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ABSTRACT

A program budget is an alternative to the traditional line-item budget. Such a budget would interpret the expenditures of the school system in terms of the programs the school system provides rather than in terms of the resources it utilizes. This report outlines a structure for such a Program Budget System (PBS) in the Worcester, Massachusetts, Public Schools. The outline describes the program budget structure, identifies the individual programs, discusses development of the program coding system, and provides designs for budget reporting forms. (Page 34 may reproduce poorly.)
(JF)

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PROGRAM BUDGETING

A proposed outline of
plans and procedures

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WORCESTER PUBLIC SCHOOLS

September 1972

EA 005 518

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PROGRAM BUDGETING

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1. Purpose

The immediate purpose of this report is to outline a structure for a proposed "Program Budget System (PBS)" for the Worcester Public Schools.

This "program budget" would interpret the expenditures of the school system in terms of the programs the school system provides rather than in terms of the resources it utilizes.

The "program budget" would be an alternative to the traditional "line-item budget."

On a longer-range planning basis, PBS may be considered as one phase of a total "Planning - Programming - Budgeting - Evaluating System (PPBES)."

Briefly, the major phases of PPBES are:

- (1) Planning - the setting of immediate and long-range goals and objectives

- (2) Programming - the selecting from alternatives, methods of achieving these goals and objectives

- (3) Budgeting - the financial interpreting of the programs sponsored

- (4) Evaluating - the assessing of the attainment of objectives and the worth of programs

While some school systems begin with phase "1," many find it more practical to begin with phase "3."

This outline will concern itself with step "3" and will involve the following:

- (1) description of the program budget structure
- (2) identification of individual programs
- (3) development of the program coding system
- (4) design of budget reporting forms

2. Guidelines

The following guidelines or requirements for the development of a Program Budgeting System are recognized:

- (1) The system should be consistent with the requirements of PPBES, if this is to be implemented in the future.

- (2) The design should take into account the current requirements for financial accounting of:
 - (a) the school system
 - (b) the City of Worcester
 - (c) the Commonwealth of Massachusetts
 - (d) the U.S. Office of Education as set forth in Financial Accounting for Local and State School Systems, Handbook II

- (3) The processing of data would be accomplished by computer.

- (4) The system should be expandable to allow for the addition or revision of programs.

- (5) The system should be flexible to allow any future modifications, for example, (1) a goal-oriented structuring of programs
- (2) the allocation of the costs of all support and service programs to instructional programs
- (6) A good program-expenditure-reporting-system is needed for purposes of analysis and for budget planning.
- (7) Revisions will become necessary as the implementation progresses.

3. Program Structure, Identification, and Coding

A program may be defined very simply as "a set of activities contributing to a common objective."

Actually, a program may be as broad or as narrow a set of activities as you may wish to define, and for which you would like to have a specific budget. The program budget as a concept must be adapted to the individual school system. Usually its detail is a function of the size of the school system.

For Worcester's immediate purposes, it is proposed that a program consist of one specific subject-matter area at one level of the school system. For example, "home economics at the junior-high level."

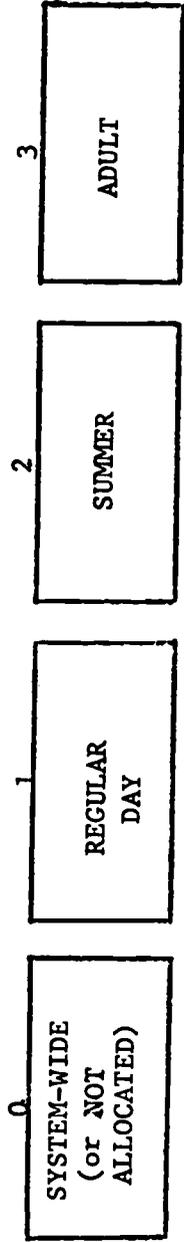
Special situations also would be identified, such as the "elementary swimming-program."

The various levels and classifications of programs, as recommended, are shown in Figure 1A, page 7.

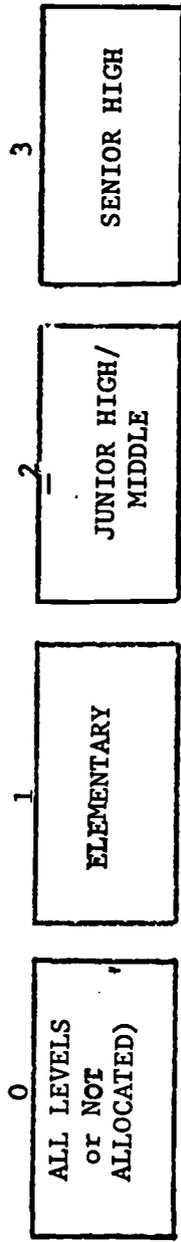
The coding system for data processing purposes is also illustrated. Each program is identified by a unique 6-digit code number.

