Four papers from a workshop for school business officials focus attention on school budgeting. Legal problems uncovered in examining formal and oral audit reports of many school districts are discussed in a presentation on the legal pitfalls in budgeting. Secondly, efficient and effective money management procedures are discussed with specific examples showing how wise management results in reduced taxes. Next, methods of presenting budgets to school boards and to the public receive attention, with advantages and disadvantages of various types of presentations considered. Finally, an economist comments on economic forces and trends that will affect school budgets in the immediate and longrange future. An appendix shows the attendance of the conference as well as results of critique questionnaires filled out by conference participants. (TT)
PROCEEDINGS OF SCHOOL BUSINESS OFFICIALS WORKSHOP

FEBRUARY 1968

Co-sponsored by: Western New York Chapter - New York State Association of School Business Officials, Inc.

and the Western New York School Study Council
PROCEEDINGS OF THE

WORKSHOP FOR SCHOOL BUSINESS OFFICIALS

February 2, 1968
Norton Union
State University of New York at Buffalo

Theme: School Budgeting

co-sponsored by:

Western New York Chapter
New York State Association of School Business Officials, Inc.

and

Western New York School Study Council

Edited by:

Dr. Chester Kiser, Council Associate
Mr. James R. Spengler, Research Assistant

Published by:

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Williamsville, New York
INTRODUCTION

The Western New York Chapter of the New York State Association of School Business Officials, Inc., and the Western New York School Study Council cooperated in presenting a Workshop for School Business Officials on February 2, 1968 at Norton Union on the campus of the State University of New York at Buffalo. The theme of the workshop was School Budgeting. This report of proceedings contains the program and the texts of the various presentations. The results of critique sheets, completed by the persons attending the conference, are found in the appendix.

The workshop represents an initial attempt by the sponsoring organizations to focus attention upon the improvement of specific aspects of school business administration in what is hoped will be a continuing series of annual conferences. Workshop participants generally agreed that the program and presentations were of a definitely helpful nature.

The success of the workshop was due in no small part to the perceptive work of the planning committee, the members of which are listed below.

Representing the Western New York Chapter, New York State Association of School Business Officials, Inc.:

Mr. John Bauer, Business Manager-Clerk
Cheektowaga Central Schools

Mr. James Dixon, Assistant Supervising Principal
Maryvale Central Schools

Mr. Leonard Nieman, C.P.A., School Business Officer
Amherst Central Schools

Mr. Rupert Long, Business Manager
Jamestown Public Schools; ex officio;
President, Western New York Chapter, NYS - ASBO

Representing the Western New York School Study Council:

Dr. Chester Kiser, Council Associate

Mr. John Murphy, Research Assistant

Mr. James R. Spengler, Research Assistant
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WORKSHOP FOR SCHOOL BUSINESS OFFICIALS

coco-sponsored by
STERN NEW YORK CHAPTER - NEW YORK STATE ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
and
THE WESTERN NEW YORK SCHOOL STUDY COUNCIL

DATE: February 2, 1968
PLACE: Norton Union, State University of New York at Buffalo
TIME: 9:00 a.m. - 3:30 p.m.

9:00-9:30
Registration

TOPICS ON THE THEME OF BUDGETING

I
9:30-10:30
Repeat: 11:00-12:00

Legal Pitfalls in Budgeting

A presentation of legal problems uncovered in budget examinations. The points to be discussed are based on experiences gleaned from formal and oral audit reports of many school districts.

Speaker: Francis X. Trauffler, Associate Examiner of Municipal Affairs, Department of Audit and Control, Division of Municipal Affairs, State of New York

Chairman: James Dixon, Maryvale

II
9:30-10:30
Repeat: 11:00-12:00

Manage Money - Reduce Taxes

A work session on efficient and effective money management procedures, in seminar.

Panel Presentations and Reactions by:

Leonard Nieman, CPA, School Business Officer
Amherst Central

Vincent S. Walsh, Jr., Business Development Officer

Richard W. Parsons, Manager, Consulting Service
Municipal Securities Division, Marine Midland Corp.

Howard Wilson, CPA
Schunk and Wilson, CPA Firm

12:15-1:00
Luncheon, on campus. Choice of steak or lobster.
Imaginative Budget Selling

An examination of methods of budget presentation to school boards and to the public, considering the advantages and disadvantages of various types of presentation.

Panel Presentations and Reactions by:

John Bauer, Business Manager-Clerk
Cheektowaga Central School

Leonard B. Glowinski, Administrative Assistant
School-Community Relations
Williamsville Central #3

Mrs. Betty Unger
Coordinator of School-Community Relations
Orchard Park Central School

James E. Goodspeed
Bureau of General Educational Management Services
State Department of Education

Economic Forces Shaping Future Budgets

A presentation by a noted economist on the trends in the economy that will affect schools in the immediate and long-range future.

