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An analysis of superintendents' decision-making in the budgeting process

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LOYOLA UNIVERSITY CHICAGO

AN ANALYSIS OF SUPERINTENDENTS' DECISION-MAKING
IN THE BUDGETING PROCESS

A DISSERTATION SUBMITTED TO THE FACULTY OF
THE SCHOOL OF EDUCATION
FOR THE DEGREE OF
DOCTOR OF EDUCATION

DEPARTMENT OF EDUCATIONAL LEADERSHIP AND POLICY STUDIES

BY

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CHICAGO, ILLINOIS

MAY 1993

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ABSTRACT

The purpose of this study was to examine the decision-making processes utilized by superintendents in the budgeting process. The inquiry was organized around five main areas: the actors or key-players in the decision-making, the processes used for making the decisions, the values or priorities that influenced the decision-making, the superintendents' analysis of the process being used, and what, if any, decision-making models had influenced them and how ideas taken from those models were being implemented in their budget decision-making.

The sample was ten superintendents from the largest high school, elementary and unit districts in DuPage County, IL, who had been in their position at least two years. Data were gathered through an interview with open-ended questions on the five main areas of the study.

The inquiry found that all superintendents sought input for their staffs; the budgeting process always involved the administration, faculty and occasionally non-certificated staff such as buildings and grounds personnel. The high school districts did not involve parents and community members as did the elementary or unit districts in decision-making for budgeting. No two budgeting processes were alike, though all shared common procedures. The superintendents supported curriculum, student services and staff development as the most important priorities in their budgeting. The superintendents were generally satisfied with the process they had in place for budgeting. They expressed a need for more accurate and comprehensive data on which to base budgeting decisions. The results indicate that the model most often cited as influencing

decision-making was Total Quality Management which was mentioned by half of the participants, followed by strategic planning models and Effective Schools Research.

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CHAPTER 1

INTRODUCTION

In the past decade education has looked at research from business to apply what is best and applicable to improve education. Educators studied books such as In Search of Excellence by Thomas Peters and Robert Waterman (1982), Leaders by Warren Bennis and Burt Nanus (1985), Corporate Cultures by Terence Deal and Allan Kennedy (1982) and recently the Total Quality Management ideas of W. Edwards Deming. Prior to those works, administrators studied the leadership literature that came from business such as the works of Kurt Lewin, Rensis Likert, Fred Fiedler, Robert R. Blake, Jane Mouton, Victor H. Vroom and Philip W. Yetton. In the financial realms we have studied management-by-objectives, cost-benefit analyses, and zero-based budgeting. Peter Drucker and others suggest that the starting point for excellent organizations should be clarifying a specific vision, direction or purpose.¹ From these business models have come school vision and mission statements and long range or strategic planning.

Any planning is a decision-making process. A school budget is "one of the primary management tools for educational administrators."² In a school budget the goals and objectives of the district are translated into dollars allocated to meet those goals and objectives. In the past superintendents and

¹Warren Bennis and Burt Nanus quoted in Richard P. DuFour and Robert Eaker, Fulfilling the Promise of Excellence (Westbury, New York: J. L. Wilkerson Publishing Co., 1987), 2.

²William T. Hartman, School District Budgeting (Boston: Allyn and Bacon, 1988), 7.

their business officials budgeted the projected revenue into categories that would either maintain the status quo or shift emphasis to new priorities. That relatively simple process has been changed in most districts. Today we are in a time of transition about how budget decisions are made in the schools. Superintendents are utilizing the districts' visions and missions to guide priorities in budgeting. Many more people are involved in the process, including administrators, teachers, parents, students, and community members. Long range or strategic plans, which provide the goals and objectives that previously were unwritten if they existed at all, have been established by large groups of people; these plans set priorities for budget allocations.

The structure and climate of an organization are largely determined by its decision-making processes, and in an hierarchical organization an individual's rank is directly related to the control exerted over the decision-making process. Schools are traditionally hierarchical with superintendents at the top, assistant superintendents and other central office administrators next, then principals and then teachers. This study focuses on superintendents, ostensibly the highest ranking individual in the school district organization, and how they have chosen to direct the budget decision making in their districts. Depending upon the decision-making process utilized by the superintendent, few or many administrators, Board members, community members, teachers and perhaps students were involved in the decision. The process may be hierarchical with "bottom up" input from teachers and department chairpersons listing or ranking their needs and submitting them to principals who may, in turn, present the combined building choices to a district decision-making process. The literature refers to approaches as "top down" when the process is controlled by the superintendent and "bottom up" when the teachers and perhaps the students

and community, including the parents, initiate the ideas and choices. In another model, the superintendent may have organized the district around site-based management, giving complete autonomy or some degree of autonomy to the sites. There is also a range of levels of participation in which input may be advisory or binding or somewhere on the continuum between those two extremes.

The second factor that impacts the budgeting process is a shortage of financial resources. In the school districts of this study, all the superintendents were faced with new restrictions on their revenues. Specifically the school districts in the study were experiencing a reduction in State funding and the tax cap in the Metropolitan Chicago Collar Counties. In this situation, many school superintendents decided whom to involve in making the decisions regarding which programs would receive less money and possibly which expenses might be cut out altogether. Decisions such as these impact students, personnel, and long-range plans.

Purpose of the Study

The purpose of this dissertation was to study and draw conclusions about the decision-making district superintendents used in preparing a budget. Analysis was organized around five main areas. The first area was the actors or key-players in the processes of the decision-making. Was the Board consulted either formally or informally? Which district personnel provided input and to what extent? What other stakeholders were involved? The second area was the processes for the decision-making. The roles of participants played and the organization of the process were analyzed. Third, what values or priorities

influenced the decisions? The top three values or priorities of each superintendent were compared. Included in this analysis was the extent they used guidelines such as a strategic or long-range plan when they made their budgets. The fourth topic was the superintendents' analyses of the processes they currently use and their perceptions of the strengths and weaknesses of their budgeting process. Finally, the superintendents were asked to discuss any decision-making models that have influenced them and how those ideas are implemented in the district.

Sample

The sample was the superintendents of the ten largest districts in DuPage County, Illinois, who had been in that district as superintendent at least two years. This sample was chosen because the districts are similar in size of student population and socio-economic background. The sample includes all three types of district organization, unit, high school and elementary districts, which provides contrast within the geographic boundary. These superintendents have similar districts in that DuPage County is a wealthy, suburban area just west of the city of Chicago. The student population on the western side of the county is growing rapidly. Several of these school districts have a shortage of revenue because of increasing enrollment, reduced State funding, and the Property Tax Limitation Act, which limits school districts in DuPage, Lake, McHenry, Kane and Will Counties to increasing their tax collections by not more than 5% or the rate of inflation, whichever is less. The tax cap forced most districts to reduce or very carefully monitor spending. All of them presently or in the next few years will face the specter of inadequate revenue unless State

funding levels are raised, the tax cap is lifted or the community agrees to a higher taxing rate for education. Because of these conditions, their budget formulation has not been easy or comfortable.

The criterion of the superintendents' having been in the position for at least two years was chosen so that they would have had the opportunity to choose the process for decision-making on the budget. Prior to two years, they might be operating with a system which they inherited from their predecessor but would not choose to use. Of the six unit (K-12) districts in DuPage County, four were eliminated because the superintendents had not held the position of superintendent in the district for more than two years. Of the seven high school districts, five superintendents had been in their positions for at least two years. There are 31 elementary districts in DuPage County. In order to balance the study in number of districts and size of student population, the three largest elementary districts which had superintendents who had served there at least two years were chosen.

Design of the Study

The design of the study was the gathering of data about budget decision-making through a structured interview with each superintendent of the ten largest districts in DuPage County, Illinois, who had been in that district as superintendent at least two years. The methodology was to telephone each of the superintendents and request an opportunity to interview them. The script for this initial interview is included in the Appendix, though in setting up the interviews it was not necessary to use it verbatim. Prior to the interview, the superintendent was sent a confirmation letter including a copy of the questions,

a copy of which appears in the Appendix, so that he or she would have time to think about responses to the questions. A structured interview was conducted using open-ended questions, but with specific questions if certain points are not covered in their answers. Demographic data about the districts were collected at the Office of the Regional Superintendent of DuPage County and from the State Report Cards of 1992. Time lines and other budgeting documents such as long range financial projections and reports to the Board of Education about the budget were collected from each district when they were available.

The data analysis looked for similarities and differences in the key players, the process, the ranking of the priorities, the superintendents' analyses of strengths and weaknesses of the process, and their knowledge of decision-making models. Possible relations were sought regarding (1) the depth of the financial cuts and the processes, (2) the diversity of the factors considered and the number of people involved in the process, (3) the correlation between what processes a superintendent used and length of time in the district or as a superintendent and (4) the awareness of decision-making models, their process of formulating a budget and their analysis of their current process. A comparison of the decision-making between the three kinds of districts, unit, high school and elementary was also made. Where possible, the data were compared to the recommendations and processes found in the professional literature relative to decision-making processes.

Limitations of the study were the size and restricted geographical sample on which to base generalizations about budget decision-making by superintendents. That limitation, however, can be viewed as a control since all the superintendents were faced with the same Tax Cap Limitation. Their resources, however, were not equally reduced because of the range of

dependence on State vs. local funding, the amount of new growth in their district (which does not come under the tax cap) and their rate of growth in student population. A second limitation is the depth and accuracy of information obtained from the interview. Though the face to face interviews provided the researcher with the opportunity to analyze the sincerity of the response through body language and tone of voice, there is still a concern that superintendents said what was ideal rather than what was in fact happening in their districts. The face-to-face interview also provided the researcher with the opportunity to ask for clarification or expansion on answers.

Instrument

The instrument was the questions in the structured interview. During the interview, an interview worksheet was utilized to organize the notes taken (Exhibit C in the Appendix). The following questions organized the interview:

1. What people or groups were involved in formulating the budget in your district and what were their functions in the process?
2. What was the process used in your district in making the decisions for your budget?
3. What were the three most important priorities or values you took into consideration in making your budgeting decisions?
4. What are the strengths and weaknesses of your current budgeting process? To what extent are you satisfied with the process in your district? What would you like to change about the process and why?
5. Are there any educational or business developments or decision-making models that have influenced the decision making in your district recently, e.g. Total Quality Management, Effective Schools Research? If

so, what are they and how have you implemented the ideas in the decision-making processes in your district?

The interview worksheet insured that all points to be compared were answered during the interview.

The answers of all the superintendents were compared for each question. The comparisons for questions one through four showed a range of difference in the responses. The answers to question five provided insight into the theoretical background or sources for the decision process the superintendents had made regarding the budget. The comparison to decision-making models and processes from the literature also provide a frame of reference for interpreting the data.

Administration of the Interview

The interviews were completed during the months of November and December, 1992. This time was chosen because Illinois Public School budgets must be approved by each Board of Education by September 1. Therefore all had recently completed the process. Some were beginning the process again for the next year. One hundred percent of the superintendents responded willingly to the interviews and most volunteered in-depth information about the process.

CHAPTER 2

REVIEW OF RELATED LITERATURE

In the interviews with superintendents, many areas of decision-making and budgeting were mentioned. In support of each of these topics, this chapter of related literature is organized as follows: normative or classical decision-making, descriptive decision-making, decision-making with groups, leadership teams, Japanese management systems including Total Quality Management, effective schools research, strategic planning and budgeting.

The process of administrative decision making has received a great deal of attention since the fifties. Richard A. Gorton provides this introduction to his chapter on decision-making.

The ability to make effective decisions is vital to any individual's success as an administrator. While some, perhaps many, practitioners seem to feel that experience and/or intuition are the main ingredients for effective decision-making, reliance on these factors by themselves frequently leads to unanticipated or unsatisfactory results. Although intuition and experience can provide a useful basis for decision-making, they are seldom sufficient. The effective decision maker also employs an analytical thought process, and he utilizes relevant sources of information and assistance in making decisions.³

³Richard A. Gorton, School Leadership and Administration: Important Concepts, Case Studies, and Simulations, 3rd ed., (Dubuque, IA: Wm. C. Brown Publishers, 1987), 3.

Normative or Classical Decision-Making

There are two broad theories of decision making with a variety of names given by different authors. The first theory sees decision-making as a linear process with clearly defined steps. This theory is called "classical," "normative," or "rational." It is classical because it follows a logical process, it is normative because it describes what "should" happen, and it is rational because it is based on a logical thought process. Herbert Simon in his early research in the fifties separated the decision making process into three stages. The first is Intelligence Activity (from the military usage of the word), defined as "the search of the environment that reveals circumstances that call for a decision."⁴ The second is Design Activity, the stage when possible courses of action are developed, and the third is Choice Activity, the choosing of one course of action from the options developed. Peter Drucker's model for decision making from 1974 included five steps: (1) define the problem, (2) analyze the problem, (3) develop alternative solutions, (4) choose the best solution, and (5) implement the decision.⁵ In this so-called, classical model, the decision maker would understand the problem completely, know all the possible solutions including their implications, and from this complete knowledge, pick the best solution. Ideally, all people would choose the same solution given the same understanding and circumstances. Sergiovanni puts a slightly different light on the rational model when he cites Allison who describes this process as "calculative" because the decision-maker follows those steps

⁴Robert G. Owens, Organizational Behavior in Education, 4th ed., (Englewoods Cliffs, N. J.: Prentice Hall, 1991), 266.

⁵Ibid.

and then calculates what will provide the greatest benefit for the smallest cost. Sergiovanni says "Being calculative is the chief definition of rationality."⁶

Descriptive Decision-Making

The second theory of decision-making contrasts with the first in that it attempts to describe the process that does, in fact, take place; thus, Gorton calls it the "descriptive" theory of decision-making.⁷ Other terms used are the "situational" or "behavioral" theory of decision-making or "bounded rationality." Theorists in this camp do not believe that administrators really use a step-by-step process in making decisions. They feel that decision-making is much more complex, less logical and less sequential than the rational model implies. In fact, decision makers may work on several steps or phases at once; for instance, they continue to analyze the problem while developing solutions and even continue to define the problem as alternative solutions are developed. The steps or phases take into account the fact that in the process of decision making each decision implemented affects future decisions. For these reasons, "feedback loops" were added to some models.⁸ Another principle that also impacts the understanding of decisions in organizations is that "decision making is an iterative cyclical process that proceeds over time to provide

⁶Thomas J. Sergiovanni, Martin Burlingame, Fred S. Coombs, and Paul W. Thurston, Educational Governance and Administration, 2nd ed., (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1987), 142.

⁷Ibid., 4.

⁸Owens, 267.

successive approximations of optimal action."⁹ "Successive approximations" implies incremental changes over time until, as Owens says, an optimal situation is reached or until alternative solutions cannot be found.

In reality, the decision maker has limited knowledge of the problem, the possible solutions, and the best decision. This more realistic view, Simon called bounded rationality. March and Simon also labeled two other kinds of rationality that impact decision making. Contextual rationality is the influence of the environment in which a decision is made. The abilities of the people involved, the traditions of the organization, the community expectations and decisions that have come before this one all impact and perhaps limit decisions. Procedural rationality, the procedures by which decisions are made, limits finding optimal solutions. Examples are program planning budgeting systems (PPBS), zero-based budgeting, cost-benefit analysis, and strategic planning. In most instances of implementation of these procedures, adequate, but probably not optimal decisions are made. ¹⁰

The contingency theory or situational decision-making proponents maintain that effective decisions are dependent upon the situation and the people involved. Victor Vroom and Phillip Yetton's model deals with the feasibility of the decision rather than the steps in reaching it. The three goals of their model are decision quality, decision acceptance and timeliness. *Decision quality* suggests that different decisions have different quality requirements. Decisions impacting more people more significantly for a longer period of time require higher quality decisions than more routine matters. In these situations

⁹ibid.

¹⁰Fred C. Lunenburg and Allan C. Omstein, Educational Administration: Concepts and Practices, (Belmont, CA: Wadsworth, Inc., 1991), 165.

more people should be involved in the process. Participatory decision-making produces better quality decisions as found by Piper in a 1974 study.¹¹

Decision acceptance is equally important to decision effectiveness because people implementing the decision must be willing to support it. Participatory decision making is one commonly used method of increasing decision acceptance as are other supports found in Change literature. This review of the literature will not cover the area of implementing change, which often is a result of decisions. The areas of Change and Leadership, though integral to decision making, are other bodies of literature and research that impact decision-making but will not be covered in depth for this paper. *Timeliness* is an important factor because frequently there is a deadline by which decisions must be made. The thoroughness of investigating possible solutions and implementing a participatory process may be constrained by a time limit. Finally Vroom and Yetton have designed a decision-making tree that incorporates types of situations and styles of leaders.¹²

Robert Owens strongly sides with those who feel that the classic, logical description of decision making does not adequately describe how everyday decisions are made. He points out that situations that require decisions are often fluid and difficult to analyze. Frequently participants view the situation differently, sometimes from conflicting viewpoints. Research studies cited by

¹¹Donald L. Piper, "Decision-making: Decisions Made by Individuals vs Those Made by a Group Consensus or Group Participation," Educational Administration Quarterly 10 (Spring 1979): 82-95.

¹²Victor Vroom and Philip Yetton, Leadership and Decision-Making (Pittsburg: University of Pittsburgh Press, 1973), 196.

Owens found that administrators do not use the linear models in their decision making.¹³

Gorton describes a five step descriptive decision-making process: 1. Defining the situation, 2. Identifying the alternatives, 3. Assessing the alternatives, 4. Selecting the desirable alternative, 5. Implementing the decision.¹⁴ Though the steps appear linear, he emphasizes the environment or situation in which a decision is made. He frames the decision-making process for the administrator by saying the first step implies that the administrator should assess his own capability and that of the people who will be involved in making the decision and carrying out the implementation. He also warns the administrator that he or she must take into consideration what type of reception various decisions will receive. The administrator has prior biases or attitudes that influence his objectivity when looking at alternative solutions and the participants who will be involved. Many times there may be no clear solution and the decision maker(s) must choose the one with the least drawbacks or the most advantageous trade-offs. Gorton modifies Gullick's POSDCoRB definition of administration for his outline to the implementation of a decision. The steps are 1. Planning, 2. Organizing, 3. Staffing, 4. Directing, 5. Coordinating, 6. Reporting, 7. Budgeting and adding Evaluating. His book credits Gullick and Urwick with the term "Evaluating" as well. The situational constraints listed by Gorton are the following:

1. Amount of time available to make a decision
2. Availability of resources necessary to implement any particular alternative.
3. Amount of information available to make a decision.

