colleges. If all the states were providing junior colleges similar to the 15 exemplary institutions from the seven states that we have been discussing, we would have four million students in junior colleges in 1980. That is almost twice as many as we have at the present moment and is a ratio of about 19 or 20 students in every thousand population. If, however, junior college students were to enroll in accordance with the experience of one or two of our exemplary institutions which are providing the greatest service to their communities, we would have twelve million students in community colleges in 1980.

Our predictions for the target populations for junior colleges are somewhere between four and a half million and twelve million. Where it lies will depend upon the kind of programs the community colleges develop and the kind of relationships that you as business managers are helping to provide. You must take a leadership role in the whole process of planning and budgeting so that management information will help college presidents accomplish their mission in the administration team.

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An annotated bibliography by
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B. <u>Positive Approaches to Business Management in Community Colleges</u>

A selected bibliography by
Dean M. Hansen and Robert H. Hosken

A. JUNIOR COLLEGE BUSINESS AND FINANCIAL AFFAIRS

Berkman, Dave. "You Can Afford T.V." <u>Junior College Journal</u>, XIIL (December, 1967), 24-26.

If $500 per half hour show sounds expensive, consider the fact that if only 10,000 people watch the show, the cost is only a nickel per person. This accomplishment was possible because the "packaging" procedure was used. This means the college preproduces the program and brings it to a local television station for telecast through their studio. Four items are suggested for t.v. production packaging. These include someone with a basic knowledge of t.v. production, a minimum graphic and photographic production set up, and interesting faculty and an understanding administration.

Blake, Larry J. "A New Start in Montana." <u>Junior College Journal</u>, XIIL (April, 1968), 22-23.

Voters may form a community college in any area of the state. This district must have an assessed valuation of not less than $30 million and a total of not less than 700 pupils regularly enrolled in public and private high schools. The community colleges participate in the established foundation program. Other sources of revenue for operating expenditures include tuition charges, special tax levies and federal grants for vocational education. The foundation program allocates state support on the basis of the average number of students enrolled in a community college for a period of not less than 30 days and carrying not less than 10 hours. The Montana constitution limits state support to full-time students under 21 years of age. Capital construction costs must be borne by the local district.

Bremer, Fred and Floyd S. Elkins. "Private Financial Support of Public Junior Colleges." <u>Junior College Journal</u>, XIVL (September, 1965), 16-19.

One of the prime tests of the public acceptance of an institution of higher education is the amount of financial support it receives from private sources. Colleges in the middle enrollment range, between 300 and 1,300 students, were the recipients of the largest amount of private support. Cash gifts make up almost 50 percent of the total amount received. Foundations were the heaviest contributors to junior colleges providing two and one-half times the gifts contributed by the second largest group, nonalumni. If junior colleges continue to contribute significantly to the welfare of their constituents, they should be the recipients of even larger gifts for educational purposes.

Chambers, M. M. "Progress in State Support of Higher Education." School and Society, IXC (March, 1963), 144-146.

A tabulation of state funds appropriated for higher education for fiscal years 1959-1960 to 1962-1963. State aid to junior colleges showed an increase of 41.5 percent. The trend of state support is upward and accelerating.

Champion, Howard A. "Financing the Public Junior College." NEA Journal, LII (October, 1964), 67-68.

A prevalent type of control is at the local community level where the junior college is often part of a unified school district. The growth of independent junior college districts has alleviated to some extent the inadequacies of local support. A few states furnish all funds exclusive of those accruing from tuition. Eight states grant no state aid at all. Between these extremes the amount of state aid varies from one-third of the annual operating cost to a token amount. The growth of junior colleges has made it imperative for every state and community to formulate plans for financing an expanded junior college program.

Chapman, Charles E. "Ohio Joins the Club." Junior College Journal, XVL (October, 1964), 8-12.

This article is primarily concerned with the development of Ohio's first junior college. State funding is based on a formula for full-time equivalent students. Total student credit hours of enrollment is divided by fifteen credit hours. Local support includes tuition and local taxes. Capital funds may be received from state and local appropriations.

Cohen, Edward and Evans, N. Dean. "State-Local Cooperative Planning in New Jersey." Junior College Journal, XIL (December, 1968), 30-32.

A community college system requires statewide coordination, while retaining local, institutional autonomy. State level authority is necessary because rising costs of higher education require state based tax sources rather than local ones. Accountability and careful planning for equitable distribution must accompany the allocation of large sums of money. Overall planning will insure equality of opportunity and will avoid unnecessary duplication and costly overlap of responsibilities. Certain services, not practical for each institution to provide, will be made available as part of a statewide system. Local autonomy is also needed because local funds are also involved in junior colleges. Since state funds are limited to a given amount per student, most special programs and attempts to achieve excellence will have to be supported by local rather than state funds.