Speaker: Dr. Arthur D. Butler
Professor of Economics
State University of New York at Buffalo

Chairman: James Spengler
Research Assistant
Western New York School Study Council
The general theme today is school district budgets. Let's start at the beginning--What is a budget? The word budget means different things to different people.

To the ever oppressed taxpayer, budget means taxes and he reacts accordingly. To the ever wary governing board, budget oftentimes means an annual fencing match requiring their best efforts in the arts of salesmanship, public relations and political acumen. To the ever burdened administrator, budget generally means endless work, thankless work, and, too often, meaningless work. Often the administrator looks upon the budget process as the building of a straight jacket for self use. Regardless of its unfavorable connotation by just about everyone concerned, a budget, as a plan of fiscal operation, is still the most effective tool yet devised to establish control over public expenditures. In addition to this primary purpose, a budget by indirect determination determines the tax rate. The budget formula simply stated is:

\[ \text{Appropriations} - \text{Estimated Revenues (other than real property taxes)} = \text{TAX LEVY} \]

The figures necessary to complete this formula should be developed in accordance with an organized plan which includes a review of the district's recent financial history and a projection and evaluation of education and related costs through the new budget year. Budgeting is guessing, and educated guessing depends upon the fund of data available to those people developing the budget.

A systematic method of acquiring and classifying budget data may be accom-
plished through the use of a budget calendar. This most helpful device should set agenda deadlines for at least the following items:

1. A review of curriculum and program needs to determine staff, textbook and supply changes.
2. An inspection and appraisal of buildings and equipment to determine needed repairs, alterations and replacements.
3. A review of the transportation program to determine if fleet additions or deletions are in order.
4. The distribution and return of budget request forms.
5. Preliminary draft of tentative budget.
6. Reproduction of budget for distribution to the public.
7. Publication of legal notices.
8. Budget adoption.

Raw budget data should be arranged to facilitate an analytic scrutiny - one commonly used method is to set up the appropriation and estimated revenue accounts in a columnar schedule. Comparative columns indicate actual expenditures (or revenues) for the last completed fiscal year, the estimate for the current year as amended to date, the estimate for the new budget year and the figure finally adopted.

It's needless to say that all budget data should be methodically arranged to follow the chart of accounts provided by the Uniform System of Accounts for School Districts. As far as I know all school districts are currently using the prescribed budget coding.

Hopefully, a good budget, the result of immeasurable toil, sweat and exasperation will be recognized for its merit and adopted by the voters. Once adopted, a
good budget should lend itself to implementation with a minimum amount of difficulties.

What is a good budget? We will not attempt an in-depth discussion of the myriad details necessary to completely answer such a question, suffice it to say at this time that any good school district budget should be formulated in accordance with the following basic policy:

Appropriations should be pegged at a balanced level, i.e., adequate to meet the educational needs of the community and tempered by a knowledge of the financial ability of the taxpayers to support those appropriations.

In regard to the technical aspects of the budgeting process, school administrators may inquire, "How do we know what is good and what is bad, what is right and what is wrong?" A point to remember is that school district officials can do only what the law provides. A school district is a creature of statute and the governing board possesses only those powers which are specifically authorized by statute or which can be reasonably implied therefrom. The manifold implications of this statement become apparent when we consider the complex network of guidelines under which a school district must conduct its operation. Those statutes governing school districts are primarily codified in the Education Law, the Real Property Tax Law, the Local Finance Law and the General Municipal Law. Further school district operational instructions and restraints are set forth in the Regulations of the Commissioner of Education. Consideration must also be given to Case Law on pertinent statutes and the various Opinions of the State Comptroller, Formal and Informal Opinions of the Attorney General plus Judicial Decisions of the Commissioner of Education and Opinions of the Counsel to the State Education Department all of which interpret legislative intent in those grey areas where statutory language is in need of
clarification.

Of course since the budgeting process is inextricably tied to the accounting and reporting functions, the detailed budget must conform to the requirements of the Uniform System of Accounts for School Districts. Besides the aforementioned documented controls there are certain unwritten rules, particularly in relation to fiscal policies, which have become, through practice, the customarily acceptable courses of action to follow.

