An Experiential Project Examining the Realm of the School Business Function

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AN EXPERIENTIAL PROJECT EXAMINING
THE REALM OF THE SCHOOL BUSINESS FUNCTION

by
Robert J. Gabel

A Project Report
Submitted to the
Faculty of The Graduate College
in partial fulfillment
of the
requirements for the
Degree of Specialist in Education
Department of Educational Leadership

Western Michigan University
Kalamazoo, Michigan
April, 1981
AN EXPERIENTIAL PROJECT EXAMINING
THE REALM OF THE SCHOOL BUSINESS FUNCTION

Robert J. Gabel, Ed.S.
Western Michigan University, 1981

The objective of this experiential project was to examine the role and functions of the school business manager and the school business office.

Major areas that were examined were budgeting procedures, investigation of school district insurance coverage, investigation of developing alternative revenue sources such as a preschool and day care center, and shared time programs.

Through the investigation of these areas it was found that budgeting is an ongoing, year around process. It was observed that the South Haven Public Schools use a form of the Planning Programming Budgeting System (PPBS) and zero-base budgeting as management tools. Further it was discovered that there are six types of highly standardized insurance coverage that public school systems utilize. Finally, it was determined that the development of a preschool and day care center, and a shared time program would create for the school district additional revenue sources.
ACKNOWLEDGEMENTS

Through the course of my internship I received help from several different sources. I would particularly like to thank my advisors, Dr. Donald Weaver and Dr. William Grimshaw for their advice and encouragement throughout my study. I am also indebted to Thomas Hanson, Director of Business Affairs with the South Haven Public Schools, for the time he spent in supervising my internship. Finally, I would like to thank my secretary, Kris Torp, for the typing of this report.

Robert J. Gabel
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CHAPTER I

Specialist Internship Prospectus

Intern: Robert J. Gabel

Sponsoring Organization: South Haven Public Schools

Field Supervisor: Tom Hanson

University Advisor: Dr. Donald Weaver

Major Focus Of Experience: Experiential project dealing with the role and functions of the school business office and manager which will include but not necessarily be limited to budgeting, investments, insurance coverages, and alternative revenue sources such as preschool, day care centers, and shared time programs.

Duration: Sixteen weeks, commencing January 5, 1981

Rationale:

Without question, the most important aspect of local public education is the curriculum that an agency offers its constituents in order to provide a meaningful experience that will prepare today's students for tomorrow's tasks. However, before instruction in the classroom can begin for delivery of the curriculum, it must be financed and assured a base of continuity. Without proper financing, budgeting, insurance coverage, general business knowledge, etc., public education at the local level cannot survive. As more and more local district face the current financial crunch, they
will depend more heavily upon the individual associated with the business function. Districts will have to become more accountable for dollars they spend which will include an examination of services, programs, and other areas where money is expended to assure themselves that they are maximizing each dollar. Districts will also have to make a serious effort to obtain funds, no matter how soft they might be, by investigating alternative methods of generating revenue. Of course, the generation of these dollars should also help the community by meeting its need for various specialized programs. For instance, various funds are often available to districts to help improve areas they might be weak in or lack. Additional services can be provided by the local district that can help meet the community's needs while generating revenue (e.g., the day care center).

Another area of possible revenue generation is the proper investment of surplus money. The South Haven Public Schools, my sponsoring agent, are blessed with a large fund equity of approximately one and a half million dollars. This fund equity is the result of careful fiscal management as well as generation and accumulation of dollars potentially available through alternative sources. Through the investment of this money it is estimated that a sum equal to approximately two mills is raised each year thus lessening the burden upon the local taxpayer who already pays a very low rate. In addition, money is saved by the school system at such times, for example, as when state aid payments are late and in order to meet current expenses, the district does not have to take a short
term loan, thus saving any interest costs.

These dollars begin to mount and pay significant dividends, especially in a time when more and more millages are failing. However, increases in wages, supplies, and inflation in general are still playing havoc upon operational budgets, including South Havens'. The need for more accurate financial projections should be based upon future years, not just the next fiscal year. In the same respect, former year end financial reports which reflect increases in expenditures and revenues must be analyzed. By using both short and long term planning, hopefully a district will be able to keep its head above water and make accurate financial projections.

Communities have a large investment in their school system in terms of physical facilities. When vandalism, theft, or damage occur, replacement and repair are necessary. With today's inflationary costs, adequate insurance coverage is needed. Additionally, a system such as South Haven that encourages maximum use of its resources by the community, has greater traffic within its buildings. With today's numerous civil suits being processed by the judicial system, a district should have adequate liability coverage in the event of an accident. It is the role of the business manager to make sure that insurance policies are cost effective and provide proper coverage in the event of a catastrophe. The business manager must also have an understanding of what the major provisions of the policies are so that someone within the district is familiar with interpretation.

The role of the business manager is multifaceted and differs
to some extent from district to district. While discussing my proposed internship with Mr. Hanson, I asked him to describe to me several of his responsibilities. I was amazed at the scope of the position. Some of the areas a business office must be accountable for are: preparation of budgets, knowledge of state aid formulas, knowledge of various insurance policies a school system should have and what type of coverage each policy provides, investing the district's money, being familiar with school accounting code, being able to project enrollments, being familiar with workman's compensation guidelines, administration of employee benefits, purchasing of all district supplies, conducting negotiations, investigating funding sources, etc. As you can surmise, the business office's magnitude encompasses a large realm.

Smaller school systems that do not have the luxury of employing a business manager must pass these responsibilities on to another individual, namely the superintendent. Thus, for my personal administrative advancement, whether it be to a small superintendency or a central office position, it behooves me to familiarize myself with the business function. Thus, this is my reasoning for choosing this particular internship.

For the purpose of summation, it is my intent to accomplish the following during my internship:

1. Become familiar with preparing a budget by working closely with the Director of Business Affairs in developing the Community Education budget. The school accounting code will be adapted to the Community Education budget.
2. Investigate insurance coverages of the South Haven Public Schools and familiarize myself with the various policies.

3. Become familiar with the various types of investments schools can make.

4. Investigate alternative funding sources and programs namely the development of a preschool, day care center, and shared learning program for the purpose of determining if such programs could be implemented in South Haven.

Obviously, all of the aforementioned tasks will be dealt with as time permits. Because the internship is presently being developed, it is impossible to determine what additional opportunities will occur throughout the course of study. However, it is anticipated that many non-planned experiences will happen throughout the internship so that the intern will be able to accumulate a better understanding of the business function.
### PROJECTED NATURE OF INTERNSHIP EXPERIENCE

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<td><strong>The intern will -</strong></td>
<td><strong>The intern will be able to -</strong></td>
</tr>
<tr>
<td>1. To review available information regarding shared time programs.</td>
<td>request and examine information from the Grand Rapids Public Schools.</td>
<td>develop a shared time program in South Haven.</td>
</tr>
<tr>
<td>2. To review information regarding preschool programs.</td>
<td>visit a minimum of two preschool programs in the area and discuss the programs with teachers and administrators.</td>
<td>describe the feasibility of beginning a preschool program in South Haven.</td>
</tr>
<tr>
<td>3. To review information about day care programs.</td>
<td>visit an area day care center and discuss the program with supervisors and administrators.</td>
<td>describe the feasibility of beginning a day care center.</td>
</tr>
<tr>
<td>4. To acquire an understanding of how a school business office functions.</td>
<td>observe periodically the business office and discuss its day to day operations with the Director of Business Affairs and secretaries.</td>
<td>describe how he believes a business office should function.</td>
</tr>
<tr>
<td>Objectives</td>
<td>Experience &amp; Contacts</td>
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<td><strong>B. Technical</strong></td>
<td>The intern will -</td>
<td>The intern will be able to -</td>
</tr>
<tr>
<td>1. To develop the 1981-82 Community Education budget.</td>
<td>work with the business manager in developing the 1981-82 Community Education budget.</td>
<td>develop the 1981-82 Community Education budget.</td>
</tr>
<tr>
<td>2. To investigate insurance coverages of the South Haven Public Schools.</td>
<td>review current insurance coverages and discuss them with the school's agents.</td>
<td>list the various types of insurance coverage the district has and describe their functions.</td>
</tr>
<tr>
<td>3. To determine when the use of a computer is appropriate for various uses in the business office.</td>
<td>observe the utilization of the South Haven Public Schools computer and discuss computer usage with the business manager.</td>
<td>list activities which can be facilitated by the use of a computer.</td>
</tr>
<tr>
<td>4. To become aware of the many tasks the business manager performs.</td>
<td>observe and discuss with the business manager his responsibilities and tasks.</td>
<td>describe the responsibilities of the business manager.</td>
</tr>
<tr>
<td>Objectives</td>
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<tr>
<td><strong>C. Human</strong></td>
<td>The intern will -</td>
<td>The intern will be able to -</td>
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<tr>
<td>1. To observe the business manager's role relative to being a member of the administrative team.</td>
<td>attend administrative meetings, and analyze dialogue and agenda items that occur at said meetings.</td>
<td>list the ways administration is directly dependent upon the business manager.</td>
</tr>
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<td>2. To observe the working relationship among subordinates in the business office.</td>
<td>analyze the behavior of subordinates in relations with the business manager.</td>
<td>list the ways that subordinates can work most effectively with the business manager.</td>
</tr>
<tr>
<td>3. To observe the process of the business manager working with outside investment personnel.</td>
<td>observe and attend meetings with the business manager and investment personnel.</td>
<td>describe examples of techniques that can be used when attempting to invest money.</td>
</tr>
<tr>
<td>4. To observe the business manager's role and relationship in dealing with the Board of Education.</td>
<td>attend school board meetings and analyze dialogue.</td>
<td>list ways the business manager can work most effectively with the Board of Education.</td>
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CHAPTER II

Review of Literature

Introduction

Literature regarding the realm of the school business function is quite vast. Therefore, in order to shape the parameters for the review of literature, I secured job descriptions of the business manager from the Hartford Public Schools and the South Haven Public Schools. Upon comparing the job responsibilities as defined by the descriptions, I selected four areas of commonality to review. These four areas were budgeting, insurance, investments, and transportation.

Budgeting

As with most school systems in Michigan today, South Haven is faced with the problem of expenditures exceeding revenue. Because money is limited, it is very important that proper planning take place so that the dollars may be wisely invested in the educational program of the community. In the late 1960's and early 1970's, management tools\(^1\) began to be developed to help assess and analyze a school systems' educational program through the budgeting process. This tool was entitled Planning Programming Budgeting System (PPBS). PPBS forces a district to establish goals and objectives.

prioritize these selected goals, implement the goals depending upon their rank and financial resources, followed by an evalution. This process is continual. According to Koerner\(^1\) an advantage of PPBS is if the system is being used effectively it requires all school personnel, not just the business manager, to raise questions continually about the effectiveness of the current programs in operation.

Budgeting not only requires planning but also acts as a control device. Everyone works within the confines of a budget and PPBS makes it necessary for staff working with the various programs to periodically assess whether they are accomplishing their objectives within the funding limits that have been made available to them. Program leaders are forced to evaluate how efficiently their departments have been carrying out their assignments and to re-evaluate if the job could have been done in more economical ways.

In further discussion of PPBS, Koerner said\(^2\) that another advantage is its emphasis on involvement of people and communication. PPBS stresses that both school staff and citizens alike become involved with the development of school district goals, program objectives, and evaluation. By doing this the school will hopefully become more accountable to the community, both academically and financially.

Through the course of my internship, I have discovered that the South Haven Public Schools have actually been using PPBS on an informal

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\(^2\)Ibid.
basis. South Haven has been actively involved with the development of objectives for each academic and extra curricular offering within the system. An attempt has been made to make the evaluative process strictly data based with regard to all offerings. Citizen involvement with the school system has been encouraged and taken place. Through this year the district has not been confronted with money problems and program leaders have been given various amounts of budgeted money to work with and be accountable for. However, this is beginning to change. The district's budgeting philosophy is now swinging to a form of zero-base budgeting.

Like PPBS zero-base budgeting is a management tool that involves planning, prioritizing, assessment, and reassessment of an agencies resources. Bliss states:

"The primary concept of zero-base budgeting is that all managers will reassess their programs from the foundation up and provide justification for all resources requested for the attainment of the organizations' goals."

Through the South Haven Public Schools' curriculum council, all educational programs are continuously assessed each year to make sure they are meeting the district's objectives and are cost effective. Now that the district's revenue is falling short of its expenditures, a ranking procedure will be conducted in which all programs are evaluated in relation to each other. Through this process a determination will be made as to which education programs should be adopted, continued, or eliminated based upon if they are meeting their required criteria.

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1Bliss, op. cit., p. 6.
Regardless of the technical name, whether it be PPBS or zero-base budgeting, the important part of the budgeting process is one that is based upon criteria established by the school system. In determining a budget it is important to involve staff and community.

The decision making process for meaningful budgeting must involve an examination of the agency's objectives, cost effectiveness, both short and long term planning, and an evaluation process that determines if identified objectives are being met. Constant examination, review, and assessment are also needed. If a school system has an effective curriculum, I would surmise they have an effective budgeting process as well.

**Insurance**

Another area of commonality between the business managers' job descriptions I examined was the management of insurance protection for the district. With my review of PPBS and zero-base budgeting, it was determined that a distinct advantage of these budgeting systems was that the school system receives the highest rate of return for the least amount of money spent on educational programs. This same axiom should also apply with the protection of school property. The business manager needs to wisely plan in order to receive maximum protection for the least amount of expenditure.