D'Amico, Louis A. and Iffert, Robert E. "Tuition and Fees in Public Junior Colleges 63-64." College and University, XL (Spring, 1965), 334-338.

The public junior college is providing educational opportunity for many who live in areas which do not provide these facilities. Data reveals that additional charges imposed on non-community residents vary. These additional charges are smaller for out-of-district students than out-of-state students.

D'Amico, Louis A. and Bokelman, W. Robert. "Tuition and Fee Charges by Public Junior Colleges, 1961-62." Junior College Journal, XVIIL (September, 1962), 36-39.

An important factor contributing to growth of junior colleges is economics. Public junior colleges charge out-of-state and out-of-district students a higher rate for tuition and fees than in-district students. There appears to be no formal policy with regard to tuition for out-of-district or out-of-state student tuition charges.

Downs, Harry S. "Georgia's Junior Colleges - An Important Role." Junior College Journal, XIL (May, 1969), 50-53.

The state's junior colleges are units of the university system of Georgia. The Board of Regents has broad powers for the management and control of public colleges, including the responsibility for new institutions. "The Junior College Act of 1958" authorized local communities to develop and operate junior colleges with the assistance of state funds for operating purposes. The Board of Regents set minimum standards of community size and potential college enrollment. The interested communities must build and develop the new facilities and deed facilities to the regents. Community colleges developed in this manner are operated by the regents with no further community financial report required.

Edelman, Edward. "Junior Colleges Discover New Ways to Raise Capital." American Education, V (December, 1968), 22.

Community colleges are using various means to obtain needed capital outlay funds. In Ohio facilities can be financed with revenue bonds, tax anticipation notes and tax bonds. In some states the borrowing needs are met by the county. Other states allow community colleges to set up a local taxing district which then becomes the borrowing entity. California aids the junior college districts by selling state bonds.

Elridge, Donald A. "Developing Financial Resources." Junior College Journal, XVL (October, 1964), 28-31.

A successful fund raising campaign arises from the philosophy of education of the president and the college. Knowledge of the constituents, students, parents, friends, alumni, faculty, business, industry is a necessity. Development of patience and long-range planning with clearly defined goals are needed also. These are the basic requirements for a successful fund raising campaign.

Elkins, Floyd S. and Blocker, Clyde E. "Philanthropic Support of Private Junior Colleges." Junior College Journal, XIIL (November, 1966), 28-31.

Evidence indicates financial support is available to colleges which organize an effective program to secure aid. Colleges having a staff member responsible for securing private support, having volunteer groups responsible for securing financial support, the existence of an alumni organization, alumni fund, membership in the American Alumni Council, and American College Public Relations Council were more successful in raising funds. Colleges possessing all characteristics received an average annual amount of $98,911. Colleges possessing none of the characteristics received an average of $12,258 per college.

Erickson, Clifford G. "Illinois Balances Statewide Planning and Local Autonomy." Junior College Journal, XIIL (March, 1968), 22-26.

The Public Junior College Act of 1965 gave needed renewal to the community college movement in Illinois. Illinois has thirty-three junior college districts, each with its own board and president. The state shares in financing the locally controlled community colleges by carrying 75 percent of the cost of approved campus development projects. State aid for operating costs is $11.50 per credit hour of mid-term enrollment. Salaries for instructors and counselors of approved vo-tech classes are reimbursed at 50 percent of actual salary. State aid also furnishes part of the cost for vo-tech equipment and for adult education. Local taxing authority is established by referendum.

Garrison, Roger H. "Private Junior Colleges: The Question Is Survival." Junior College Journal, XIL (March, 1969), 35-38.

Seventy-five percent of our private junior colleges will not be in existence in 1980. Their problems are finances, enrollments, competition, management and teaching. Solutions proposed include increased faculty efficiency, formation of consortia, develop quality of campus life, involvement of the community, stimulation of alumni interest and better public relations.

Giles, Frederic T. "Washington: New Life at Forty." Junior College Journal, XVIL (May, 1964), 28-30.

This article is primarily concerned with the overall development of the junior college movement in Washington. There is brief mention of funding. Funding from state sources amounts to 80 percent of total revenues. The remainder comes from student fees. Money is appropriated for a biennium.

Gleazer, Edmund J., Jr. "AAJC Approach." Junior College Journal, XVIL (October, 1963), 2-3.

Junior colleges do receive foundation grants. Examples are given of institutions receiving dramatic gifts. Foundations are interested in ideas and innovations. Their criterion is merit rather than need.

Heinrich, Carl L. "Fifty-one Years in Kansas." Junior College Journal, XIL (December, 1968), 18-20.