In today's discussion we will be mostly concerned with the budget format and its implementation through the accounting system and the legal implications where there is non-conformance. The accounting system was developed primarily to provide responsible officials with an effective aid in the financial management of their school districts; to furnish taxpayers with informative statements of school district operations; and to supply fiscal data to enable other interested parties to make meaningful comparisons. The system embodies accepted principles of modern municipal accounting with an occasional deviation where the accounting treatment was forced to follow an inflexible law. At this point, I would like to say a few words about the Education Law - in my opinion it contains various sections which are either antiquated or ambiguous; or which otherwise do not facilitate a ready translation of meaning and intent. As I said earlier, the accounting system must follow the law; however, if it appears that a conflict exists between a certain required accounting treatment and a particular section of the law, this most probably can be attributed to a liberal and practical interpretation of vague statutory language. There is a joint legislative committee currently working on recodification of the Education Law -- hopefully many of the obsolete and/or indeterminate provisions will be amended and
clarified in the light of current needs.

Now we will get into specifics and review an annual school budget for a non-city school district (Form SBM 1). I am sure everyone is familiar with the general format. Pages 3 through 13 show the details of the appropriations, summaries of which are brought forward to pages 1 and 2. Pages 15 through 18 show the details of the estimated revenues, the total of which is brought forward to page 14. Pages 19 and 20 are statements supporting the general fund appropriations which subsidize the school lunch fund and the school store fund. Page 14 sets forth the budget formula to determine the tax levy. Let us at this point look at this budget document as it would be scrutinized by an auditor from our Bureau of Examinations.

ARITHMETICAL ACCURACY

It's sad to relate that from time to time mathematical errors are found in school budgets. These errors usually result from footing detail figures incorrectly or carrying totals forward incorrectly. Since the budget computation determines the tax levy, miscalculations could have grave consequences. Needless to say, this type of error and resultant audit report criticism can be easily avoided by diligent attention to detail.

APPROPRIATED FUND BALANCE

If budgeting were an exact science, then total budgetary appropriations would equal total expenditures and total estimated revenues would equal total actual revenues. Of course, it is a very rare occurrence where a year's fiscal operation coincides exactly with the operation as planned in the budget -- there is usually an operating surplus or possibly an operating deficit. However, since there is no authority
to permit an operating deficit, i.e., the fiscal plan must be adjusted to avoid a
deficit situation, an operating surplus should be the more prevalent condition en-
countered. A fiscal operation results in an operating surplus because actual reve-
nues exceed estimated revenues and/or expenditures are less than appropriations
and therefore the conclusion must be that the tax levy was greater than necessary
to carry out the activity. Since the amount levied for the year's operation was
more than needed, the excess should be appropriated to reduce the following year's
taxes.

The APPROPRIATED FUND BALANCE is the amount of the FUND BALANCE
available to apply in the budget formula to reduce the tax levy. This amount can be
determined only after projecting balance sheet figures to June 30th, the end of the
current fiscal year. Audit criticism is justified in a situation where the amount of
the appropriated fund balance is greatly out of proportion to the amount actually
available for appropriation. For example, if a school district had a FUND BALANCE
of $300,000.00 on June 30th and only $20,000.00 was appropriated to reduce taxes,
it would be unfair to the district taxpayers. However, an auditor would not make
critical comment in a situation where the amount appropriated is realistic but pos-
sibly conservative in respect to the amount available for appropriation. The auditor
will not attempt to substitute his judgment for that of the governing board in a judg-
ment situation.

We must also look at the other side of the coin in respect to the appropriation
of fund balance. Upon occasion, a financially plagued school district, with an eye
toward a palatable tax rate, might become either overly optimistic or downright
devious and appropriate a non-existent fund balance rather than reduce appropriations.
This is a sure road to financial chaos and is bound to incur a reprimand from the examiner.

**PLANNED BALANCE**

Another account which has been greatly misunderstood and improperly handled is the balance sheet account RESERVE FOR PLANNED BALANCE (A886) and its related revenue account APPROPRIATION OF PLANNED BALANCE (A1122). The purpose of a planned balance is to eliminate the necessity for borrowing in the period from the beginning of the fiscal year until taxes are collected. PLANNED BALANCE is entirely separate and distinct from, and should not be confused with, the FUND BALANCE or APPROPRIATED FUND BALANCE ACCOUNTS. A PLANNED BALANCE is a portion of the tax levy fixed by the voters in an amount sufficient to meet the expenses of the first 120 days of the fiscal year following the year in which it is levied. In other words the taxpayers are authorizing raising a sum of money this year, not to finance this year's budgetary appropriations, but to be held for use in the next fiscal year. The RESERVE FOR PLANNED BALANCE, therefore is not a revenue in the year in which it is levied but it is a liability reserve, and must be so reserved, intact, until the first day of the following fiscal year when it does become revenue, and is credited to account APPROPRIATION OF PLANNED BALANCE (A1122). The year in which the RESERVE FOR PLANNED BALANCE is credited to revenue, it should also be shown as an estimated revenue in that year's budget. Since the RESERVE FOR PLANNED BALANCE is approved by the voters for use in the year following the year of levy, there must be an amount of CASH or TEMPORARY INVESTMENTS on hand at June 30th of the year levied, at least equal to the amount of the RESERVE FOR PLANNED BALANCE. If such is
not the case, then it is apparent that the moneys, supposedly reserved for a planned balance were expended prior to the year in which they were authorized for use. In such a situation, critical comment will be made in the report of examination to the effect that a district is required to have the PLANNED BALANCE amount available in the form of CASH or TEMPORARY INVESTMENTS.