In order for a district to receive the best possible protection for the least amount of money it becomes the task of the business manager to seek bids from several insurance concerns. South Haven has followed this practice and thus, three different agents carry the
district's six policies. Two of the agents are local and one is located out of town. According to Candoli\(^1\) many local school systems award their insurance to local agents only, regardless of cost. In such instances it is generally the accepted belief that because the community supports the school with tax dollars, the school should keep its business local. However, Candoli makes the point that substantial amounts of a school system's revenue is generated through state and federal sources and therefore the local district has no obligation to award its business locally. Further investigation with regard to the South Haven Public Schools proved Candoli correct. Almost 60 percent of the South Haven Public Schools' budget comes from state and federal sources. The bidding process for insurance contracts which includes outside agents has definitely enhanced insurance planning for the South Haven Public Schools as they have been able to secure maximum coverage for the least possible expense.

As I reviewed the insurance policies of the South Haven Public Schools and discussed the policies with the respective agents, I learned that insurance policies are highly standardized. Nevertheless, Joyner\(^2\) said that an annual review of the types of insurance needed as well as how much protection there should be is a task that should not be neglected. The most efficient way to review a district's valuation of their physical resources would be to hire a commercial


appraisal firm or some individual trained in this area. Candoli\(^1\) indicated that in determining insured amounts on buildings the replacement cost of a building should be insured, not what the building is valued at, particularly if the district uses old buildings. It is his belief, and I concur, that the district should be aware of what the value of their buildings, equipment, and furnishings are in terms of replacement costs, and to purchase insurance that accurately reflect these costs.

**Investments**

In trying to stretch school budget dollars an often overlooked source of income is investments. Though most school districts have small investment programs because of surplus money not planned on being spent until later in the school year, few districts have large fund equities. This is a result of taxpayers not wanting to increase their tax payments to the school if the district has available dollars to spend. Indeed, who can blame the taxpayer for this kind of attitude. However, for the fortunate districts (and there are few) that have a large fund equity such as South Haven does, wise investments can generate additional revenue which not only stretches the budget dollar, but saves the community from paying additional taxes. Because the school is using public money, the Michigan School Code stipulates what type of investments may be made. Obviously, the

\(^1\)Candoli, op. cit., p. 301.
investments allowed are relatively risk free. These investments would involve money market certificates, commercial paper, time certificate deposits, savings accounts, and treasury bills.

As with budgeting and insurance coverage, investment planning is required in order to receive the highest return. As Roudi¹ said, it is the wise investor who takes time each day to keep abreast of the financial news. Therefore, it would certainly behoove the business manager to subscribe to the Wall Street Journal.

As a district pursues an investment plan, they must develop a plan of action. Roudi² suggests that a cash flow chart be developed that indicates when anticipated revenue will be received as well as when anticipated expenditures will occur. With this type of information available, district operating capital can be invested for the indicated amount of time. The key point to remember in order to maximize budget dollars is to never let funds lie idle. Deposits to checking accounts should be made when they are exactly due, not several days in advance. In the case of a payroll account, bank statements should be analyzed to see when checks are cashed. If a payroll is issued on Friday, perhaps only half of the employee checks might be cashed with the rest of the checks being cashed on Monday. Roudi suggests that in such an instance two separate deposits be made, one on Friday and the other on Monday. The dollars not deposited on Friday will be drawing interest for three additional days (Friday,

² Ibid., p. 9.
Saturday, and Sunday). With high interest rates these days, the dollars multiply quickly, particularly through the course of a year.

With today's economy and rapidly fluctuating interest rates, planning investments becomes increasingly difficult. Perhaps the most difficult question to answer for the school business manager is the time period the money should be invested for. Roudi indicated that judgement, knowledge, and experience come into play at this point. However, he emphasizes that the business manager must watch various economic indicators. These indicators are the prime lending rate, the Federal discount rate, the United States Treasury's sale of short term bills, the Gross National Product, the stock market, and the bond market.

Of course, professional advice is also welcome. When the South Haven Public Schools have invested money, they have received advice from various bankers bidding for the school investment dollar. The Association of School Business Officials is another avenue open to the business manager when seeking advice.

Transportation

An often overlooked function of the business manager is the responsibility of transportation. Transportation may be labeled a service function, and not a very glamorous one. If a school system operates a transportation program, the transportation function will either be conducted by a transportation director responsible to the

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Roudi, loc. cit., p. 10.
business manager (large school systems), or be directly operated by the business manager (small districts) with assistance from a head mechanic. In South Haven which has an enrollment of 3000 students and busses 70 percent of the student population, a half time transportation director, half time assistant elementary principal administers transportation and reports to the business manager.

As was the situation with the budgeting, insurance, and investment duties of the business manager, planning policy and evaluation must take place with the operation of a transportation system. Joyner indicated\(^1\) that various factors must be examined with regard to a school district operating their own transportation system as opposed to contracting the service. Such factors as legal requirements, walking limits, number of students eligible for transportation, bus maintenance facilities, types of busses to be used, etc. should initially be considered to determine if it might be more advantageous to contract transportation with a private concern. In trying to make this decision after analyzing the aforementioned factors, the bottom line is cost effectiveness. If it would prove more economical to hire a private concern, then it must be determined if one is available. Based upon cost effectiveness, South Haven operates their own transportation department as do over 80 percent of the school districts in the United States.\(^2\)

\(^1\)Joyner, op. cit., p. 13.

\(^2\)Candoli, op. cit., p. 312.
Candoli\(^1\) stated that there are many advantages for school district owned transportation systems. These were:

1. Operating costs are usually less than with private contractors.

2. Busses are available for use for other aspects of the school program.

3. There is greater control over matters of health, safety, and convenience.

4. The transportation program can be planned as an integral part of the total educational experience for the learner.

5. In many states, state subsidy is available to assist the local district in the capital expenditure.

6. Transportation personnel can be selected and trained to insure an appropriate level of both driving and educational competency.

7. There is far greater flexibility inherent in a district owned and operated transportation system.

If a district operates their own transportation system they should take advantage of it. For instance, innovative curriculum ideas can combine meaningful field trip learning experiences by bussing students to area resources. Also, the transportation system can be used, as it is in South Haven, to bus senior citizens on recreational trips. If a district is so inclined to provide this service they are creating good will with this often forgotten segment of the educational community. Not only will senior citizens feel that they are benefiting from the school, but it can also lead to positive votes from them come the next millage election.

\(^1\)Candoli, loc. cit., p. 311.
Once a school system begins routing busses out of the district, they begin running the risk of breakdowns. Boscarine addressed himself to the need of two-way radio systems to be installed in all district bus fleets with the potential for a state wide school bus radio system. Within Michigan, there is already a specifically allocated for education (SAFE) radio frequency for emergency calls. Recently within South Haven upon the business manager’s recommendation, a two way radio system was installed in the local districts' busses.

If a district is committed to operating its own bus fleet, two other major provisions are needed. First, the district must provide for and maintain their fleet. In order to do this appropriate personnel, including mechanics, must be hired to work on and conduct regular inspections of the fleet. A preventive maintenance system will save money in the long run. Secondly, appropriate personnel must be hired to operate the fleet. Also tied into the hiring of personnel must be an effective training program for the drivers.

Summary

All literature reviewed with regard to budgeting, insurance, investments, and transportation relating to the business function emphasized the important aspect of careful planning. Today, the business manager's role is changing. The individual occupying the position can no longer act in a dictatorial fashion as once was the situation. The business manager must not only possess the technical

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skills for the job, but human related skills as well.

The public school more than ever is being held accountable for the quality of their educational program by their community. Because of this, educational leaders must make sure that proper planning goes into each of its decisions.
CHAPTER III

Administrative Skills

The intern had the opportunity to experience conceptual, technical, and human administrative skills throughout the course of the internship. The skills to be acquired were specified in the intern's prospectus submitted prior to the internship experience. Also listed were the objectives of the internship and the experiences and contacts the intern was hopeful of obtaining in order to acquire these administrative skills.

Following are the administrative skills the intern initially identified. Please see the log of experiences in this manuscript, pages 24 through 98, for the experiences and contacts that led to the mastery of the objectives and the accomplishment of the skills. Dates and page numbers are cited for easy reference.

Conceptual Skills

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<td>The intern will be able to describe the feasibility of beginning a preschool program in South Haven.</td>
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<tr>
<td>The intern will be able to describe the feasibility of beginning a day care center.</td>
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<td>The intern will be able to describe how he believes a business office should function.</td>
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</table>

### Technical Skills

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<thead>
<tr>
<th>Skill</th>
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<tbody>
<tr>
<td>The intern will be able to develop the 1981-82 Community Education budget.</td>
<td>2/6</td>
<td>59</td>
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<td>2/11</td>
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<td>3/9</td>
<td>94</td>
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The intern will be able to list the various types of insurance coverage the district has and describe their functions.

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<thead>
<tr>
<th>Skill</th>
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<tbody>
<tr>
<td>The intern will be able to list activities which can be facilitated by the use of a computer.</td>
<td>1/9</td>
<td>27</td>
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<td>61</td>
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The intern will be able to describe the responsibilities of the business manager.

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<tr>
<th>Skill</th>
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<td>29</td>
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### Human Skills

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<thead>
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<th>Skill</th>
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<tr>
<td>The intern will be able to list the ways the administration is directly dependent upon the business manager.</td>
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<td>3/9</td>
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<td>The intern will be able to list the ways that subordinates can work most effectively with the business manager.</td>
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<td>The intern will be able to describe examples of techniques that can be used when attempting to invest money.</td>
<td>1/13</td>
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<td>43</td>
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<td>The intern will be able to list ways the business manager can work most effectively with the Board of Education.</td>
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<td>44</td>
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<td></td>
<td>2/10</td>
<td>64</td>
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<td>2/17</td>
<td>72</td>
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<td>3/10</td>
<td>96</td>
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</tbody>
</table>
CHAPTER IV

Log of Experiences

1/5/81

Number of hours: 3.5

Description of experience: The entire morning was spent reviewing literature on shared time programs I had requested and received from Grand Rapids, Kalamazoo, and the State Department of Education. Several documents were studied which included state aid reimbursement, leasing agreements, information on school districts affected by court decisions regarding nonpublic schools, and the legal basis of shared time.

Analysis: The type of shared time program I am investigating for the South Haven Public Schools is one which involves the inclusion of parochial school children and public school children.

There are currently three parochial schools in South Haven in addition to the public school system. The parochial schools are not equipped, both facility wise and financially, to handle many of the extra curricular type activities that the public schools can. For example band, chorus, art, physical education, and various enrichment activities are physically and financially beyond the capabilities of the parochial schools.

Therefore, it would behoove the public school system to begin a shared time program for three major reasons. First, public relations with regard to a segment of the community (parochial
school supporters) would be enhanced. Secondly, the relationship between the private and public sector schools would be strengthened and more students would benefit. Thirdly, and most important to the business office, would be the increase realized in state aid for the district.

Each full time equivalent (F.T.E.) is worth approximately $1,500.00 to the district. The state aid formula specifies that for part time students 25 hours of instruction per week equals one F.T.E.

Therefore:
- 25 students in a class one hour a week equals 25 hours
- One class equals one F.T.E.
- Six classes equals six F.T.E.'s
- 6 x $1,500.00 = $9,000.00
- Hire a part time teacher six hours per week at $10.00 per hour. Thus, $60.00 per week or $2,160.00 per year based on a 36 week school year
- Profit $9,000.00 - $2,160.00 = $6,840.00

1/6/81

Number of hours: 3.5

Description of experience: This morning was spent in an administrative meeting. Of the ten items listed on the agenda, four directly related to the business manager who issued a report on each.

Analysis: The four items discussed by the business manager were unemployment compensation for substitute teachers, review of the emergency alert plan, School Employers Trust (S.E.T.) insurance,
and co-operative purchasing.

The business manager explained in detail unemployment compensation and how it operates. Basically, any educational agency that employs an individual for fourteen weeks ($25.00 earned per week counts as one week) must pay a percentage of the individual's unemployment should they file. Unemployment information was distributed.

The business manager briefed us on the emergency alert plan which was developed cooperatively between several agencies and the Palisades Nuclear Plant located three miles from South Haven. Should there be a nuclear accident, the plan specified what procedures South Haven would follow in evacuation of children.

S.E.T. insurance, which covers the entire administrative staff, was discussed with regard to problems administrators have had with their policies. I discovered the business manager is the liaison between the staff and the insurance company.

The business manager outlined plans that would be followed in purchasing supplies for the 1981-82 school year. The plan he described was a co-operative one which involves several other school systems. The reason for ordering co-operatively was to save money on supplies as larger orders mean greater discounts.

As you can surmise by the aforementioned summary, the business manager's responsibilities are far greater than merely money management of the school system. Not only must the business person be accountable for finance, he must also be sensitive to fellow administrators' needs as evidenced by the S.E.T. insurance problem.
The business manager must also be responsible to other agencies such as he was in briefing us on the emergency alert plan. He must be well organized as was the case with explaining how supplies would be purchased and ordered.

1/7/81

Number of hours: 5

Description of experience: I observed and assisted the business manager as he updated the Title I budget.

Analysis: As the business manager told me, often times budgets must be adjusted to reflect increases or decreases in expenditures and revenue. In this particular case government officials allocated additional funds that the district had not expected. Therefore, the Title I budget was adjusted upward to reflect the additional dollars.

The business manager was dependent upon the school bookkeeper to supply various financial figures for the adjusted budget. It was quite apparent to me that the bookkeeper plays a vital role in the business office. The bookkeeper knew exactly where to look for various bills that the business manager asked for and was also able to supply readily other information the business manager requested. In my opinion if the bookkeeper were to leave the district would be in trouble.