Like other states in 1965 the Kansas Legislature passed the Community Junior College Act. The law provided for the expansion of community college taxing districts. It also authorized additional state aid and other revenues including out-district tuition for counties not in junior college districts, but having students enrolled and student tuition for both in-state and out-of-state students. Operational revenues are derived from local ad valorum tax, state aid, out-of-district tuition and student tuition. The future funding plan calls for 50 percent state aid, 40 percent local sources and 10 percent student tuition.

James, Joseph W. "What Vo-Tech Schools Spend for Instructional Supplies." IAVE, LVIII (March, 1969), 42-53.

A survey of costs peculiar to vocational-instructional programs. The survey results reveal that it is quite important for community colleges to develop standards for quality, consumption, and cost of supplies for efficiency of operation. Instructional supplies should be purchased on the strength of the course. The "weekly student contact hour" should be the criterion used for estimating the cost of instructional supplies.

Johnson, B. Lamar. "Encouraging Innovation in Teaching." Junior College Journal, XIL (March, 1969), 18-22.

Change agents in colleges must clearly have the support of their college administrators. Funds must be made available to support the costs of planning innovations and putting them into operation. Released time for faculty to work on innovations is also required. One junior college budgets four percent of salary funds for innovation. In a time of tight budgets, it may well be that necessary economics will impel colleges to launch innovations in the interests of increased efficiency.

Johnston, G. H. "State and Local Partnership in Mississippi." Junior College Journal, XIL (April, 1969), 40-48.

Seventeen public junior colleges constitute the state system in Mississippi. The state exercises general supervision through the State Board of Education and the Junior College Commission. Each college has a local board of trustees with powers, duties and responsibilities defined in the basic junior college law. Operating funds are derived 45 percent from state sources, 45 percent from local sources and 10 percent from student tuition. Capital improvement funds came 30 percent local, 35 percent federal, 35 percent state sources. The state appropriation is made for the biennium and is divided into two components. One is for regular junior college programs and the second is for Vo-tech programs. There is a matriculation charge of $60 per semester which covers all fees.

Kastner, Harold H., Jr. "The Economic Value of Community Junior Colleges." Junior College Journal, XIVL (November, 1965), 29-34.

Based upon annual compounded rates of interest community college graduates will yield a social return of at least 12.28 percent from males and 11.01 percent from females over a 45-year work period. Direct returns will yield 5.03 percent for males and 4.22 percent for females over the same time period. An under investment in junior college education currently exists for the United States as a whole because at least 200,000 of our most academically qualified students do continue their education. This results in an economic waste of $48 billion annually in 1960 dollars.

King, Francis P. "Insured Staff Benefit Plans in the Junior College." Junior College Journal, XIXL (September, 1969), 3-14.

A major problem faced by the junior college is faculty recruitment. In this connection the excellence of staff benefits must be given careful appraisal. This article reviews the extent and type of staff benefit plans presently available. It sets forth important criteria for staff benefit plans that have been developed for institutions of higher education.

Knopf, Arthur C. "Inland Empire Training Project." Junior College Journal, XIL (March, 1969), 66-72.

Cooperation is the keynote of the entire project. The program is conducted by six community colleges to help young men and women whose employment problems are primarily due to educational and skill deficiencies. The project has four distinct sources of funds to meet actual training costs and four additional sources to provide support for trainees while attending class. Funds are received from M.D.T.A., V.E.A. of 1963, state foundation program funds based on A.D.A., welfare support and O.E.O. Perhaps the most serious funding problem was the fact that there was no precedent, in educational circles at least, for this type of funding.

Kreiling, Robert T. "The Community College Dollar: How It Is Spent in New York State." Junior College Journal, XVIIL (December, 1962), 190-194.

Fourteen community college budgets in New York indicate that salaries and fringe benefits consume 83-7 percent of the average budget. Cost per equated student was $717. The ratio of three part-time students to one full-time was used to determine equated student cost. The average student-faculty ratio was 1:17. There was no correlation between student-faculty ratio and expenditures for salaries and fringe benefits. Also no correlation was apparent in the comparison of student cost and student faculty ratio. This may indicate that through proper utilization of resources, the student-faculty ratio could be improved without materially affecting overall cost.

Laine, Oliver H. "Interim Facilities: Blessing or Boomerang?" Junior College Journal, XIL (November, 1968), 25-30.

The community junior college is an investment in people. This investment is well worth three years of planning before opening. Cost of such planning would be only one percent of total operating cost for fifty years. An educational facility designed and equipped to implement modern programs, a modern educational program to meet student needs, a well-oriented faculty and an efficient operation both in terms of human resources and physical plant would be the immediate returns on investment.