RESERVE FUNDS

Budget administrators should be aware of the impact of established or contemplated reserve funds on the overall budget picture. The three reserve funds we will discuss—Repair reserve funds, Capital reserve funds and Mandatory reserve funds all require separate bank accounts—moneys of these funds cannot be commingled with other district moneys.

A Repair Reserve Fund for school districts must be established, accounted for and expended in accordance with the provisions of Section 6-d of the General Municipal Law. The governing board may establish a repair reserve fund by resolution; levy taxes for contributions to the fund when approved by the voters; and expend moneys of the fund for a particular purpose following a public hearing thereon. Repair reserves may be established for repairs of capital improvements or equipment which repairs are of a type not recurring annually or at shorter intervals. When such a reserve has been established, expenditures for repairs related to the reserve will be charged directly to the reserve and not to an appropriation expense account. Therefore, an appropriation for such purpose is not included in the budget.

A Capital Reserve Fund for school districts must be established, accounted for and expended in accordance with the provisions of Section 3651 of the Education Law. The governing board may establish a capital reserve fund after approval of
a proposition by the voters; levy an annual amount sufficient to meet the require-
ments of the proposition and expend moneys of the reserve only upon authorization
of the voters and for the purpose specified in the proposition. Capital Reserves
may be established for financing, in whole or in part, the cost of objects or pur-
poses for which bonds may be issued pursuant to the Local Finance Law.

Comments in reports of examinations pertaining to Repair Reserve funds
and Capital Reserve funds frequently concern non-compliance with statutory pro-
visions for the establishment, the deposit, or the expenditure of the moneys of the
reserve.

In 1965 the legislature amended the General Municipal Law by adding Sec-
tion 6-1 which requires that municipal corporations and school districts establish
a mandatory reserve fund upon the cash sale of a capital improvement financed
from the proceeds of obligations, a part of which indebtedness is outstanding at
the time of the sale. Cash proceeds over and above the amount reserved for out-
standing debt service may be used for any lawful school district purpose. The
amount reserved for principal and interest must be kept in a separate account and
be applied only to debt service payments. Transfers from the mandatory reserve
fund to the general fund should be made to meet the payments of principal and in-
terest as they fall due. The general fund budget should provide appropriations for
such debt service, and estimated revenue should be budgeted in account A1970 -
Transfer from Mandatory Reserve Fund. The statute doesn't specify that the
annual distribution from the reserve must be in the total amount of the annual debt
service, therefore the amount of estimated revenue to budget in account A1970
becomes a judgment decision of the governing board.
OTHER PROBLEM AREAS:

Expenditures in Excess of Appropriations

The Education Law provides that "no board of education shall incur a district liability in excess of the amount appropriated by a district meeting" and the Regulations of the Commissioner of Education make it a duty of a board of education "to keep the incurred obligations within the amount of the total annual appropriations voted or authorized."

Certainly it is obvious that an examiner will be critical in his report of examination if the total expenditures and encumbrances of a fund exceed the total available appropriations of such fund. In addition, since the Regulations of the Commissioner of Education also provides for certain transfers between appropriation accounts, we can draw a corollary stating that an appropriation account should not be overdrawn at any time. This is the only sensible approach, otherwise a basic principle of the budget system would be violated. Therefore an overdraft of a line item appropriation account would also be subject to criticism by an examiner.

INTERFUND TRANSFER ACCOUNTS

In the general fund the series of appropriation accounts under the functional listing of Interfund Transfers (A900 Group) provides moneys for the use of other funds. The amounts budgeted in these accounts should be lump-sum transfers to other funds as needed.

The statisticians who tabulate school district annual financial reports have difficulties analyzing reports of those school districts where expenditures are sometimes charged directly to these general fund appropriations. Oftentimes, the
statistical units must seek supplemental information on the nature and circumstance of these transactions in order to properly tabulate the reports. These accounts should be handled in the manner provided by the Uniform System. Proper handling will expedite processing and avoid unnecessary correspondence relative to the school district annual financial report.