73

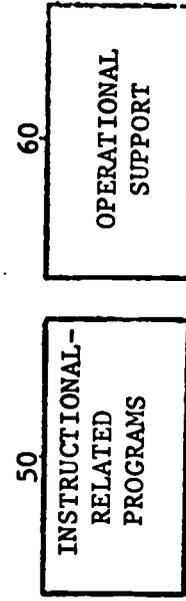
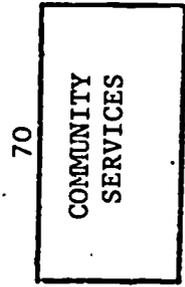
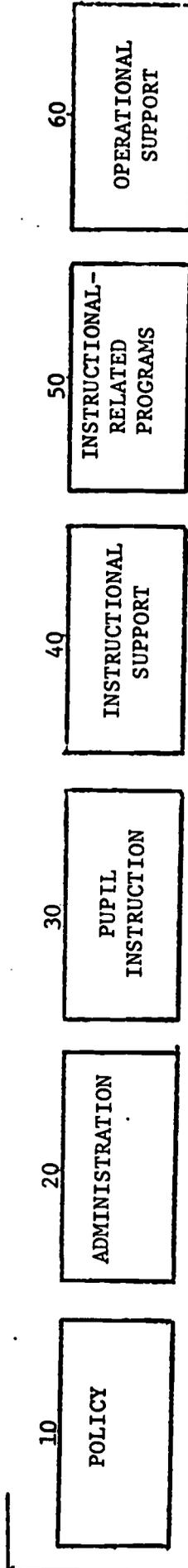
PROGRAM BUDGET



TYPE



LEVEL



AREA

PROPOSED PROGRAM BUDGET STRUCTURE

FIGURE 1 A

Programs are defined first (Level I) by "type":

<u>Code</u> <u>(1st digit)</u>	<u>Type</u>
0- - - -	System-wide (or not allocated)
1- - - -	Regular day
2- - - -	Summer
3- - - -	Adult

Next, by grade "level" (Level II):

<u>Code</u> <u>(2nd digit)</u>	<u>Level</u>
-0- - - -	All levels (or not allocated)
-1- - - -	Elementary
-2- - - -	Junior High/Middle
-3- - - -	Senior High

The next level (Level III) has several "areas," each representing a separate function within the school system. It should be noted at this point that programs will cross organizational lines.

<u>Code</u> <u>(3rd digit)</u>	<u>Area</u>
___ 1 ___	Policy
___ 2 ___	Administration
___ 3 ___	Pupil Instruction
___ 4 ___	Instructional Support
___ 5 ___	Instructional- Related Programs
___ 6 ___	Operational Support
___ 7 ___	Community Services

Each one of the above "areas" is permitted a further classification into organizational "blocks" in the next level (Level IV). See Figure 1B, page 14.

Code
(3rd and 4th)
digits

Area and Block

__10__

Policy: General

__11__

School Committee

__12__

__13__

__14__

__20__

Administration: General

__21__

Superintendent's Office

__22__

__23__

__24__

__25__

__26__

__27__

__28__

__29__

__30__

Pupil Instruction: General

__31__

Graded (K, 1,2----8)

__32__

Academic (English, Languages,---)

__33__

Special-Area (Art, Music,___)

__34__

Vocational-Occupational

__35__

Special-Education

__36__

Selected-Schools/Programs
(Community Schools, Adjunct, Dynamy,---)

__37__

__38__

__39__

Other-Programs (Study Hall, Duty,
Conference,-----)

Instructional Support:

40	General
41	Library
42	Audio-Visual
43	Pupil Services
44	Staff Development
45	Program Development

Instructional
Related Programs:

50	General
51	Athletics
52	Pupil Activities
53	Special Events (Art Festival, Project Fair---)
54	

Operational Support:

60	General
61	Business
62	Data Processing
63	Plant
64	Transportation
65	Food
66	

Community Services:

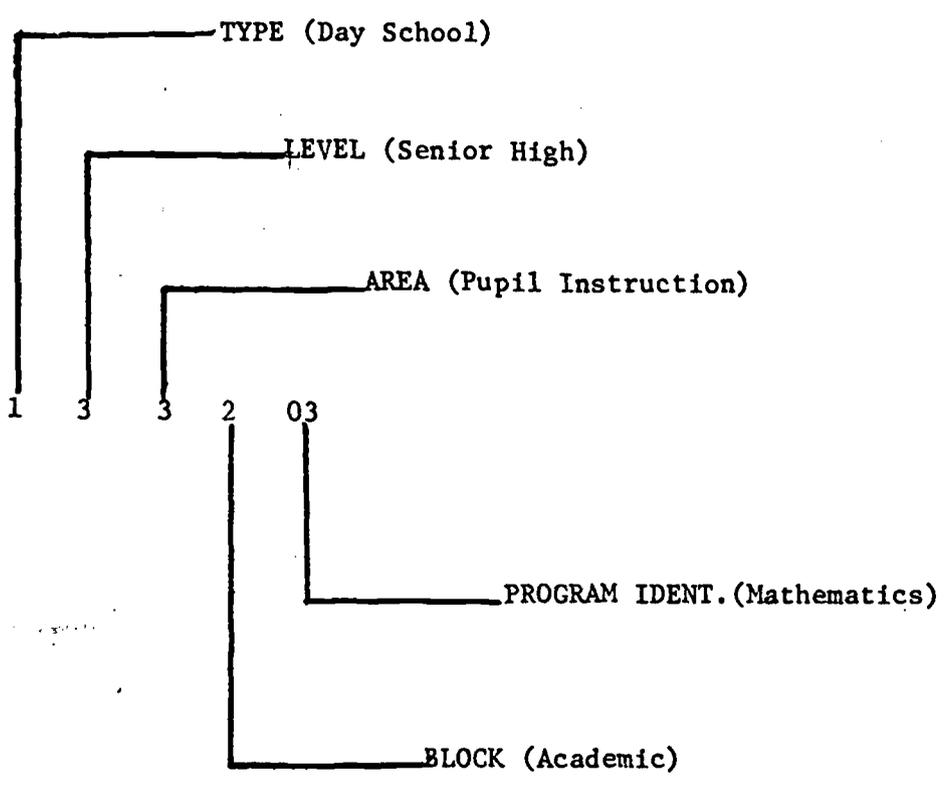
70	General
71	Recreation
72	Civic
73	Non-Public-Schools
74	

Within "type," "level," and "block," each program is further identifiable (Level V) by the addition of the fifth and sixth digits.

Code

----- 03

For example, the "Senior-High Mathematics Program": would be identified by:



While the structure (Level V) permits the identification of many programs, only the most illustrative are listed in Figure 1B. All programs will be listed as implementation proceeds.