¹³Owens, 168.

¹⁴Gorton, 5-13.

4. Degree of organizational autonomy given for decision-making.
5. Ambiguity of the situation, including the alternatives and potential consequences.
6. Expectations of others for the nature of the decision-making process and ultimate decision.
7. Amount of tension in the situation.¹⁵

Another constraint is the personality and abilities of the administrator.

Though the person may have the personality and abilities to deal with some kinds of situations more effectively than others, most of the literature says that leaders are adaptable and can learn to function well in different settings. Situational leadership is discussed by Paul Hersey and Kenneth Blanchard in their book, Management of Organizational Behavior. Gorton endorses the idea that managers can behave differently when situations call for a variety of responses and cites Gary A. Yukl's book, Leadership in Organizations.

Gorton also discusses the personal variables of attitudes and values. A few of these variables are the administrator's willingness to assume risks, his respect for people and their opinions, his educational philosophy, and his need for status and power or authority/control. The values become a perceptual screen because they influence his perception of the state of the system (or the problem) and the information relative to the problem. The values affect the screening of possible alternatives and are criteria on which goals are judged. For instance, when an idea is endorsed by someone whose judgment is respected, that idea is given more weight than the same idea from someone less respected or well-known. Conversely, if an "enemy" presents an idea, the attitude of the decision maker toward the person may prevent the idea from being objectively considered.¹⁶

¹⁵ibid., 14.

¹⁶ibid., 15-17.

Decision-Making with Groups

Participatory decision-making is very popular today. Whether to involve others in the decision-making process, whom to involve, when they should be involved and to what extent are all questions that must be asked in light of the decision to be made. The literature suggests that it is better to involve others when the outcome of a decision significantly impacts them. Gorton uses the acronym PDM (Participatory Decision Making) in the decision-making chapter in his book. He includes the following points from an article by John Lindelow and others on "Participative Decision-Making" as a rationale for involving others:

1. It increases the number of different viewpoints and ideas which might be relevant to the decision being made;
2. it makes better utilization of the available expertise and problem-solving skills which exist within the school community;
3. it may improve school morale by showing the individuals involved that the administrator values their opinion, which may give them greater feelings of professional pride and job satisfaction;
4. it can aid acceptance and implementation of a decision because the people who are involved are more likely to understand the decision and be more committed to its success; and
5. it is consistent with the democratic principle of our society, which holds that those who are affected by public institutions such as the school should have some voice in how they are run.

The basis for the idea that a group decision is better than allowing the decision-maker to operate alone is a study published by Donald L. Piper in New Mexico in 1979. In this study eighty-two graduate students in education were given a decision-making exercise called "Moonshot." They were to rank order fifteen items remaining in their crashed space ship as to their importance in

¹⁷John Lindelow, et al., "Participative Decision-Making", in School Leadership: Handbook for Survival, ed. Stuart C. Smith, et. al., (Eugene, OR: Clearing House on Educational Management, 1981), 153-155, quoted in Gorton, 17.

reaching the mother ship located 200 miles away. First they each did the exercise as individuals. Then they repeated the exercise, this time grouped for various purposes and by various criteria. Eight groups were to reach their decisions by consensus and eleven groups by participative decision making. The appointed leader had the responsibility for the decisions, but the group could offer suggestions. Five of the leaders were those who had had the best scores when the exercise was given to them as individuals and five of the leaders were those who had had the worst scores. The results showed that the groups did better than the control group which re-took the test as individuals. In fact, synergy occurred in six of the groups in which the group score was better than any individual group member's score. The average improvement was best for groups that had leaders who had scored poorly as individuals and the next greatest for the consensus groups. The groups with leaders who had scored highest showed the least improvement, but their scores too were somewhat higher. The conclusions were (1) group discussion and agreement (consensus) leading to decisions are more correct than when the same individuals act alone. (2) Decisions made by participative decision making (information and advice from members) are more correct than decisions made by individuals. (3) Decisions made by either of the two models, consensus or participative, are also frequently more correct than the decisions of the best member of the group, a phenomenon called synergy.¹⁸

Research cited by Gorton finds that the extent to which administrators involve others in decision-making is based upon their own attitudes toward the participation of others, their perceptions of the supervisor or superior's attitude

¹⁸Piper, 82-95.

toward PDM and their perception of the extent others in the organization expect to participate in decisions.¹⁹

McGregor's Theory X and Theory Y define two opposing attitudes regarding workers. Theory X is based upon the following assumptions:

1. The average human being has an inherent dislike of work and will avoid it if he can.
2. Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed, threatened with punishment to get them to put forth adequate effort toward achievement of organizational objectives.
3. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition and want security above all.²⁰

Theory Y is based on these assumptions:

1. External control and the threat of punishment are not the only means for bring about effort toward organization objectives. Man will exercise self-direction and self-control in the service of objectives to which he is committed.
2. The average human being learns, under proper conditions, not only to accept but to seek responsibility. Avoidance of responsibility, lack of ambition and emphasis on security are generally consequences of experience, not inherent human characteristics.
3. The capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.²¹

Several authors have discussed levels of participation. Edwin M Bridges summarized five types of participation 1. *Discussion*. Participants discuss a problem and know a decision will be made. The administrator makes the decision and hopes that participants will understand and accept the decision better than if they had not been involved in the discussion. 2.

¹⁹ Robert A. Gorton, "Factors Which are Associated with the Principal's Behavior in Encouraging Teacher Participation in School Decision-Making," Journal of Educational Research (March 1971), 325-327.

²⁰ Danial McGregor, The Human Side of Enterprise (New York: McGraw-Hill, 1960), 47-48.

²¹ *Ibid.*

Information seeking. In this discussion, the administrator is seeking input in order to make a better decision. 3. *Democratic-centralist.* Bridges says this is the most common model. The administrator seeks input for the participants, and though he or she retains the right to make the decision, it is understood that the decision will reflect the input of the group. 4. *Parliamentarian.* The decision is made by a vote after discussion. The administrator has rescinded his right to make the decision to the group. A disadvantage is that there is a minority group whose wishes are disregarded. 5. *Participant-determining.* The group will make the decision by consensus. "Because consensus can be looked upon as pressure, the participant-determining method would probably not be used frequently. However, when it is used successfully, it is a powerful decision-making procedure."²²

Early work in descriptive decision studies occurred in the 1950's. Gorton, drawing upon the work of leadership studies of Tannenbaum and Schmidt, presents another model for levels of participation. Level 1. The administrator makes a tentative decision and asks the participants to evaluate the decision. The administrator reserves the right to disregard the input and carry out the decision. Level 2. The administrator describes the problem to others and asks them to investigate alternative solutions and make a recommendation on several courses of action including the advantages and disadvantages of each. He specifies the procedures for their inquiry and will use their findings to help him make the decision. Level 3. The administrator presents the situation and asks for help in defining the problem and for a recommendation from the group. Again he specifies the procedures for the

²²Edwin M. Bridges, "A Model for Shared Decision Making in the School Principalship," Educational Administration Quarterly 3 (Winter 1967), 52-59.

inquiry and reserves the right to choose another alternative if he chooses.

Level 4. The administrator presents the situation and asks for help in defining the problem and for a recommendation from the group. He does not suggest the procedures to be used in finding alternatives from which the group will make their recommendation. He reserves the right to reject their recommendation.

Level 5. The administrator follows all the guidelines of level 4 except in this last level he agrees to accept the decision and gives up his power of veto.²³

DuVall and Erickson present a three level model of how PDM teams may work. The *Consensus Mode* is when everyone can accept the solution, though it may not be their first choice. The *Centrist Mode* is when the team provides reactions and suggestions to one decision maker. The decision maker makes it clear from the beginning that he or she has the right to make and responsibility for the decision. The purpose of this model is to suggest alternatives, to interact with the decision-maker and to suggest "unanticipated consequences." With this model, evidence suggests that decisions are good and participants are satisfied if the role of the decision maker is clearly understood from the beginning. The *Democratic Mode* produces less satisfaction among participants and poorer quality decisions. It produces factions and political pressures. It "represents a political rather than problem-solving perspective on resolving issues." ²⁴

Gorton cautions that it is important that administrators not involve others when they have already made up their minds. Participants may well realize that

²³Robert A. Gorton, "How to Choose a Leadership Pattern," Harvard Business Review 36 (March-April, 1958) , 95-101.

²⁴Lloyd A. DuVall and Kenneth A. Erickson, "School Management Teams: What are They and How do They Work?" NAASP Bulletin (May 1981): 62-67.

their input will have no effect and may become bitter about the process and negative toward the administrator. There are levels of involvement that should be clearly communicated to participants in the decision-making process.²⁵

Jon Saphier, Tom Bigda-Peyton and Geoff Pierson suggest another listing of what they call

"the proper path for who will make the preliminary and the final decision: an individual or group above you in the organization, you as administrator unilaterally, you as administrator with input from staff, you as administrator and staff by consensus, staff with input from administrator, staff by consensus, staff by vote, or subgroup of staff, with input from others, subgroup of staff unilaterally, or individual staff members unilaterally."²⁶

It is important that participants in the decision-making process understand which of these "paths" they are on and who they are in the process. All of these "paths" are useful for a decision-maker.

Gorton has another model for administrative involvement if the administrator has agreed to accept the group's decision. Within that construct the administrator can (1) present the situation and allow the group to make its decision without his input or influence, (2) serve as a resource person helping to reach the decision, or (3) take an active and powerful role in the discussion and attempt to influence the final recommendation.²⁷ All of these models are useful for a decision-maker. The first empowers the group. Depending upon the decision, it may be wise for the administrator to allow the group to decide, or it may be an abdication of responsibility. The second alternative is especially effective if the administrator has expertise in the area under consideration. In

²⁵Gorton, 17.

²⁶Jon Saphier, Tom Bigda-Peyton, and Geoff Pierson, How to Make Decisions That Stay Made (Alexandria, VA: Association of Supervision and Curriculum Development, 1989) 13-14.

²⁷Gorton, School Leadership and Administration, 26.

the third situation, the administrator's personality and concept of the hierarchy will be important. If the administrator feels his or her voice should be given extra weight because of his position, there is a possibility the group participants will feel resentment.

The question of whom to involve is discussed by many authors. Gorton feels that objectivity is the most important consideration in choosing participants in decision making. "Effective decision-making requires an open mind and an unbiased examination of the facts and alternatives."²⁸ The second criterion should be the person's expertise in the area of the decision. Bridges says the person should be able to contribute information or experience that will "affect the outcome."²⁹ Other qualities mentioned by Gorton are interest and motivation.³⁰ These last qualities were discussed by Barnard and others such as Belasco and Alluto as the "Zone of Concern,"³¹ when the question or problem significantly affects the lives of the people involved and for that reason motivates them to help make the decision. The opposite of the Zone of Concern is the "Zone of Indifference," which includes matters about which people care so little that they would not wish to expend the energy to help in decision-making. The matters may be perceived as being unimportant to their welfare or falling in the realm of the administrator's responsibility to make the decision. Gorton says that people for whom a particular problem falls into their zone of indifference should not be asked to participate because they will feel over-involved, will be

²⁸Ibid., 20.

²⁹Bridges, 52.

³⁰Gorton, 21.

³¹J. A. Belasco and J. A. Alluto, "Decision Participation and Teacher Satisfaction," Educational Administration Quarterly, Winter 1972, 44-58, quoted in Gorton, 19.

of little assistance and may develop a negative attitude toward the administrator.³²

Gorton cautions that administrators should check to see whether people wish to be involved in particular decisions and not merely assume that they do or do not wish to be involved. The administrator may be unaware of the level of concern people feel about a particular issue.³³ Gorton also points out what he calls "prerequisites for success" in PDM. The first is that the administrator needs to be skilled in group processes because decision-making becomes more complex when more people are involved. Many more variables are brought into the procedure. The second is sufficient training for participatory decision-making and adequate information about the situation on which to base the discussion and decision. He attributes the frustrations and lack of quality decisions in some situations, such as those where community members, students and teachers are involved, to the participants' lack of skill in group decision making and/or background about the problem. Finally he, and others such as Owens, state that participants must have a clear understanding of why they are being involved, their authority and the scope of their participation. Without this information from the beginning, participants may become frustrated when their expectations are not being met.³⁴

The book, Educational Governance and Administration by Thomas Sergiovanni and others explains several theories of conflict-resolution. One model considers agreement or disagreement over means and ends. The model

³²Gorton, 20.

³³Ibid.

³⁴Ibid., 27.

is used after an initial discussion about an issue or problem. Following or during the discussion the leader must analyze what occurred. If there was a consensus, the decision has been or will easily be made. If, however, there is significant disagreement, the leader can analyze the discussion to discover whether the participants disagree over the ends or goals or the means to achieve them. Researchers find that organizations staffed by professionals, such as schools, generally agree about ends, such as better education or improved test scores. The means, or how to achieve the goal, will more likely be the point of disagreement. In this case, the key is the "sense of mutual contribution of participants."³⁵ Sergiovanni suggests that persons with differing opinions team or work together so that students receive a variety of means toward the goal. He also indicates that in dealing with professionals, such as teachers, it is necessary to allow freedom to proceed as their professional background directs them. They will be responsible for the work they do and its outcome, but they must be given some autonomy in their work.

Should the analysis of a disagreement show that there is an agreement about means, but a disagreement about ends, two paths are available. The first is Lindblom's "muddling through." In this case, when a single goal or objective cannot be agreed upon, it is suggested that the means on which all agree be implemented without an agreed-upon goal. "These muddled-through policies, in fact turn out to be the incremental changes made to existing policies."³⁶ This incrementalism "describes accurately the compromises and bargains made in decision-making."³⁷ Another approach to

³⁵Sergiovanni, 143-145.

³⁶Ibid., 144.

situations where there is agreement of means but not of goals is attributed to Allison. His explanation of what can happen is that different factions will bargain or compromise. At times these disputes can be settled with a vote. He says this this situation appears less frequently in collegial or professional organization than in political organizations. School boards fall into this realm and will frequently be involved in questions of goals rather than means.

Should the discussion evidence disagreement over both means and ends, Sergiovanni says that by using the calculative model, there can be no agreement. However, there are two other possibilities. The first is a charismatic leader who is able to bring the group to some agreement or at least be willing to follow his or her lead. Max Weber has written about this concept based upon religion, when a prophet comes to lead the people.³⁸ The second is probably a more common resolution which is called the "garbage can" procedure. Problems are not really solved. They just go away or something is tried that may or may not affect the situation. Sergiovanni says, "Most frequently, garbage-can decision making involves either grabbing the first easily available solution ("oversight") or ignoring a problem until a solution comes along that solves another problem (flight)."³⁹

Jon Saphier, Tom Bigda-Peyton, and Geoff Pierson have authored an Association of Supervision and Curriculum Development booklet called, How to Make Decisions that Stay Made, which is representative of other decision-making literature listing questions or considerations for the administrator. In this one the authors outline a decision process which, if followed, would eliminate

³⁷ibid.

³⁸ibid.146.

³⁹ibid., 146-147.

some of the pitfalls of Participatory Decision Making. Their steps and the questions which accompany each one are divided into the following sections: Planning, Deciding, and Implementing. As an example of this type of decision literature, in the planning stage the following are several of their points which are addressed to the administrator.

1. Identify the real issue.
 - a.. Explicitly state who owns it, who really cares about it and why.
 - b. Specify the underlying aim or goal to be attained.
2. Find out and explain how much discretion you have to take action or not. Must this issue be dealt with? State how strongly you personally feel about it.
 - a. Tell the decision-making group your thoughts about the answers to the above questions.
 - b. If you have discretion, decide whether the issue is really worth working on now; e.g. does a decision really need to be made?
 1. Examine your resources to see whether they're adequate for carrying out any solution (avoiding studies that are put on the shelf and waste people's time.)
 2. Verify that all the available data are accurate and complete.
 3. Are there enough data to conclude there is a real problem or issue that is worth working on?
 4. See whether the meaning of the data is significant enough to continue. Do others interpret the data the same way?
 5. How does this issue fit in with existing priorities? Will attention to this issue divert too many resources from other priorities?⁴⁰

These authors make the case for also stating clearly at the beginning what values must support the decision and what cannot be changed or violated. Their example is that class size must not increase as a result of the decision. Their section on deciding contains more administrative process during the deciding phases such as periodic checks with the group(s) to see that their ideas are possible to implement and acceptable and to communicate their progress and ideas to the larger group if the decision will ultimately affect them

⁴⁰Jon Saphier, Tom Bigda-Peyton, and Geoff Pierson, 9-12.

all. They also suggest that the administrator write in a memo that those who choose not to participate in the decision-making process must agree to live with the decision of those who do participate and that those who are silent within the group during the meetings must accept the decision and help to implement it. During these constant checks, the administrator could decide to stop the process because it is clear that further effort will be wasted because no solutions seem apparent or will be acceptable, redirect the process or let it continue. The authors' last directions or steps are to "communicate the reasons for the decision fully and clearly to all affected parties after the decision is made, including how people's input was used."⁴¹ Their last step for the administrator is to plan how to keep track of the progress and communicate this information to all concerned.

The use of a "procedure manual" for decision making is suggested by Saphier, et. al. to teach decision-making to all members of an organization. They even suggest distributing the steps and posting copies so that everyone can know the process. The steps can be used as a checklist throughout decision-making and as an evaluation after the work has been completed. People must understand, however, that not all decisions can or should be handled in this way. Some decisions are so insignificant that they should not take up people's time. Other decisions are better handled by one expert, such as where to purchase the school's paper. Occasionally time constraints do not permit group participation. Members of an organization need to realize that only significant issues which affect them will probably be decided with group participation.

⁴¹Ibid., 26.