**Employees Benefits**

Some school districts are experiencing difficulty in ascertaining the amounts to budget for employees benefits, in particular, the amount to appropriate in account A730-611 State Teachers Retirement. The basic rule is that employees' fringe benefits should be charged to the fund which incurs the payroll charge, therefore, the general fund appropriation in A730-611 should be an amount necessary to pay that share of the retirement bill for which the general fund is liable.

Budgeting difficulties are particularly evident where there is an involvement with the accounting ramifications peculiar to the Federal Aid Fund. Federal Aid Fund programs should be charged on a current basis for their pro rata portion of the district's share of teachers retirement. This means that a rate should be applied to federal program salaries in the 1966-67 school year that will produce the amount necessary to pay the Federal Aid Fund portion of the district share of teachers retirement for the 1967-68 year. The amount so charged to the Federal Aid Fund during the 1966-67 year should be transferred to the general fund and held in account A690 Overpayments and Collections in Advance until the 1967-68 year. In fiscal 1967-68 this amount, plus the amount from the school lunch fund for that fund's share of retirement will be credited to account A730-611 so that although the total retirement expense will be charged to this account, the net
charge will only reflect the General Fund share of district retirement.

Improperly budgeting and accounting for fringe benefits may be the subject of criticism in a report of examination.

**BUDGETARY TRANSFERS**

(For purposes of this talk - consider teachers' salaries included in the phrase "ordinary contingent expenses".)

Budgets are frequently amended by transfers between appropriation accounts. What transfers are allowable? The Regulations of the Commissioner of Education authorize a board of education "to make transfers between and within functional unit appropriations. In the case of inter-fund transfers and those expenditures requiring specific authorization by the district voters, transfers may be made from these items only when the original purpose for which the appropriations were made have been accomplished and shall not be made for any purpose other than teachers' salaries and ordinary contingent expenses. Boards of education, by resolution, may authorize the chief administrative officer to make transfers provided, however, that the aggregate amount of such transfers to any appropriation for an object of expense may not exceed 5% of the appropriation or $1,000, whichever is smaller."

Let's tentatively define an ordinary contingent expense as an appropriation which is not subject to voter rejection because it covers a school operational expense necessary to provide the minimum required education to the children of the school district. The board may authorize transfers between appropriations for these ordinary contingent expenses; they may also authorize transfers from appropriations requiring voter approval to appropriations for ordinary contingent expenses providing that the original purpose of the voter approved appropriation was accomplished. For example,
if a school lunch program is operated in accordance with the mandate of the voters and a portion of appropriation account A900-840 Transfer to School Lunch Fund is unneeded, it may be transferred to an ordinary contingent expense appropriation.

Those appropriations in the A510 group of accounts under the functional unit Transportation may have a mixed nature, e.g., the dollar amount necessary to provide transportation to children in grades K through 8 within the two to ten mile limits and to children in grades 9 through 12 within the three to ten mile limits, is considered an ordinary contingent expense. If the voters approve a transportation program which exceeds these minimum levels the additional cost necessary to supplement the mandated program would not be considered an ordinary contingent expense. In any event, any unneeded balances remaining in the A510 appropriations may be transferred to other ordinary contingent expense appropriations.

We've talked about transfers from the school lunch appropriation and transportation appropriations - how about transfers into these appropriations? Personally, I think this is a grey area and there may be diverse opinions because of local conditions peculiar to a given situation. However, generally speaking, if the voters approve a transportation appropriation in the budget which covers a program providing transportation to all district pupils irrespective of the mandated limits, and such appropriation proves to be insufficient because of an unforeseen rise in costs, then the program should be cut back to provide all the transportation possible within the approved dollar amount. On the other hand, if the approved budget appropriation only covers the minimum mandated program and the appropriation proves to be insufficient, then the appropriation could be increased from other unneeded balances.

The same general rule would hold true for the school lunch appropriation -
the dollar amount budgeted could not be increased without further approval by the voters. However, as I said previously this is a nebulous area and if local circumstances are such that it becomes obvious that the voters are giving their approval to a defined program rather than to a specific dollar appropriation then perhaps you could get other opinions on the aforementioned transfers.

How about transferring from equipment appropriations (200 objects of expense) to the Interfund Transfer account for Capital purposes (A900-810)? Certainly such a transfer may be made if the purpose is to prevent a lapsing of the appropriation but the ultimate expenditure should not be for a purpose materially different than originally intended. It would be unwarranted to transfer from an equipment appropriation to Interfund Transfer Account A900-810; transfer therefrom to the Capital fund and expend these moneys to purchase a building site.