IV
V

POLICY

10

GENERAL

001000

11

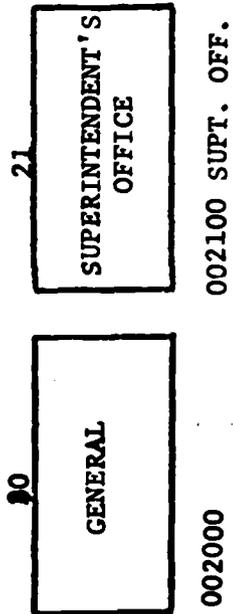
SCHOOL
COMMITTEE

001100 SCH. COMM.

B L O C K P R O G R A M

FIGURE 1 B-1

ADMINISTRATION



B L O C K P R O G R A M

IV
V

Figure 1B-2

PUPIL INSTRUCTION

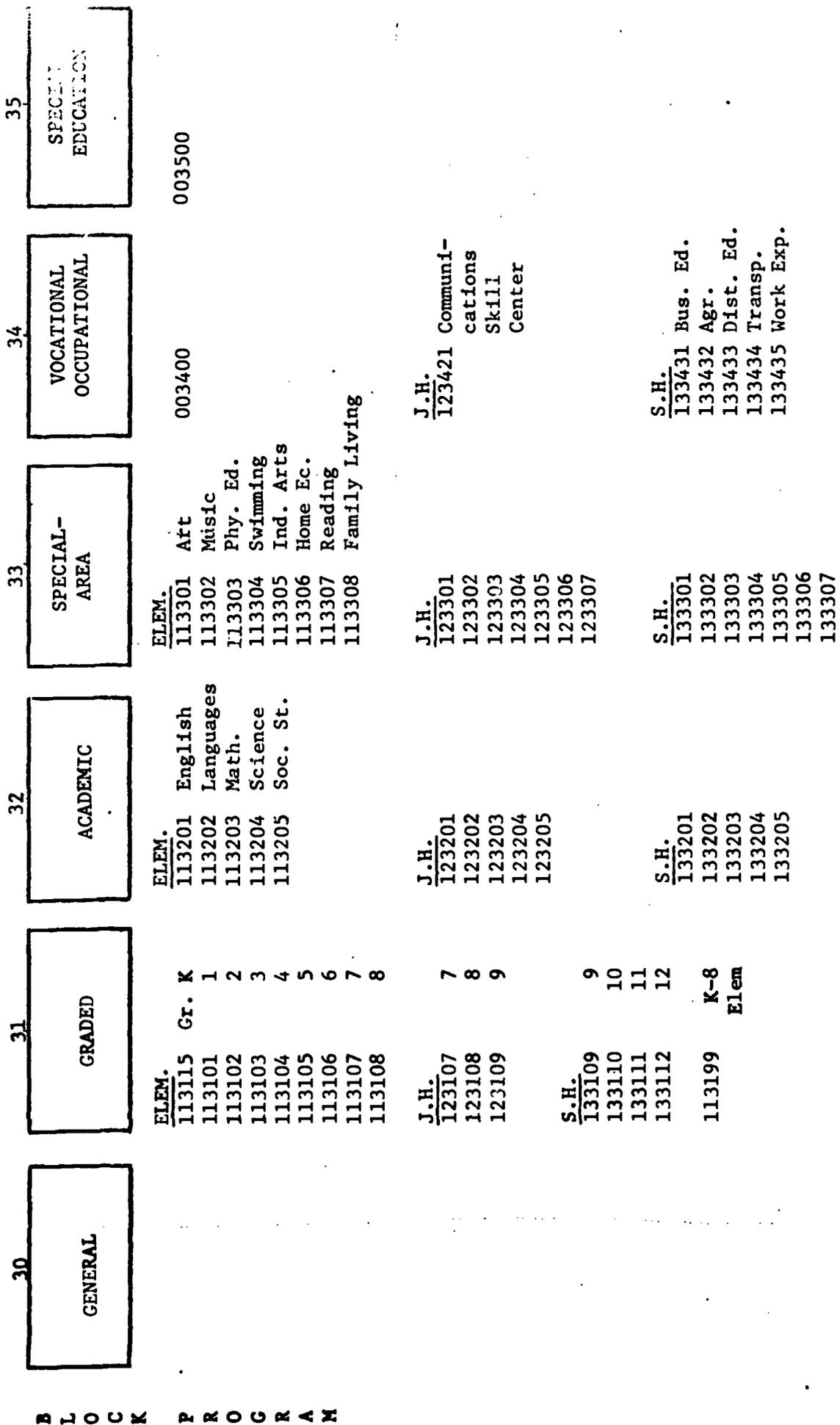


FIGURE 1 B-3

PUPIL INSTRUCTION (Cont'd)

36

SELECTED
SCHOOLS AND
PROGRAMS

39

OTHER
PROGRAMS

B L O C K P R O G R A M

IV

V

003600

ELEM.

113601 Community Schools

113998 Other Programs Allocatable to Pupil Instruction

J.H.

123901 Study Hall
123902 Homeroom
123903 Cocurricular
123904 Duty Assignments
123905 Conference
123906 Unassigned
123907 Lunch

123998

S.H.