Charles Lindblom introduced the word incrementalizing into the decision-making literature. Incrementalizing does not follow the classical model at all, but rather makes small adjustments which will satisfy the problem. It involves "limited comparisons of alternative courses of action with one another until decision makers arrive at an alternative on which they can agree."⁴² Owens agrees that this is what in fact happens in many organizations, but he implies that administrators continue to make incremental changes always seeking some optimal state.

March and Simon have used the term satisficing to describe the small changes made which will satisfy the problem, without being concerned with the optimal decision.

"Most human decision making, whether individual or organizational, is concerned with the discovery and selection of satisfactory alternatives; only in exceptional cases is it concerned with the discovery and selection of optimal alternatives."⁴³

The term in the literature seems to carry a negative connotation as does incrementalizing, but the reality may well be that the decision makers have a goal in mind and that small steps which might be labeled incrementalizing and satisficing represent steady progress toward a goal. Owens says "reaching optimal decisions is the central goal of decision making."⁴⁴

In larger organizations usually there are multiple management teams, with representatives interlocking when they represent different levels or face mutual issues. A conventional model for smaller districts is a policy team made

⁴²Lindblom, quoted in Lunenberg and Ornstein, 166.

⁴³James G. March and Herbert A. Simon, Organizations (New York: Wiley and Sons, 1958), 140-141.

⁴⁴Owens., 267.

up of the Board of Education and the Superintendent; a team made up of the superintendent, representatives of the central office, staff, and all principals or principal representatives; and teams that report to special area administrators such as business, curriculum or department heads or teacher representatives.⁴⁵ DuVall and Erickson also present what they call their "cross-bred team model." In this model there is the policy team of the Board of Education and the Superintendent. Then there are management teams for planning, developing concepts, evaluating programs and making recommendations to the policy team. Members of these teams are representatives from the various functions and levels.⁴⁶

Japanese Management

Drawing upon the research in effective management in business, many educators are applying Japanese management principles to educational administration. An early writer in this body of literature is William C. Ouchi , calling it Theory Z or Type Z management. This name separates the assumptions of Japanese management from those of McGregor's Theory X or Theory Y. Ouchi's system is summarized by the following: "There is a hierarchical order, but self-direction rather than the hierarchy is what motivates commitment, loyalty and motivation....Quality Circles are a formal, institutionalized mechanism for productive and participative problem-solving

⁴⁵DuVall and Erickson, 65.

⁴⁶Ibid.

interaction among employees."⁴⁷ The process and concepts can be described in the following way:

Small groups of people who perform similar work must meet voluntarily on a regular basis, usually once a week, to analyze work related problems and propose solutions to them. Quality Circles are usually led by a supervisor or manager of the work unit in which they are located. Members receive training in problem solving, quality control and group dynamics to help them function well. The Quality Circle process draws substantially upon psychological theory and research for its rationale. The technique, consistent with the work of theorists such as Abraham Maslow, assumes that employees become more motivated if jobs meet their needs for growth. Proponents claim that Quality Circles accomplish this by giving workers opportunity to identify and solve real problems, make presentations to company management and operate successfully in groups.⁴⁸

Frank D. Aquila described the working of Quality Circles in the following way. The Japanese companies are organized in work groups of 10-12 people to manage their own unit. They are not hindered by outside review or evaluation. Consensus decision-making is taught and utilized. He says consensus decision-making improves "worker relationships, reduces formality and promotes cooperation. This holistic approach leads to an egalitarian atmosphere."⁴⁹ David Hunnicutt reports that membership in a Quality Circle is voluntary, involving 3-28 people with most working with about ten members. They meet about one hour per week during business hours or after hours. The number of circles varies from business to business, and sometimes different circles meet together to work on solving mutual problems. Members select their

⁴⁷Crocker, Chiu and Charney quoted in David Hunnicutt, "Improving Education through Quality Circles," Contemporary Education 58 (Spring 1984), 138.

⁴⁸Franklin B. Jones and Roger T. Villines, "Japanese Management: What is it and can it be used in Education?" Planning and Changing 18 (Winter 1987), 246-251

⁴⁹Frank D. Aquila, "Japanese Management Practices: The Educational Hula Hoop of the 80's," National Association of Secondary School Principals Bulletin 66 (November 1982), 94.

own problems to work on. When one solution is found, another issue becomes their topic; they meet regularly without stopping once a solution is found. The program involves a facilitator who serves as a liaison between circles. The facilitator has the full responsibility for the functioning of the circles. In 1982 one in eight Japanese workers was participating in a Quality Circle.⁵⁰

Education should be able to adopt this decision-making process because its members have had training in problem-solving, perform similar work and share common goals.⁵¹ The process seems ideal for education because as Piper showed in his research, decisions made by consensus are better than those made by individuals, and the person who performs the job is the best one to identify problems and correct them.

Management is responsible for implementing this program. Daniel E. Griffiths maintained that an individual's rank in an organization is directly related to the control they exert over the decision-making process.⁵² The superintendents at the district level and principals at the building level are the managers who have control over the decision-making process. It is they who have the opportunity to introduce or maintain participatory management.

Frank Aquila in an article in the National Association of Secondary Principals Bulletin said that principals should use a consensus form of decision-making and should develop Quality Circles so that teachers have input into the

⁵⁰Crocker in Hunnicutt, 139.

⁵¹Jones and Villines, 251.

⁵²Griffiths, quoted in Owens, 262.

educational process.⁵³ Frank Jones and Roger Villines then say that Quality Circles can apply at at the district level as well as the building level.⁵⁴

Though Quality Circles are not in wide-spread use in school districts and individual school buildings, many schools have adopted some form of team management, sometimes called Leadership Teams. As site-based decision making is being implemented, the need for a formalized decision making body has become more prevalent. DuVall and Erickson define such a body as "a group whose role is formalized and legitimized and whose purpose is problem solving and or decision making."⁵⁵ Such groups are legitimized by a formal policy establishing their existence. They take a variety of forms and function in different ways. Leadership Teams can be defined by who comprises the team, the functions of the team and their relationship to decision-making. Research has shown that "workers (teachers) whose supervisors (principals) have influence on decisions made at the top of the organizational hierarchy will demonstrate higher job satisfaction than those whose supervisors do not have that influence."⁵⁶ People want to be able to remedy situations that are less than desirable and in a hierarchical situation this can only be done if the superior can obtain resources or effectively lobby for change. Should their superior be unable to redress their needs, the workers would logically feel frustration and less job satisfaction than those whose superiors were successful in improving their lot.

⁵³Aquila , quoted in Villines,

⁵⁴Villines, 250.

⁵⁵Lloyd A. DuVall and Kenneth A. Erickson, "School Management Teams: What are They and How do They Work?" (NAASP Bulletin, May 1981), 63.

⁵⁶*Ibid.*, 64.

W. Edwards Deming, an American business leader, is credited with transforming Japanese businesses following World War II with his 14 points. Today United States business and educational institutions are adopting his Quality system. His fourteen points are as follows:

- Point 1. Create constancy of purpose for the improvement of product and service. This means innovation, research and education; continuous improvement of product and service, maintenance of equipment, furniture and fixtures and new aids to production in the office and in the plant.
- Point 2. Adopt the new philosophy. Quality must become the new religion.
- Point 3. Cease dependence on mass inspection... Quality comes not from inspection but from improvement of the process.
- Point 4. End the practice of awarding business on price tag alone.
- Point 5. Improve constantly and forever the system of production and service.
- Point 6. Institute training and retraining.
- Point 7. Institute leadership.
- Point 8. Drive out fear.
- Point 9. Break down areas between staff areas.
- Point 10. Eliminate slogans, exhortations, and targets for the work force.
- Point 11. Eliminate numerical quotas.
- Point 12. Remove barriers to pride of workmanship.
- Point 13. Institute a vigorous program of education and retraining.
- Point 14. Take action to accomplish the transformation.⁵⁷

All of the Quality literature emphasizes that management or leadership must visibly participate and support the concepts.⁵⁸ Statistical expert, Joseph M. Juran, taught Japanese management they must plan for quality by establishing a dependable process.⁵⁹ Deming's ideas have been adapted to schooling by many authors and organizations. One of the most recent examples is a new publication by A.S.C.D. entitled, Schools of Quality: an

⁵⁷ John Jay Bonstingl, Schools of Quality: An Introduction to Total Quality Management in Education (Alexandria, VA.: Association of Supervision and Curriculum Development, 1992), 77-82.

⁵⁸Ibid, 13.

⁵⁹Ibid, 14

Introduction to Total Quality Management in Education. One of the key points in TQM is that management (or administrators) rather than with the workers (teachers or students) are responsible for quality and productivity.

"Responsibility for quality processes, systems and outcomes rests with management."⁶⁰ This places the burden of Quality in the organization on the shoulders of the superintendent. Without his or her support and leadership, Total Quality will not be institutionalized within a school district. "The capstone of Total Quality Management is the concept of continuous improvement."⁶¹ Frequently the problems lie within the system and the system is the responsibility of the administrators. Constantly seeking to improve may add impetus to major system changes in education in the U.S. such as teacher evaluation plans and class scheduling at the secondary level.

Another of Deming's key ideas is that each organization must be seen as a system whose functions or activities work together toward the goals of the organization.⁶² Peter Senge talks about "shared vision. "

All too often, a company's shared vision has revolved around the charisma of a leader, or around a crisis that galvanizes everyone temporarily....The practice of shared vision involves the skills of unearthing shared "pictures of the future' that foster genuine commitment and enrollment rather than compliance.⁶³

Deming feels that administrators must work with suppliers and workers in a cooperative or what has been called a "win-win" way. Only then can a stable

⁶⁰Ibid. 43.

⁶¹James H. Cherry, "Total Quality Management (TQM): A Way Out of the Crisis," Journal of School Business Management 4 (October 1992): 21.

⁶²Lewis A. Rhodes, "Why Quality is Within Our Grasp...If We Reach," The School Administrator 47 (November 1990): 31-34.

⁶³Peter M. Senge, The Fifth Discipline. (New York: Doubleday, 1990) 9.

system be created. The supplier and the customer form a system in which each must prosper.

Another important tenet of Total Quality is that decisions must be data-driven. Examples of situations in which schools might collect data to help in making decisions are in discipline matters. By looking at the numbers and kinds of offenses during a certain period of time, administrators, teachers, or students might discover a pattern or be able to hypothesize about possible causes. Then a decision could be made to try to remove the causes or change the situation. Another situation calling for data collection could be in the number or type of complaints parents have or excuses that students have regarding some particular schedule or assignment. A third example might be collecting data on the level of satisfaction schools have about suppliers of text books or the process for ordering supplies. Decision-making tools have been developed to help decision-makers choose actions or plans carefully. Several of the most common are the flow chart, the Pareto diagram, the force-field analysis and the control or run chart. Most people are familiar with a flow chart which describes a process. The Pareto diagram is a bar chart which compares the significant with the trivial, comparing how often certain events, actions, problems occur. The Pareto diagram allows decision-makers to see where efforts should be concentrated to make the most impact. The force-field analysis is a tool for analyzing the forces that work to drive a change and those which restrain it. The control chart quantifies what is actually going on in a system, allowing decision makers to separate what is normal from what is outside of the normal range. Corrections must be made differently for variations within the normal range and those that are unusual. After deciding on actions to

improve a situation and implementing them, the control chart is used to see if positive correction has occurred.⁶⁴

Effective Schools Research

Effective schools research, which was done in the mid 70's, identified teacher behaviors and school practices that produced higher test scores. An effective school was defined as one "in which essentially all of the students acquire the basic skills and other desired behavior within the school".⁶⁵ Another source provided this definition as the one used in the effective school studies:

An effective school is one where the proportion of students from the lowest socio-economic class in the school evidences minimum mastery of the essential curriculum in equal proportion to the levels of minimum mastery evidenced by the higher socioeconomic class in the school.⁶⁶

Investigators studied the practices of urban elementary schools with minority students from low socio-economic backgrounds which were achieving high test scores. Some of the findings were that "the individual school must have control of enough of the critical variables to assure 'learning for all'".⁶⁷ Another finding was that a "strong link between home, school, and community is necessary."⁶⁸

⁶⁴Arthur Andersen, Inc., Total Quality Training: Process Improvement Tools (St. Charles, IL: Arthur Andersen and Co., 1992.) np

⁶⁵Wilbur B. Brookover and others, Creating Effective Schools. (Holmes Beach, FL: Learning Publications, Inc., 1982), . 7.

⁶⁶Lawrence W. Lezotte, "Characteristics of Effective Schools and Programs for Realizing Them," Education Digest 48 (November 1982): 27.

⁶⁷Lawrence W. Lezotte, "Learn from Effective Schools," Social Policy 22 (Winter 1992): 34

⁶⁸Monte C. Moses and Kathryn S. Whitaker, "Ten Components for Restructuring Schools," The School Administrator, September 1990: 34.

"Parents have various options for becoming involved in schooling, especially in ways that support the instructional program."⁶⁹ A recommendation that comes from the research is the establishment of a school improvement planning team that includes the principal, representative teachers, a representative number of parents and possibly other central office administrators. In the effective schools local autonomy or "having control of critical variables" was done in a collaborative environment. A collaborative environment implied shared decision-making. The research also produced the following suggestions for effective schools. Program evaluation and student progress assessments must be tied to the autonomy. Each building must also be able to document the building's pursuit of district and building goals and standards. Accountability or quality control can be demonstrated through time-on-task measures, standardized and criterion referenced test results, surveys of students and parents, interviews, and authentic assessments of students' projects and processes.

Strategic Planning

Strategic planning was first used in business and industry and then was adopted by education. "In the corporate world , strategic planning models have proved successful in stimulating production, enhancing worker satisfaction, improving product quality and ultimately increasing company profits. Since they promise similar benefits in schools and colleges, these models are attractive to

⁶⁹Northwest Regional Educational Laboratory, "The Ten Characteristics of Effective School Practices," Effective Schooling Practices: A Research Synthesis. Adapted in Illinois State Plan for Program Improvement Chapter I. ESEA. (Springfield, IL: Department of Program Development and Operations Intervention and Improvement Services Section, 1992), 11.

educational administrators."⁷⁰ Strategic or long-range planning may guide priorities for major initiatives. Many districts have involved staff, students, parents and community members in strategic planning. These plans can help to set budget priorities and insure community support of district spending.

There are a variety of models for strategic planning. They begin with visioning or choosing what would be ideal. The next step is the formulating or clarification of beliefs, values and mission statements. Then the planners must establish goals and develop action plans to move the district to the goal. The action plans are then implemented and subjected to periodic review or evaluation.⁷¹ Each of these steps requires decision-making. The discussions may be quite heated when people representing different segments of a community try to agree on a mission statement or goals for a school district. The nominal group technique or other formal decision-making processes may be helpful in reaching consensus.

⁷⁰Leigh Chiarelott, Patricia Reed, and Steven C. Russell, "Lessons in Strategic Planning Learned the Hard Way," Educational Leadership 48 (April 1991): 36.

⁷¹Roger Kaufman and Jerry Herman, "Strategic Planning for a Better Society," Educational Leadership 48 (April 1991): 5.

In addition to the literature and research on decision-making, there is also a body of literature on budgets in school districts that impacts the research of this dissertation. A budget is defined as a device for accomplishing the districts' educational goals and objectives.⁷² "Budgeting is the crucial management tool used for translating intentions (plans) into actions....Planning, the weighing of priorities and alternative means to accomplish them, is essential for effective budgeting in the schools."⁷³ Planning is a form of decision-making. Classical decision-making models begin with a problem. In planning, however, the "problem" may not be a problem in the sense of Webster's definition as a "source of perplexity, distress or vexation" or "a question raised for inquiry consideration or solution."⁷⁴ Rather "planning" in the sense that the word is used in strategic planning is deciding on the goals and then the best methods to achieve those goals. Planning involves deciding what the objective is, analyzing it, considering alternative approaches to reach that objective or goal and finally choosing one alternative to implement, which is very similar to the process outlined in the classic decision-making models. In one sense, it is more like the classic models than the descriptive models for decision-making because the decisions for goals are more the optimal decisions of the classic models than the satisficing decisions of the descriptive models of decision-making.

⁷²William T. Hartman, School District Budgeting (Boston: Allyn and Bacon, 1988), 1.

⁷³Howard Feddema, "Budgeting a Strategic Plan," Journal of School Business Management 2 (October 1990), 25.

⁷⁴Webster's Ninth New Collegiate Dictionary (Springfield, MA.: Merriam-Webster, Inc., 1987), 937.

It seems logical that setting goals and objectives precedes working with numbers in formulating a budget, yet the Hartman budgeting textbook, which is used for courses on finance, discusses five major steps in budgeting, the first of which is the development of the guidelines which include the timetable and projected revenues. The second step is the estimation of expenditures. He mentions a bottom-up process with teacher input, but does not discuss group processes for decision-making. It would seem that some guidance on decision-making would be appropriate given its importance to the budgeting process. Neither does the text mention strategic or long range planning as a budgeting tool. The fact that a popular budgeting text does not mention long-range planning shows that this kind of planning has not been traditional in education.

In the past budgeting was done primarily through the central administrative offices. Preparing the budget was a chief responsibility of the school superintendent. George E. Ridler and Robert J. Shockley suggest the following steps for the superintendent in the formulation of a budget. The first is to put philosophy and leadership skills to work through the following steps: "select competent staff to help coordinate budget preparation, spell out guidelines clearly in writing, work closely with the board of education and elected officials, keep the staff involved and informed, keep the public informed and allow ample opportunity for public input, and allow plenty of lead time for the various phases of budget preparation and review."⁷⁵ The superintendent and the administrative staff must sort out the priorities of the community. This can be done by listening to community members through the results from informal questionnaires, community meetings, meetings with service clubs, and

⁷⁵George E. Ridler and Robert J. Shockley, School Administrator's Budget Handbook (Englewood Cliffs, N.J.: Prentice Hall, 1989), 5.

parent-teacher organizations. There are strong special interest groups such as athletic booster clubs and parents of gifted children that frequently are very vocal in their demands for support of their programs. The superintendent must also communicate with the Board of Education both formally and informally regarding the budget throughout the process so there are no surprises for either the board or the superintendent. A final source of important information is the teachers, administrators and central office staffs. The superintendent must set aside time to meet with these people to find out their concerns and priorities.⁷⁶

The superintendent and his advisors must choose the form of the budget. Some common methods are the line-item budget, the Program-Planning-Budgeting-System (PPBS), the Zero-Based Budget (ZBB), incremental budgeting or some combination of these systems. The line-item budget is probably the simplest form, with expenses listed by type such as salaries, supplies, or transportation. The program budget system has the advantage of organizing so that the cost of particular programs is more readily apparent. Prorating the costs of some salaries, space and services when they are involved in several programs is complex under the program budget system. Zero-based budgeting requires that all programs start over each year and must justify their existence and compete with other programs for funding. Zero-based budgeting has been less popular in schools than have the other forms of budgeting because it is time consuming and requires a great deal of analysis. Incremental budgeting, on the other hand, is very popular. This system assumes that the same proportional division of funds will continue but will be

⁷⁶Ibid., 5-7.

raised or lowered depending upon available dollars. Adjustments must be made for changes in costs or personnel if changes are anticipated.