Lien, David A. "And Nevada Makes 50." Junior College Journal, XL (March, 1970), 50-51.

Nevada formally joined the junior college movement with the opening of Elko Community College. A short, but effective fund raising campaign raised $50,000 in 1967. A president was hired and planning began in earnest. A token action by the legislature made community colleges legal, but no funds were appropriated. Howard Hughes contributed $25,000 but there was still no continuing source of funding. The legislature in 1969 at last provided interim funding in the amount of $1,000 per F.T.E., up to a maximum of 150 students. The college has exceeded the 150 F.T.E. maximum and is operating in temporary quarters previously used by an elementary school. The projected F.T.E. is 1,000 by 1975. Elko is the first of three planned community colleges in the state.

Lombardi, John. "Emergent Issues in Administration." Junior College Journal, XVL (November, 1964), 4-8.

Discusses issues other than those just related to finance. Regarding finance, the issue becomes how should state aid be apportioned and what percent should come from tuition? To what extent will this involve state control rather than local control? Administrators must be careful when implementing programs of economy that quality is not foregone. This article also raises many relevant questions regarding funding of junior colleges.

Mensel, R. Frank. "Federal Support for Two-Year Colleges: 'A Whole New Ball Game.'" Junior College Journal, IV (September, 1969), 14-19.

A summary of direct and indirect support programs for two-year colleges is presented. An indication that there is a surge of federal interest in the junior college has been repeated. Secretary Finch has stated that the two-year college is a key force in closing the opportunity gap. Three factors seem principally responsible: Secretary Finch's leadership; Senator Williams' introduction of the Community College Act; the rapid growth of junior colleges opening at the rate of more than one a week with exploding enrollments.

Myers, Gail E. "Private Junior Colleges Are Not Alone - Mr. Garrison." Junior College Journal, XIL (March, 1969), 39-41.

The division of higher education into public and private institutions is a spurious one for most analyses. The problems of finance, enrollment, competition, management, and teaching are not unique to private institutions. Suggestions include an endowment campaign, innovative programs and strengthening the transfer degree. Private junior colleges must take every means to survive and the public institutions have a stake in their survival.

Nader, Shafeek. "The Community College in Connecticut." Junior College Journal, XL (September, 1969), 33-36.

The community college movement in Connecticut consisted of five private junior colleges until 1961. In 1959 legislation was enacted which permitted local boards of education to have town tax supported junior colleges. Approval of local voters in a referendum was required and no state support was furnished. Two years later this permissive legislation was extended to regions of groups of towns having a contiguous boundary. A state board of trustees for regional community colleges was established in 1965. As a result, additional public community colleges, with state control and financing rather than local, were established. Three locally supported junior colleges,

established under the permissive legislation, have since negotiated themselves a place in the state system. There are presently eight publicly supported junior colleges in Connecticut.

Patterson, Dow. "Determining Instructional Space Needs for Junior Colleges." American School Board Journal, CXLI (November, 1960), 29-32.

Indicates a number of factors to be considered in predicting space needs. Foremost is the determination of future enrollment potential. Other factors are square footage necessary per student, class size, full-time student load in credit hours, percentage of total credits earned in each subject, method of determining number of teaching stations, estimated teaching stations for specified enrollment. Formulas are presented for expansion in an existing campus and for estimating needs on a new campus. A warming, mathematical process should be tempered by administrative judgment.

Ramstad, William K. "Multicampus - Ready - Set - Go!" Junior College Journal, XIL (March, 1969), 25-30.

A survey of ten multicampus junior colleges indicates the business manager as a member of the planning team when a second campus is considered. Faculty participation was on a volunteer basis or at the request of the planner. The construction funds came from local bond issues. The staffing formula used was based on weekly student contact hours. Careful consideration must be given to class size, class loading, and improvement of salary schedules if budgets are to be properly administered. Two campuses cannot be operated as cheaply as one. The duplication of staff and the difficulty of maintaining class size in the smaller institution contribute to an increased cost per student.

Roberts, Clarence W. "Fringe Benefits in Public Junior Colleges." Junior College Journal, XIL (October, 1968), 28-35.

One way to attract and retain qualified faculty is by use of fringe benefits. This survey revealed twenty different fringe benefits that exist in the junior colleges. Most frequently found benefits were retirement, health insurance, faculty travel, sick leave, secretarial assistance, and major medical insurance. These benefits exist in over 90 percent of the 389 colleges surveyed.

Schmidt, Mildred S. "Administrative Support in Establishing A.D.N. Programs." Junior College Journal, XIVL (May, 1966), 20-23.