133901
133902
133903
133904
133905
133906
133907

S. H.

133631 Alternative School
133632 Dynamy

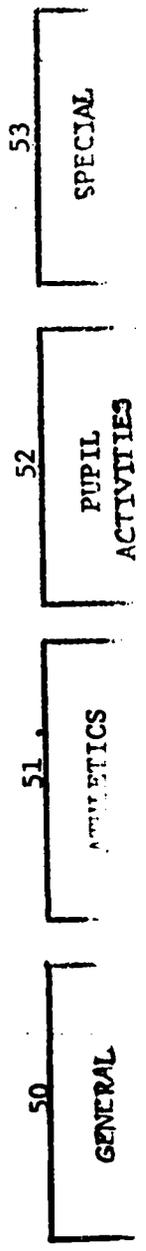
SUMMER

213641 Summer Elem.
223642 Summer J.H.
233643 Summer S.H.
233644 Adjunct Sum.

ADULT

313681 Elem.
313683 Evening High
303684 Enrichment
303685 Learning Ctr.

INSTRUCTIONAL-RELATED PROGRAMS



005302 Project Fair

B L O C K P R O G R A M

FIGURE 1B-5

OPERATIONAL SUPPORT

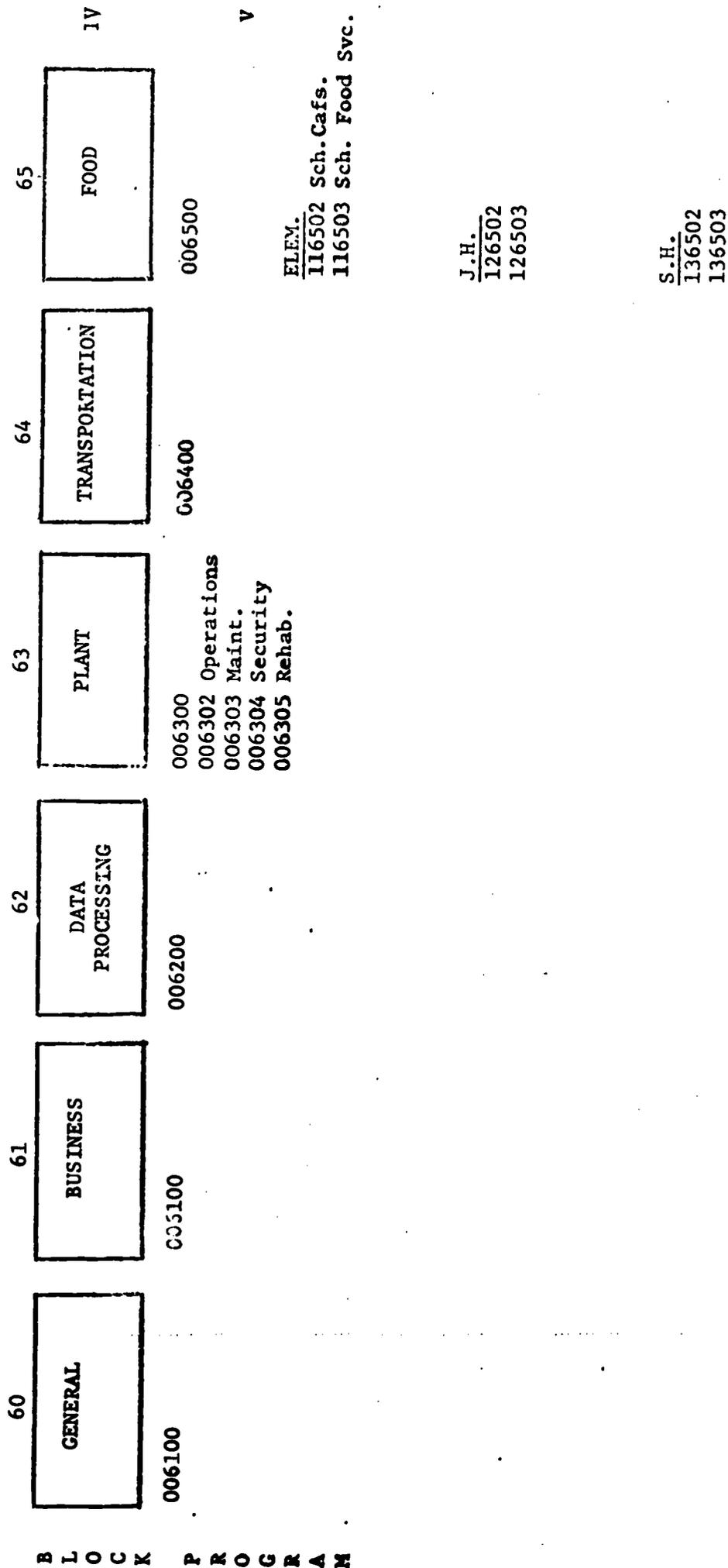


FIGURE 1B-6

COMMUNITY SERVICES

70	GENERAL	007000	
71	RECREATION	007100	
72	CIVIC	007200	
73	NON-PUBLIC SCHOOLS	007300	007301 Transp. 007302 Health 007303 Athletics 007304 Attendance

IV

V

Related Coding and Sub-Program Identification

Two further coding requirements must be considered in order to provide (1) additional information for budget preparation and analysis and (2) identification of program elements such as specific courses, when these must be evaluated to meet a need.

"Related coding" provides 14 digits to identify the following:

<u>Code</u>	<u>Item</u>
73	Budget Year
1	Source of Funds (See Appendix 1)
016	School or Division (See Appendix 2)
50106	Account (See Appendix 3)
320	Object (See Appendix 4)

"Account" and "Object" number together with the program number provide a crossover between the line-item budget and the program budget.

"Sub-program identification" provides 3 digits to identify a specific element or course within a program. At the junior-high and senior-high levels, these numbers will be the course numbers as provided in the "Program of Studies Booklet."

Program elements may be analyzed further into "program element experiences" or units within a course, for example, "Astronomy" in the 8th-Grade Science course.

The complete coding structure for a proposed budget item or an expenditure item for Plane Geometry books at a particular high school is shown in Figure 2, page 22.

Figure 2

CODING

(Ex. Plane Geometry Books)

RELATED CODING					PROGRAM NUMBER					SUB PROGRAM IDENTIFICATION
<u>73</u>	<u>1</u>	<u>016</u>	<u>50106</u>	<u>320</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>03</u>	<u>142</u>
B U D G E T	S O U R C E	S C H O O L	A C C O U N T	O B J E C T	T Y P E	L E V E L	A R E A	B L O C K	I D E N T I F I C A T I O N	E L E M E N T O R C O U R S E
Y E A R	O F F U N D S	O R D I V I S I O N								

While this might seem complex, many of the digits would be pre-recorded or pre-punched in normal processing procedures. For purposes of cost analysis, assuming data processing capabilities, the potential would be of advantage.