Tools of the budget making process are the budget calendar and guidelines. Sample calendars are available in all budgeting textbooks and their use is common practice. Budget calendars must be tailored for the district and updated annually. The guidelines for the annual budget should include the administrative assumptions from which all administrators will work. Examples of these assumptions are the projected enrollment, projected revenue, projected inflation, and increased costs. If priorities have been selected on a district basis, their impact on the budget should be explained. Written instructions for completing budget forms and when and to whom they should be sent must be included.

Beginning with the Effective Schools movement in the early 80's, more emphasis has been placed on site-based decisions and teacher empowerment. Site based management moved the authority from the superintendent to the principal of the school, making the principal accountable for the school culture, the decisions made there, whether by a group such as department members or by the faculty, and the learning of the students as shown through test scores or some other means. Site-based management also usually means a reduction in central office staffing and reallocation of dollars for central office salaries and operations to the buildings.⁷⁷

Priorities may be set for the district or by the buildings if there is site-based budgeting. If the district has decentralized the budgeting process so that many decisions are made at the building level, the setting of priorities may be

⁷⁷Clifford E. Cox, "School Based Management--Implications for District Administrators and Budgetary Control," Journal of School Business Management 1 (October 1989), 23.

done by faculty, students and parents. The result of the site-based decisions is that there will be more diverse spending patterns among the various schools in the district. These diverse spending patterns will be reflected in more variations in the budgets from schools within the district.

Site-based budgeting is the topic of many books and articles. One spokesman is John Greenhalgh, whose book School Site Budgeting outlines procedures for districts to use in moving from a centralized budgeting system to a site-based budgeting system. He believes that the decision made closest to the student is the best decision.⁷⁸ In one model of site-based decision-making the central office administration determines how much money follows each student. That amount multiplied by the number of students is the amount the building has to work with in planning its budget. Decisions must also be made centrally about formulas or weightings for different kinds of special needs students and for levels, e.g., comparing the cost of educating an elementary level student to a high school student. In one of Greenhalgh's models, the proportional amount for teachers' salaries is also given to the buildings to be spent as they choose for incentives or to raise or lower class size.⁷⁹

Greenhalgh advocates that some decisions are more efficiently left to the central office such as wage scales, employment benefits, labor agreements, accounting and dealing with outside agencies. He feels that some purchasing, too, can be more economical if it is done on the largest scale possible. "In dealing with public monies, there is always a requirement for openness, accountability, prudence, sound planning and independent auditing. To meet

⁷⁸John Greenhalgh, School Site Budgeting (Lanham,MD: University Press of America, Inc., 1984), xi.

⁷⁹Ibid., 115-116.

these conditions, the decentralization process needs a planned structure.

Measures of comparability can only be applied to data assembled in standard formats.⁸⁰ The central office's provision of the structure for clear accounting increases in importance.

Greenhalgh has six rules to make decentralization work:

1. Be secure and committed. Risk-taking, like mountain climbing, requires solid footing before progress can be achieved.
2. Plan and prepare. Unlike traveling with a credit card "ride now, pay later", decentralized school operations require unqualified preparation. It proposes evolution, not revolution.
3. Define limits. Circumscribe the arena within which decisions will be features. Provide reserved seats for the spectators and a good playing surface for the participants. All contests must be open to the general public.
4. Explain consequences. Let each decision maker know how the score (evaluation) is to be kept. Participants should know in advance what back-up or fail-safe resources will (and will not) be available to support their decisions.
5. Do and re-do it. Most discoveries are made after some trial and error, even though the final goal was always paramount. Be prepared to made mid-course corrections.
6. Audit. If it's worth doing, it should be measurable or at least observable. If it's measurable, it's important. If it's important, identify it.⁸¹

Strategic planning also impacts a school district's budget.

Howard Feddema discusses two kinds of planning: strategic and operational. Operational planning has a time horizon of one year or less; strategic planning extends from five to seven years.

Operational planning deals with programs that already exist and will be retained; strategic planning is planning for growth or change.

Operational planning is driven by budgets; strategic planning is

⁸⁰Ibid., 12.

⁸¹Ibid., 16.

driven by vision and what the organization should become.⁸²

Strategic planning impacts budgets when it causes a district to focus its resources on identified goals which usually extend over several years.⁸³

⁸²Feddema, 26

⁸³ibid.

Summary

This chapter has presented a brief summary of literature connected to decision-making in the budgeting process. It began with the classic and descriptive decision-making models. The decision-making models describe the process by which not only budgeting but all decisions are made. The process does not stand alone; it must be implemented by people. The next sections discussed the literature on participative decision-making and the use of leadership teams for making decisions. W. Edwards Deming introduced Total Quality Management to the Japanese after World War II. T.Q.M. includes in its principles shared decision-making. The Total Quality Movement has also contributed tools or processes for facilitating decision-making. Finally the chapter concludes with a brief summary of literature on the budgeting process itself. The effective schools research pointed out that effective schools had to be able to control variables that would improve their students' skills and opportunities for learning. From that research has come the present emphasis on site-based decision making or autonomy for individual schools. Strategic planning has also brought about a need for high-level decisions regarding a school district's vision and goals. Though these topics seem diverse, they share the core of decision-making. If they are not directly decision-making models, they require the process of decision-making. The study of these topics sheds light upon what happens or should happen when superintendents are planning and involved in the decisions in formulating a budget.

Chapter 3

PRESENTATION AND ANALYSIS OF THE DATA

The sample providing data for this dissertation is the district superintendents in DuPage County, Illinois, a relatively wealthy, western suburban county in the metropolitan Chicago area. Some of the districts are growing rapidly because they are on the western edge of the area where there is still available land for development. This county and four other counties are under a State-imposed Property Tax Limitation Act limiting their ability to increase their tax collection by not more than 5% or the rate of inflation as reflected in the Consumer Price Index, whichever is less. For the 1992, the Consumer Price Index was 3.1%. This limitation makes funding the school programs difficult because many expenses, including salaries, have risen more than 3.1%. The cap is limited to old property; new construction is not under the limitation. Thus, in the areas to the west of the county, where the student population is rising faster than in the districts closer to the city of Chicago, taxes on the new construction can be higher than 3.1%, which helps to compensate for the additional costs of an expanding student population.

The State of Illinois has been cutting funding for education because of its poor financial situation. The State formula for funding for education is based upon the assessed valuation of property in the district, with wealthy districts receiving relatively little (approximately 10-15% for the districts in the study) State aid. For fiscal year 1992-93, the State announced in June it was cutting funding for transportation. For several of the superintendents interviewed, this

presented a serious financial impact. They had no way to raise additional revenue and their expenses had already been cut drastically from the previous year.

In passing the Tax Cap, the legislators provided that the voters in a district could vote to tax themselves higher than the cap. However, taxpayers are very reluctant to pass bond referenda or increase the limit for school district taxes. Economic times have been difficult in the past four years. During the years of 1990-1992 there has been a serious recession in the country. It is especially hard on older homeowners on fixed incomes because their property taxes have continued to rise as the assessed valuation of their property has gone up. In reaction to this squeeze between fixed or reduced incomes and rising taxes, homeowners vote against increased support for schools. The media calls it a taxpayer back-lash. At the same time, the Illinois formula for funding education places more responsibility on the property tax to fund education. These facts work together to restrict spending for education. In fact, in several of the districts, the electorate applies pressure by protesting and packing the board room each year when the school board presents the budget to the taxpayers and has its meeting for approving the budget.

In this difficult financial setting, superintendents were faced with making difficult and sometimes painful decisions. For those superintendents who had decided to build up a sizeable reserve fund in the past, the adverse financial situation for their districts in this year was less severe than for those who had chosen to levy only for the amount needed and not to build up a reserve when the financial times were better. Several of the superintendents spoke somewhat bitterly about other superintendents who had built up large reserves, saying they had done the right thing in asking the public for only what they

needed though they could have taxed at a higher rate which the public had approved by referenda. Now they are being penalized because they cannot tax even at their approved rate. Meanwhile the districts that had levied at the highest rate are still able to maintain all their programs and even expand certain initiatives.

The sample is ten superintendents of unit, high school, and elementary districts which range in student population from 9,497 to 3,352. In DuPage County there are 31 elementary districts, seven high school districts and six unit (Kindergarten - 12th grade) districts. The three elementary districts chosen are the largest eligible districts so that the size of the districts in the sample is as close as possible. The superintendents all have had at least two years as superintendents in their districts. This period of time allowed them to establish a budgeting process of their own rather than utilizing one inherited from their predecessors. Of the 13 high school and unit district superintendents in DuPage County, only seven had been in the position more than two years and, therefore, were eligible to be included in the study. The three elementary districts were the largest ones in the county which had the same superintendent for at least two years. One hundred percent of the superintendents contacted agreed to be included in the study. Nine of the ten had a doctorate degree. Their experiences as superintendents ranged from two to 33 years. Of the 31 elementary districts, four have female superintendents, one of whom is included in the study; there are no women superintendents of the high school and unit districts.

Interview Questions

The data presented is analyzed and organized by the five broad questions asked in the interviews. The superintendents were encouraged to talk freely in response to broad questions about decision-making. They received a copy of the five questions in a confirming letter prior to the interview. As a result, many had prepared with some notes and materials about their budgets. The questions were as follows:

- **1. What people or groups of people are involved in formulating the budget in your district and what were their functions?**
- **2. Please describe the process you use in your district in making the decisions that go into your budget.**
- **3. Please rank the top 3 Priorities or Values that influenced you.**
- **4. What are the strengths and weaknesses of your current budgeting process? To what extent are you satisfied with the process in your district? What about it would you like to change and why?**
- **5. Are there any educational or business developments or decision-making models that have influenced the decision making in your district recently? (e.g., TQM, effective schools research) If so, what are they and how have you implemented some of those ideas in the decision-making processes here?**

Narrative Presentation of Superintendents' Responses to Each Question

To maintain anonymity, the districts are identified by a letter.

An analysis, comparison and contrast of the data for each question follow the data. The data from questions 1 and 2 are presented together because the two are so closely related and were usually answered together during the interviews.

• 1. What people or groups of people are involved in formulating the budget in your district and what were their functions?

Superintendents discussed the actors in the decision-making process in response to the first question. The districts had many titles for the person in charge of finances such as Assistant Superintendent for Business and Director of Business Services. For the study, the title Chief School Business Official is used for the position. In all districts there were many participants in the budget decision-making process (see table 1).

TABLE 1

PARTICIPANTS IN THE DECISION-MAKING PROCESS

DISTRICT	ACTORS IN PROCESS
Unit A	Board of Education, Chief School Business Official, Principals, Teachers, Custodians, Students, Parents
Unit B	Board of Education, Chief School Business Official, Central Office Administrators, Principals, Teacher Union, Department Chairpersons, Teachers, Parent Council at Building Level
High School C	Board of Education, Chief School Business Official, Central Office Administrator, Principals, Teachers, Limited Student Participation
High School D	Board of Education, Chief School Business Official, Central Office Administrators, Principals, Department Chairpersons, Teachers
High School E	Board of Education, Chief School Business Official, Central Office Administrators, Principals, Teachers
High School F	Board of Education, Chief School Business Official, Central Office Administrators, Principals, Department Chairpersons, Teachers

High School G	Board of Education, Chief School Business Official, Central Office Administrators, Principals, Department Chairpersons, Teachers
Elementary H	Board of Education, Chief School Business Official, Central Office Administrators, Principals, Teachers, Parents, Community Members
Elementary I	Board of Education, Chief School Business Official, Central Office Administrators, Principals, Teachers, Parents, Community Members
Elementary J	Board of Education, Chief School Business Official, Central Office Administrators, Principals, Teachers, Parents through P.T.O officers

• 2. Please describe the process you use in your district in making the decisions that go into your budget.

The second question, which was to describe the process used in making the decisions, overlapped with the first. Most superintendents answered questions one and two simultaneously.

The superintendent of Unit School District A reported that he begins the budget process in November. At that time he clearly states the guidelines on the use of resources and the budget philosophy, which is to have a balanced budget and to maintain cash reserves. The process then goes to the "grass roots" with teachers and custodians providing input to their principals. At each building there is a School Improvement Council composed of 25 people who represent the principals, teachers, students, parents, and custodians. They plan for yearly objectives. This is completed by February. In March the principals and Superintendent meet with the School-Based Improvement Councils which include representative parents and students. At that meeting decisions are made. In April a tentative budget is submitted to the Finance Committee of the Board of Education where it is probably approved and then sent into the formal adoption procedure prescribed by the State.

The superintendent of District A feels very satisfied by his process. He feels it represents a grass-roots approach, in contrast to the process used by his predecessor when the budget was dictated from the superintendent. He also spoke with pride of the balanced budgets of recent years, unlike the heavily indebted situation of a few years ago. The situation changed when the district passed a referendum allowing them to tax at a higher rate so that they could operate within their revenues. He estimated that 10% of his time is spent on the budget and the budgeting process.

The superintendent of Unit District B reported a somewhat different approach to decision-making regarding budgeting in his district. His process, too, involves everybody in the district, especially the teacher's union regarding salaries and in a parallel process, curriculum needs as identified by the buildings. In the process he described as including "everybody," he did not include custodians or students. Parents are involved through the Parent Council at the building level. This superintendent utilizes the Board of Education in a role unlike any of the other superintendents in the sample. In District B the superintendent gives the Board of Education a list of projects or initiatives. The Board of Education makes the decision by prioritizing the projects and deciding which ones to fund. The membership of this board has been stable, and their longevity and experience are the reasons many of the budgeting decisions are made by them. This superintendent spoke of a business model in running his district, with the Board of Education serving as does a Board of Directors in a company. This superintendent estimated the budget takes about 12% of this time, much of which is spent educating the Board about the financial condition of the district.

The superintendent of High School District C presented a somewhat different model than the preceding two. The process begins at the department level with teachers estimating what they will need for capital outlay such as computers. After the superintendent, principals and business manager have received the requests for capital outlay, they decide the amount allocated to each department for capital outlay and other department needs such as textbooks, supplies and travel. Each department is allocated a certain sum depending upon its needs, but an equal amount is not allocated to each department because some, such as science, have greater expenses than others such as foreign language. Student leaders present their organizations' budget needs to the assistant principal in charge of student affairs, who submits their request with those of the other departments. The time line for his budgeting process begins in December, with capital outlay amounts required during February. Other areas of the budget must be submitted by March. The budget is presented to the Board of Education for adoption by July. This superintendent said that the budget used to be presented in September, but he prefers having it completed sooner. He estimated that budgeting takes about 15% of his time. Parents and non-certificated personnel are not involved in his process.

The superintendent of High School District D, which also is a high school district, does not involve parents or citizens other than members of the Board of Education in his budgeting process. The department chairpersons carry the heaviest responsibility for the decision-making for budgets in this district. They begin in late fall to plan with their teachers what will be needed including capital outlay for the following year. Following class registration in spring, staffing needs are determined by the principals. Department chairpersons' requests

are due in February, staffing needs are determined in March. During the summer the needs for facilities are added utilizing a long-range building plan. The Board of Education has three committees, finance, facilities and personnel, which handle the review of the budget. The budget is approved in August or September. He reported that his Board of Education are not "Big Picture" people. They want more involvement in finances and management but are not qualified to do it. Several of them have a particular interest such as health insurance or business models. However, he would prefer that there be less board involvement in the management of the schools. The Tax Cap has severely impacted this district. As a result the superintendent said he now spends 25-30% of his time working on budget matters, as opposed to 15-20 % prior to the Cap.

The Superintendent of High School District E has an earlier time line still. In September he begins making projections by budget funds for the following year. He next holds a budget workshop for board members, all principals and central office administrators. At this time they discuss revenue enhancements and reductions. In October he plans the levy, which is a topic of interest to many of the tax payers in this district. It is common to have 300-400 people come to the Board of Education meeting when the levy is on the agenda. Next the Chief School Business Official meets with the principals in a two-three hour working meeting on the process to follow in preparing the budget. A set amount of money is allocated to each building. In turn the principals meet with the department chairpersons to communicate the process and amount available. On the district level the assistant principals for operations meet with the head custodians; the assistant principals for student services meet with leaders of student activities, and the assistant principal for Curriculum and Instruction meet

with the two deans. The principals then meet with all the information from the building and prepare their budgets, which are presented to the Chief School Business Official for approval. Decisions on funding for staff development and salaries are made at the district level. The district has an Assistant Superintendent for Finance and that person has an assistant. These two administrators handle most of the budgeting matters within the district. The superintendent estimated that he spends about 15% of his time working with the budget, most of which is spent working with the Board of Education to help them understand the content and implications of the budget. His district, too, has been severely impacted by the Tax Cap and as a result, he expects the amount of time spent with the budget to increase in the next years.

The superintendent of High School District F has a flatter process. Principals have as one of their objectives that they are to plan a multi-year program in capital outlay and budgeting needs within formulas provided to them. The Central Office administrators of business and personnel plus the superintendent work from the multi-year plans to establish a funding formula for each building. The building principals ask each department head to work with the faculty in the department to plan their budget. Generally there has been a 5% increase annually in the money allocated. The district established an ad hoc Task Force on Applied Arts which produced a Five Year Plan in Technology. This steering committee was composed of 15 citizens as well as school personnel. Today the Five Year Plan is updated annually by teachers, department heads and principals.