The two main obstacles to establishing A.D.N. programs were the cost of the program and overcrowded facilities. Publicly controlled colleges were able to count on tax support provided the controlling authorities agreed on the need and desirability for such a program. Private colleges arranged financing by limiting enrollment or funds from interested groups. Only one private college raised tuition. Almost half of the colleges received a subsidy during the early years of the program. Local hospitals were a valuable source of assistance and also the state boards of nursing.

Smith, Kathleen Bland. "Crossroads in Texas." Junior College Journal, XVL (December, 1964), 14-16.

This article provides history, present status and recommendations for the future financing of junior colleges in Texas. In 1920 the first publicly supported junior college was established. State aid was not provided until 1941 and that was $50 per full-time student. In 1963 state aid had increased to $243 per student. A recommendation is to be made for the state to pay all instructional costs leaving local money free for capital outlay, administration, maintenance and upkeep.

Stivers, Earl R. "Cost Study for Current Operatings in the Junior College." Junior College Journal, XVIIIL (March, 1962), 423.

This article poses a simple way to calculate the cost of education per student for the junior college and for each department. A determination can then be made whether a department is furnishing instruction at a reasonable cost.

Tadlock, Max and Ebey, George. "'Pound-Wide' Planning." Junior College Journal, XILL (November, 1967), 27-31.

Education planning costs - it costs time, money, energy, and talent. Nonplanning costs are even more because renovation of structures are much more expensive than building adequately to start. Unfortunately many districts pay the costs of non-planning and the results are facilities which do not reflect the unique needs of the particular community.

Tews, Emil O. "The Present Status of Junior College Education in California." California Education, II (May, 1965), 13-15.

Prior to 1960 California junior colleges were not permitted to impose any tuition payment charges or fees upon students. Now students from other states must pay tuition and districts are permitted to impose fees for health services and parking. It is the intent of the legislature to provide some costs for junior college construction. Operating costs are partially financed by the state under foundation program principles. On a statewide basis the state provides 24 percent of the operational costs.

Thomas, Charles W. "Financing the Public Community College: A Summary of Federal Aid, Corporation Aid, and Economics of Management as Sources of Revenue." Junior College Journal, XIXL (March, 1961), 365-369.

The community colleges must develop all possible revenue sources to the fullest extent. These increased funds must be spent wisely so that more and better education is obtained from each dollar invested.

Timmons, Richard H. "Fund Raising in Junior Colleges." Junior College Journal, XVIIL (September, 1962), 3-6.

Junior colleges can raise funds by organized campaigns when the public is convinced of the institution's value. Groups of contributors include corporations and business concerns, religious denominations, alumni, non-alumni and non-church groups, governing boards and general welfare foundations.

Tupper, Eleanor. "Today's Answer to College Food Service." Junior College Journal, XIXL (December, 1960), 224-226

An important factor in maintaining student morale on a campus is the proper functioning of an adequate food service. The advantages of food management service at Endicott Junior College are apparent. The responsibility for personnel management has been removed from administrative shoulders. The company's collegiate background is prepared to solve problems that seem to be of magnitude to the college administrator.

Wellman, Fred L. and Hamel, Dana B. "Community College Progress in Virginia." Junior College Journal, XIL (March, 1969), 52-58.

The Virginia community college system master plan recommends that the state be divided into twenty-two regions. Each region is designed so that it normally has 100,000 population and 1,000 high school graduates annually. The state provides all the basic funds for maintenance and operations and for capital outlay including buildings and equipment. The present capital outlay formula provides $2,000 for building construction and $1,000 for equipment for each projected full-time student. Student tuition for Virginia residents is $45 per quarter. The local authorities must provide funds for sites and site development. They may provide funds for community service programs, special projects and capital outlay funds to supplement basic facilities.

Wetzler, Wilson F. "The Essentials of Planning." Junior College Journal, XVIIL (November, 1962), 156-158.

An idea or proposal for action is as sound as the amount of time and effort spent in planning. A framework for planning any course of action involves seven steps. These steps are: gather pertinent facts, consider purpose and objectives, make basic assumptions, prepare policies, consider relationships affected by plan, determine tasks, and evaluate plan. The hope is that greater accomplishments will result from logical, systematic planning.

Williams, Harrison A. "To Close the Opportunity Gap." Junior College Journal, XL (September, 1969), 8-13.

The Comprehensive Community College Act of 1969 was to give long overdue identity to community junior colleges. The act was designed to support the development and construction of private and public two-year post secondary institutions of higher learning. The development and implementation of comprehensive curriculum programs with special emphasis on the needs of the educationally and economically disadvantaged is required. The second emphasis is on the training of necessary personnel. The third emphasis is on research to be carried out in such colleges to increase effectiveness. State plans must make the colleges tuition-free. Policies will be set forth so that federal funds will not be used to supplant state of local funds but to supplement them. Fiscal procedures to assure proper disbursement and accounting of funds will be required. Interstate cooperation in carrying out programs will be encouraged.