5. Budget Forms

Forms to be used in the Program Budget would consist of the following types:

Reporting Forms

- (1) Summary (a) showing total budget figures by program AREA (Policy, Administration, Pupil Instruction, etc.) and TYPE (Regular Day, Summer, etc.)
See Figure 3, page 25.
- (b) showing total budget figures for each individual program.
See Figures 4A, 4B, and 4C, pages 26 to 28.
- (2) Program - showing an analysis for each program by personnel, books, supplies, equipment, etc. See Figure 5, page 29.
- (3) Special Report showing special data as may be appropriate.
Not illustrated.

Processing Forms

- (1) Program Element - individual course or program element forms needed to prepare a program form. See Figure 5, page 29.
- (2) Worksheets - special forms needed for salary proration analysis, etc.
Not illustrated.

Figure 3
 1973
 BUDGET SUMMARY
 BY
 PROGRAM AREA AND TYPE

<u>PROGRAM AREA</u>	<u>PROGRAM</u>			<u>TYPE</u>	
	Regular Day	Summer	Adult	System-Wide or Not Allocated	Total
1. <u>POLICY</u>					
2. <u>ADMINISTRATION</u>					
3. <u>PUPIL INSTRUCTION</u>					
4. <u>INSTRUCTIONAL SUPPORT</u>					
5. <u>INSTRUCTIONAL-RELATED PROGRAMS</u>					
6. <u>OPERATIONAL SUPPORT</u>					
7. <u>COMMUNITY SERVICES</u>					
<u>TOTALS</u>					

Figure 4A
1973

PROGRAM BUDGET SUMMARY
REGULAR DAY

All Levels
or Not
Allocated Total

<u>PROGRAM AREA</u>	<u>PROGRAM</u>	<u>Elem.</u>	<u>J.H.</u>	<u>S.H.</u>	<u>Allocated</u>	<u>Total</u>
<u>1. POLICY</u>						
<u>2. ADMINISTRATION</u>						
<u>3. PUPIL INSTRUCTION</u>						
	K-8					
	English					
	Languages					
	Mathematics					
	Science					
	Social Studies					
	Art					
	Music					
	Physical Education					
	Swimming					
	Industrial Arts					
	Home Economics					
	Reading					
	Voc.-Occ. Education					
	Business Education					
	Selected Schools and Programs					
	Community Schools					
	Other Programs					
<u>4. INSTRUCTIONAL SUPPORT</u>						
	Library					
	Audio-Visual					
	Pupil Services					
	Counseling					
	Placement					
	Child Study					
	Measurement					
	Attendance					
	Health					
	Staff Development					
	Released Time					
	Program Development					
<u>5. INSTRUCTIONAL-RELATED PROGRAMS</u>						
	Athletics					
	Pupil Activities					
	Special Events					
<u>6. OPERATIONAL SUPPORT</u>						
	Business					
	Data Processing					
	Plant					
	Plant Rehabilitation					
	Transportation					
	Food					
<u>7. COMMUNITY SERVICES</u>						
	Non Public Schools					
<u>TOTALS</u>						

Figure 4B
1973

PROGRAM AREA	PROGRAM	PROGRAM BUDGET SUMMARY			All Levels or not	
		SUMMER Elem.	J.H.	S.H.	Allocated	Total
1.	<u>POLICY</u>					
2.	<u>ADMINISTRATION</u>					
3.	<u>PUPIL INSTRUCTION</u> Summer Elem. Schools Summer J.H. School Summer S.H. School Adjunct Summer School					
4.	<u>INSTRUCTIONAL SUPPORT</u> Library Audio-Visual Pupil Services Counseling Staff Development Program Development					
5.	<u>INSTRUCTIONAL-RELATED PROGRAMS</u>					
6.	<u>OPERATIONAL SUPPORT</u> Business Plant Plant Rehabilitation Transportation Food					
7.	<u>COMMUNITY SERVICES</u>					
<u>TOTALS</u>						

Figure 4C
1973
PROGRAM BUDGET SUMMARY

<u>PROGRAM AREA</u>	<u>PROGRAM</u>	<u>ADULT Elem.</u>	<u>J.H.</u>	<u>S.H.</u>	<u>All Levels or Not Allocated</u>	<u>Total</u>
1. POLICY						
2. ADMINISTRATION						
3. PUPIL INSTRUCTION	Adult Enrichment Adult Learning Center Elementary Schools Evening High School					
4. INSTRUCTIONAL SUPPORT	Library Audio-Visual Pupil Services Counseling Placement Staff Development Program Development					
5. INSTRUCTIONAL-RELATED PROGRAMS						
6. OPERATIONAL SUPPORT	Business Plant Plant Rehabilitation Transportation Food					
7. COMMUNITY SERVICES						
TOTAL						