1/9/81

Number of hours: 7.5
Description of experience: Today's experience proved very interesting. The morning and lunch hour was spent with the business manager and a computer salesman from I.B.M. The afternoon was spent with the business manager and the school system's computer instructor. Conversation involved computer prices and functions the computer could complete.

Analysis: Currently, the South Haven School System owns a computer, although it could be classified as an antique. Functions that it currently services are payroll and the posting of school account ledger cards, although items cannot be encumbered. Therefore, though the school accounting method is of an accrual nature, the bookkeeping process is based upon a cash accounting system. The business manager informed me that it is also difficult to receive an updated print out of specific budget items if requested because ledger cards are used and encumberances are not reflected. This can present severe difficulties for a district with a $5,500,000.00 budget.

The computer salesman told us that for our needs an I.B.M. Series I computer would cost $28,000.00 and the software (programs) another $18,000.00. The computer could perform all bookkeeping functions, including encumbrances, payroll, report cards and scheduling, periodic budget print outs to all administrative staff, and the generation of all state and federal reports. The high school also offers instruction in computers and the microcomputer used could be linked with the I.B.M. Series I computer.

After listening to the computer salesman and the business manager I am convinced the district should proceed immediately in purchasing
a computer. The business manager is also urging the superintendent of schools to make a recommendation to the Board of Education. The superintendent wants a complete report issued to him, which he should have, prior to making the request. I believe that in the long run the computer would prove to be more cost effective as well as more efficient.

1/12/81

**Number of hours:** 1.5

**Description of experience:** This morning was spent with the business manager discussing job responsibilities. Some of his responsibilities as listed in the South Haven Public Schools business manager's job description were obvious functions of the business manager such as budgeting, preparation of all federal and state financial reports, purchasing, administering employee compensation and benefits, conducting negotiations, securing insurance, administering the hot lunch program, and making investments. Other functions not as obvious, at least to me, were contract interpretation, being responsible for all non-certified employees as well as the transportation department, and the maintenance of all district buildings.

**Analysis:** No wonder the business manager always seems so overworked! There are two full time employees that fall under the auspices of the business office. One of the individuals is responsible for payroll and benefits, the other for bookkeeping. It appears that the business manager delegates as much work as possible to keep his head
above water.

Needless to say, as school district sizes change from community to community the job role of the business manager changes. I would seriously doubt that the business manager for a large district (7,500 students plus) would have all the aforementioned responsibilities. Most likely specialized positions would be developed for several of the tasks. However, by receiving a generalized exposure to many of these functions, I believe that my experience is being enhanced.

1/13/81

Number of hours: 3.5

Description of experience: This afternoon was spent with the business manager and the manager of St. Joseph Savings and Loan investing $300,000.00 of tax money which the district had received. Following the meeting, the business manager and I met to discuss other options that were available to the district with regard to the investment of the money.

Analysis: While observing this meeting, it became quite apparent that educated guess work is involved with the investment of money. The business manager ended up investing $300,000.00 for 112 days at 16.7% interest. This money would generate interest of $139.16 per day which would equal approximately $15,000.00 for the 112 day investment. Another option that was made available to us was investing the money for 30 days at 18% interest.
I learned at this meeting that with amounts of money over $100,000.00, higher interest rates are available. These interest rates are flexible depending upon the amount of time the investment is made for as evidenced by 16.7% for 112 days versus 18% for 30 days. Thus, the longer the investment in terms of days, the lower the interest rate will be. This is where the educated guessing comes into play.

It was pointed out by St. Joseph Savings and Loan, and the business manager concurred, that the 112 day investment (16.7%) be selected over the 30 day investment (18%) because speculation indicated that after 30 days, interest rates will be around 14% or lower, based on data received. Therefore, the 112 day investment was chosen because it would generate additional dollars.

Following our meeting, the business manager and I met and discussed the types of investments that schools can make. Investments allowed are:

1. Certificates of deposit
2. Commercial paper rated prime
3. Treasury bills

The Michigan school code stipulates that money cannot be invested for over 270 days.

As you can determine these types of investments are all safe with no risk involved. This should be the case when dealing with public money. Certificates of deposit are issued by banks. Commercial paper are financial instruments issued and backed by large corporations' assets. Treasury bills are issued by the government.

The business manager recommended that schools and business
officials belong to the Michigan School Investment Association which offers advice on investing school district money.

1/14/81

Number of hours: 1

Description of experience: This morning was spent with the business manager, the head custodian, and the maintenance supervisor. It was determined at the meeting that all custodial and maintenance personnel assignments for after school and extra curricular activities would be assigned through the Community Education Office.

Analysis: Formerly, the head custodian and maintenance supervisor reported only to the business manager for assignments. The Community Education Office handles all after school scheduling. Many of the scheduled activities call for custodial and maintenance personnel to be assigned. If personnel are needed, the Community Education Office would contact the business office.

The business manager determined that the assignments could be just as efficiently handled without need of the business office becoming involved.

Proper delegation, such as the business manager performed, is a must for efficient operation. By involving the head custodian and maintenance supervisor in the meeting, all potential communication problems were eliminated through the course of conversation.

1/15/81

Number of hours: 8
Description of experience: The entire day was spent on purchasing Community Education supplies for 1981-82. This was a first time experience in that the Community Education Office had never purchased its own supplies. Formerly, the central office had handled purchasing for this particular office.

Analysis: Initially, purchasing proved to be a fairly easy task. The business manager supplied each office with booklets of forms which listed products and prices. All types of items from pencils to basketballs were listed. The intern went through these lists and with his secretary estimated what supplies would be needed for the forthcoming year. Purchase orders were then filled out and returned to the business manager.

Supplies from all offices within the district will be reviewed and tabulated by the business office and if approved, submitted to the Van Buren, Berrien, and Cass Co-operative for their purchase.

By being a member of the co-operative, a substantial savings will occur in the purchasing of supplies because of the large quantities bought from suppliers. If South Haven purchased supplies on their own, costs would be relatively higher. Therefore, it is financially advisable to purchase through a co-operative.

1/16/81

Number of hours: 3.25

Description of experience: The entire afternoon was spent with the business manager in conversation and observation. The intern also
observed business office personnel at work. Topics of conversation and observation focused on job duties, tasks the business manager had performed during the week, and problems he was encountering with the hot lunch program.

**Analysis:** As with any position, the more time that is spent in conversation and observation with the individual occupying the position, the more you learn about the specific job. While observing several occurrences throughout the afternoon, it became more evident why the business manager needs to delegate if possible. For example, although the district has an individual responsible for transportation, the business manager is the ultimate authority. While in the office, two upset parents spoke with the business manager regarding a bus discipline problem with their child. The parents had by-passed the transportation supervisor. Ordinarily I would suggest when situations such as this arise, parents be referred to the appropriate level to initiate contact. However, considering their hostility, the business manager handled the situation correctly by dealing with them and resolving the problem. Nevertheless, an hour was taken away from his work day.

During the afternoon, the business manager also spoke with a teacher offering explanation why her request for a leave of absence had been denied. In my opinion, by verbally speaking to her, the business manager is demonstrating humanistic consideration which is a good practice to follow. Though the teacher was not happy with the decision, the relationship between the administration and teaching staff was enhanced. If a written answer without oral communication
had followed I am sure harm would have been done to the administrative-teacher relationship.

The business manager also described to me problems he was encountering with the district's hot lunch program. The intern will investigate the situation with the business manager next week.

Observation of business office personnel indicated that the two individuals functioned very smoothly and efficiently. At the time of observation, the bookkeeper was assisting the payroll clerk with withholding tax forms that were being prepared. The bookkeeper indicated to me that often times they will assist each other and are both familiar with each other's position. In my opinion, this is a wise practice in the event of illness. Imagine what would happen should the payroll clerk become ill and not be able to issue checks.

1/19/81

Number of hours: 4

Description of experience: This morning was spent with the superintendent discussing and reviewing the literature I had examined regarding shared time. Later in the morning, I observed the hot lunch program in operation. Following the observation, I met with the business manager for discussion regarding the hot lunch program.

Analysis: It is important for a line of communication to exist with the upper echelon of an organization. I believe that in South Haven a strong line of communication exists between the administrative staff and the superintendent. As was the case with the business
manager, the superintendent is very interested in shared time for reasons previously stated in this log, but especially because of the additional revenue it will create. Therefore, the superintendent has fully endorsed shared time and given the go ahead to proceed with the investigation.

Observation of the hot lunch program in action was interesting, especially with the trade off of hot lunch tickets amongst students. The problem is this. The hot lunch program is losing money when it should not be.

All hot lunches are prepared in a central kitchen and then trucked to individual schools. Hot lunch tickets are sold and collected in order to project how much food should be made. The problem arises with free lunch tickets which many of the students receive. Students who receive free tickets (worth 75 cents) are turning around and selling them to other students who do not qualify for reduced lunch for 50 cents. The seller then pockets the money. It is estimated that approximately sixty students are doing this each day.

While observing hot lunch being served, I noticed lunch workers checking off student names on a list as they collected the students' tickets. I was informed this procedure had been initiated a few days earlier to determine who exactly was eating hot lunch and derive an estimate of how many free lunch tickets were being sold.

If sixty students sell their free tickets each day, the loss begins to mount. For example, the district receives from the government 18 cents reimbursement for each lunch sold plus an
additional 15 cents reimbursement on U.S.D.A. commodities. Thus a total of 33 cents is reimbursed the district. Therefore:

-60 free tickets being sold means 60 less hot lunches sold

-60 x 33 cents (reimbursement) = $19.80

-60 x 75 cents (regular hot lunch price = $45.00 tickets which are not being sold)

-Total = $64.80

-$64.80 x 180 (school days) = $11,664.00

The loss of $11,664.00 for a year is disturbing. This is why the situation is being investigated.

In my conversation with the business manager I suggested coded color tickets to distinguish free lunch (actually, the proper name is prepaid lunch) tickets from regular tickets. The business manager informed me this was frowned upon by the government because it distinguished some students from others, thus discrimination. The business manager is considering using a cash system of payment with names of students listed who are eligible for prepaid lunch posted at the cashier's desk. Once again, the government frowns upon this system. However, at the loss of $11,644.00 per year, the business manager is at the point of starting this system regardless.

1/20/81

Number of hours: 3.75

Description of experience: This morning I attended the administrative staff bi-monthly administrators' meeting. Of the eight items listed on the agenda, five were related to the business manager. Those items
discussed were S.E.T. insurance, requisitions, budgets, computer programming, and hot lunch. Another item that was listed on the agenda by the director of instruction also related to me, that being a curriculum meeting which had been scheduled for 1/28/81 with the St. Basil Catholic School of South Haven. I will be attending the meeting as shared time will be discussed.

**Analysis:** It is beginning to appear that administrative meetings are dominated by the business manager because of the amount of information he reports on. Most of the items were of an informative nature so that the administrative staff could keep informed of business office affairs.

The business manager reported that as administrators fill out requisition orders for next year, they should calculate a 5% reduction from the previous year in their orders. The business manager informed the staff that the state is anticipating a cut of 5% in funding. Therefore, the school system will adjust to this cut.

The business manager also informed the administrative staff that he will be sending out a summary of expenses incurred at each school through January of this year. The purpose for this was so that administrators could see how much they have spent as some are close to exceeding their budgets.

I believe it is important that the business manager does this. As I explained earlier in this log, reports have never been issued to the various buildings. By issuing these reports, the business manager is forcing principals to be more accountable for spending. Hopefully, by doing this, the business manager will not have to
exercise as much restraint upon the various administrators because they will be policing themselves.

1/21/81

Number of hours: 3

Description of experience: This morning was spent with the business manager as he developed a school service fund for athletics. Earlier in the school year the district's auditor had made the recommendation that such a fund be developed. The athletic school service fund was written within the uniform budgeting and accounting requirements that was established by the state in 1978. Following is the fund that was developed that will be presented to the board of education:

Athletic Expenditure Accounts

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>52-293-0000</td>
<td>Total Athletic Expenses</td>
</tr>
<tr>
<td>52-293-1000</td>
<td>Total Salaries</td>
</tr>
<tr>
<td>52-293-1130</td>
<td>Athletic Director</td>
</tr>
<tr>
<td>52-293-1560</td>
<td>Coaches Salaries - Girls High School</td>
</tr>
<tr>
<td>52-293-1561</td>
<td>Coaches Salaries - Boys High School</td>
</tr>
<tr>
<td>52-293-1562</td>
<td>Coaches Salaries - Middle School</td>
</tr>
<tr>
<td>52-293-1610</td>
<td>Bus Drivers Salaries</td>
</tr>
<tr>
<td>52-293-1640</td>
<td>Custodial Salaries</td>
</tr>
<tr>
<td>52-293-1690</td>
<td>Score Keepers - Ticket Takers</td>
</tr>
<tr>
<td>52-293-2000</td>
<td>Total Benefits</td>
</tr>
<tr>
<td>52-293-2800</td>
<td>Employee Benefits - Retirement</td>
</tr>
<tr>
<td>52-293-2900</td>
<td>Other Employee Benefits</td>
</tr>
<tr>
<td>52-293-3000</td>
<td>Total Purchased Services</td>
</tr>
<tr>
<td>52-293-3050</td>
<td>Referees - Umpires</td>
</tr>
<tr>
<td>52-293-3180</td>
<td>Other Technical Services</td>
</tr>
<tr>
<td>52-293-3200</td>
<td>Travel and Expense Teams</td>
</tr>
<tr>
<td>52-293-3220</td>
<td>Workshops and Conferences</td>
</tr>
<tr>
<td>52-293-3300</td>
<td>Transportation Costs Other Than Salaries</td>
</tr>
<tr>
<td>52-293-3600</td>
<td>Printing and Binding</td>
</tr>
<tr>
<td>52-293-3900</td>
<td>Athletic Insurance</td>
</tr>
</tbody>
</table>
Analysis: The development of the athletic service fund with the various account codes allows quick classification and recall of financial data for various funds. Each account number has a special significance. For example, the coding dimensions of the general fund signify the following:

<table>
<thead>
<tr>
<th>XX</th>
<th>XXX</th>
<th>XXXXX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>Function</td>
<td>Object</td>
</tr>
</tbody>
</table>

Therefore, each number has a definition as specified by the Michigan School Accounting Manual. Thus, the expenditure account number 52-293-1130 would mean:

- 5 - School service trust fund
- 2 - Expenditure account

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Function
2 - Supporting service
9 - Other (athletics)
3 - Other (athletics)

Object
1 - Salaries
1 - Administration
3 - Administration
0 - Athletic director

1/22/81

Number of hours: 4.25

Description of experience: Today was spent with the Van Buren Intermediate School District auditor. The purpose of his visitation was to audit the South Haven Public School fall 1980 attendance sheets for student accounting purposes.