Generally, transfers should be made only after the nature and status of the affected accounts are carefully reviewed in the light of today's and tomorrow's budget requirements, and after giving careful consideration to the Regulations of the Commissioner of Education. Unauthorized transfers will be subject to criticism in reports of examinations.

**Encumbrances**

We've spoken about amending the budget by means of transfers between appropriation accounts. May the budget be amended in other ways? Well, we know that on the first day of the fiscal year we must amend various appropriation accounts in order to accommodate the encumbrances of the prior year which will ultimately be charged to appropriations of the current year. This method of supplementing
appropriations, as illustrated in the school district accounting manual, complies with statutory provisions although there is a deviation from the conventional accounting treatment of encumbrances in order to keep charges to appropriation accounts on a cash basis.

Encumbrance accounting as required by the system is a must if the appropriation ledger is to be a meaningful tool. Lack of compliance with the requirements of the accounting system in this respect will be a subject of criticism in reports of examination.

**Budget Notes**

Another method of amending a school district budget is through the issuance of budget notes. The Local Finance Law provides that a school district, in the event of any unforeseeable public emergency, may issue budget notes in an amount which shall be determined by the finance board. The statute further provides that a school district may issue budget notes during the last nine months of any fiscal year for expenditures for which an insufficient or no provision has been made in the annual budget for such fiscal year. This provision is, however, limited to an amount determined by applying stated percentages to the amount of the annual budget. Budget notes should be issued only to create or supplement an appropriation which may be authorized by a board of education without voter approval.

The need to resort to budget note borrowings is sometimes the result of poor budget planning and preparation but more frequently the need is attributable to an unforeseeable circumstance beyond the administrator's control.

The most common criticisms in reports of examinations relating to budget notes are concerned with borrowings in excess of the statutory limits, technical
defects in the form and content of the notes, and procedural defects relative to depositing and accounting for the proceeds of the notes.

Other Supplemental Appropriations

In 1965 the Education Law was amended to allow a board of education to appropriate, at any time, certain revenues which are designated for a specific use. These revenues include grants in aid received from the federal and state governments, other gifts which are required to be spent for particular purposes and insurance proceeds when proposed to be used to repair or replace the insured property. The decision of the board of education to appropriate these moneys should be formalized by resolution and the budget should be amended before the moneys are expended.

Transfers From Capital Funds

Budget administrators should carefully review certain accounts in the Capital Fund to ascertain their status in the overall budget picture. Moneys in the following Capital Accounts may be available to reduce the tax levy.

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<td>Earnings on Deposits and Temporary Investments</td>
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<tr>
<td>H851</td>
<td>Premium on Securities Issued</td>
</tr>
<tr>
<td>H852</td>
<td>Accrued Interest on Securities Issued</td>
</tr>
<tr>
<td>H893</td>
<td>Authorizations - Obligations</td>
</tr>
<tr>
<td>H920</td>
<td>Capital Reserve Balance</td>
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There is a statutory requirement that earnings on temporary investments of the capital fund, accrued interest on securities issued, and the unused proceeds of obligations shall be applied only to the payment of principal and interest on the obligations. Also, if premium on securities issued has not been appropriated for the object or purpose for which the obligations were issued, it too, can only be
used for the payment of principal and interest on the obligations. In addition, Section 3651 (5) of the Education Law provides that where it has been determined that the original purpose for which a reserve fund has been established is no longer desirable, the school authorities may liquidate the fund by first applying its proceeds to any outstanding bonded indebtedness and applying the balance, if any, to the annual tax rate.

The Uniform System of Accounts requires that payments of bond principal and interest be charged to the general fund, therefore capital fund moneys intended for this purpose should be transferred to the general fund. Pertinent revenue accounts are provided in the general fund A1900 series - Transfers from Other Funds. In order to comply with the statutory requirement that these moneys be earmarked for debt service payments, it is necessary that they be shown as Estimated Revenue in the budget for the year in which the transfer is made from the Capital Fund to the General Fund. In this way the tax levy is effectively reduced to the extent that these moneys are estimated as revenue in the budget. If such moneys are transferred to the general fund without first budgeting them as Estimated Revenue, the report of examination will criticize the action on the basis that it fails to comply with the statutory requirement.

Conclusion

At the conclusion of each fiscal year the budget should be reviewed in retrospect, to evaluate how well the original document predicted and controlled the fiscal operation. Even though administrators are well into operational dilemmas presented by a new budget, it is well worth the effort to look back. An overview of the previous budget might give a different perspective to problems, and suggest solutions,
that were not evident while guiding the budget through its operational phase. The value of "Monday Morning Quarterbacking" should not be ignored in this never ending match between the educated guess and the operating actuality.