25
209

Figure 5
BUDGET FORM FOR PROGRAM COST

<u>CODE</u>			<u>Estimated Cost</u>	
_____	BUDGET YEAR	_____		
_____	SOURCE OF FUNDS	_____		
_____	SCHOOL OR DIVISION	_____		
_____	PROGRAM TYPE	_____		
_____	PROGRAM LEVEL	_____		
_____	PROGRAM AREA	_____		
_____	PROGRAM	_____		
_____	PROGRAM ELEMENT	_____		
	<u>PERSONNEL</u>	<u>Number</u>		
		<u>72</u> <u>73</u>	<u>72</u>	<u>73</u>
<u>50001-176</u>	Administrators	— —	_____	_____
<u>50001-176</u>	Teachers	— —	_____	_____
<u>50011-</u>	Teacher Aides	— —	_____	_____
_____	Consultants	— —	_____	_____
<u>50011-</u>	Lab. Assistants	— —	_____	_____
_____	Clerks	— —	_____	_____
_____	Substitutes	— —	_____	_____
_____	Other	— —	_____	_____
_____	Other	— —	_____	_____
	TOTAL		=====	=====
<u>50106-320</u>	<u>BOOKS</u>			
	TOTAL		=====	=====
<u>50102-321</u>	<u>SUPPLIES</u>			
	TOTAL		=====	=====
	<u>EQUIPMENT</u>			
<u>502 -500</u>	Instructional		_____	_____
<u>502 -500</u>	Non-Instructional		_____	_____
	TOTAL		=====	=====
	<u>TRANSPORTATION</u>			
<u>50103-</u>	Field Trips		_____	_____
_____	Busing		_____	_____
	TOTAL		=====	=====
	<u>OTHER</u>			
_____	Travel of Personnel		_____	_____
_____	Rentals		_____	_____
_____			_____	_____
_____			_____	_____
	TOTAL		=====	=====
	<u>TOTAL COST OF PROGRAM</u>		=====	=====

PROGRAM INFORMATION FORM

PROGRAM:

Number:

Brief Description:

Typical Pupil Schedule - Days per week :
Periods per day:
Minutes per day:

Number of Schools Sponsoring Program :

Number of Pupils in Program :

Total Budget Cost : **Cost/Pupil:**

Total Cost Last Year : **Cost/Pupil:**

Reasons for Increase or Decrease :

Additional Comments:

Form Completed By:

Position:

School or Division:

Date :

6. Requirements for Implementation

In order to implement (1) a program-cost-reporting system and (2) a program-budget system, the following would be required:

1. data processing services adequate to handle all expenditures by program on a "daily" basis.
2. designation of a business-office program-budget "coordinator" who would (1) supervise the coding and processing of all data, (2) oversee the coordination of all business-office aspects of the process, and (3) be responsible for forms control.
3. designation of a "manager" for each program; this person would be the administrator having immediate responsibility for the program.
4. an in-service program to acquaint personnel with the system.

7. Timetable

Program Expenditure- Reporting and Budgeting

September 1972	Review and revision, of Program Budget recommendations as outlined in this report
October 1972	Approval of procedures for coding and budgeting
November 1972	Preparation of selected programs in program-budget form as recommended
1973	Implementation of procedures for coding and budgeting
July 1974	Full program budget at secondary level as outlined, assuming data processing services

8. Appendices

Appendix 1

Source-of-Funds Coding

1. City of Worcester
2. Fees
3. Grants
4. State
5. Federal
- 6.
- 7.
- 8.
9. Combination

Appendix 2

PUBLIC SCHOOLS, WORCESTER, MASSACHUSETTS.