Analysis: The significance of this visitation is that most of the school revenue is based upon a fourth Friday student count. This count takes place the fourth Friday of September each school year. Each full time equivalent student is worth approximately $1,500.00 in revenue (between state aid and the local tax base). The state aid act specifies various regulations that must be followed when counting students. For example, if students are not present on the count date, they must be present once within the next ten school days following the count day or have a documented excused absence on file. In addition, adult students are counted differently (480 hours of instruction equals one full time equivalent) compared with regular students (900 hours of instruction equals one full time equivalent). There are also further distinctions that are
made between adult students (part time students). For instance, a student under 18 years of age enrolled in an adult education program is computed according to clock hours of instruction per week in relation to 25 hours. The same principle applies to those adults, regardless of age, if they have less than an eighth grade education.

1/23/81

Number of hours: 3

Description of experience: This afternoon was spent with the business manager as he toured various buildings within the district. At each building we met with the principal and compiled a list of various items that needed repair. This list was then passed along to the maintenance supervisor.

Analysis: Though touring the district to speak with each principal about repairs is time consuming, I believe that periodically such a trip is worth the time spent. By the business office demonstrating concern with maintenance items, the teaching staff and the building principal will hopefully be less critical with repair time. Often, after an item is reported in need of repair, it takes several weeks for maintenance to be performed because of a back log. Professional building level personnel tend to get upset once they refer an item for repair and it remains in a state of disarray. Therefore, as previously mentioned, a periodic visit by central office personnel can go a long way in keeping harmony.
1/26/81

Number of hours: 2

Description of experience: This afternoon was spent with the business manager while he invested $230,000.00 for the school system. The intern also observed business office personnel.

Analysis: Today's investment will earn slightly over $5,000.00 for the district within the forty-two days we invested for. Unlike our investment of January 31 when the district bought a certificate of deposit, today the school system invested in commercial paper. Commercial paper is a financial instrument issued by a corporation and backed by the companies assets. The commercial paper bought this afternoon was issued by Barber Greene, an asphalting company. The transaction was made by Ashwell and Company, a brokerage firm which handles commercial paper purchases.

Needless to say, the district purchased Barber Greene paper because its interest rate quotation of 19.18 per cent for forty-two days was, in the estimation of the business manager, a better investment than the other avenues available to the system (certificate of deposit, treasury bills). All financial institutions in South Haven were called for various quotations of varying lengths of time before the decision to buy Barber Greene was made.

Observation of business office personnel at work indicated efficiency of operation within the business office. At the time of observation, the payroll clerk was reviewing non-certified time sheets while preparing for the district's next payroll. The
bookkeeper was involved with the posting of accounts while working with the district's computer. This function is performed twice a month.

1/27/81

Number of hours: 8

Description of experience: Today's experiences were logged in a variety of different meetings. Late this morning the business manager and myself traveled to Gobles where we attended a Michigan Department of Education meeting covering the Manual of Suggested Budgeting Procedures which was issued to assist districts in complying with Public Act 621, the Uniform Budgeting and Accounting Act of 1978.

Following the budgeting procedures meeting, we hurried back to South Haven where we attended an administrative meeting on teacher evaluation in order to prepare the administrative staff for an evaluation meeting with teacher union officials. The joint meeting of union officials and administration, which we attended, immediately followed the administrative meeting.

Later in the evening, we returned to school where I observed the regular monthly meeting of the South Haven Board of Education.

Analysis: As reported by the Michigan Department of Education, during 1980 thirty five Michigan school systems concluded the year with deficit budgets. Therefore, the purpose of Public Act 621 is to make school districts more accountable for budgeting, so that
hopefully, deficits will be eliminated. Section 102 of the state aid act lists what happens to districts that have a deficit budget for more than two years.

The major components of Public Act 621 which is essentially a budgetary control device are:

1. Someone is responsible for presentation of the budget.

2. A balanced budget must be presented to the Board of Education for their initial approval.

3. No expenditures can be made without the authority of the Board of Education.

4. No transfer of funds can be made without the authority of the Board of Education.

5. Budgeting controls must be exercised.

Public Act 621 establishes a budgeting cycle which specifies deadlines for certain occurrences. The cycle is as follows:

1. Budget preparation
2. Initial budget for tax allocation proposal 3rd Monday in April
3. Public hearing prior to July 1 to adopt budget
4. Resolution to appropriate budget by Board of Education
5. Budget submission to state by October 31
6. Amendments to budget until June 30 that must be approved by Board of Education

Glancing at the budgeting cycle immediately signals potential problems for the practitioner. For instance, a public hearing must be conducted prior to July 1 to adopt the budget. However, many
districts will not know how much revenue they can expect for the forthcoming year because millages often take place after July and secondly, the state aid act is rarely approved prior to August.

The act does specify items that will be monitored through an audit program. These items are:

1. Who is responsible for monitoring the local district budget?

2. Are all budget requirements as determined by the act completed?

3. Are budgeted revenue and expenditure functions at their minimum level?

4. Is the budget format appropriate?

5. Are informational summaries prepared?

6. Is a general appropriation act passed by the local board of education?

7. Have amendments to the budget been made to cover deviations?

8. Are expenditures within the limits established by the board of education through the appropriations act?

Probably the most significant item in the auditing program is number seven, which checks to see that amendments have been added to the budget to cover deviation.

As I analyze this information, it becomes apparent that the act serve its purpose. That purpose, as previously mentioned, is to help cut down on the number of deficit districts through correct budgetary control devices.

The act is suppose to begin with the 1981-82 school year. However, the Michigan Department of Education representative
predicted there will likely be a one year delay. This would allow districts a year for trial and error if they made Public Act 621 operational.

While attending the teacher union representatives-administration meeting on evaluation, the business manager acted in a purely advisory role with regard to interpretation of the master contract. At the administrative meeting prior to the teacher union representatives-administration evaluation meeting, the superintendent and business manager questioned the administrative staff on their evaluations. The purpose of this line of questioning was to make sure the administrative staff had been uniform with their method of operation regarding evaluation and also to prepare the administrative staff for their meeting with the teacher's union.

As the teacher union representatives-administration meeting turned out, no interpretation of contract procedures was needed. Actually, concerns of the teacher union were minimal and isolated instances were mentioned. A meeting of this nature is good in the aspect that communication lines are kept open.

The regular monthly Board of Education meeting was presided over by the board president. The meeting ran smoothly, efficiently, and followed the prepared agenda which consisted of a large packet of information. The business manager reported on several items which included a financial report, presentation of bills, leave of absence, purchase of a fleet car, hot lunch, city bus signals, and the athletic school service fund. It is interesting to note that many of the aforementioned items were logged in this journal and
the intern was involved with their preparation.

Because the business manager prepared and presented himself well at the meeting, few questions were asked of him. A key to a local board of education functioning smoothly, is that they are informed. In my opinion, the superintendent and business manager are experts at this, which is not always an easy task for it is time consuming. Not only does the board have their regular monthly meeting but they also conduct a monthly work session a week proceeding the regular monthly board meeting. In addition, the board is kept informed of all happenings. The extra time spent by the superintendent and business manager is well worthwhile and thus has created a good working relationship.

1/28/81

Number of hours: 11.5

Description of experience: The entire day was spent with the business manager and a school board member at the I.B.M. office in Kalamazoo where an open house was conducted. We met with our salesman who had recently called upon us in South Haven as well as various system analysts. Several different computers were shown to us and demonstrations performed.

My evening was spent with our superintendent, director of instruction, and three parochial school principals where I made a presentation on shared time.

Analysis: Never rush into things too fast and proceed with caution.
are phrases that are often heard. I am a believer after today's experience. After our initial meeting with an I.B.M. salesman two weeks ago, I was ready to buy. After our meetings today, I learned that more investigative work was needed, although I still believe a purchase must eventually be made.

One of the computers we examined today was an I.B.M. 5120, a small general purpose computer. The 5120 could handle fund accounting and payroll. However, the district is building their curriculum around a management system whereby students must master learning objectives before moving on. Obviously, this requires much time with regard to recording the objectives students have mastered. Because of this variable the district needs a computer that can handle all business office functions as well as the management system (also called teacher support system or competency based education). And since we are examining a computer to handle these functions, it would be wise to secure one that can perform other duties such as scheduling, attendance, storing yes voter profile lists, etc.

The computer that would meet these needs and was presented to us earlier in January is the I.B.M. Series I. However, the problem of compatibility arises. The software (actual programs) that has been developed for competency based education is limited. The Macomb Intermediate School District through a grant has developed the M.T.S.S. (Michigan Teacher Support System) which is a competency based program. This software operates on a computer entitled PDP 1123. Houghton Mifflin has also developed software for
competency based education which functions on a Winchester Basic IV computer. A problem arises because the various software listed is compatible with only the specific hardware (the computer) it was designed for. Thus, a determination must be made to insure that one set of software can be converted to another set of software. To further complicate the problem is the fact that although these programs are written in BASIC language, there are several different types of BASIC language. For instance, there is Waterloo BASIC which was specifically designed for the I.B.M. Series I, BASIC PLUS, BASIC, etc.

By the end of the day, it was arranged that I.B.M. would investigate to determine if the various conversions could be made. The district was to make a determination as to which competency program we would elect to use.

Financing was also discussed with regard to the purchase of the I.B.M. Series I. However, I learned that the district is thinking of approaching a large corporation located within the district to make the purchase, and then the corporation would lease the computer to the district for $1.00 per year. The corporation could then receive a tax write off for their purchase through depreciation and investment tax credit.

The shared time meeting conducted later in the evening proved initially successful. After explaining shared time to all parties, I stressed the point that the parochial schools would have to approach the public schools about curriculum they would like instruction provided in. The purpose of this statement was so that the
families of parochial school students would not think the public schools were dictating curriculum to them. It was also agreed that if the parochial schools chose to participate, a gentlemen's agreement would exist with no formal contract. Once again, the purpose of this statement was so that the parochial schools would not feel pressured by the public schools.

It was decided that the parochial schools would check with their respective boards and be back in touch with the public school district within three weeks to determine if they want a shared time program, although their initial indication was positive.

I have learned through experience to always set time lines, otherwise procrastination can set in and cause extreme delays. Therefore, hopefully within three weeks, we can begin moving ahead with shared time plans for fall semester, 1981.

1/29/81

Number of hours: 2.5

Description of experience: This afternoon a representative from the Houghton Mifflin Company visited us to present THE ANSWER which is their software management system designed for use on the Winchester Basic IV computer. The presentation was made to the director of instruction, business manager, a school board member, several instructors, high school principal, junior high principal, elementary coordinator, and myself.

Analysis: Involvement of the teaching staff, even though substitutes
had to be hired, was a good idea. With computer work, I believe it is important to match the software with the individuals who will be working with it and allowing for their input. The idea of matching the system to the person instead of the person to the system will make for smoother operation and create greater harmony among the teaching staff, particularly the computer instructors.

1/30/81

Number of hours: 3.25

Description of experience: This afternoon was spent with the business manager and assistant high school principal as we analyzed H.B. 5469 which increases the driver education reimbursement rate for local districts from $35.00 to $45.00 per student for 1980-81. H.B. 5469 follows in the footsteps of Public Act 290 which eliminates the road test for license applicants who have successfully completed an approved driver education course, including on street experience, within one year prior to making application for a drivers license.

Analysis: Even with an increase in the driver education reimbursement rate, the public school system loses money on driver education. However, if the district should eliminate the program, the community would be in an uproar. In addition, by providing the driver education program, the system is assuring the community that proper instruction is being provided to new drivers.

During the summer of 1980, the total cost of operating drivers education amounted to $18,953.28. This figure is based upon 288
students who received instruction and represents the following cost categories: leasing and maintenance of cars (12), instruction ($8.00/hr.), materials, gasoline, insurance, and administration. This cost calculates to $65.81 per student as opposed to the old $35.00 reimbursement per student and the new $45.00 reimbursement rate. Not mentioned is the fact that costs for summer 1981 driver education will be going up, especially in the gasoline and instruction areas.