There are two ideas which pretty well contain the sum and substance of this entire talk. First and foremost, don't resort to budget gimmickry! The attempt to balance desired services with an acceptable tax rate is a prime consideration but it should not be of such concern that it leads to subterfuge and/or devious methods of financing. The day of reckoning always arrives sooner than expected and the good fairy seldom arrives with the windfall necessary to rescue the administrator from his fiscal woes. An honest budget based on facts gleaned from meaningful accounting and other documented records, may have some detractors, but it will facilitate the performance of the administrator's daily tasks and enable him to sleep easier at night. The admonition is: "The problems of today become insignificant when we meet the problems of tomorrow."

Secondly, never lose sight of the fact that all the elements of a budget are estimates - this applies to the appropriations as well as the revenues. Therefore, you should impress departmental supervisors with the idea that an appropriation is not a license to spend to the limit estimated in the budget. Expenditures should be based on two factors: need . . . plus the availability of appropriations. In too many instances it is evident from the sudden flurry of encumbering and spending towards the close of the year that some appropriation accounts are being liquidated to preclude "losing" them. This practice obviously results in some unwise and unwarranted spending and should be controlled. If appropriations are viewed as "spending licenses without restraints," the whole theory and process of budgeting
becomes not only meaningless, but also undesirable.

Perhaps someday, somewhere, some diligent and lucky administrator will reach that plateau of budget perfection where estimated revenues always equal actual revenues and appropriations always equal expenditures. Until that day arrives, all budget administrators are in the number two position, striving for perfection, and trying harder to be the first number one.
We welcome you to the First Annual Workshop for School Business Officials sponsored by the Western New York Chapter, New York State Association of School Business Officials and the Western New York School Study Council.

My name is Leonard Nieman. I have in hand a booklet consisting of 13 pages of gems on money management. It will be used as a guide during the workshop and as a reference source when you return to your job.

I suggest that we follow a uniform procedure in working with the booklet. First, we will glance quickly at all 13 pages. As we turn to a page, we will allow 15 to 20 seconds of silent reading and review. We have scheduled our presentations to permit about 15 minutes at the end of the hour for questions, answers, and comments.

We believe the objective of this workshop is to provide you with techniques, tools, gauges and instructions required in designing a method of money management which will result in reduced taxes. Are you ready? Our objectives and motivations are summarized below.

"...analyze expenditures to plan disbursements. ... anticipate revenues to estimate surplus. ... invest funds to earn interest. ... manage money to reduce taxes..."
This is the logic of a decision to prepare a program of money management for School Business Administrators.

Following are 13 money management gems...inspired for productivity...innovated for efficiency...designed for convenience...created for you.

To inspire you in your tasks of money management, we illustrate here the potential gains of increased interest and a reduction in taxes. These are the benefits of money management know-how.

**M. M. District No. 13**

**Rules of Thumb Re Interest Earnings**

<table>
<thead>
<tr>
<th>Budget Amount</th>
<th>Interest Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From</td>
</tr>
<tr>
<td>M. M. District No. 13</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>100%</td>
<td>1%</td>
</tr>
<tr>
<td>District &quot;X&quot;</td>
<td>4,000,000</td>
</tr>
<tr>
<td>100%</td>
<td>1/4%</td>
</tr>
<tr>
<td>Increased Earnings</td>
<td>30,000</td>
</tr>
<tr>
<td>3/4%</td>
<td>1%</td>
</tr>
<tr>
<td>Reduction in Tax Rate</td>
<td>50¢/$1000</td>
</tr>
</tbody>
</table>
A shop is only busy when there is work to be done. Here is your assignment for today. Prepare a plan for handling monies required to operate the M. M. District No. 13. We will begin with February 1, 1968 and continue through fiscal year 1968 and on to the school year 1968-69. The budget summary is the financial plan for the workshop.