This district has had little change in personnel and has relatively few administrators compared to the other districts. The department heads and teachers work together with little supervision from administrators. There is little

time needed to communicate the budgeting process to this experienced staff. The Board of Education, on the other hand, is new and requires more time from the superintendent to educate them about their role and the background information necessary to make decisions for the school district. Even with a relatively new board, this superintendent estimates budgeting takes only 10% of his time. He said, however, that he is giving board members more information than ever before, which takes more of his time. He expressed concerns that board members are getting too involved in day to day operations of the schools.

The superintendent of High School District G said that the budget in his district is initially prepared by the business office in collaboration with the superintendent and the person in charge of buildings and grounds and the person in charge of personnel and curriculum. Building principals report if they anticipate any major projects for the next year. The regular allotment in the last few years has been a 3-4% increase to each building to cover inflation. Principals have power over their building's budget in the areas of supplies, travel, capital outlay and remodeling. This year the district has allotted \$60,000 to each building for remodeling and physical changes. After a general amount is predicted for each building, teachers and department chairpersons are asked to generate their list of needs in November or December. Three board members serve on the buildings and grounds committee; they meet with the assistant principals from each building to determine what will be done with the capital outlay money. That portion of the budget is developed first and presented to and approved by the Board of Education in December so that the district can proceed with the process of soliciting bids for books, supplies, buildings and grounds work, remodeling and new construction. The contracts are let in March and April. The goal is to have the supplies shipped in June and

the summer work ready to start as soon as school is dismissed. The rest of the budget, such as Board of Education expenses and salaries are presented in June to the public and approved finally in September. The superintendent of District G said Board members sometimes have a difficult time understanding the distinction between policy and school management or administration. There is a danger that board members can intimidate school administrators when they become involved in the day to day workings of the school. This superintendent estimated that he spent less than 1% of his time on budget matters because the business office handles the process.

The process described by the Superintendent of Elementary District H is complex. Twenty to 25 community members and parents as well as teachers and administrators serve on a Goals Committee every other year which recommends goals for the district. Annually teachers work together as an advisory committee for planning the technology needs for the district. Parents and teachers review an area of the curriculum each year. Their recommendation may impact the budget, depending upon their choices. The Chief School Business Official leads the budget process with input from the central administrative staff. Building principals are given a per pupil allocation; they work with their staffs on how it is spent at the building level. In this district there are no Board of Education standing committees such as a finance committee that has more input on the budget. This helps to hold the Board to matters of policy instead of their becoming involved in the administration of the schools. The budgeting process begins in November when work sessions are held on long range planning for revenues and expenditures, the most important of which are personnel, technology and staff development. This superintendent leaves the budgeting process to the Chief School Business Official and says

that the role of the superintendent is to "guard the process," not to be the chief financial officer. He estimated that only 5% of his time is spent on the budget; he credits this low percentage to the skills of the business administrator.

The superintendent of Elementary District I is presently involving her staff and the community in budget decisions. Though her district had a fund balance, they also have an increasing student population and no substantial way to expand their revenues because of the tax cap except by passing a referendum. The first step was having the Citizen Advisory Committee on Budget and Finances develop guiding principles for budgetary decisions. The next point of information collected was whether the community would support a referendum. All parents, and employees and 1000 community members chosen at random were surveyed. Only 20% of the population has a child in school, and the answer was "no, a referendum would not pass." In August and September the administration developed a tentative budget cut list, including a statement of the item or services to be eliminated or reduced, the specific amount of the reduction, the monetary amount to be saved and a statement describing the projected impact if the cutback were implemented. This list was reviewed by the Citizens Advisory Committee which includes a teacher, custodian and secretarial representative. Employee and public hearings were held in November. Written comments were also solicited. The superintendent's office summarized all the input received at the hearings, by phone calls or in writing. Four groups reviewed the testimony, the Citizen's Advisory Committee, the president or a designee of each Parent Teacher Association and the District Parent Teacher Association, the Council on Curriculum and Instruction, which is all teachers, and the administrative council, which is made up of the principals and central office administrators. From this a budget reduction ranking form

was developed and sent to members of the Board of Education, the Citizens Advisory Committee, the Council on Curriculum and Instruction and the Administrative Council. Each person filling out the survey was to cut \$300,000 by prioritizing the items. With the reduction form went an impact statement for each item and the amount that would be saved. After the results of the surveys were tallied, each Board member studied the results and then filled out the same survey. These were shared among the Board and a decision on what services were to be eliminated was made by the Board of Education in January.

The actual budget process is similar to that used by most districts. The Business Office begins the process with a six months calendar. The allocation to each building is based on a formula for the number of students. The principals determine their supply and equipment needs and define what site improvements will be necessary. Within each building team leaders or grade level leaders provide staff input after polling their colleagues. Most of the district's money is budgeted by the central office. The Director of Administrative Services projects the salaries and benefits; the Director of Curriculum and Staff Development projects the expenses connected to those categories including the costs for new textbooks, the Director of Business Services projects the expenses connected with food service, transportation and buildings and grounds, and the superintendent is responsible for administrative professional development and Board of Education expenses.

There is give and take when the administrative council which includes all the principals discuss the capital outlay each building is requesting. The superintendent said that the principals are aware of the limits and are willing to share or defer their needs in light of greater need from another building. There has never been a need to adjudicate a dispute. A regular cycle of spending for

preventative maintenance or replacement has been developed to regulate expenses for items such as roofs, parking lots, boilers and buses. Because the superintendent is heading the community and employee participation on the budget reduction, this year the budget is taking about 60% of her time.

The superintendent of Elementary District J utilizes a traditional approach to budget decisions. He and his business official begin the process in November by setting the levy. They utilize a five year budget cycle for projections. The budget forms for the buildings are distributed in February. Principals utilize a variety of approaches for staff input at the building level. In some buildings teachers and the principal submit a prioritized list of needs or wants. Other principals utilize a zero-based budgeting process. Parents are involved only marginally, with P.T.O presidents possibly consulted by principals on special joint projects such as assembly shows and what monies should be allocated from the school to match or augment P.T.O funding. Equipment requests are due early March and supply requests in mid-March. Cost center budgets must be completed in early April. This district has no standing Finance Committee on the Board of Education so all budget work is done with the whole Board of Education. The first draft of the budget is presented to the Board of Education in mid-April. The Board approves it at the 80% purchase level, and purchase orders are issued at that time based on the 80% level approval. The Board awards the supply bids in May. In early June the Board approves the second draft of the budget. After the State has indicated its level of funding in July or August, the Board reviews the third draft of the budget and places it on public view. It is finally approved in September. This superintendent estimates he spends approximately 20% of his time on budgetary areas.

• **3. Please rank the top 3 Priorities or Values that Influenced you.**

The next part of each interview dealt with the question of values or priorities. The question was phrased, "Please rank the top three Priorities or Values that influenced you." In the interview the determination of what was a value and what was a priority was left to the respondent. Each superintendent answered the question a bit differently, some utilizing their district's mission as the guiding value and others answered with the current initiatives or objectives the district is supporting. The superintendent of Unit District A reported the objectives adopted by the Board of Education as the priorities that influenced the budgeting decisions for the 1992-93 school year. For this year they are a review and updating of technical/vocational courses, reviewing student assessment systems and making recommendations for improvement, and developing a long term plan to address the needs of special students (inclusion). The subject area being emphasized for the year will be the K-12 mathematics curriculum. He said they "watch every penny; there are no sacred cows." He reduced support staff last year by not filling positions when persons left or retired. Perhaps in reaction to the previous indebtedness of the district under the former superintendent, now the district is under-spending its revenues and building a reserve fund. Though the district has a long-range plan, it would seem from the interview and published district report to the community, that more emphasis is placed on the annual objectives set by the building level School Building Improvement Councils and the Board of Education.

The superintendent of Unit District B, a rapidly growing district, answered the question from quite a different perspective. His most important priority is the curriculum. His explanation was "Good test scores will pass a referendum."

Much of his work is ensuring that the community understands what the district is doing so that community support is maintained. To maintain programs in light of a growing student population and less funding from the State, he is willing to let class sizes go up in order to keep personnel costs down. This is easily done because his district is growing rapidly; he may not hire new teachers at the same rate as student population growth. He referred to research that says the unless class sizes are kept below 15, moderate increases in class size do not affect student performance. The district has a Long Range Plan which also provides some guidance in deciding how monies will be allocated. He reported the biggest challenge for the long range plan as the high cost of purchasing new technology. The district's Educational Foundation, which is a school-business partnership, provides many of the extras that can not be purchased with tax-supported revenue.

The superintendent of High School District C had quite different priorities. His first priority is maintaining a relatively low class size. The district is growing so it is necessary to expand the staff. His second priority is student services such as tutoring and counseling. This comes in response to a diverse student population, some of whom have been relatively transient. His third priority is remodeling and renovation because the district has old buildings.

The superintendent of High School District D said his main priority was to work within available funds. His district's financial resources have been curtailed severely by the Tax Cap. He said that in the past his approach had always been "What do we need?" Now, it must first look at the available funds and then prioritize very closely. This is not the way he has been accustomed to thinking about budgeting decisions. His second priority is to maintain programs and their staffs. The cuts he is forced to make are very painful. Last year he

released teachers and monitors. His third priority is to try to maintain the direction of the long range planning. This superintendent has many years of experience as a superintendent and is frustrated and resentful about the reduced funding support from the State and about the Tax Cap which singles out the five Collar Counties around Cook County as being held to the 5% percent or Consumer Price Index increases. Another financial shock came when the State announced in August that funding reimbursement for transportation of students would be cut by another \$200,000 for the year for his district . This announcement came after the budget had been approved. He has no way to raise taxes to cover this lost revenue and therefore must somehow shift \$200,000 within his budget to cover the unexpected transportation costs.

The superintendent of High School District E quoted his mission statement in explaining the district's budget values, which is the best instruction possible within fiscal parameters. This is translates into instruction and staff development having the first priority. He strives for the best people, the best equipment, the best curriculum and the best support for his staff. He said, "If you hire good people, everything else falls into place." He is a strong believer in staff development because he feels it has brought about significant improvement in his district and is most effective in bringing about change. If necessary he will raise class size, but he fears it may impact the value of the best possible instruction. His second priority is in the areas of operations and maintenance. He feels it is very important to keep the physical plants from deteriorating and to have space and equipment so that people can do "what they need to get done."

The superintendent of High School District E says that he accepts the responsibility for the decisions of the staff in the budgeting process. The priorities are, first, the core academic subjects, second, introducing and utilizing more technology, and, third, introducing new programs and initiatives. This superintendent has had experience in other districts under years of reduced funding. His attitude was more optimistic, perhaps because he has gone through this before. By changing methods of teaching, class sizes can be raised. He, too, cited the research that says that smaller class size, which still falls in the moderate range, has no appreciable effect on student performance. He said that in times such as this it is necessary to change priorities and possibly reduce extra curricular programs. Another area that may have to be cut in the future is transportation for extra curricular events. The district has a modified approach to long range planning; the Board of Education has one year goals and a three to five year plan for direction. He feels, however, that Strategic Planning is of most use to those involved in the planning, but is not very helpful for everyone else.

The priorities of High School District G are embedded in their mission which is to do everything possible for the students within the financial constraints of the district. The top priority for the Board of Education is that the district not go into debt. The superintendent completely concurs. Thus his budget projections use the worst case scenario for expenses and a very conservative estimation of revenues. There are new and expanding programs for the students, however. A recent initiative has been a high school preparation program for At-Risk 8th graders. The Board agreed to fund this new program because it is hoped it will impact the success of these students who are at risk of not succeeding in high school. Technology, too, is a priority. The

district is also spending increased money on curriculum as it begins to explore outcome based education. Another high priority is staff development. The superintendent said he felt an obligation to make the teachers the best they can be. He used the analogy that he would not want to go to a doctor who had not kept current in his field. To encourage innovation and change he instituted a "What if...?" grant with \$50,000 seed money which is awarded to teachers or administrators who present suggestions for improving the district. Suggestions can be physical changes to a building, curricular changes or new programs. All the initiatives support the mission of improving the education of the students. This district is in sound financial condition so these initiatives have meant some reallocation of money but no cutting of the budget.

The district has also used strategic planning to prioritize decisions and give direction to the district. Strategic planning was suggested by one of the administrators at a two day workshop of their administrative team which included the administrators and department chairpersons. From that arose the traditional one year process involving representatives of the community, parents, teachers and students. Each year the action plans of the strategic plan help move the district toward the stated goals. They are currently in the last year of the plans for increasing computer technology in the district. The next step will be to upgrade the current hardware and introduce new developments such as compact disks, interactive video, networking and the use of satellites for communication. These developments have come since the first of the technology plans was prepared. Separate from the strategic plan the district has a three and five year fiscal plan. The district has come from being in debt some years ago to a position of having a substantial reserve fund.

The superintendent of High School District G reported satisfaction with the tax cap. His personnel have all settled contracts for 4% because they know that the district can raise tax revenues by only 3.1% (C.P.I.) on existing property. The additional money comes from new growth, on which there is no cap. He said the tax cap provided leverage at the bargaining table. As long as inflation does not increase, for his district the tax cap provides no serious problem.

The values or priorities for the budget for the superintendent of Elementary District H were what would have the greatest impact on the students. He said decisions are measured by saying "Are my students going to be leaning more or better or more efficiently because of this allocation? That is what a budget is all about." The Tax Cap has not caused this district to cut back because they had a sizeable reserve fund. The district is growing, so new expenses in a year or two will require that something will have to be cut. In other words, there will have to be an exchange if something is added in the future. Though this district does not have a strategic plan, as such, it is clear that much long-range planning is structured through the Goals Committee, the annual reviews of the technology plan and specified areas of the curriculum. The superintendent and the Chief School Business Official also annually do a five year projection of revenues and expenditures. This work is valued and is a priority in the decisions regarding district finances.

Elementary District I follows the values and priorities established by the Citizens Advisory Committee on Budget and Finance. The guidelines developed are as follows:

1. Maintain the District's operating funds in the following priority order:
 - Priority = 1 - Education Fund
 - Priority = 2 - Operations and Maintenance Fund
 - Priority = 3 - Transportation Fund

--Priority = 4 - Working Cash Fund

2. Services which other governmental agencies, private groups, or families themselves can (at least potentially) assume should be given extra consideration in decision-making.
3. Apply budget modifications objectively across the District.
4. Where possible, make personnel cuts through attrition, as opposed to lay-offs.
5. Control expenses so that, over a four year period, average revenues equal average expenses.
6. Do not restore or add programs / services / personnel unless they can be sustained on a long-term basis.
7. Uphold Federal and State laws and regulations; policies and administrative regulations of the District and contractual obligations with employees.

The district also has a mission statement and a list of guiding values which help to guide budget decisions.

The superintendent of Elementary District J reported that his budget priority is "homeostasis in the organization." He does not want peaks and valleys so that stability of jobs is questionable or so that teachers' assignments must be changed because of fluctuations in the budget. He is interested in improving the programs but only if he can maintain stability. He said that the way the State funds education almost encourages that kind of uncertainty. This superintendent spoke of wishing the federal government contributed more to public education. Public education should be looked upon as a form of national defense. He felt that computer technology that has been developed by the military could be adapted for use as educational tools. He utilizes a five year budget projection, but does not have a strategic plan as a guide for budgeting. The district through the administration sets one or two year goals in specific areas and prioritizes any discretionary spending for those goals. He is skeptical of strategic planning, saying he questions how "it is followed up in most districts that have used it. When something new comes along, the plan must be redone."

• 4. What are the strengths and weaknesses of your current budgeting process? To what extent are you satisfied with the process in your district? What about it would you like to change and why?

The fourth question of the interview was "What are the strengths and weaknesses of your current budgeting process? To what extent are you satisfied with the process in your district? What about it would you like to change and why?" All the superintendents reported satisfaction with the process for making budgeting decisions. The superintendents who had been in their positions for only a few years said they felt they had improved the process instituted by their predecessor by broadening the participation. The superintendent of Unit District A said he was satisfied and had no further elaboration. He saw no changes necessary to improve it. The superintendent of Unit District B also said he would not change the process in his district. He did wish, however, that the process would be changed at the State level because the districts in Illinois must estimate their revenue from the State. Therefore he said his guideline is to project a budget that is overly conservative on revenues and aggressive on expenses. The superintendent of High School District C said that if he and his staff had unlimited time he would like to implement zero-based budgeting to justify all the programs rather than simply maintaining existing programs. He would like staff to see how courses meet the district outcomes and decide on that basis whether to keep them. A second improvement he would like to implement would be to have teacher, parent, and community input at the beginning of each budget to have broader participation in setting priorities. Prior to his being hired there was less teacher input; only the superintendent and the principals worked on the budget. Since he has

become superintendent, department chairpersons have taken more responsibility. He said, "At first they were reluctant to get into the process, probably because it was easier when they could blame others and not have to work with the process." The superintendent of High School District D reported the following strengths and weaknesses. The strengths are the broad base of staff participation, the full knowledge of budgeting by the teachers and "the teachers have what they need." He sees community input coming through the Board of Education. The weaknesses are that now the budget is driven by funding rather than by educational needs and the desires of the public for answers that are not in the realm of schools. This superintendent prefers that parents and the community allow the professionals to run the district. The superintendent of High School District E feels that the strength of his broad-based decision-making for the budget is that it does "reflect the needs of students as translated by teachers." He supported his satisfaction by citing the evidence in the School Report Card from the State of Illinois which shows that his district is doing an excellent job in graduation rate, attendance and test scores. He feels this shows how effectively they are budgeting their funds. In answer to the weakness part of the question, he, too, felt that the time lines dictated by the State presented serious budget decision-making problems. Districts need to know their projected revenues sooner. He said forecasting is becoming more and more difficult. He also felt resentful that the Tax Cap severely punished districts like his which had only levied for what was needed and never built up a cash reserve. Had his district done that he now would be facing much less severe curtailing of programs. He said the Tax Cap was ill conceived and unfairly punished districts who have been playing fairly with their constituents. Also, it puts an unfair burden on growing districts because they

cannot raise the necessary revenue to provide for the larger student body. The superintendent of High School District E felt that his process for budget decision-making was "as good as can be for the district." He did have a suggestion for improving it at the department level. He said he was concerned that some department chairpersons did not do as good a job as others in seeking teacher involvement in planning their department budgets. The superintendent of High School District G sees the strengths of the process in the numbers and the timing. The numbers are good because of the underlying conservative estimate of revenues and the over-estimation of expenses. He likes the timing of handling the capital outlay earlier than the rest of the budget. The superintendent of Elementary District H also reported satisfaction with the process and especially with the skills of the Chief School Business Official. He reported that his board of education understands the difference between policy and administration and does leave the administration of the schools to the staff. To further strengthen the process he would further expand the input into the decision-making process to include the non-certified staff such as secretaries and custodians. He is presently working with the Chamber of Commerce to get them more involved in the schools. They can be involved in many ways, but serving on the Goals Committee would be a way for them to impact the budgeting process. The superintendent of Elementary District I expressed satisfaction with the budgeting process. To improve the process, more sophisticated analyses of expenditures by program would be helpful. Another analysis would be how much of the total expenditure is "really going to students." The Superintendent of District J expressed satisfaction with their process. If he could change anything, it would be to find sources of additional revenue. The district has an educational foundation which provides an

additional \$20,000 to \$30,000 per year in special grants to the district. The strengths he sees in their process are its flexibility and the competency of the business manager.