B. POSITIVE APPROACHES TO BUSINESS MANAGEMENT IN COMMUNITY COLLEGES

Preparation, Certification and Professionalization

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APPENDICES

A. Case Study #1

B. Case Study #2

C. Case Study #3

D. Case Study #4

E. Sample Faculty Involvement Rating Scale

POSITIVE APPROACHES TO BUSINESS MANAGEMENT

Case Study I

Financial Policy Development

Rolling Hills Community College is a comprehensive community college that serves a district population of 360,000. This 5-year old institution is currently leasing a portion of a former Army base in the southwest quadrant of the district. The lease is renewable for five more years, and the indications are that the college could purchase the property anytime up to the expiration of the lease.

Rolling Hills County is an agricultural, marketing, and distribution center for the state. The population is concentrated in Central City (225,000). The industrial activity is limited to small business firms and the major employer in the area is the Veterans Hospital associated with the Army base. The nearest college, Western Hills State University, is nearly 300 miles from Central City. 35% of Central City's residents are retired veterans who chose to live in Central City to receive the benefits provided by the Army base and Veterans Hospital. The Veterans Administration has begun construction on a two million dollar, 100-bed addition to the hospital.

The college, which subscribes to the open-door concept, was forced to curtail enrollment to a combined day/evening FTE of 2,300 (3,000 students), because of limited facilities. This fall a minimally renovated downtown office building will become a branch campus with a planned combined day/evening enrollment of 400 FTE (900 students). This Central City campus has been planned in response to a heavy commitment of the college to serve minority groups, underprivileged, and culturally disadvantaged residents.

District college operating expenses are financed approximately as follows:

1. one-third student tuition, fees, and other income (federal sources)
2. one-third state financed
3. one-third county

Capital construction is financed as follows:

1. one-half county
2. one-half state
3. federal funds replace county share

Several characteristics of the college are evident:

1. Direct administrative costs (non-teaching/counseling expenses) total nearly one-fourth the salary budget.
2. The faculty enjoy the highest wage scale of any junior college in the state.
3. Supporting staff are paid in accordance with local government, hospital and county scales. This scale is somewhat lower than the average for the rest of the state.

4. Faculty teaching loads are limited to five sections per semester with a maximum of two preparations. Faculty to student ratio averages are 1:15.
5. Attrition rate for all students is approximately 11% (the lowest in the state).
6. FTE distribution is approximately as follows:
   (1) university parallel - 80%
   (2) vocational/technical - 15%
      (a) 50% of this is in business occupations.
      (b) 15% is in health related fields.
      (c) 15% is in agriculture related fields.
   (3) non-credit courses - community service areas - 5%
7. Analysis of recent expenditures indicates a heavy commitment to:
   (1) faculty and administrative salaries
   (2) renovation of facilities
   (3) installation of an IBM 360-30 computer center for instruction and administrative uses
   (4) establishment of a 110,000 volume library of high quality
   (5) provide special college services to identify, locate, train, and place in employment students from culturally disadvantaged social and ethnic groups.
8. The college has limited federal monies to support its instructional programs (currently 5% of the budget).

9. There are no foundations and/or scholarship funds.

10. There are limited funds for student assistants and college funded work programs.

11. College growth projections indicate 10% FTE per year increase for the next five years.

12. Political climate and the tax base severely limit the potential of any local bond issue being passed to support capital construction.

13. Faculty and staff alike are unhappy with the limited physical facilities.

QUESTIONS:

1. What can be said of the needed changes in the nature of the educational program?

2. How can the college re-allocate its resources to reach these goals?

3. What can be done to improve or expand or develop the current physical plant?

4. What expenditures must be cut?

5. What sources for additional revenue should be explored?

FACULTY INVOLVEMENT

Case Study II

Given: Crescent Beach Junior College was 10 years old this year. It has 4,200 FTE students, 260 faculty, and 405 staff. Its modern campus of 300 acres and eight permanent and eight semi-permanent buildings serves a community of over 300,000.

The instructional programs have been developed through traditional organization patterns, including department heads, division chairmen, and three deans: Dean of Academic Affairs, Dean of Business Affairs, and Dean of Student Affairs.

The educational plan is developed by joint cooperation of the department heads and the division deans, who submit their recommendations to the deans. The president and the deans review and amend the budget before it is forwarded to the board of trustees for approval.

In the past, the faculty has complained of several things, especially:

1. The final budget differs to a marked degree from the budget approved by division directors.
2. Only the college deans have any idea of how much additional revenue may be available for the forthcoming year.