Therefore, in order to reduce costs, the following items should be studied:

1. Shortening classroom instruction from the current 4.5 hours to the required 3 hours.
2. Form a consortium with neighboring districts Bangor and Covert to take maximum advantage of the South Haven driver range program. Currently instruction ends in the early afternoon at South Haven.
3. Reduce the number of vehicles in use from 12 to 10.

2/2/81

Number of hours: 13.75

Description of experience: The entire day was spent with the business manager, director of instruction, school board member, two high school computer instructors, one junior high instructor, one elementary instructor, the high school principal, the junior high principal, and myself. We traveled to Mt. Clemens, Michigan where we visited the Macomb Intermediate School District and observed the Michigan Teacher Support System (MTSS) function on the PDP 1123 computer.
The evening was spent at the district's monthly curriculum council meeting where I reported on shared time.

**Analysis:** After arriving at the Macomb Intermediate School District we listened to a presentation given by the individual in charge of their computers. The MTSS can provide various types of information. Some of the functions it can offer are identifying what level of instruction a student is at, offer instruction to one individual or small groups, provide test data for the student to determine if mastery of skills has been accomplished, and provide tests and re-tests on various objectives.

Today's experience proved very valuable. However, several factors became apparent. We still do not know if the MTSS will be compatible with the I.B.M. Series I computer although we suspect a conversion can be made. Informally we have decided to most likely adopt the MTSS system for two reasons. First, we like the MTSS better than Houghton Mifflin's THE ANSWER. Secondly, the MTSS would be supplied to the district free of charge because the program was created with public grant money.

Following the presentation, we visited a school and observed a terminal function within a classroom. We discovered that the MTSS was optionally used by the staff. If adopted in South Haven, the MTSS will be mandatory for all staff. Therefore, I believe the district is accurate with their viewpoint of involving staff in the investigation of not only the program, but also the computer hardware and software. Slowly but surely, the investigation of purchasing a computer and its software is beginning to fit together.
My presentation of shared time at the curriculum council meeting was of an informational nature. The council which is made up of staff, students, administration, and parents serves as an advisory group and screening committee for the board of education with regard to school curriculum matters. It is good to keep the district's constituency informed and they endorsed the shared time concept.

2/3/81

Number of hours: 3

Description of experience: The afternoon was spent attending the administrative team meeting. Of the eight items listed on the agenda, the business manager reported on three. These items were food services, administrative-teacher union evaluation meeting, and the management/computer system.

Analysis: All items reported on were of an informational nature keeping the administrative staff abreast of current happening. The business manager listened to concerns expressed by various school principals regarding hot lunch menus. The principals also said that not enough notice time was allowed them when procedural changes in the serving of hot lunches were implemented from time to time.

The business manager thanked the staff for the comments and said he would meet with the food service director to try and work on solutions. It is obvious that by keeping communication lines open, the administrative staff feels a sense of unity.
2/4/81

Number of hours: 2.5

Description of experience: This morning was spent interpreting board of education policy and writing a recommendation to the superintendent of schools and board of education to deviate from the policy. Following is the correspondence I prepared:

TO: Dr. Gaarde and the Board of Education
FROM: R. Gabel
RE: Waiver of charge for building rental

Board policy states:

Individuals or organizations renting school facilities will be billed according to the following schedule adopted by the Board of Education.

The following classifications shall determine who will be charged when using school buildings, facilities, and/or equipment:

Class A - School sponsored functions or school related clubs or organizations.
- Rental - no charge
- Custodial/kitchen - no charge during regular working hours

Class B - Civic organizations and governmental agencies when conducting activities for the general community where funds are not raised.
- Rental - no charge
- Custodial/kitchen - no charge during regular working hours

Class C - Civic organizations and governmental agencies when conducting activities for the general community where funds are raised.
- Rental - charge
- Custodial/kitchen - charge at all times
Class D - Non-profit organizations for uses which enhance their individual cause.
Rental - charge
Custodial/kitchen - charge at all times

Class E - Activities which are intended to promote commercial products, group or personal benefit.
Rental - charge
Custodial/kitchen - charge at all times

Class F - All in district groups renting the swimming pool will be assessed a standard rate. Out of district groups will pay double rate.

Fees charged for custodial or kitchen services will be assessed on an hourly basis figured as time and a half beyond the 40 hour week. Pay will be based on the person(s) assigned hourly wage. The Community Education Director will assign custodial and kitchen help at his discretion.

During July, 1980, the National Blueberry Festival entered into an agreement with the district whereby they used the high school gym for a Serendipity Singers Concert in which they charged admission. This comes under the Class C heading. Represented by National Blueberry Festival Chairwoman Jacqui Cowles, the festival also agreed to reimburse CREC approximately $300.00 for postage, advertising, and the printing of forms in connection with the 10,000 meter run. The final bills issued to the festival by my office were:

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<thead>
<tr>
<th>Concert</th>
<th></th>
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<tr>
<td>L.C. Gym</td>
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</tr>
<tr>
<td>Custodial</td>
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<td><strong>Total</strong></td>
<td><strong>$257.30</strong></td>
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</table>

<table>
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<th>10,000 Meter Run</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
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<tr>
<td>Postage</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$297.25</strong></td>
</tr>
</tbody>
</table>

On 12/9/80 the festival issued a check to the South Haven Public Schools for $57.30 to cover labor. Treasurer Jim Raffenaud explained to me the festival had over extended and were working on a solution. Therefore, they were issuing a check for custodial services since the district had already paid this money.
Jacqui Cowles recently approached me. Her request is that the festival be allowed to use the Central cafeteria and girl's gym rent free to raise money by conducting an art auction to pay us off.

I would recommend this deviation from policy be approved in this instance for the following reasons:

1. The festival owes the district money.

2. They are a civic organization that helps promote the community.

3. They are making an attempt to raise funds so that they may pay off their debt.

Of course, if the festival is allowed to use the facilities rent free (rent would be $75.00 - $150.00) in April, they would still be billed for custodial service. I would suggest that we assess a $50.00 deposit (which we do with the auditorium) to make sure our labor is covered.

Analysis: Not only does the school build goodwill through their educational programs, but also by working with the community in allowing them to use their facilities.

There are hundreds of requests each year by outside groups to use the facilities. Therefore, guidelines have to be set. The business office has delegated the interpretation of the guidelines, the billing, and most recently, the assignment of personnel to the Community Education Office. By delegating the responsibility, the already heavy load placed upon the business office is reduced.

2/5/81

Number of hours: 4.75

Description of experience: Today was spent with the maintenance supervisor and a representative from Corporate Service, Inc., who
performed a MIOSHA inspection. Prior to the inspection, the representative and myself met with our payroll clerk to review the MIOSHA Injury Log.

Analysis: MIOSHA inspections are performed periodically. The inspector visits specific areas and makes recommendations to insure that safety standards are in effect and that former recommendations have been carried out. Failure to conform to recommendations can result in severe penalties, such as increased insurance premiums.

The inspector was impressed with the three buildings he toured in the district. Nevertheless, he made several recommendations.

Two of his recommendations were:

High School Art Classes: It was observed that the ground prong was broken off of the plug to the small belt sander located in the storeroom area.

Junior High Wood Shop: It was suggested that two pedestal grinders have the RPM's noted on the motor so the correct grinding wheels will always be selected.

The district will concur with all of the inspector's recommendations immediately. If a student were injured and a particular recommendation had not been carried out, severe liability damages could result. Therefore, promptness in carrying out the recommendations is the best policy.

2/6/81

Number of hours: 3.5

Description of experience: This afternoon was spent with the business manager and superintendent as we reviewed the proposed state aid.
formula and education fiscal summary issued by the governor's office for 1981-82. Also reviewed was the business manager's financial projections for 1981-82 for the local school district.

**Analysis:** The major portion of revenue South Haven receives comes through the state aid formula and is based upon school enrollment. Therefore, enrollment projections must be made. In computing projections, the business manager used the Cohort Survival rate. The way to compute this rate is to divide the number of students in first grade in 1981 by the number of students in kindergarten for 1980 and derive a factor. The factor would then be multiplied with the kindergarten enrollment for 1980. This whole process is repeated at each grade level, K-12. Kindergarten enrollments can be projected by comparing the number of kindergarten students in previous years with birth rates secured from the county in the year the kindergarten student was born. By computing an average for five years the factor derived can be multiplied against the total births for the year that would be appropriate (for 1981-82, births in 1976). The Cohort Survival rate is reliable, encouraged by the state, and generally within 2 percent - 3 percent accuracy.

The State of Michigan determines the yearly budget for educating a child. The proposed 1981-82 formula will give the district a flat grant rate of $325.00 per student and $53.33 for each mill of property tax levied, as opposed to the 1980-81 rate which was $357.00 per student and $46.24 for each mill of property tax. Subtracted from the total membership guarantee figure is the amount of money collect-
ed from the local district based upon the assessed valuation times
the number of mills levied.

The 1981-82 formula appears to discriminate against low millage
districts such as South Haven (25.08 mills). A high millage
district would stand to generate more dollars. From the viewpoint
of the South Haven district, the 1980-81 formula was more equitable
than the 1981-82 formula.

Also of significance to South Haven is the governor's proposal
of a change in funding for adult education. The proposal calls for
categorical funding based upon 75 percent of actual cost. Prior to
this proposed change, adult education was computed in the regular
membership formula. This proposed change, which still has to be
approved by the legislature, would mean the loss of approximately
$200,000.00 to the district in the adult education area. Thus, the
concern in this local district is great for South Haven has been
dependent upon adult education.

Another area of concern is that as the state equalized valuation
(SEV) of the district keeps increasing, and as student enrollment
decreases (as is predicted), the amount of state aid the district re-
ceives will be less. At the conclusion of our meeting it was
anticipated that the district's cash reserve would be dipped into for
the 1981-82 school year based upon initial revenue and expenditure
projections.

2/9/81

Number of hours: 3
Description of experience:  This morning was spent on the phone with the Van Buren Intermediate School District and I.B.M. further investigating the district's computer study.

This evening was spent at the South Haven City Council work session explaining rationale for a $55,000.00 request in funding for the Community Education Program which is jointly funded by the city council and board of education. A good part of my presentation was spent answering questions about school finance.

Analysis: The Van Buren Intermediate School District recently purchased a Hewgelt Packer 3000 computer. The possibility exists that the local district could purchase terminals and plug into the I.S.D.'s computer at a substantially reduced rate compared with the purchase of our own computer. However, the Michigan Teacher Support System (MTSS) software is not compatible with the Hewgelt Packer. Through my conversation, I discovered that a competency based management system entitled the Cincinatti Instructional Management System (CIMS) is available. The manufacturer is located in Cincinatti, Ohio.

In my conversation with I.B.M. they discovered that the MTSS is compatible with Waterloo BASIC language for the I.B.M. Series I computer.

The district's investigation of computer software and hardware, though frustrating and time consuming, is proving to be the right course of action. An example to dramatize my point could be the I.S.D.'s purchase of the Hewgelt Packer 3000 which is not compatible
with the MTSS. Remember, the MTSS can be provided at no cost to Michigan school districts.

I believe the I.S.D.'s investigation of computers was possibly not as encompassing as it should have been. Perhaps, more investigative work should have been conducted with their constituency (the local districts such as South Haven) to see what their needs were. To my knowledge, the I.S.D. purchased the Hewgelt Packer on their own volition for instructional programs at the Skills Center.

My purpose in attending the city council work session was to convince the council that their $55,000.00 contribution to the Community Education Program (CREC) for 1981-82 was justifiable. The council had contributed $55,000.00 in 1980-81 so the contribution was not being increased. It should be noted that CREC is a joint effort of the city council and board of education. When the community school concept was introduced to South Haven, the city council eliminated their recreation program and joined forces with the board of education. The purpose of this arrangement was to eliminate duplication of services and to provide an expanded program at a reduced cost to the taxpayers. The program has been extremely successful, however, there has been disagreement between the agencies on the amount of contribution the council should make. The reason for this is that the council realizes adult education has generated revenue for the school.

My arguments to the council stated that adult education was provided by the board of education prior to CREC and would continue on. Also, I pointed out the fact that the council could not provide
a similar type year around recreation program at the cost of their proposed $55,000.00 contribution. Council agreed with this rationale and I deemed the meeting successful.

In these days of economic crisis, it is important that agencies do not duplicate services and share in costs where possible. By doing this, tax dollars can be saved and services will not necessarily have to be limited or cut.

2/10/81

Number of hours: 4.5

Description of experience: This morning was spent reviewing an unemployment claim that had been filed by a former employee. Also reviewed was the Employer's Handbook on Claims developed by the Department of Labor.

This evening was spent at the board of education work session where the board approved a waiver of charge on building rental for the National Blueberry Festival. Also discussed and reviewed was the 1981-82 preliminary budget.

Analysis: After several phone calls to the Michigan Employment Security Commission and several conversations with the district's payroll clerk who maintains the unemployment records for the system, I am convinced that bureaucratic confusion is rampant. Following is the correspondence I sent to the Department of Labor:

Dear Sir,

I request a redetermination on Shirley Carrol #169-36-0194.
The claimant was employed part time by me for a period of six weeks this past summer to teach arts and crafts in the recreation program. Mrs. Carroll has been employed by me for the past six summers in the same capacity. She also has an offer to return this coming summer to teach her program for another six weeks. When Mrs. Carroll accepted employment, she was fully aware that the length of employ was six weeks.

However, if your determination remains as is, it certainly puts the program in jeopardy of continuing because of increased costs (unemployment) that we cannot afford. It is definitely unfair to this employer who operates many part time programs for the betterment of the community, that unemployment must be paid on a short leisure time program. Obviously, if we are forced to eliminate the program, a temporary job will also be eliminated.