- **5. Are there any educational or business developments or decision-making models that have influenced the decision making in your district recently? (e.g., TQM, Effective Schools research) If so, what are they and how have you implemented some of those ideas in the decision-making processes here?**

The final question in the interview is presented above. The superintendent of Unit District A said that he really feels that a benevolent dictatorship is the best way to make decisions in a district because it is so much faster. However, he cannot do that and feels that he must include the teachers so they feel their voice is heard. The superintendent of Unit District B has found business financial models to be his primary influence. He has set up his district as a business or corporation on a modified accrual basis, unlike most districts in Illinois. For instance, he has a flat per diem rate of \$35 for food at conferences such as businesses use. The superintendent of High School District C has been most influenced by strategic planning with the writing of a mission statement, beliefs and long-range planning priorities. He has utilized parents, students, and community as well as the staff to develop long range action plans for three to six years. The mission and belief statements help to prioritize the use of resources in the future. A second influence has been Total Quality Management. Presently he is doing "pieces and parts" of T.Q.M. In the future he intends to approach it more systematically with the department chairpersons and staff. The superintendent of High School District D said he is not into

models. The only initiatives he recognizes are instructional types for the building level. The superintendent of High School District E has been involved in Total Quality for nine years. For him data drives changes. Every five years he conducts a community attitude survey and a survey of students and staff as an instrument for research. In 1985 the results showed the primary concerns to be a lack of technology, counseling support services, programming for the average student, and drug, alcohol, stress and sex pressures on the students. The district emphasized those areas as initiatives by planning new or improved programs and budgeting more money into those areas when it was needed. In the 1990 survey the results showed the same areas that had been viewed as concerns in 1985 were seen as strengths in the district. This approach builds in accountability by forcing the district to collect data to document the results of the initiatives. This superintendent speaks at conferences on Total Quality in the schools and in the budgeting process. The superintendent of High School District F also is a proponent of Total Quality. He has been involved in implementing Deming's ideas since the 1970's. The implications for him are that decision-making should be as close to the student as possible, or at the grass roots level. He has done a satisfaction survey of the students, staff and parents every three years for the past 15 years, which has been a significant guide for priorities and decisions. He utilizes ad hoc task forces for making decisions. The superintendent of High School District G cited only strategic planning as an influencing factor as far as business or decision making models are concerned. The curriculum budget in his district is increasing somewhat because of the influence of outcome-based education which is causing him to restructure the curriculum and provide additional staff development. The superintendent of Elementary District H used zero-based budgeting in a district

which he served earlier to involve parents and teachers. His dissertation, which was on community involvement in schools, has been a strong influence on his work as a superintendent and explains the large number of parents and community members who are involved in and support his district. He cited the School Improvement Process of Larry Lezotte for helping him to establish priorities. He is knowledgeable about Total Quality. He has taught classes in management and especially endorses the work of Peters and Waterman, Drucker, and Steven Covey's Seven Habits of Highly Effective People. The educational or business developments that have impacted the decision-making in Elementary District I are strategic planning and effective schools literature. The strategic planning involved community members, staff, and parents in setting the mission and goals of the district. As a result of the effective schools research, more money is being spent on staff development. That is seen as an investment rather than an expense. Total Quality Management is being considered, especially as it uses data to drive decisions. Again this superintendent discussed better program analysis to help decide whether a program is cost effective. The superintendent of Elementary District J reports that the effective schools movement influenced him in moving to a more site-based approach and encouraging teacher participation in the decisions at their sites. He said it is "critically important for a superintendent to create an appropriate environment for site-based management; it must be believed in to work." He also has used and likes zero-based budgeting. Though he has read some of the literature on Total Quality Management he feels that they have been working with initiatives that bring about quality for many years. Administrators from his district have visited corporations such as Motorola, Central DuPage Hospital and Commonwealth Edison to learn how Quality

principles work in those organizations. They have also attended the Educational Service Center workshops on Quality. As a result the district has a "Quality Renewal" plan for next year that is a broad-based approach to Quality with teachers involved. At this point only the administrators have been trained. He feels that quality renewal must work through teams and that it cannot be a top-down approach.

Analysis of Data

There are many points of contrast and similarity in the answers of the respondents to the interview questions. The ten superintendents of the sample represent dissimilar philosophies and attitudes about budgeting and decision-making, different ages and stages in their careers, and different involvement in the budget process. This section of the dissertation analyzes the superintendents' answers to each question. A background question was how long each interviewee had been a superintendent and how long he or she had been in this district. Later in the interview each superintendent was asked to estimate how much of the total job involved the budget. Among the majority of participants there was a surprising similarity in their estimate of amount of time spent on the budget-process (see table 2).

TABLE 2

**EXPERIENCE AS SUPERINTENDENT AND
AMOUNT OF TIME SPENT ON BUDGET**

DISTRICT	YEARS	LENGTH OF TIME IN PRESENT POSITION	AMOUNT OF TIME SPENT ON BUDGET
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		76	
Unit A	8	8	10%
Unit B	7	7	12%
High School C	2	2	15%
High School D	33	17	25-30%
High School E	15	9	15%
High School F	30	8	10%
High School G	4	4	1%
Elementary H	16	3	5%
Elementary I	5	5	60%
Elementary J	14	12	20%

The following continuum shows the number of years the ten superintendents in the sample had served as superintendents.

2 4 5 7 8 14 15 16 30 33

The average length of time as superintendent of the sample is 13.4 years. The median length of service is 11 years, falling between the 5th and 6th superintendency. If the two men who had 30 and 33 years experience were omitted as being outliers, the average would be 8.88 years.

The following continuum shows the number of years the superintendents in the sample had served in their present positions.

2 3 4 5 7 8 8 9 12 17

Both the mean and the median length of time in the present position is 7.5 years. According to a 1992 survey from Urban School Boards and

Superintendents on the length of time superintendents have been in their current positions, 26% have been in their position for 0 -5 years, 31% from 6-10 years, 21% from 11-15 years and 21% over 16 years.⁸⁴ The 7.5 years for this sample falls into the largest group of the survey; this sample is fairly representative as compared to the results of the national survey cited. Of the ten superintendents in the sample, five (or half) had experienced all their years as superintendents in their present positions. These people who had served as superintendents in only one district were all relatively new in the position, ranging from two to eight years.

Another quantitative comparison is the range of time devoted to budgeting matters. Their answers represent a thoughtful response, but it must be remembered that it is an estimate because they do not keep records of how they spend their time. The question was asked by instructing them to think of the whole year, including the times when staff come asking for more money and estimate the amount of time budgeting and money matters take from the total available time. The percentages given vary a great deal, yet if the two extremes are omitted they are fairly close. If District G, because it is significantly lower than the other responses, and District I, because this superintendent is chairing a massive effort to include staff and community in the decision process, are omitted, the average time reported is 14.25%. If District G is included (as being somewhat closer to the other responses) but District I is still excluded, the average time reported is 12.8%. The superintendents indicated that time spent on budgeting to help Board members understand is increasing because Board

⁸⁴Cynthia King, Executive Educator, Telephone interview, February 5, 1993.

members today want more information. They also agreed that when funding is not ample, more time must be spent prioritizing and explaining decisions.

It is also interesting that the years of experience as a superintendent had no correlation to the amount of time spent on the budget. Apparently it is a fairly consistent responsibility that does not require less time with experience. Six of the superintendents said that their primary budgeting responsibilities were in working with the Board of Education and, in some cases, with the community to help them understand how the money is being spent and why it is necessary. In other words, the superintendent's responsibility with the community as a public relations figure regarding the district's finances is closely linked to the decision-making in the budgeting process. Superintendents can make a conscious decision as to what extent they will spend their time in working with the community and the Board of Education to help them understand the fiscal choices of the district. The two superintendents who indicated the highest percentages of their time (25-30% and 60%) both felt those were excessive.

The superintendent of District I, who responded that 60% of her time is involved with the budgeting process, understood that her leadership in gathering suggestions for making budget cuts this year was not a continuing project, but rather a short-term initiative. This superintendent has involved the community, 100% of both the certificated and non-certificated staff, a very large portion of the parents and the administration. She has chosen to lead the effort for obtaining community, staff and parental input.

Another interesting aspect of this process is that the District I is not in dire straits financially. It still has a sizeable reserve fund. This work is being done to prevent a serious situation from developing in the future. A combination

of factors such as the growing enrollment, reduced State funding, and the tax cap made this pro-active superintendent choose to act now rather than face a crisis in the future.

The superintendent who responded only 1% of his time was the former business administrator in that district and therefore knows the system very well. He said his current business official is very competent, and in his role now as superintendent he works with the budgeting process very little.

Four superintendents had assertive approaches which involved the community; they had a definite process for handling whatever financial situations arose. These individuals all had a positive attitude about their district's budget decisions. Only one superintendent seemed primarily pessimistic about his district and its financial future. In his case there was much less money to work with than in the past. His answers revealed that his approach was pragmatic rather than theoretical. He was also nearing retirement age which may have influenced his attitude. Two of the most positive superintendents had experienced financial loss in the past and could draw upon what they had worked for them then and apply it to their current situation. Interestingly, the two individuals who had been superintendents for the longest time seemed to represent the extremes of optimism and pessimism in the sample. The one had been a superintendent in California when Proposition 13 was passed, limiting taxes and cutting funding to schools. He had even written a book about building effective schools through leadership and management skills.

The comparison and analysis of actors in the decision-making process is shown in table 3. The numbered columns correspond to the people or groups of people involved; thus in district A the Board of Education, the Chief School

Business Official, Central Office Administrators, Principals, Department Chairpersons, Teachers, Parents, and Buildings and Grounds Personnel were involved.

TABLE 3
MATRIX OF PARTICIPANTS IN THE DECISION-MAKING PROCESS

Key for Table showing Participants in the Decision-Making Process:

- 1 Board of Education
- 2 Chief School Business Official
- 3 Central Office Administrators
- 4 Principals
- 5 Department Chairpersons
- 6 Teachers
- 7 Teachers' Bargaining Unit Representatives
- 8 Students
- 9 Parents
- 10 Buildings and Grounds Personnel including Custodians
- 11 Secretaries
- 12 Community Members

District	1	2	3	4	5	6	7	8	9	10	11	12
Unit A	x	x	x	x	x	x			x	x		
Unit B	x	x	x	x	x	x	x		x			
High School C	x	x	x	x	x	x		x				
High School D	x	x	x	x	x	x						
High School E	x	x	x	x	x	x				x		
High School F	x	x	x	x	x	x						
High School G	x	x	x	x	x	x						
Elementary H	x	x	x	x		x			x			x
Elementary I	x	x	x	x		x			x			x
Elementary J	x	x	x	x		x			x			

From the table it is apparent that the high school districts did not to involve parents and community members as did the elementary and unit districts. In fact, the high school district superintendents mentioned community input in surveys and strategic planning, but in talking about the budgeting process, they did not mention these groups. The unit and elementary district superintendents did mention parents and community members because they

were providing input through parent councils or for reducing the budget.

Several superintendents mentioned that they would like to involve secretaries in the decision-making for budgeting. None reported that they were formally involving secretaries in budget decisions. Buildings and grounds personnel and custodians, who are probably primarily male, were involved in several districts, however. The decisions for up-keep of buildings and grounds are significant and, frequently, costly. It would seem that the workers involved in those activities should be consulted and given an opportunity for participation, just as the teachers are.

A second point of comparison is the amount of community and parent involvement that occurs in each district regarding decisions that impact the budget. Because community and parent involvement are not quantified by districts regarding planning or fiscal input, superintendents' responses cannot be reported by numbers. In the interviews all the superintendents talked about this issue. Strategic or long range planning was mentioned most frequently. It is a formalized approach to involve people in decision-making for a business or school district. Traditionally it involves not only employees but also community and parental input. The superintendents' responses about community and parental involvement are summarized in table 4.

TABLE 4

COMMUNITY INVOLVEMENT AND LONG RANGE PLANNING
(OTHER THAN FINANCIAL)

DISTRICT	AMOUNT OF COMMUNITY INVOLVEMENT	STRATEGIC OR LONG RANGE PLAN (other than financial)
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Unit A	Moderate. Primarily parents through School Councils	Yes, but much emphasis on annual objectives
Unit B	Parent Councils at building levels	No
High School C	Little other than Strategic Planning	Yes
High School D	Little	No
High School E	Community attitude survey every 5 years. High attendance at budget hearings.	Yes
High School F	Satisfaction Survey of students, staff, and parents every 3 years. Community Leader input every 3 years involving 100 people	No
High School G	Little other than Strategic Planning	Yes
Elementary H	Goals Committee every other year with citizen, businesses and staff. Great emphasis on community and senior citizen participation	No
Elementary I	Massive effort for community input on budget reductions.	Yes
Elementary J	Relatively little district-wide. P.T.Os at schools	No

Strategic planning had been used by half of the districts surveyed. It serves as a vehicle for input regarding district missions and sometimes program direction. Its advocates felt that it was important in giving the district direction and involving the community. Three superintendents were negative toward strategic planning. All said that the activity was great for the people who were involved, but it did not impact anyone else. They also felt that the plan would be discarded or amended every time a new project received support from

someone in power. Of the three superintendents who did not have strategic plans, two had formal alternative structures such as surveys, task forces or community councils which provided a forum for community input. Parental input comes most frequently through the Building Councils or Parent Teacher Organizations. These structures generally have a higher percentage of participation at the elementary level and were mentioned in only one of the two unit districts in the sample. This seems logical in that parents of young children are frequently supportive of their children's work by visiting the schools, attending parent-teacher conferences and sometimes volunteering in the schools. This level of support drops off when children enter middle schools or junior highs which are usually larger and with no single teacher primarily responsible for the child's education. For budget discussions, parent input may come through the officers or representatives to the Building Council. This structure is advocated in the site-based literature which says that parents should be involved in their children's schools. It may continue to increase in importance if Choice is adopted by the districts and buildings are allowed to support distinctive curricula or emphases at different sites in the district. Program decisions are budget decisions because a set amount of money must support whatever programs are chosen. In times of tight budgets such as the one in which most of these superintendents are operating, something must be cut to introduce anything new or in extreme cases, just to maintain the essential programs. Then the question becomes "What is essential?" Many parents want to be involved in that decision.

Interestingly, one of the superintendents who has little parent involvement said that he felt that in times of tight finances, there should be less parental and community input. He felt that the administration should be allowed

to make the difficult decisions. In contrast, the superintendent of District I has chosen the opposite approach and has called for greater input in this time of reductions in her district. After hearings and written and telephone responses to allow people to express opinion on what should be cut, a list of 28 reductions with their dollar value and their impact was given to the Citizen Advisory Committee, the president or a designee from each Parent Teacher Association and the District Parent Teacher Association, the Council on Curriculum and Instruction (all teachers) and the Administrative Council (principals and central office administrators). Each respondent was to cut \$300,000 from the budget. The items were tallied as a guide to the Board of Education, but then ultimately, the Board of Education members made the final decisions. They had an overwhelming amount of information about how the respondents would have them make the reductions.

Though the District I personnel most closely affected by the cuts wrote the impact statements for their areas, people prioritizing the reductions were not equally informed about education. The parents and community members may have too limited a view of the total education system and its needs to make the best decisions. They were also not being instructed to plan for the future so much as to react to the present. All this input does help people to feel ownership and to be aware of the complexity of making fiscal reductions. However, the final decisions made by the Board of Education may not be significantly different than if they had made the reductions with less input. It also calls into question the basic question of democracy vs. professional control. The community-wide input gives power to those who may be only peripherally involved. However, there is the safeguard that their role is strictly advisory and the final decision rests with the Board of Education. The expertise of that Board,

also, may be questioned. As individuals they vary greatly in their qualifications for being good decision makers for the school district, but, by law, approval of the budget is left to the elected community representatives called the Board of Education.

Though the research shows that having more input increases the chances for a good decision, Owen's model suggests that it is important to choose decision makers who have a good background on the topics and are "big picture" people. The Total Quality Management literature says that the decisions should be made as close to the need as possible. The Board of Education, which is ultimately responsible for the decisions on the budget in a district, may not meet those criteria. Some members are elected because of a particular issue and are not "big picture" people. The hierarchical nature of the budgeting process in all the districts moves the decisions away from the people who actually put the funds into use.

The role of the Board of Education varied widely according to the superintendents. In the district in which the Board has been given the most responsibility, the superintendent presents the Board with a list of projects. The Board ranks the projects in order of importance to them and tells the superintendent which ones must be funded. If the projects the Board chooses require more money than is available, the superintendent must cut from other areas to have enough money to complete the projects chosen by the Board. At the other end of the continuum were several superintendents who said that once the administration agrees upon the budget, there is little question that the Board of Education will approve it. One superintendent said he felt that ideally the Board should meet about four times a year when it would be given an update on the school year. At one of the meetings it would approve the budget. Of

the ten superintendents six indicated that working with the Board of Education was taking increasing amounts of their time. They ascribed this to the tax cap and less state revenue coupled with increasing costs. Of the ten superintendents two discussed the difficulty of helping members of Boards of Education to limit their involvement to policy and approval of programs and budgets. In these two districts Board members wish to become involved in the day to day administration of the schools. Several superintendents said they preferred not having a standing Financial Committee of the Board of Education. Superintendents who did not have such a committee felt that dealing with the whole Board rather than a few members who felt obligated to become involved in the finances of the district helped to keep the Board on the policy level and not on the day-to-day working level that becomes a problem for superintendents and Boards.