3. Some faculty seem to get more travel money and supply money than others.
4. The salary structure is so rigid that instructors have no monetary incentive.
5. The laboratories are full of equipment, much of it unused, but there is a shortage of audio visual equipment, library books, and business machines.
6. There are abundant IBM printouts distributed to every interested party covering a wide range of financial activity, but only a CPA can understand what anything means.
7. The finance office is so dictatorial that faculty complain that clerks seem to run the institution.

PROBLEM:

How can the faculty become more involved in the financial plan?

FORMULATION OF THE EDUCATIONAL PLAN

Case Study III

Given: St. Cyr Junior College has been operating for five years. Its current enrollment is 2,670 FTE's. A recap of the budget follows:

Revenue	Operating Funds 1969-70	Proposed 1970-71
State	$1,990,000.	$2,340,600.
Azalea County	450,000.	487,500.
City of Martin	800,000.	875,000.
Tuition and fees	521,000.	573,000.
Federal Programs	186,000.	372,000.
Other	33,000.	33,000.
	$3,980,000.	$4,681,000.

Expenditures - By Category

Salaries	$1,890,000.	
Expense	1,340,000.	
Capital Outlay	750,000.	
	$3,980,000.	

Expenditures - By Budgetary Unit[1]

Administration	$ 280,000.	
Student Services	165,000.	
Physical Plant	560,000.	
Learning Resources	348,000.	
Instruction	2,290,000.	
General	337,000.	
	$3,980,000.	

[1]Administration - President's Office and Business Office
Student Services - Registrar, Counseling Office
Physical Plant - Maintenance, Custodial, Motor Pool, Grounds, Security, Central Receiving and Warehouse
Learning Resources - Library & Audio Visual
Instruction - Deans' Offices, Faculty
General - Utilities, Furniture and Special Events, Payroll Matching

A. Revenue for 1970-71 - is projected as follows:

State - By statute, the state provides an amount equal to all other operating revenues combined.

Azalea County - County must provide $50,000, plus 50 percent of the revenues provided by the City of Martin.

City of Martin - City to provide $500,000, plus 1 mil x assessed valuation of all real estate. The value of said real estate increased by 25 percent for this year's computation.

Tuition and Fees - These items did not increase this year, but FTE's are projected to increase by 10 percent.

Federal Programs - It is anticipated that federal programs will increase 100 percent in 1970-71.

Other - Will remain the same.

B. Defined Needs: Commitments and/or Special Considerations

Teachers are demanding a 10 percent across-the-board increase in salaries.

The Trustees have promised 8 percent. Staff has already been promised a raise to equal in percentage any teacher increase.

An additional $140,000 must be spent on library books to retain accreditation.

A new utility plant will be completed in December, 1970. The bond issue did not include $350,000 in fixed equipment needed to run the plant.

The following needs were determined by a joint faculty committee - given in random order:

Additional classroom furniture	$60,000.
Additional lab equipment	45,000.
Pave teachers parking lot	30,000.
Resod administration building, plaza	25,000.
Station wagon - exclusive use of athletic team(s)	6,000.
Rewire physics lab, current wiring dangerous	65,000.
Fringe benefit package for all employees	80,000.
New roof for president's house	2,000.
Computer room needs air conditioning to remain operational in summer months	17,500.

Assume all 1969-70 expenditures for expense and capital outlay were adequate - in no way lavish.

Problem:

Devise an educational plan.

IMPLEMENTATION OF THE EDUCATIONAL PLAN

Case Study IV

The Trustees of Prescott Junior College approved a 16 percent increase in the operating budget for 1970-71. With a projected student body increase of only 5 percent for 1970-71, the operation budget reflects ample funding for all programs.

Past experience has shown that the budget has been expended as follows:

	Salaries	Expense	Capital Equipment	Total
1 Quarter	18%	28%	32%	22%
2 Quarter	29	29	27	28
3 Quarter	27	23	24	26
4 Quarter	26	20	17	24
	100%	100%	100%	100%

The faculty, although adequately paid and housed at Prescott, have complained in recent years that too much of the budget is spent or encumbered by September when many faculty return to work after the summer vacation. This is a point of dissatisfaction among the younger faculty, many of whom have 9-month contracts, as opposed to veteran teachers, most of whom have 12-month contracts. The administration has answered these charges by saying (1) capital equipment must be ordered early in the fiscal year to insure delivery in that year; (2) many items must be purchased in the summer so that they are on hand when the fall quarter begins in late September.

Cash to fund the budget is at low point in late September just before tuititon and fees are collected for the fall quarter. By

September 20 each year, all investments have been cashed in and the finance office is holding accounts payable. Vendors complain oi this, but the Trustees will not allow Prescott to borrow money to meet current obligations.