If your determination does not change, I would appreciate a response to this correspondence listing your rationale. Thank you for your time.

Sincerely,

Robert J. Gabel

I believe the correspondence is self explanatory. What is fair and right is not necessarily the way unemployment rulings are made. Not indicated in the letter is the fact that the claimant had been employed for 14 weeks in another school system as a substitute teacher and thus qualified for unemployment (a minimum of 14 calendar weeks must be worked). According to the MESC, the South Haven district must share in the payment of unemployment benefits.

I am hopeful that a redetermination on the applicant will be granted with respect to the South Haven Public Schools. I base my request on the fact that the claimant was aware the program she taught was six weeks in duration and secondly, the job was re-offered to the claimant.

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Most of the board of education meeting was spent with the business manager and superintendent offering rationale for their budget projections, particularly expenditure items. The 1982 budget reflects an increase of approximately $600,000.00 in expenditures over 1981 which is a 10.5 percent increase. Anticipated revenues do not keep up with expenditures for the 1982 budget. The board of education told the administration that they wanted $250,000.00 cut from expenditures so that the district can remain solvent and have a favorable financial situation (the district currently has a large fund equity).

I believe the board is being wise with their decision. Restraint must be shown in economic hard times as is the case presently. With more and more millage failures, the fund equity can be invested so that approximately two mills are generated which the taxpayers are not paying. Thus, this is the reason for the board of education's decision to maintain the fund equity though it will be reduced. However, getting the community to understand this rationale might be difficult come the next millage election (1983).

2/11/81

Number of hours: 3

Description of experience: This afternoon I met with the business manager. Our discussion centered around last nights board work session, and the 1981-92 and 1982-83 budget projections which were based purely on educated guesses.
Analysis: In trying to estimate future projections, we assumed the following:

1. It is not likely the state's economic picture will be much better in 1982-83 than it is currently.

2. There will probably not be a membership increase for students in 1982-83.

3. Enrollment will be down approximately 200 students by 1982-83 as compared to 1980-81.

4. If proposed changes in categoricals such as special education, driver education, adult education, etc. take place, the state probably will not feel a need to increase such funding from its presently reduced level.

5. With deregulation of fuel prices, it is anticipated fuel costs will double by 1982-83.

Based upon these factors, it was anticipated that there will be a decrease in the fund balance of approximately $900,000.00 by 1982-83 unless restraint is shown. The board of education has initially shown this restraint based upon their work session.

As can be determined, the role of the business manager encompasses both short range and long range financial planning. This planning is exactly what took place during our meeting. The board of education as well as the entire community are very dependent upon this individual's planning and projections as future millage elections are based upon his analysis. Not only is the role of the business manager large, but the responsibility is extremely great for the financial welfare of the district depends to a large extent upon him.
2/12/81 and 2/13/81

Number of hours: 10.75

Description of experience: Most of the past two days were spent examining the district's insurance coverage. I discovered that the South Haven Public Schools have six types of policies. These policies are:

1. Multi-peril policy
2. Fleet policy
3. Comprehensive excess liability
4. School board legal liability
5. Sports catastrophe
6. SEG corporate service-worker's compensation

All premiums for policies are paid on a yearly basis with the exception of workers compensation which is paid quarterly.

Analysis: During my investigation, I spoke with the three insurance agents who handle the district's coverage. They explained to me that specific policies have been developed for schools and institutions such as the multi-peril policy which was written with institutions in mind. The multi-peril policy insures a multitude of things. Some of these items are all buildings and contents with a limit stipulated at $14,286,206.00, all musical instruments (which must be listed on an inventory each year), liability, teachers' liability, money and securities (a limit of $2,000.00 is in effect), bond coverage for employees handling money, and boiler and machinery coverage. A $1,000.00 deductible applies to real
Fleet coverage provides insurance for all vehicles owned by the district and listed on a schedule. Limits of liability are similar to that of the typical auto insurance policy.

The Comprehensive Excess Liability policy insures the school system in case an individual suffered an accident on school property and sued the district. This policy provides additional liability coverage over what is provided in the multi-peril policy. However, there are two exclusions in the excess liability policy. The first is professional liability which essentially means that the policy will not apply to the rendering of or failure to render professional services. The second exclusion states that any injury occurred because of athletic participation is not covered.

Therefore, a sports catastrophe policy is needed. This policy provides for medical coverage and liability coverage strictly for accidents that occur because of athletics. This policy is a standard policy which was developed for schools.

The school board legal liability policy obviously covers the board of education in the event a board member were sued or named in a suit on a school matter.

Worker's compensation insurance coverage protects the district against claims and payments that are awarded employees for injuries incurred while under the employ of the public school district.

Current yearly insurance premiums are:

<table>
<thead>
<tr>
<th>Policy</th>
<th>Premium</th>
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</thead>
<tbody>
<tr>
<td>Multi-peril</td>
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<tr>
<td>Fleet</td>
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<td>Insurance Policy</td>
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<td>--------------------------------------</td>
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<td>School board legal liability</td>
<td>4,654.00</td>
</tr>
<tr>
<td>Sports catastrophe</td>
<td>850.00</td>
</tr>
<tr>
<td>Worker's compensation</td>
<td>38,852.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$76,500.00</strong></td>
</tr>
</tbody>
</table>

As with most insurance, premiums are subject to change. Factors which can influence this change are the number of claims that are made, safety inspections, etc. Indeed, it is the wise business manager who consults with insurance agents to make sure that adequate coverage is provided for the district.

2/13/81

**Number of hours:** 3.5

**Description of experience:** This morning the business manager received a phone call from one of the district's swimming instructors. The instructor indicated that she had observed cockroaches in the swimming pool area. The business manager delegated the responsibility of investigation to me. I phoned a pest control company in the morning and they arrived in South Haven during the afternoon. The pest control company and myself inspected the entire district.

**Analysis:** Through the course of the afternoon, I received quite an education with regard to cockroaches. Foremost, I discovered that cockroaches are not a health hazard. Cockroaches are most prevalent in shaded, damp areas. Through the reproduction cycle, cockroaches multiply drastically. However, cockroaches are brought in from the
outside by a carrier and thus the problem begins. Once cockroaches are found, you can control the problem, but never rid yourself of it entirely.

The inspection of buildings turned up cockroaches in one other school in the locker room area besides the high school where the swimming pool is located.

After receiving price quotations on fumigation and listening to an explanation of the process involved, I determined that the district might be able to conduct the procedure on their own. After sharing the information with the business manager, he concurred. Thus, we ordered a defogger for $150.00 and are having our custodial staff apply the applications. This is opposed to the company's quotation of $1,500.00

2/16/81

Number of hours: 8

Description of experience: Today was spent in the Kalamazoo area where I observed the Comstock Public School's preschool program and the Galesburg-Augusta Community School's preschool program. After each observation, I spoke with the teacher and then with the director of Community Education.

Analysis: The approach of the two different school systems with regard to their preschool programs was interesting. Comstock informed me that they attempt to offer the program on a break even
basis. They charge $50.00 per student for a 15 week program. Each child receives six hours of instruction per week.

Comstock’s view of the preschool program is that although they try to operate on a break even basis with regard to tuition and actual costs, they actually generate a profit. They view participating students’ parents as yes millage voters.

Galesburg-Augusta has basically the same philosophy. I discovered that there was very little difference in the two programs. Both had similar tuition rates (Galesburg-Augusta charged $100.00 tuition for 30 weeks), pay scales ($9.80 per teacher hour, $4.50 per aid hour), snack bills, etc. Upon further questioning, I learned the Galesburg-Augusta director had once worked with the Comstock director and thus the similarity.

Of importance with today’s visitations is the philosophy of generating revenue through millage yes votes due to a program operated on a break even basis. I believe this a very important consideration.

2/17/81

Number of hours: 5

Description of experience: Today’s experiences were shaped by meetings. This morning was spent in an administrative meeting. Of the five items listed on the agenda, the business manager reported on two, budgeting and computer programming. This evening was spent at the regular monthly meeting of the board of education. Most of
the business items reported on by the business manager have already been recorded in this log such as the fourth Friday audit report and the fiscal 1982 preliminary budget.

Analysis: Items reported on at the administrative meeting were of an informational nature. Because I have been so involved with the information that was reported, I realize the amount of time that has been spent in terms of research and analysis. However, I do not believe the rest of the administrative staff can fully appreciate this fact.

The board of education meeting came off well. Board members were well prepared for the meeting. This is because most information had been discussed the previous week at the board's work session.

I observed that as the business manager reported on various items, he had the complete attention of the board. Although they would ask questions of him, it was evident that they have complete confidence in his projections, rationale, and analysis of various situations.

2/18/81

Number of hours: 5

Description of experience: Today's experience did not prove as rewarding and useful as I originally thought it might. I traveled to Portage and attended the Southwestern Michigan Adult and Community Education Association meeting. The purpose of attending the meeting was to listen to the executive director of the Michigan Community School Education Association give a presentation on state aid and the
governor's proposed 1982 budget. However, the executive director was unable to attend the meeting.

**Analysis:** As reported earlier in this log, the governor has proposed a drastic cut in funding for adult education which will have a significant effect upon the South Haven Public School System in terms of lost revenue. Thus, I was hopeful that the executive director could give us an update on the governor's proposal and strategies that could be used prior to the legislature acting upon the governor's recommendation.

Through my conversations with other individuals knowledgeable about state budgeting, I have been led to believe that a compromise will be worked out. Evidently, this was part of the governor's strategy in initially proposing such a drastic cut although time will tell.

I also reflect upon the Michigan Department of Education meeting I attended regarding Public Act 621 on budgeting procedures. One of my criticisms of the system was that public school districts were expected to make earlier proposals of their budgets without really knowing what to expect in terms of revenue. Already South Haven had proposed a preliminary budget clouded with revenue doubts because of the governor's proposal.

2/19/81

Number of hours: 8.5

Description of experience: Today was spent in Paw Paw, Michigan
observing the Paw Paw Public School's preschool and day care program. My investigation included conversations with the director of Community Education who is responsible for the program, the director of the preschool and day care center, parents, aides, and the secretary. I also reviewed various child care literature as well as available financial data.

**Analysis:** When examining an existing program in another district to determine initiating a similar program in your own district, many bases must be covered. Besides the financial aspects of the program, the examination must include an analysis of the day to day operation in order to assure that it is functioning smoothly. Conversations with personnel and participants can help reveal if the program is budgeted accurately (eg: understaffed versus overstaffed). Observation can also help determine if the needs of the participants are being met.

2/20/81, 2/23/81, 2/24/81

**Number of hours:** 24

**Description of experience:** The past three days have been spent composing a report regarding the feasibility of initiating a preschool and day care center in South Haven. The report was presented to the superintendent of schools, business manager, and director of instruction. Following is the report:
2/24/81

TO: Dr. Gaarde, Mr. Hanson, Mr. Carroll

FROM: R. Gabel

RE: Preschool/Day Care Center

On 2/19/81, I visited the Paw Paw Public School's child care center and preschool named The Learning Tree. I have also investigated preschool programs that are currently operating in the Comstock and Galesburg-Augusta school systems. After observation of the Paw Paw program, I was favorably impressed. However, the two preschool programs at Comstock and Galesburg are operated on a break even basis. Comstock said that they actually lose between $1,000.00 and $2,000.00 per year but feel they make up for it in YES millage votes. Paw Paw said they do not make money on their preschool per se. They combine their preschool classes with their child care program and except for the fee charged each program participant, do not distinguish between the children. Following are fees charged for various preschool programs:

<table>
<thead>
<tr>
<th>School</th>
<th>Tuition</th>
<th>Length</th>
<th>Age</th>
<th>Hrs. of instruction/week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comstock</td>
<td>$50.00</td>
<td>15 wks.</td>
<td>4</td>
<td>6 (meets twice/week)</td>
</tr>
<tr>
<td>Galesburg</td>
<td>$100.00</td>
<td>30 wks.</td>
<td>4</td>
<td>6 (meets twice/week)</td>
</tr>
<tr>
<td>Paw Paw</td>
<td>$4.00/day</td>
<td>30 wks.</td>
<td>2.5</td>
<td>7.5 (meets 3 times/week)</td>
</tr>
<tr>
<td>*Creative Play-  $24.00/month</td>
<td>30 wks.</td>
<td>4</td>
<td>6 (meets 3 times/week)</td>
<td></td>
</tr>
<tr>
<td>time Co-op Nursery, S.H.</td>
<td>($360/year)</td>
<td><strong>above</strong></td>
<td>2.5</td>
<td></td>
</tr>
</tbody>
</table>

*Privately operated preschools in South Haven. Limits on class sizes ranged from 15-20.

Regulations

All preschool and day care programs must be approved and licensed by the State of Michigan, Department of Social Services. Regulations specify that for every eight children present, you must have one adult supervisor on duty. D.S.S. also sets limits upon the amount of children allowed in the facility at one time, based upon 35 square feet per child. In the case of Paw Paw, they are allowed to provide services for 49 children.
The individual in charge of the preschool and child care program is required to have a bachelor's degree in early childhood education or a minimum of 60 semester hours completed in early elementary education. All children are required to have a health appraisal form filled out and on record.

**Staffing**

All preschools listed in this report with the exception of Paw Paw, hired one teacher and one teacher's aid. Average wage was $10.00/hour for the instructor with teachers being compensated for an additional one half hour preparation time for each class meeting. Teacher aids were compensated at approximately $4.00/hour.