Students were very seldomly involved. Only one superintendent said that student organizations in his district discussed their financial needs with the assistant principal and he added their requests into his budget. In high school districts with strategic plans, students typically sat on the strategic planning committees. The amount of impact they had on the decisions was not known.

Non-certificated personnel of the districts were only occasionally mentioned as having input on budgeting decisions. Two of the ten reported that they were included. Buildings and grounds directors were most often mentioned as being consulted and having significant input into budgeting decisions. The necessity for their knowledge about possible projects and necessary upkeep is reasonable considering that most districts have aging buildings and significant costs associated with asbestos removal and retrofitting buildings for accessibility under the Americans with Disabilities Act.

Secretarial and instructional aides apparently have little input into budgeting decisions, though it may occur without the superintendent's knowledge informally at the cost-center level.

The budget process varied in the districts in the survey. All begin early in the year when the budget levy is set. Setting the levy is usually done by the superintendent and the chief school business official. However, the levy involves important assumptions which are made by the superintendent, the Board and the chief school business official. First, all the of the districts reported that they have a long-range fiscal plan which they update annually. These long range plans project their revenues and their expenses and include any major initiatives planned. Five superintendents reported that they set their levy to receive the maximum revenue possible. One superintendent spoke somewhat bitterly about his district's decision to levy for only the amount necessary to operate the schools rather than the amount approved by the taxpayers of the district. As a result of this decision and the tax cap, no significant, planned reserve has been built up over the years. Other districts have developed a large cash reserve on which they are now drawing in these more difficult financial times. Though the latter districts are also receiving less revenue from the State and their taxing ability is capped at the the Consumer Price Index or 5%, their reserve is a cushion to continue to fund the district at the level at which it has been operating. Two superintendents spoke of their reserve saying that in the future, programs would have to be cut because the reserve cannot continue to cover the deficit revenue for the operations of the school. The superintendent of District I puts such importance on her reserve that she has chosen to enlist the aid of the community, staff and parents to cut the budget next year rather than to spend the reserve and eventually go into debt.

Another interesting timing difference among the districts is when they approve their budgets. The State of Illinois does not require that budgets be approved until September 30 though the district operates under that budget beginning July 1. The State does not announce its allocations until July or August. It is impossible to finalize the budget until the revenues are known. This timing makes it very difficult for districts to plan ahead. In fact, two of the superintendents mentioned timing as a major problem and something that should be changed. One district reported a unique approach to the problem. The capital outlay and supply budgets are prepared in November for the next year based upon the district's financial projections. They are approved as an action item by the Board of Education though the budget has not been on display to the public. The bids are then requested and accepted so that work can be done over the summer and supplies delivered prior to the end of school. The expenses come out of the next fiscal year.

Table 5 below summarizes the superintendents' answers to the third question of the interview regarding their values or priorities in making budget decisions.

TABLE 5
VALUES OR PRIORITIES CONSIDERED IN DECISIONS ON BUDGETS

DISTRICT	VALUES OR PRIORITIES ▶
Unit A	One-year objectives: This year, (1) Tech Prep at the high school, (2) reviewing assessment, (3) inclusion, (4) review math curriculum, (5) staff development in writing, science and cooperative learning
Unit B	(1) Curriculum which provides good test scores, (2) keeping personnel costs down

High School C	(1) Maintaining class size, (2) maintaining student services and support such as counseling and tutoring, (3) remodeling and renovation because of the age of the buildings
High School D	(1) Working within available funds, (2) maintaining programs, (3) trying to continue to implement long-range plans
High School E	"Providing the best possible instruction within fiscal parameters," Thus (1) instruction and (2) staff development, (3) operations and maintenance to keep the physical plants from deteriorating
High School F	(1) Core academic subjects, (2) introducing new technology, and (3) new programs and initiatives
High School G	"Doing everything possible for kids within our financial constraints. (1) High School Prep (new program for At-Risk 8th graders), (2) technology, (3) staff development
Elementary H	(1) "Doing whatever will have the greatest impact on kids educationally. Are my students going to be learning more, better, or more efficiently? That is what the budget is all about. Nothing else is important."
Elementary I	<p>The guidelines from the Curriculum Advisory Committee:</p> <ol style="list-style-type: none"> 1. Maintain the District's operating funds in the following priority order: <ul style="list-style-type: none"> --Priority = 1 - Education Fund --Priority = 2 - Operations and Maintenance Fund --Priority = 3 - Transportation Fund --Priority = 4 - Working Cash Fund 2. Services which other governmental agencies, private groups, or families themselves can (at least potentially) assume should be given extra consideration in decision-making. 3. Apply budget modifications objectively across the District. 4. Where possible, make personnel cuts through attrition, as opposed to lay-offs. 5. Control expenses so that, over a four year period, average revenues equal average expenses. 6. Do not restore or add programs / services / personnel unless they can be sustained on a long-term basis 7. Uphold Federal and State laws and regulations; policies and administrative regulations of the District and contractual obligations with employees.

Elementary J Maintaining stability in the district and making changes that will improve the district

One way of looking at the answers of the ten superintendents is that the answers of four centered around curricular issues (Districts A, B, E, F) three emphasized the students needs (Districts C, G, H), three emphasized staff development (Districts A, E, G), two mention maintaining stability (Districts D, J) and the last district used the broad priority of not cutting the education fund, which includes all the others. Their answers can be grouped into several classifications. Two of the districts worked year to year in setting their objectives. They thus chose an area of concentration such as inclusion of special education students in their home school classrooms as a focus for the year. Two answered more generally, saying their values were whatever would benefit the students' education. Both of these districts had long-range plans for technology, which is an initiative that cannot be implemented in a year primarily because of its cost. Three districts said their priorities were maintaining stability in their programs. This implies that they are satisfied with the status quo. In all three of those districts there was a special concern about money. None were thinking about any expensive changes or restructuring their schools. Only two districts of the ten mentioned significant changes such as introducing new programs. Both of those were high school districts which had built up significantly large fund reserves to supplement their revenues. While others are being forced to delve into their reserve funds, one district reported that they are still taking in more than they are planning to spend. This superintendent reported that the tax cap has helped to hold down his costs because he has settled the contracts with his personnel for just a bit over the Consumer Price

Index of 3.1%. The Tax Cap has provided leverage for keeping costs down. Other districts in that area are still settling for 6 or 7% salary increases for the teachers. Their administration and Boards are not able to reach such a low percentage of increase. This same superintendent was one of those who reported that his priority was doing everything possible for students within financial constraints. Obviously, if he is still able to budget so that revenues exceed expenses, his "everything possible for students within financial constraints" has a different meaning than it does for superintendents whose financial constraints mean cutting programs and releasing teachers.

One superintendent mentioned hiring the best staff and two other superintendents talked at length about the importance of staff development. A third superintendent explained his formula that allows each building principal to select new faculty at a standard level of master's degree plus three years experience. In this growing district where a principal may hire quite a few teachers, this formula lets him or her hire experienced, highly qualified teachers. Should he choose a teacher more expensive than the formula level, he must choose another who will cost the district less. However, this formula seems to say clearly that good teachers are a very high priority for the district. It does fit well with the priority he did state, which was to have a strong curriculum which produces high test scores to please the public so that they would continue to support the school system.

The cost of good teachers was mentioned by only one superintendent, but all acknowledged that most of their budget was to pay teachers. One of the districts mentioned that if the State of Illinois passes the early retirement incentive, he could lose almost 1/3 of his staff, 2/3 of whom make over \$50,000 per year. The early retirement incentive was designed to help districts such as

this one cut teaching expenses by replacing tenured, expensive teachers with new teachers costing less on the pay scale. Since this bill was passed in January, 1993, time will tell whether it will achieve its intended purpose.

Two superintendents said they would allow class size to grow to contain costs. Both cited the research that says student performance stays the same in classes that range from 20-35. Teachers and parents prefer the smaller class size, but larger class size is one of the fastest ways of cutting expenses. Both of these superintendents must realize that letting class sizes grow is not popular with teachers or parents. On the other hand one superintendent said maintaining class size was his highest priority. This is a popular stand with teachers and parents, but in light of the fiscal restrictions in this county at this time, maintaining a small class size makes balancing the budget much more difficult. Teachers' salaries are the primary cost in all school budgets.

Only one superintendent talked about eliminating administrative positions, and that in a district that had only three central office administrators. He said by cutting administrators, he reduced meeting time for other administrators and teachers by 50%. He prefers a flat organization with few administrators. This superintendent seemed confident about his district's positive future. Though he would allow class sizes to grow, an unpopular decision with faculty and parents, he would also cut administrative positions, a popular decision with the same two groups as well as with the community at large.

The district which has had the most community input on district matters has a list of values and priorities established by a citizen's advisory committee on budget and finance. They ranked priorities by saying that the education fund should be affected least by budget cuts, the operations and maintenance fund

more, the transportation fund third and the working cash fund should be the first to be cut. Another of their priorities was that personnel cuts should come through attrition as opposed to lay-offs. In this growing district, that may imply that class sizes may have to increase. Another of their guidelines is that over a four year period, average revenues equal average expenses. The district may choose deficit spending occasionally. Most other districts said that they worked only with a balanced budget. Three districts had been in debt in the past and now their Boards said that was never to happen again. Thus there is a contrast in the fiscal decisions of Boards of Education.

From these varied responses to the question of priorities one can conclude that there are different philosophies represented which form a basis for decisions made regarding budgeting. The philosophies of the superintendent and the Board of Education must align or one or the other must yield if harmony regarding budget decisions is to prevail. The Board represents the community, and the community can remove Board members at the next election if they do not approve of their decisions. Boards of Education can also remove superintendents if they are not satisfied with the decisions superintendents make.

The superintendents all expressed satisfaction regarding the process of making the decisions required for their budgets. One superintendent, especially, emphasized that he had included more people than his predecessor. However, this same man said that ideally a benevolent dictatorship would be the best way to run a school district. He went on to say that today people expect to have a part in processes that affect them and a benevolent dictatorship is no longer feasible.

It was clear in the interviews with most of the other superintendents that they felt staff input was essential, primarily as a means of giving teachers an opportunity to express their needs and their expectations for the programs at their schools. Superintendents are removed from the teacher input because of the traditional hierarchy in schools. In elementary schools, teachers provide input directly to their principals; at the middle and high schools the process has another level in the department structure. Departments make their budgeting decisions, which then go to the principal of the school, who, in turn, presents the school budget to the superintendent or the chief school business official. From no superintendent came any departure from this hierarchical approach to budgeting. There was variety when in some districts the allocations for each building were set prior to department or building level input. In other districts the departments or buildings submitted their capital outlay requests and major program change requests as input to the central administration which assigns them a rank in relation to all the requests or negotiates those requests and then returns an allocation to the building.

All the superintendents in the study were basically pleased with the budgeting process in their districts. They mentioned the importance of having a competent chief school business official. None mentioned that person as a weakness in their process. In one district, that person did so much of the process that the superintendent did very little with the budgeting process. Their answers to the question about the strengths and weaknesses of their current process are summarized in table 6.

TABLE 6

**STRENGTHS AND WEAKNESSES OF CURRENT BUDGETING PROCESSES
AND SUGGESTED CHANGES**

DISTRICT	STRENGTHS AND WEAKNESSES OF CURRENT PROCESS; SUGGESTED CHANGES
Unit A	Likes it as it is. Wants no changes.
Unit B	Not wanting any changes. Weakness: No knowledge of revenues.
High School C	If there were unlimited time, would go to zero-based budgeting. Would increase teacher, parent, and community input.
High School D	Strength: a base of staff participation, full knowledge by teachers, teachers have what they need, participation of the Board of Education. Weakness: budget driven by funds rather than educational needs. Single interests of some of the public.
High School E	Strength: The budget reflects the needs of students as translated by teacher. Weakness: Time lines dictated by the State; districts need to know State revenues to the district earlier. 92% of the revenue generated locally. No cash reserve.
High School F	"As good as it can be for the district." Weakness: Could strengthen teacher input at the department level; uneven involvement across departments.
High School G	Strength: Five year and three year long range financial planning. Strategic planning. Identify one initiative each year and develop and implement action plan for it.
Elementary H	Strength: Good Chief School Business Official. Board participates at the policy and not the administrative level. To improve: More input from non-certified staff and from business community, e.g., the Chamber of Commerce.
Elementary I	Satisfied but could be improved by utilizing more sophisticated computer program that would do analyses of expenditures by program, a methodology to classify expenditures to see how much is really going to students. Program budgeting still needs to be improved.

Elementary J Strengths: Flexibility good. Chief School Business Official good. Weakness: Wishes to generate additional revenue sources.

Several superintendents pointed out the weakness inherent in the State's funding of the schools. One point is the timing of the revenues. School districts must operate in an unapproved budget for several months because they do not know what their revenues will be until July or August. In these districts in wealthy areas, the local property tax is the primary funding source for the schools; the State is contributing less and less. Reduced State funding leaves the districts dependent upon their communities and vulnerable to the restrictions of their communities, which have been in an anti-tax mood for some time. The Tax Cap is also viewed as an unfair problem. Another superintendent spoke of being unable to find alternative revenue sources as a weakness in his budget. Several districts had Educational Foundations and Business Partnerships already in place to supplement tax revenues.

Two districts said that they saw increased participation by parents and community members as a way of strengthening their budgeting decision-making. The ten districts represented a continuum of involvement by community and parents. At one extreme were two districts whose superintendents said they preferred as little community involvement as possible. At the other extreme were districts that had a great deal of community involvement in the district's priorities and, therefore, in the budget. One superintendent, who already had a high level of community participation, mentioned that his next target was the Chamber of Commerce, which could lead to more business input into his elementary district.

One superintendent of a high school district voiced a concern that teacher participation should be improved by strengthening the teachers' roles at the department level on budget decisions. He speculated that the participation was uneven, depending upon the department chairman. This same superintendent has written a book that includes tools and procedure for soliciting input from groups. His concern is probably valid in all districts where a department or building structure is the vehicle for teacher input into the budgeting process.

Two superintendents mentioned the lack of participation of non-certificated staff. Secretaries, especially, seem to be without a formal channel for input. In several districts, custodial concerns were brought forward by directors of buildings and grounds. Secretaries and clerical help do not have such a spokesman. Their link would probably be the principals, who have many other concerns in the budgeting process.

The responses to question 5 about educational or business developments or decision-making models that have influenced you are summarized in table 7.

TABLE 7

**EDUCATIONAL OR BUSINESS THEORIES
IMPACTING DECISION-MAKING**

DISTRICT	EDUCATIONAL OR BUSINESS MODELS IMPACTING DECISION-MAKING IN YOUR DISTRICT
Unit A	None that came to mind.
Unit B	Business models such as the modified accrual basis of accounting.

High School C	Strategic planning. Using the mission, beliefs and long-range goals to prioritize resources. Doing "parts and pieces" of T.Q.M.
High School D	"Not into models." Interested in instructional types of initiatives.
High School E	Total Quality Management for about 9 years.
High School F	Total Quality Management since the 70's. In education: Essential Competencies (One of original Essential Schools), effective schools research and North Central Process.
High School G	Strategic Planning. In education: Outcomes-Based Education.
Elementary H	Zero-based budgeting earlier. His dissertation on community involvement in schools. Larry Lezotte's School Improvement Process. Management leaders such as Peters, Drucker and Covey.
Elementary I	Strategic Planning. Effective School Research especially for Staff Development. Beginning to learn T.Q. M.
Elementary J	Effective Schools. Willingness to utilize zero-based budgeting. T.Q.M.

A summary of the responses for this question shows that three of the 10 superintendents said that Strategic Planning has influenced them as superintendents; five mentioned Total Quality Management, but of those five only two had worked with it for some time. The other three mentioned that they are "beginning" or "learning about" T.Q.M. Four cited effective schools research as influencing them, especially as it emphasized site-based management and empowerment of teachers. Two superintendents mentioned zero-based budgeting, though neither felt they had time to implement it now. One superintendent said that zero-based budgeting is an excellent way to involve the community and the staff in decision-making. One superintendent mentioned

accrual accounting as a business development that had influenced him.

Another superintendent who has taught business classes at universities said that business writers such as Drucker, Peters and Waterman and Covey had influenced him. Two superintendents mentioned educational initiatives; but one did not name any particular initiative or interest; the other one stated that Outcomes-Based Education is influencing him and changing his school district. One superintendent dismissed the question saying, "None that come to mind." This man did not talk about theory as much as many of the other superintendents. His avoidance of theory was the most obvious of all of the superintendents.

Two of the superintendents are strong advocates of Total Quality. Both of these men were involved with Deming's Quality ideas before the recent (last two years) emphasis on Quality as it translates into educational administration and practice. One man worked with Ouchi in California in the early 70's. The other superintendent has worked with Quality about nine years, giving talks about it at education and business conferences. In both of those districts there are evidences of the Quality principles in practice, though not with the same emphasis. One of the superintendents emphasizes the flat organization, the participation of the workers (faculty) and the collection of data through surveys to drive decision-making. The other is especially interested in the data-driven decision-making of Total Quality and the participation of the workers (faculty). As a result he, too, surveys the stakeholders every five years to give direction for long-term initiatives. He also utilizes test-score data and the other statistics collected by the state such as drop-out rate, graduation rate and attendance rate to guide his decisions. Neither superintendent talked about Deming's 14 points or the degree to which all the staff members in the the district understood

the Total Quality philosophy. In the interviews Quality was discussed in light of decision-making only as it related to administrative decisions.

Other superintendents utilize faculty input in budget decisions because of the effective schools research and the teacher empowerment literature of the 80's. Thus, to some extent, whether the source is from business management theories or educational effectiveness research, the resulting broadened participation practices in decision-making are the same.