SCHOOL CODES

- | | | | |
|-----|---------------------------------|-----|---|
| 012 | Burncoat Senior High | 450 | Middlesex Avenue |
| 030 | Classical High | 460 | Milland Street |
| 040 | South High | 465 | Mill-Swan |
| 050 | North High <i>ST. L.</i> | 470 | Millbury Street |
| 060 | Commerce High <i>No. WALNUT</i> | 480 | Nelson Place |
| 018 | Doherty Memorial High | 485 | Norrback Avenue |
| | | 490 | Oxford Street |
| 063 | Burncoat Junior High | 510 | Quinsigamond Avenue |
| 065 | Chandler Junior High | 520 | Rice Square |
| 067 | Forest-Grove Junior High | 530 | Roosevelt |
| 070 | Grafton St. Junior High | 540 | St. Nicholas |
| 080 | Providence St. Jr. High | 550 | Tatnuck |
| 075 | <i>HARRINGTON</i> | 570 | Throndyke Road |
| 100 | Abbott Street | 580 | Union Hill |
| 120 | Adams Street | 590 | Upsala Street |
| 130 | Andover Street | 600 | Wawacus Road |
| 150 | Belmont Street | 610 | West Boylston Street |
| 155 | Blithwood Avenue | 615 | West Tatnuck |
| 160 | Eloomingsdale School | 620 | Winslow/Sever |
| 170 | Burncoat Street | 630 | Woodland St. Prop |
| 180 | Cambridge Street | 640 | Woodland Street |
| 190 | Canterbury Street | | |
| 200 | Chandler Street | 870 | Adjustment Counsellor |
| 205 | Clank Street | 874 | Agriculture |
| 210 | Columbus Park | 878 | Americanization |
| 220 | Dartmouth Street | 882 | Art Education |
| 230 | Dix Street | 886 | Attendance |
| 240 | Downing Street | 890 | Audio Visual Education |
| 250 | East Kendall | 894 | Cafeteria Director |
| 260 | Edgeworth Street | 898 | Cerebral Palsy |
| 270 | Elizabeth Street | 902 | Child Study |
| 275 | Flag Street | 906 | Evening High |
| 280 | Freeland Street | 910 | Intramural Athletics <i>(cont. all)</i> |
| 290 | Gage Street | 914 | Guidance Services |
| 300 | Gates Lane | 918 | Physical Education |
| 310 | Grafton Street | 922 | Home Instruction |
| 320 | Granite Street | 926 | Home Making Education |
| 330 | Greendale school | 930 | Industrial Arts Education |
| 340 | Harlow Street | 932 | Librarians |
| 350 | Heard Street | 934 | Music Education |
| 360 | Indian Hill | 938 | Reading Consultants |
| 370 | Lake View | 942 | Remedial Reading |
| 380 | Lamartine Street | 946 | Special Class Education |
| 400 | Lee Street | 950 | Speech Correction |
| 410 | Lincoln Street | 954 | Summer School |
| 420 | Ludlow Street | 958 | Testing Coordinator |
| 430 | Malvern Road | 964 | Elementary School Supervisor |
| 440 | May Street | 966 | Secondary School Supervisor |
| | | 968 | Supt and Assist Supts |
| | | 969 | <i>Maintenance & Grounds</i> |

273

(cont. all)

Appendix 3

<u>Account</u>	<u>Account Name</u>
50001	Professional Salaries
50011	Special Salaries
50031	Custodian Salaries
50032	Custodian Overtime Salaries
50041	School Plant Salaries
50042	School Plant Overtime Salaries
50051	Executive Clerical Salaries
50052	Executive Clerical Overtime Salaries
50061	School Clerks Salaries
50071	Cafeteria Salaries
50072	Cafeteria Overtime Salaries
50102	Education - Ordinary Maintenance
50103	Transportation
50104	Military Service Retirement
50105	Travel Out-of-State
50106	Textbooks Supplies
50110	Agriculture Teachers Travel
50502	School Lunch Program Revenue Income
50112	Cafeteria - Ordinary Maintenance
50122	Competitive Athletics - Ord. Maintenance
50140	Leased Property
50142	School Plant - Ordinary Maintenance
50146	Fuel
50234	National Defense Education
50232	Instructional Capital Equipment
50233	Non-Instructional Capital Equipment
50755	Rehabilitation

Object

CODE NUMBERS

101 Fees	275 Tuition
151 Personal Services	281 Telephone
176 Salaries	283 Laundry
201 Advertising	285 Chartered Buses
206 Dues	286 Travel
208 Fire Protection & Equipment	287 Meals
211 Freight & Trucking	296 Licenses
216 Insurance	315 Supplies Construction
220 Sewer Service	316 Supplies Hardware
221 Electricity	320 Library Books
222 Gas	321 Supplies, Education & Textbooks
226 Postage	322 Supplies Recreational
227 Bus Tickets	324 Supplies Plumbing
231 Printing	325 Supplies Electrical
236 Use of Automobile	326 Supplies Food
241 Rentals of Equipment	335 Flags
246 Rentals of Buildings	336 Supplies Household
250 Electrical Repair	337 Laundry
261 Repairs to Buildings	338 Supplies Cleaning
263 Maint. & Repair of Furnishings	341 Supplies Medical
264 Maint. & Repair of Equipment	346 Supplies Office
265 Maintenance of Grounds	351 Supplies Tools
268 Maint. & Repair of Vehicles	352 Supplies Parts Equipment