Paw Paw hires one director for their preschool and child care center at a salary of $17,050.00. This is a year around job. Also hired is a preschool teacher who instructs 9 hours per week at $8.20 per hour. The purpose of the teacher is to conduct the afternoon preschool in order to allow the director to work on administrative tasks. The director's responsibilities include teaching morning preschool to day care students, hiring aids and afternoon preschool teacher, working with finance, etc. The director's office is located in an open area of the preschool to allow her to assist when needed. Four full time (40 hours per week) aids are hired for 48 weeks at $4.05 per hour. Four CETA workers (two high school students, two adults) also work at the preschool with each student worker logging 3 hours per week and two adults logging 6.5 hours per week. A secretary also works 20 hours per week year around at a cost of $5,000.00. The secretary handles clerical functions, billing, and collection of tuition.

**Description of Paw Paw Program**

Day care hours are 6:00 a.m. to 6:00 p.m., Monday through Friday, year around except holidays and snow days when the facility closes. Day care children are involved in a preschool program during the morning hours. Children enrolled for preschool attend in the afternoon from 12:00 - 2:30 p.m. for instruction. During the afternoon preschool time, day care children take naps in a separate room for part of the time. Otherwise, they may participate in preschool activities. The school day schedule is as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day care opens</td>
<td>6:00 a.m.</td>
</tr>
<tr>
<td>Breakfast (served at the center</td>
<td>8:00 - 8:30 a.m.</td>
</tr>
<tr>
<td>brought in by cooks)</td>
<td></td>
</tr>
<tr>
<td>Free play time</td>
<td>8:30 - 9:00 a.m.</td>
</tr>
<tr>
<td>Day care preschool</td>
<td>9:00 - 11:30 a.m.</td>
</tr>
</tbody>
</table>

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Lunch (children walk to elementary building located next to preschool) 11:30 a.m. - 12:00 p.m.

Afternoon preschool 12:00 p.m. - 2:30 p.m.
Day care free time 12:00 p.m. - 1:00 p.m.
Rest period for day care 1:00 p.m. - ?
Day care closes 6:00 p.m.

With the exception of the time slot 6:00 - 7:00 a.m. when one person opens, there are always a minimum of two people on duty and usually three or four.

The preschool program follows the school calendar while day care is provided year around. Transportation is provided to the elementary schools to deliver kindergarteners who require day care after their school day ends. Supervision on the bus is provided.

The curriculum provides a "loose knit" schedule for each day of the week so that children know what to expect, but yet is very flexible. Children participate in art, music, dramatic, physical development, mathematics, and language development activities.

For those children who attend day care, a breakfast and a hot lunch program is provided. The food service director plans all meals. Breakfast is eaten in the day care center and brought in by food services. Children walk to an elementary school next door to the day care center where they eat lunch. Snacks are also provided both in the morning and afternoon by food services.

Facilities

The day care and preschool programs operate out of a new prefabricated building erected next to an elementary school. The initial cost for the building and equipment was approximately $50,000.00. The floor plan of the building is diagramed below. With the exception of the nap room, the entire area is open.
Tuition

Tuition rates are as follows:

Full day care - $8.00 per day (5 hours or more)
Half day care - $6.25 per day (less than 5 hours)
Preschool - $4.00 per day
Before and after school - $1.50 per hour

Tuition is paid on Fridays on a weekly basis. Department of Social Services reimburses at the rate of $7.00 a full day for its clients.

Budgeting

During the 1979-80 year, Paw Paw's preschool and day care programs generated revenue exceeding expenditures by $10,000.00. They operated at full capacity. 1980-81 is presenting financial problems for them and they are hoping to break even. Their immediate problems have been caused because of declining enrollment and a reduction in Department of Social Service allotments for day care (originally $8.00 per student, reduced to $7.00 per student). The problem of declining enrollment in early childhood education is linked to the declining economy. Paw Paw anticipates a further reduction in enrollment as the year progresses. Paw Paw currently is involved in cost cutting measures such as reduction of hours worked by aids, etc. The 1980-81 budget projected income of $69,760 of which $65,560 was day care related. Expenditures were projected at $74,770 with the break down as follows:

Salaries
Director $17,050
Preschool teacher 2,509
Secretary/clerical 5,000
Aids 34,456
Sub total $59,015

Workshops 300
Equipment repairs 200
Supplies 1,500
Food 9,950
Capital outlay 3,800
Total $74,770

Paw Paw explained that they had projected light income intentionally and it will be approximately $10,000.00 more than anticipated. However, expenditures are accurately
projected. Phone, utilities, transportation, and custodial expenses are not absorbed by the program.

**Program at South Haven**

I believe a day care and preschool program at South Haven is a very real possibility, especially the day care. As I mentioned, most preschools were operated on a break even basis. Paw Paw's profit has come from the day care program. Another factor to consider is that South Haven already has two existing preschools.

At the present time, I would not recommend constructing a building with our uncertain financial condition and Paw Paw's concern over their enrollment. Rather, I believe the ideal location would be the vocational building, either on the main floor or downstairs, but separated from alternative education. Two connecting rooms would be needed for proper space. The V.B. is the right location because parents would have easy access dropping their children off, an outdoor playground area is on the premises and a designated spot could be fenced off. Thirdly, there would be easy access to Central Elementary for meals to be served.

A simplified day care budget is as follows:

**Income**

<table>
<thead>
<tr>
<th>Service</th>
<th>Students/Week</th>
<th>Weeks</th>
<th>Income/Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full day care</td>
<td>20</td>
<td>52</td>
<td>$8.00/day</td>
</tr>
<tr>
<td>Half day care</td>
<td>10</td>
<td>36</td>
<td>$6.25/day</td>
</tr>
</tbody>
</table>

*$52,850 represents a minimum income. Realistically, I would suspect this could be increased by at least 5 full time students which would generate another $10,400 income, thus a total of $63,250.

**Expenditures**

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity/Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Director</td>
<td>48 weeks</td>
<td>$15,000</td>
</tr>
<tr>
<td>3 Aids</td>
<td>48 weeks</td>
<td>$20,160</td>
</tr>
<tr>
<td>1 Secretary</td>
<td>20 hours/week</td>
<td>$5,000</td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
<td>$2,000</td>
</tr>
<tr>
<td>Lunch</td>
<td>55c/day 50 weeks (30 children)</td>
<td>$4,125</td>
</tr>
<tr>
<td>Breakfast</td>
<td>25c/day</td>
<td>$1,875</td>
</tr>
<tr>
<td>Snacks</td>
<td></td>
<td>$500</td>
</tr>
<tr>
<td>Supplies</td>
<td></td>
<td>$2,000</td>
</tr>
</tbody>
</table>

$50,550
Capital Outlay (one time only)

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refrigerator, Washer, Dryer</td>
<td>$1,200</td>
</tr>
<tr>
<td>Fencing</td>
<td>1,000</td>
</tr>
<tr>
<td>Play equipment (indoor and outdoor)</td>
<td>3,600</td>
</tr>
<tr>
<td>Furniture (including clothes and equip. storage)</td>
<td>5,000</td>
</tr>
<tr>
<td>Refurbishing facility</td>
<td>4,000</td>
</tr>
</tbody>
</table>

$14,200

I do believe that we can generate additional revenue by entering the day care business. Cooperation from food services and principal(s) at the school we are located in is vital. If we decide to proceed, now is the time to begin if we want to start operation by fall, 1981. Our major task initially is deciding where the center would be located.

Analysis: Though I believe the previously concluded report is analytical in nature, a few comments are in order. When making a recommendation to the executive administrative staff, it is important to answer the who, how, when, where, and why questions that will arise before they are asked. The upper echelon is not looking for useless jargon in a report but rather hard facts on benefits that will be derived from a proposed program, as well as cost effectiveness. By being thorough with the report and trying to address yourself to those questions, a firm decision based upon fact, rather than chance, can be made.

In addition by doing a thorough job on the reporting aspects, the middle manager's (who prepared the report) esteem builds in the mind of the chief executive for the chief executive's need to probe has been minimized. The chief executive appreciates this type of behavior and, I believe through a period of time, will come to rely more heavily upon the middle manager. Therefore, the middle manager possibly will derive additional job benefits and opportunities and be highly regarded.
2/25/81, 2/26/81, 2/27,81

Number of hours:  24

Description of experience:  The past three days have been spent preparing a Community Education financial activity report (preliminary budget) for a scheduled joint meeting of the South Haven City Council and School Board. The business manager and I also met where we adapted the Michigan School Accounting Code to the Community Education budget. Following is the financial activity report that will be presented at the joint meeting:

CREC FINANCIAL ACTIVITY REPORT

Recreation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>City Softball (includes capital outlay project-lighting 4,824)</td>
<td>14,384 9,300</td>
<td>10,000 9,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>J.A.A. Supervision/Baseball School/Field Preparation</td>
<td>5,955 -</td>
<td>6,600 -</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baseball</td>
<td>1,165 1,165</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Playgrounds</td>
<td>5,235 200</td>
<td>5,750 200</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summer Shape Up</td>
<td>135 300</td>
<td>150 450</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tennis</td>
<td>1,150 902</td>
<td>900 900</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baseball Clinic/Track &amp; Field/ Soccer</td>
<td>1,346 300</td>
<td>500 150</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calligraphy</td>
<td>150 162</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ceramics</td>
<td>515 200</td>
<td>575 200</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Childrens Theatre Workshop</td>
<td>200 120</td>
<td>225 130</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swimming</td>
<td>8,515 4,521</td>
<td>9,100 4,900</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beach Lifeguards</td>
<td>10,000 -</td>
<td>11,000 -</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10,000 Meter Run</td>
<td>3,250 3,800</td>
<td>3,575 3,800</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sub Total 52,000 20,970 48,375 20,230

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<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basketball</td>
<td>2,400</td>
<td>260</td>
<td>2,400</td>
<td>300</td>
</tr>
<tr>
<td>Flag Football</td>
<td>740</td>
<td>-</td>
<td>750</td>
<td>-</td>
</tr>
<tr>
<td>Preschool Gym</td>
<td>80</td>
<td>150</td>
<td>80</td>
<td>150</td>
</tr>
<tr>
<td>Soccer</td>
<td>300</td>
<td>-</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td>Gymnastics</td>
<td>1,332</td>
<td>1,010</td>
<td>1,350</td>
<td>1,350</td>
</tr>
<tr>
<td>Other After School</td>
<td>1,200</td>
<td>-</td>
<td>1,400</td>
<td>-</td>
</tr>
<tr>
<td><strong>Youth Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mens Gym</td>
<td>100</td>
<td>150</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>Slimnastics</td>
<td>250</td>
<td>655</td>
<td>250</td>
<td>600</td>
</tr>
<tr>
<td>Aerobicize</td>
<td>1,225</td>
<td>2,525</td>
<td>1,400</td>
<td>2,600</td>
</tr>
<tr>
<td>Power Volleyball</td>
<td>80</td>
<td>400</td>
<td>80</td>
<td>400</td>
</tr>
<tr>
<td>Yoga</td>
<td>90</td>
<td>200</td>
<td>90</td>
<td>200</td>
</tr>
<tr>
<td>Cross Country Skiing</td>
<td>310</td>
<td>360</td>
<td>310</td>
<td>360</td>
</tr>
<tr>
<td>Badminton</td>
<td>110</td>
<td>168</td>
<td>100</td>
<td>170</td>
</tr>
<tr>
<td>Running Clinic</td>
<td>100</td>
<td>124</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tennis</td>
<td>175</td>
<td>310</td>
<td>175</td>
<td>350</td>
</tr>
<tr>
<td>Swimming</td>
<td>2,110</td>
<td>2,140</td>
<td>2,100</td>
<td>2,150</td>
</tr>
<tr>
<td>Scuba Diving</td>
<td>405</td>
<td>495</td>
<td>405</td>
<td>495</td>
</tr>
<tr>
<td>Golf</td>
<td>250</td>
<td>336</td>
<td>250</td>
<td>335</td>
</tr>
<tr>
<td>Senior Citizens</td>
<td>200</td>
<td>100</td>
<td>200</td>
<td>100</td>
</tr>
<tr>
<td>Shoreline Striders</td>
<td>350</td>
<td>350</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td>11,807</td>
<td>9,733</td>
<td>12,140</td>
<td>10,160</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Charges for Recreation</td>
<td>1,800</td>
<td></td>
<td>1,980</td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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### Enrichment - Leisure Time Classes

| Enrichment | 9,200 | 11,000 | 9,200 | 11,500 |
| Total | 9,200 | 11,000 | 9,200 | 11,500 |

### Summary

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**REVENUES**

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*When expenditures exceed revenue, school absorbs additional cost*
Analysis: As previously explained in this journal, the city council contributes $55,000.00 to the school to help conduct the Community Education program (CREC) and specifically to operate recreation. However, there has been conflict amongst the various councilmen and school board that the council might be paying more than its fair share. Thus, the major purpose of the report is twofold. First, I want to demonstrate to the council that the revenue contributed by them has been wisely spent for recreation and that they could not operate a similar type recreation program on their own for the dollars they are contributing. In other words, they are deriving a quality recreation program for a minimal cost.

The second purpose of the report was to do initial work on the CREC budget which will be presented in its final form at a later date. However, for actual purposes the budget has been developed as all projections have been made in the report. If approved, these financial projections will be transferred into a more simplified budget which follows. Please note that the adoption of the school accounting code to the Community Education budget has been completed.