There is a decided difference in the responses of the superintendents who can discuss the theories behind their practices and those who did not or were not able to discuss the theories. The superintendents who saw the "big picture" including management theories and who articulated these ideas seemed more confident and optimistic about their work and the future of their districts. They had a plan about what would keep their districts going forward, even though they were in difficult times financially. The most confident superintendents were individuals who have served as superintendents in several districts and thus had a broader experience than those who had remained in the same district for much of their careers. They also apparently had qualities that were desirable to other districts and were able to be hired from among other qualified candidates. The superintendents who seemed the most confident had more than four years of experience. In other words, those who were relatively new to the position did not yet have the experience from which to draw conclusions and projections about their current state. They seemed to be operating from a more pragmatic level. Being pragmatic, however, did not correlate with the length of time the individuals had worked as a superintendent. The superintendent who had been in his position longest

was one of the most pragmatic and least theoretical of the superintendents in the study.

In conclusion it should be said that the superintendents who participated in the study were candid and helpful. The shortest interview lasted approximately 35 minutes; the longest about 90 minutes. They seemed to be interested in explaining their ideas, rationales and philosophies as well as their day-to-day practices. Their answers, as reported in the study, revealed a range of procedures and philosophies among practicing superintendents. The findings and analysis reported in this chapter have generated five conclusions, which are discussed in the next chapter.

CHAPTER 4

SUMMARY, CONCLUSIONS, RECOMMENDATIONS AND SUGGESTIONS FOR FURTHER STUDY

Some of the most important decisions made in a school district are reflected in terms of dollars allocated in the budget. Studying how superintendents make the decisions involved in preparing a budget, an important responsibility that all superintendents share, contributes to the body of knowledge about the superintendency. To discover what is happening now, in 1993, about the decision-making of superintendents regarding budgets, superintendents of a sample of large, suburban school districts in DuPage County, Illinois, were interviewed. The districts were homogeneous in that they were the largest districts located in one relatively wealthy suburban county west of Chicago, Illinois. All of the superintendents had been in their current position at least two years, giving them time to adjust the budget-making process as they would like it. The sample districts differed in that two were unit districts (Kindergarten - 12th grade), five were high school districts, and three were elementary districts. The nine men and one woman represented a wide variation in number of years as superintendents, from 2 to 33. The financial situations in the districts varied primarily because of the assessed valuation of the property within the district and budgeting decisions that have been made in the past.

Data were gathered through structured interviews lasting between 45 to 90 minutes. All of the superintendents who met the criteria of having the largest districts in DuPage County and who had been the superintendent in the district for at least two years agreed to be interviewed and responded to each of the five questions in the study. The questions were as follows:

1. What people or groups were involved in formulating the budget in your district and what were their functions in the process?
2. What was the process used in your district in making the decisions for your budget?
3. What were the three most important priorities or values you took into consideration in making your budgeting decisions?
4. What are the strengths and weaknesses of your current budgeting process? To what extent are you satisfied with the process in your district? What would you like to change about the process and why?
5. Are there any educational or business developments or decision-making models that have influenced the decision making in your district recently, e.g. Total Quality Management, Effective Schools Research? If so, what are they and how have you implemented the ideas in the decision-making processes in your district?

Conclusions

There are six conclusions generated by this study.

- All the superintendents sought input from their staffs; the budgeting process always involved the administration, faculty and occasionally non-certificated staff such as buildings and grounds personnel.

- The high school districts did not involve parents and community members as did the elementary or unit districts in decision-making for budgeting.
- The superintendents supported curriculum, student services and staff development as the most important priorities in their budgeting.
- The superintendents in the sample are very satisfied with the budgeting process in their districts.
- Superintendents expressed a need for more accurate and comprehensive data on which to base budgeting decisions.
- Strategic planning and Total Quality Management are the most influential and most frequently used models that impacted decision-making and budgeting by the superintendents in the sample.

The first and second conclusions come from the question on who was involved in the decision-making regarding the budget. In all districts in the study many people participated in making the decisions for the school budget. The certificated staff participated or were represented in the process in every district. In the high school districts, teachers' participation came through the department structure; at the elementary school level participation was either through building meetings or departments. The elementary and unit districts involved parents and community members as participants in budgeting decisions; the superintendents of high school districts did not think of them as participants. The study raised the question of when and how much the community and parents were allowed to participate in decisions about the school districts. When schools and Boards of Education sought public input through strategic planning, surveys, satisfaction questionnaires, hearings, and less formal town meetings, they were gathering information for Board decisions or for internal decisions that might change the direction of the district in the

future. Some superintendents felt that it was very important to involve stakeholders such as community members and others did not. Those who did involve the community were the superintendents who expressed a strong theoretical base during the interviews and eagerly discussed the models that influenced them. Also they had developed a formal and efficient method of handling the process. The more pragmatic superintendents did not emphasize parent and community participation as being a priority.

The question about priorities provided data showing that curriculum, student services and staff development were most important for the superintendents of the sample. Responses to this question varied widely, however. One elementary superintendent said that the district priorities were set by the Curriculum Advisory Committee. Her response is a good example of how representatives of different groups within a school district can set priorities for budgeting. Other superintendents cited their district mission statements, which are another example of collaboration to develop values and priorities for a school district. Fiscal limits were also mentioned as the primary priority.

The answers to the question about strengths and weaknesses and satisfaction with the budgeting process revealed that all the superintendents liked the process as it was. Several commented that they had increased the number of participants in the process when they became superintendents in the district. In response to the part of the question about weaknesses, many mentioned their dissatisfaction with the late timing of announcement and the uncertainty of State allocations for school funding.

One way that was mentioned to improve the budgeting decisions would be to have more accurate and comprehensive data. Several of the participants talked about the value of zero-based budgeting but felt that it was too time

consuming and difficult. Easily obtained data regarding program costs and benefits would improve decision-making in budgeting.

Finally, the superintendents in the sample reported that strategic planning and Total Quality Management are the current popular processes that are influencing their decision-making. There were three proponents of strategic planning, but two other superintendents spoke against strategic planning. Those who spoke against it had alternative channels for setting priorities and involving the faculty, staff, parents and community members. Of the five superintendents who mentioned T.Q.M., two had worked with Quality principles for a long period of time; three admitted they were just learning about it and beginning to try it in their districts. Two superintendents reported they had no models that influenced them.

Recommendations

- Superintendents and other leaders in a school district should make an informed and consensual decision about which management theory or effectiveness research to institutionalize.

School administrators have choices of many popular initiatives, but a choice must be made to focus the energies of the district rather than attempting to institute many changes at once or to change focus too frequently. Decisions regarding management must be a long term commitment in order to effect real change. When the district leadership chooses or supports a focus, then the district can move forward together.

- It is important that members of Boards of Education be given training in the role of the Board of Education in the governance of the school district.

This recommendation is based upon the fact the superintendents reported being frustrated by members of Boards of Education who wanted to be involved in the day-to-day administration of the schools. Unless members are educated about the role of a Board member, they cannot be expected to know on what level they are to participate. Their role should be on the level of macro or policy decisions and not on the level of micro-management. There is a very significant role, but it is easy for them to want to get involved in day-to-day administrative decisions. The decision-making literature specifically says that participants in the decision-making process must know the scope of their responsibilities. In the Board's case they are the ultimate decision-makers, but the areas for which they are responsible are at a level that many people usually do not function. The day-to-day management is easier, more comfortable and perhaps more interesting.

- Superintendents and Boards of Education need to understand clearly the values and priorities of the district and realize that they have long range consequences.

Values or priorities for a district can be set through a number of avenues such as values clarification sessions, strategic planning, or input gathered from the stakeholders. The decisions made by the Board of Education, which should reflect the values of the district, have impact on the school district for many years. In budgeting matters, decisions such as whether to permit deficit spending or whether to build up a fund balance can influence a district far beyond the term of a superintendent or Board of Education member.

- A third recommendation is for development of effective, easily used, and accurate ways of determining cost benefit analysis of school district programs.

School districts would be able to use these analyses to make data driven decisions. In times of restricted funding for education, being able to choose the most effective ways to spend money would be very helpful. Much work is needed, however, in the area of cost-benefit analysis and program costs in decision-making. Total Quality Management is to be data driven, but securing good data is very complex in education where the important goals are not faster production or fewer defects (easily obtained data), but human learning and values. It is much more difficult to measure the growth of creative problem solving abilities than it is to measure how many widgets were produced. Cost-benefit analysis by human resource specialists in business and industry has been developed which could transfer to the field of education, but, so far, it has not been embraced by school administrators to any practical extent.

Utilizing standardized test scores as the data to judge education is problematical because most of the tests that are easily standardized measure lower level learning such as knowledge and comprehension. There is a great deal of work being done by educators in developing more authentic assessment that will give data on higher levels of learning. The results of these assessments can be used in program evaluation as well as individual student assessment and eventually become a component in cost benefit analysis.

The superintendents who mentioned the importance of zero-based budgeting were expressing a related need of program or cost-benefit analysis as a necessary step in decision making. Applying zero-based budgeting to school programs on a rotating basis would subject programs to financial scrutiny on a cycle. Zero-based budgeting requires effective ways to analyze both costs and benefits. Computer programs are being developed that may improve an administrator's ability to find this information.

- Teachers and administrators should learn to use decision-making tools such as affinity diagrams, lotus charts, Pareto charts and nominal group techniques and utilize them in a variety of situations.

The use of these tools has potential for improving decision-making. It would appear that the efficiency of the decision-making process and the number of ideas generated would be improved. Once the use and value of these tools is discovered, teachers could use them with classes not only to reach decisions but also to teach a skill which students could then use when they are involved in formal decision-making either as leaders or as members of a group.

The Total Quality literature, especially, focuses on the use of these tools in aiding decision-making. The value of these tools is similar to the Strategic Planning models in that they formalize a process to arrive at a decision. They ensure participation by the group members and provide structure for brainstorming and making decisions.

The nominal group technique has been used for many years in the educational setting, but the others, which are beginning to be used in business, are just being explored by educators. They have been available for some time, but are slow to be adopted. The use of such techniques is advocated in the 1984 book on excellence in education written by one of the superintendents in the survey.

They hold potential for improving the participation in group decision-making and thus the quality of the decisions. Their use also could provide a more consistent means of decision-making if each school department or site used the same process as a way of soliciting input from its staffs. It would

require training of the principals or department heads to implement the use of the tools but it would provide a more equitable approach.

Suggestions for Further Study

- A suggested study related to the topic of superintendents and decision-making is to what extent Boards of Education take the applicant's philosophies toward business management models and school effectiveness into consideration when they are choosing a superintendent. Regarding participation in decision-making, further studies could be conducted to show what, if any, relationship exists between the extent of community participation, the community's satisfaction with the schools and the quality of decisions made after community participation. A second approach to such a study would be to compare the amount of time, effort and dollars various districts devote to seeking community input into school decisions. Another area of study could be whether Boards of Education use a superintendency candidate's philosophy of community involvement as a criterion for hiring. If a community has a history of being involved by superintendents through surveys or other forums, can it alter its expectation for involvement with the change of superintendents or does a decidedly different philosophy toward community involvement lead to a quick turn-over of the new person when the community which is accustomed to having a voice in schools suddenly loses the opportunity for participation? Conversely, does an experienced superintendent sometimes get hired because he has a history of inviting community input when that is what a community has experienced in the past?

- Another suggested study is to see if superintendents who espouse a particular idea or theory such as the importance of community involvement or Total Quality principles have effectively communicated it to their colleagues in the district and to what extent the other administrators and staff members support the identified theory.. How does the district's theory or vision translate into the budget/ Do the other people in the budgeting process concur? Would the other people in the process have the same values or priorities, or might they have a different agenda? This study would shed further light on how consistently the ideas a superintendent voices are, in fact , carried out in his or her district. Only by interviewing other participants in the budgeting process would the researcher know whether the process functions as the superintendent explained it. It is very possible, too, that the superintendent is not aware of how the process occurs at other levels.
- A comparison of vision understanding and support by school employees when it is done by strategic planning or by school employees themselves would be an important study. The question could be "Is strategic planning as done by representatives of the community, parents, teachers, administrators, students and non-certificated personnel an effective way to create a district mission and vision that employees endorse and accept as their own?"
- Further study could be done about the effectiveness of an individual decision-making tool or technique such as the affinity diagram or the lotus chart for particular situations such as budgeting. Another study could duplicate the original study by Donald L. Piper where groups reached their decisions by consensus or participative decision-making. To those two kinds of

decision processes could be added decisions using the formalized techniques such as the affinity diagrams or the lotus charts. The research would look at whether the more formalized techniques produced more efficient or effective decision making than did the less structured decisions reached through consensus or participative decision-making.

APPENDIX

EXHIBIT A

TELEPHONE SCRIPT FOR REQUESTING INTERVIEW

"I am Sally Lockwood, a doctoral student at Loyola University in the Educational Leadership and Policy Studies department. My dissertation is on the Budgeting process in school districts in DuPage County. I am gathering the data through face-to-face interviews with the superintendents. The interview will take about half an hour. Neither your name nor your district 's name will be identified in the dissertation. In other words, you will have complete anonymity in the dissertation and the results.

The interview will center around 5 broad questions such as who is involved in formulating the budget, to what extent they are involved and what are your priorities in planning the budget. I will send the 5 broad questions to you prior to the interview so you would have time to think about them if you wish.

I will be happy to share the results of the study with you if you choose to participate.

Do you have any questions?

Would you be willing to participate in the study and let me interview you about the budgeting process in your district?

When would be a convenient time to schedule the interview?

Could you give me specific directions about the location of your office and parking?

Should you wish to contact me about the appointment I can be reached at xxx-xxxx. During the day I can be reached at xxx-xxx.

Thank you.

**EXHIBIT B
LETTER OF CONFIRMATION AND QUESTIONS**

Dear Superintendent

Thank you for being willing to participate in my study of administrative decision-making regarding the budgeting process.

The following are the broad questions about which I am gathering data. Several of them are in worksheet form so that you will know the kind of information I hope to collect.

• **1. Who was involved in formulating the budget in your district and what was their function?** Functions: 1. Provided information about needs and priorities, 2. Discussed budget with decision makers, 3. Served in advisory capacity to decision makers, 4. Made decisions via consensus, 5. Made decision via vote. 6. Made final decision. 7. Were not directly involved.

- a. _____ Board of Education members as a formal group
- b. _____ Board of Education members through Informal meetings
- c. _____ Citizens and parents
- d. _____ Superintendent
- e. _____ Chief School Business Official
- e. _____ Other Central Office Administrators
- f. _____ Principals
- g. _____ Teachers
- h. _____ Students
- i. _____ Others

• **2. Please describe the process you use in your district in making the decisions that go into your budget.**

(If you have any time lines or other budgeting tools that you use in your district, I would like to have a copy of them.)

• **3. Please rank the top 5 Priorities or Values that influenced you.**

• **4. What are the strengths and weaknesses of your current budgeting process? To what extent are you satisfied with the process in your district? What about it would you like to change and why?**

• **5. Are there any educational or business developments or decision-making models that have influenced the decision making in your district recently? (e.g., TQM, Effective Schools research) If so, what are they and how have you implemented some of those ideas in the decision-making processes here?**

I look forward to talking with you about this topic on xxx at xxx. Should you wish to contact me, my home phone number is xxx-xxxx. During the day I can be reached at the xxx-xxxx.

Sincerely,

Sally Lockwood

EXHIBIT C

DOCUMENT USED FOR NOTE-TAKING DURING INTERVIEW

Interview Document

Superintendent: _____

Date: _____

District: _____

Time: _____

Phone: _____

How Long as Superintendent: ____ How long in present position: _____

How many Central Office Administrators: _____

• **1. Who were involved in formulating the budget in your district and what were their functions?** Functions: 1. Provided information about needs and priorities, 2. Discussed budget with decision makers, 3. Served in advisory capacity to decision makers, 4. Made decisions via consensus, 5. Made decision via vote. 6. Made final decision. 7. Were not directly involved.

- a. _____ Board of Education members as a formal group
- b. _____ Board of Education members through Informal meetings
- c. _____ Citizens and parents
- d. _____ Superintendent
- e. _____ Chief School Business Official
- e. _____ Other Central Office Administrators
- f. _____ Principals
- g. _____ Teachers
- h. _____ Students
- i. _____ Others

•2. Please describe the process you use in your district in making the decisions that go into your budget.

(If you have any time lines or other budgeting tools that you use in your district, I would like to have a copy of them.)

• 3. Please rank the top 3 Priorities or Values that influenced you.

• 4. What are the strengths and weaknesses of your current budgeting process? To what extent are you satisfied with the process in your district? What about it would you like to change and why?

• 5. Are there any educational or business developments or decision-making models that have influenced the decision making in your district recently? (e.g., TQM, Effective Schools research) If so, what are they and how have you implemented some of those ideas in the decision-making processes here?

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VITA

Sally Kay Lockwood was born and raised in western Iowa near the town of Storm Lake. She is the daughter of Don and Alberta Shevel. She is married to James R. Lockwood; they have two daughters, Gwynn and Dana.

The author received her elementary and secondary education at Hayes Consolidated School. She received her Bachelor's degree from Buena Vista College in Storm Lake, majoring in English and education.

During her teaching career she taught at Jefferson High School, Cedar Rapids, IA, Urbana High School, Urbana, IL, and Mother Guerin High School, River Grove, IL. She received her master's degree in Instructional Media from Northeastern Illinois University in 1980. From 1984-1990 she was director of media services at Resurrection High School in Chicago. In 1989 she entered the doctoral program at Loyola University in the College of Education in administration and supervision, serving an internship component in the central administrative offices of the St. Charles, IL, Community Unit School District. She is presently employed by the St. Charles School District as an administrator.

APPROVAL SHEET

The dissertation submitted by Sally Kay Lockwood has been read and approved by the following committee:

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The final copies have been examined by the director of the dissertation, and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the dissertation is now given final approval by the Committee with reference to content and form.

The dissertation is therefore accepted in partial fulfillment of the requirements of the degree of Doctor of Education.

Apr. 15, 1993
Date

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Director's Signature