One of the reasons the budget was increased by 16 percent was to insure that more funds would be carried into the summer months when revenues are at low ebb.

PROBLEMS:

1. Will the 16 percent increase really solve the problems identified?
2. If not, what action needs to be taken to modify the plan?

APPROACHES RELATING TO FACULTY INVOLVEMENT

Faculty Involvement

DIRECTIONS: In the space provided at the left of each number, place a check mark for those activities pertinent to your institution. To the right of each statement are the numbers 4, 3, 2, 1. Circle one number for each statement to indicate its importance to your operation.

RATING SCALE:
4 - Approach used is ESSENTIAL
3 - Approach used is DESIRABLE
2 - Approach used is QUESTIONABLE
1 - Approach used is UNNECESSARY

General Advisory Committee

____1. Was established -------------------------------------- 4 3 2 1

____2. Advised on new requirements and priorities for educational plan development ------------------------ 4 3 2 1

____3. Disbands after the educational plan is determined ---- 4 3 2 1

____4. The business manager works with faculty members individually before the recommendations for the educational plan ------------------------------------ 4 3 2 1

____5. Helped gain faculty support ------------------------- 4 3 2 1

____6. Was established for each department or division ------ 4 3 2 1

____7. Members appointed for a definite period of time ------ 4 3 2 1

____8. Served as a communications channel between the business manager and the faculty -------------------- 4 3 2 1

____9. Lists specific needs and suggests related support necessary for the educational plan ------------------ 4 3 2 1

___10. Recommends competent personnel from the faculty who have previous experience in plan development --------- 4 3 2 1

___11. Assesses financial needs in terms of the entire college --- 4 3 2 1

___12. Meets periodically ---------------------------------- 4 3 2 1

___13. An appointment letter is sent to each member from the president's office ---------------------------------- 4 3 2 1

____14. Members should represent different points of view ----- 4 3 2 1

____15. Committee consists of faculty members who are accustomed to dealing with an educational plan in general terms -- 4 3 2 1

____16. The business manager directs educational plan development -- 4 3 2 1

____17. Guidance counselors assist in planning --------------- 4 3 2 1

____18. Both transfer and vocational faculty are members of the educational plan committee ----------------------- 4 3 2 1

____19. Administrators are represented on the educational plan committee -- 4 3 2 1

____20. Students are represented on the educational plan committee --- 4 3 2 1

____21. All proposals must be approved by the dean, business manager, and/or president ---------------------------- 4 3 2 1

____22. A standing committee for each major division ---------- 4 3 2 1

____23. Academic dean is involved in all educational plan development -- 4 3 2 1

____24. President is involved in all educational plan development -- 4 3 2 1

____25. Business manager makes referrals to the educational plan committee -- 4 3 2 1

____26. Members of the educational planning committee are elected -- 4 3 2 1

____27. Members of the educational planning committee are department heads ------------------------------------- 4 3 2 1

____28. Members rotate on the educational planning committee -- 4 3 2 1

Approaches which affect the determination of needs for an educational plan

_____1. Study was made of community population trends --------- 4 3 2 1

_____2. Study was made of regional population trends ---------- 4 3 2 1

_____3. Study was made of state population trends ------------- 4 3 2 1

____4. Study was made of educational structure of the community -- 4 3 2 1

____5. Study was made of the educational structure of the region -- 4 3 2 1

____6. Study was made of the educational structure of the state -- 4 3 2 1

____7. Enrollment projections for the college are available and used in developing the educational plan ------------- 4 3 2 1

____8. Survey of the interests and plans of high school students of the college service area -------------------- 4 3 2 1

____9. Enrollment projections for high schools of the college service area ------------------------------------ 4 3 2 1

____10. Follow-up study of high school and college graduates of the college service area ---------------------------- 4 3 2 1

____11. Special emphasis upon minority group needs -------------- 4 3 2 1

____12. Use of knowledge of practices in neighboring institutions --- 4 3 2 1

____13. Use of colleague's suggestions ------------------------- 4 3 2 1

____14. Use of local references -------------------------------- 4 3 2 1

____15. Use of periodical literature ---------------------------- 4 3 2 1

____16. Use of published books --------------------------------- 4 3 2 1

____17. Use of institutional research -------------------------- 4 3 2 1

____18. Use of status studies of the educational plan ----------- 4 3 2 1

____19. Use of evaluation studies for comparative approaches ---- 4 3 2 1

____20. Use of conference or workshop reports ------------------ 4 3 2 1

____21. Use of American Association of Junior Colleges ---------- 4 3 2 1

____22. Use of student grades ------------------------------------ 4 3 2 1

____23. Long-range planning that might alter pending recommendations pertaining to the educational plan ---------------- 4 3 2 1