CREC Expenditure Accounts

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<td>52-130-1240</td>
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52-130-1620 Receptionist
52-130-3800 Fixed Charges - Ret.
52-130-5900 Supplies
52-130-7900 Miscellaneous

52-320-0000 Total Recreation
52-320-1160 Suprv. & Instructors
52-320-1560 Lifeguards - Pool & Beach
52-320-1590 Ice Rink
52-320-1800 Officials
52-320-3800 Fixed Charges - Ret. & Ins.
52-320-5900 Supplies
52-320-7900 Miscellaneous
52-320-9990 Refunds
52-320-9990 Shoreline Striders

52-390-0000 Total Enrichment
52-390-1240 Teachers
52-390-3800 Fixed Charges - Ret. & Ins.
52-390-5900 Supplies
52-390-7900 Miscellaneous
52-390-9990 Refunds

CREC Revenue Accounts

10-120-0000 City & Township Contribution
10-150-0000 Investment
10-190-0000 School Contribution
10-192-1000 Enrichment Fees
10-192-2000 Recreation Fees
10-192-3000 Open Swim Fees
10-192-4000 Coffee & Candy Fees
10-192-5000 Miscellaneous
10-192-6000 Senior Citizen Fees
10-192-7000 Shoreline Striders Fees

The preparation of the financial activity report was time consuming and difficult to work on. Though I believe the report is quite accurate, a large part of it was built upon memory. The reason for this and the difficulty I experienced was that I had to pull various costs for specific activities out of different areas of the budget. For instance, when computing the total cost of softball, I had to recall who was hired to direct the program and pull their salaries from the recreation supervisor's account.
Next, I had to recall what supplies were ordered for the previous season and pull those costs from recreation supplies. Then came official's salaries which were taken from another area.

When the business manager and I discussed this problem, he explained how it could be solved by carrying our accounting process a step further. For office purposes, additional entries could be made for the various activities. This process could be made easier with the use of a computer and by also using the Michigan School Accounting Code.

3/2/81

Number of hours: 5.75

Description of experience: Today was spent meeting with the superintendent and business manager where we discussed my investigation of day care, the financial activity report for Community Education that I prepared, and building security (another of the business manager's responsibilities). During the weekend, many items were stolen from one of the district's buildings. Theft and vandalism have become an ever increasing problem to the South Haven Public Schools and I was directed to investigate the weekend's theft.

Analysis: The executive administration appeared excited about a possible day care program being sponsored by the school district, primarily because of the revenue potential. Finding a site for the program would be the first step. It was decided that I should
meet with the director of instruction to determine if declining enrollment would allow for two rooms to become available in one of our elementary buildings to house the day care program.

Presenting the financial activity report to the superintendent and business manager allowed me to use them as a sounding board prior to my presentation to the city council and school board next week. Questions that were asked by the superintendent and business manager helped me anticipate what type of questions might be asked later. Foremost, the executive administration was supportive of my report and the way it was prepared.

My investigation of the theft that occurred during the weekend proved informative. Although activities were scheduled in the building during the weekend, I discovered that several staff members had also entered the building for personal and business purposes during non-custodian hours. Though I do not believe these individuals are directly responsible for the theft that occurred, indirectly they could be. I raise the question, is it possible that perhaps upon entry they left a door ajar accidentally or did not secure other areas of the building properly? The district has always encouraged use of its buildings by staff. Because of increasing theft, perhaps more stringent guidelines should be established on use of buildings by staff when custodians are not on duty.

3/3/81

Number of hours: 6
Description of experience: The entire morning was spent in an administrative meeting. Of the eight items on the agenda, three related to the business manager. These items were informational in nature and concerned announcement of a budget meeting for administrative staff next week and two separate grievances which had been filed by the teachers' union. Also of significance at the meeting was the superintendent's and business manager's decision to appoint me to chair a committee on building supervision and security.

The evening was spent with the director of instruction, superintendent, and three parochial school principals as we discussed shared time.

Analysis: Prior to the administrative meeting this morning, the superintendent had phone me and informed me that he was going to announce at the administrative meeting that I was to chair a committee made up of two other administrators on supervision and security. He also asked for my input as to which administrators I would like to have work with me. I selected the high school athletic director and junior high principal. These selections were based upon the fact that most of the vandalism and theft that had recently occurred was in each of their buildings and secondly, both are responsible for many extra curricular activities and have good rapport with their staffs. The superintendent concurred with my selections and said he would announce the committee membership at our meeting which he did.

By allowing for my input with regard to committee make up, the superintendent and business manager were giving me the opportunity to be able to develop security guidelines with the best possible
people. The committee must be one that will function smoothly and develop viable guidelines. The ramification and magnitude of our decisions with regard to public relations with the entire school staff, particularly the teachers, is a factor that will need to be considered. By allowing me to pick my committee, the executive administration is trying to assure that the committee can work harmoniously to derive the best possible solution to the problem.

The shared time meeting conducted during the evening proved very successful. Each parochial school reported they would like to participate in shared time and expand their offerings. Possible ideas were discussed and it was agreed that prior to June, the parochial school principals and myself would meet to develop classes and a schedule. It was also decided that as I interviewed teaching candidates, I would share their names with the principals so as to receive their input.

By being able to work together, both agencies (parochial and public schools) are benefiting as explained earlier in this journal. The public schools will be able to generate additional revenue while the parochial schools will be able to expand their curriculum at no additional cost. In addition, good will is being built with the parochial school clientele.

3/4/81

Number of hours: 3
Description of experience: This morning was spent with the junior high principal and athletic director as we planned how to approach the problem of building supervision after the normal school day has concluded. It was determined that after our strategy was developed, we would invite four teachers to become a part of our committee. The individuals were identified.

Analysis: After analyzing our problem, it appears the guidelines that need to be established will be restrictive upon the staff. Therefore, we identified key staff members to become involved with our decision making. If we are able to get these staff members to become supportive and feel a part of the decision making process, hopefully, all personnel, especially the teachers, will understand the "why" of our decision and not be too critical of our guidelines.

3/5/81

Number of hours: 3

Description of experience: The business manager and I met this morning for discussion. Our topic of conversation concerned the district's budgeting philosophy. I also had the opportunity to observe business office personnel.

Analysis: The district's philosophy of budgeting has been an informal form of zero base budgeting. Zero base budgeting means that all individuals, grade levels, and departments start with zero amount of money within the budgeting process. As they begin to plan
to purchase materials for the coming year, they must be able to justify each purchase as it relates to their individual grade level or department. As teachers begin to develop their lists at the various levels, they are expected to prioritize those items. The finished list for each individual, grade level, or department will yield a budget request that will indicate the items needed, their justification as they relate to the curriculum, and the items prioritized in such a manner as to indicate those items essential to program operation.

Requests are then submitted to principals who have had general guidelines issued to them as to what their expenditures are to be for a given year. The amount allotted to the principal will be based upon district goals, and the amount of revenue increase or decrease that may be available for teaching supplies and materials.

The business office working with the total budget will fit supplies and materials within all other areas. If in final determination the budget balances, principals and others will be given permission to begin ordering supplies. However, if the budget is out of balance, cuts will be needed.

3/6/81

Number of hours: 3

Description of experience: The high school athletic director, junior high principal, and myself met to develop guidelines for building use and security. It was our intent to derive a feasible
policy that we could present to the teacher members of our committee.

Analysis: The administrative policy letter stated:

Use of facilities for personal convenience and individual recreation is prohibited. Personnel may obtain permission from their building administrator to gain access to the building when they wish to perform tasks related to their job assignments.

Personnel desiring use of a gym will be required to have a custodian on duty. Application must be made and confirmed in advance at the Community Education Office. Groups will be billed at the rate of $15.00 per hour. A check must accompany the application that covers the total time staff are planning on using the gym.

Other recommendations our committee will make are that outside entrances to the high school and junior high be rekeyed, and a rotating custodian schedule be developed so that custodians are on duty all day Saturday during the winter months when activities are being conducted in the buildings.

Another factor the committee considered was enforcement of the guidelines we are developing and what to do when violations occur. A policy is worthless unless it is enforced. It was decided that at the next meeting when teacher representatives are to be invited, we would let them help answer this very question, assuming we can get them to endorse our recommendations.

3/9/81

Number of hours: 5.5

Description of experience: This afternoon was spent in an adminis-
trative meeting conducted by the business manager on budgeting. Several topics were discussed, the most significant being ideas for cuts from the 1981-82 preliminary budget totaling $235,000.00. The business manager also discussed the budgeting philosophy which he and I talked about earlier in the week.

The evening was spent at the district's curriculum council meeting where once again the business manager discussed budgeting philosophy and its possible effects upon the curriculum.

**Analysis:** As the business manager emphasized to us at our meeting, he would rather reduce than cut. As the business manager explained, reduce means to shrink where cut means to eliminate. He said that at the present time, the board of education does not want to eliminate any program.

As we examined the preliminary budget, it became obvious where some of the reduction would have to take place, this being teaching positions. The reason for this is that salaries account for over 80 percent of the budget and it is rather difficult to cut $235,000.00 without including some salary with it. However, it was our hope that actually, nobody would lose their job for the district simply would not refill vacated positions. After a long afternoon of examination of the preliminary budget and discussion, it was determined we would meet again next week.

I believe the administrative staff was appreciative of the fact that they are being involved in the decision making process of reducing the budget. It makes sense to go directly to the people who are...
carrying out the day to day tasks of school operation. The administrators can offer valuable input for the business manager and it appears he is taking advantage of their expertise.

The district's philosophy of keeping the community abreast of school happenings is important. Thus, this was the reason for the business manager addressing the curriculum council. An informed community has a better understanding of school decisions taking place and though they might not be popular decisions, an informed community will possibly be able to accept them.

3/10/81

Number of hours: 5.5

Description of experience: The evening was spent at a dinner meeting where I addressed the board of education and city council. Topics of conversation focused on the financial activity report I had prepared and a review of the Community Education program this past year.

Following the joint meeting of the board of education and city council, the board convened for their monthly work session, which I attended.

Analysis: As I have pointed out countless times in this journal, an informed body or constituency is a vital asset. The joint meeting was received by both agencies very well. I believe this to be the case because I was brief and concise with my report. In addition, I made the report available to the board members and councilmen several days in advance of the meeting for their study. As a result
of the meeting, the city council will contribute $55,000.00 to the Community Education program for fiscal year 1982.

An intangible factor that needs mentioning with the success of the meeting is the fact that the atmosphere was relaxed and positive. I believe this was created partially because the meeting was conducted over dinner.

The board work session was an informational meeting with the business manager and superintendent reporting on various items, many of which have been discussed in this journal throughout the past month. For instance, reports were given on shared time, the day care program, and budgeting meeting. Since the board of education approves the final recommendations of the administration, they must be fully briefed.

3/11/81

Number of hours: 1.5

Description of experience: This afternoon the administrative committee on supervision and building security met with four teachers. The teachers had been selected for the committee on the basis of their personal building use and leadership abilities.

Analysis: From an administrative stand point, the meeting was deemed successful. The teachers, though not totally thrilled with the administration's recommendation, understood the need for it and were supportive. In addition the teachers recommended that violators of the policy receive a verbal reprimand, followed by a written reprimand
should the offense occur again. It was quite obvious the teachers saw the need for this policy. The teachers' support of the developed guidelines will lend credibility to the policy when it is issued to the staff.
CHAPTER V

Evaluation

The internship I experienced was in my opinion one of the best educational learning endeavors I have been involved with. The structure of the internship was unique in its nature for certain aspects of the study were performed in my present capacity as the director of Community Education. Because of my employment by the South Haven Public Schools as an administrator, the relationship between the business manager and myself was enhanced as I learned about the business realm of public school systems.

Through the internship several of my experiences were of direct benefit to the school district. For instance, I investigated day care and preschool programming. Because of this investigation it now appears that South Haven will begin a day care program in the fall under my auspices. I also investigated and researched shared time programming. Through my efforts and work in this area, South Haven will be collaborating with three neighboring parochial schools this fall by providing a shared time program, once again through my office.

If it had not been for the internship these two areas would not have been identified as objectives to be accomplished. As described previously in this manuscript, these programs will provide additional sources of revenue for the district while helping to meet the needs of various segments of the community.
The internship was valuable to me for I gained an understanding of the many job responsibilities the business manager has. For example, I discovered that the business manager assumes responsibility for such areas as hot lunch, transportation, maintenance, and building security. These responsibilities were examined carefully by me.

Other more technical areas the business manager had responsibility for that I was able to work with were the investment of school capital, purchasing, budgeting, the application of the school accounting code, and making sure that the school system was adequately insured. My investigation of the district's insurance coverage made me aware of the types of coverage a public education institution needs. My involvement with the investment of school capital taught me how these investments transpire and what type of financial instruments may be purchased.

Because of my internship in the business realm and, once again, the position I hold I was directly involved with the superintendent and business manager regarding discussion of state aid (the governor's 1981-82 proposal). Through our analysis of the initial state aid package proposal, I was able to gain a better understanding of school finance and, specifically, how various state aid proposals would affect the South Haven School System. I also learned of the district's budgeting philosophy.

I was able through the course of my study to become deeply involved in the investigation of computer procurement for the school system. Although this was not an intentionally planned activity, a
large amount of time was spent in this area.

Many other areas and items have been mentioned throughout this manuscript that I experienced with regard to the internship. However, they are too numerous to mention but nevertheless were very valuable to me. Because of the knowledge I have gained through my independent study work combined with my other experiences, I definitely believe that I could now adequately perform the duties of a small district superintendent.
BIBLIOGRAPHY


Roudi, R. C. Investing for a higher return. Michigan School Board Journal, 1979, 8, 8-10.