### M. M. District No. 13

#### Budget Summary

1967-68 and 1968-69

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>Central Administration</td>
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<tr>
<td><strong>Instruction:</strong></td>
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<tr>
<td>Regular Day School</td>
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<td>Facilities</td>
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<td>193,000</td>
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<tr>
<td><strong>TOTAL APPROPRIATIONS</strong></td>
<td>4,472,000</td>
<td>5,006,000</td>
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<table>
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<tr>
<th></th>
<th>1967-68 Budget</th>
<th>1968-69 Budget</th>
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<td>Tax on Property</td>
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<td>Other Income</td>
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<td>115,000</td>
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<td>Capital Note for</td>
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<table>
<thead>
<tr>
<th></th>
<th>1967-68 Budget</th>
<th>1968-69 Budget</th>
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</thead>
<tbody>
<tr>
<td><strong>TOTAL RECEIPTS</strong></td>
<td>4,472,000</td>
<td>5,006,000</td>
</tr>
</tbody>
</table>
This is the plan for the February to June, 1968 Cash Flo Forecast. You are looking at a complete plan. Let me tell you how it was constructed. I suggest you make a series of number codes on the cash flo forecast to show how the planning was developed.

First we start with the checking account balances on the bottom line and work to the top. Designate the bottom line number 1. Number 2 is total disbursements; 3, total funds available; and number 4 is receipts subtotal. Next, compute the savings account transfer. Number this line 5. Enter the amounts on this line on the savings account Cash Flo Forecast and also number the line number 5. On the savings account side, we use the following number system: transfer to checking account, number 5; deposits other than C/Ds bracketed as number 6; total funds available, number 7. The amount of Matured C/Ds is computed and designated number 8. Our objective is forecasting the month of maturity of C/Ds.

### M. M. District No. 13
#### Cash Flo Forecast - Savings Account

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<tr>
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<td><strong>Beginning Balance</strong></td>
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<td>32000</td>
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<td>30000</td>
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<td><strong>Deposits:</strong></td>
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<td>State Aid - Basic</td>
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<td>- Other</td>
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</tr>
<tr>
<td>Matured C/Ds</td>
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<td>300000</td>
<td>300000</td>
<td>300000</td>
<td>500000</td>
<td>258000</td>
<td>358000</td>
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<td></td>
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<tr>
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<td>358000</td>
<td>250000</td>
<td>282000</td>
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<td>50000</td>
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<tr>
<td><strong>Total Disburse.</strong></td>
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<td>600000</td>
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<td>273000</td>
<td>380000</td>
<td>263000</td>
<td>300000</td>
<td>443000</td>
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</table>

### M. M. District No. 13
#### Cash Flo Forecast - Checking Account
On this page, the Cash Flo Forecast of the checking account for 1968-69 was determined in the same manner as the checking account Cash Flo Forecast on the previous page. You will note one mistake on the forecast. In January, the disbursements for payroll should be for 3 weeks instead of 2. Be on the look out for an error in your plan. Have someone review it for you.

M. M. District No. 13
Cash Flo Forecast - Checking Account
1968-69

<table>
<thead>
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<tr>
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<td>5000</td>
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<td>5000</td>
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This is a schedule, similar to that found on preceding pages, for the savings account Cash Flo Forecast 1968-69. The principal purpose of this schedule is to determine when to purchase C/Ds and the amount of the purchase. This is the second item listed under withdrawals.

In order to maintain a close watch on our cash balance, it is necessary to have certain housekeeping reports which funnel information to the person responsible for the daily cash balances.

**M. M. District No. 13**

**Cash Flo Forecast - Savings Account**

**1968-69**

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<td>40000</td>
<td>1,70000</td>
<td>800000</td>
<td>100000</td>
<td>53000</td>
<td>400000</td>
<td>800000</td>
<td>2,653000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Aid-Basic</td>
<td>400000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Other</td>
<td></td>
<td>20000</td>
<td>10000</td>
<td>20000</td>
<td>8000</td>
<td>4000</td>
<td>5000</td>
<td>800</td>
<td>5000</td>
<td>1,600000</td>
<td>58000</td>
<td>20000</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>60000</td>
<td>10000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cert. of Deposit</td>
<td>1000</td>
<td>2000</td>
<td>2000</td>
<td>1000</td>
<td>1000</td>
<td>1000</td>
<td>8000</td>
<td>3000</td>
<td>7000</td>
<td>4000</td>
<td>5000</td>
<td>9000</td>
</tr>
<tr>
<td>Savings Account</td>
<td>3000</td>
<td>4000</td>
<td>3000</td>
<td>4000</td>
<td>3000</td>
<td>3000</td>
<td>5000</td>
<td>5000</td>
<td>15000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matured C/D's</td>
<td>100000</td>
<td>100000</td>
<td>100000</td>
<td>520000</td>
<td>1,000000</td>
<td>350000</td>
<td>350000</td>
<td>350000</td>
<td>350000</td>
<td>400000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (Capital note &amp; Fund Bal.)</td>
<td>380000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Funds Avail.</strong></td>
<td>589000</td>
<td>138000</td>
<td>541000</td>
<td>1,794000</td>
<td>876000</td>
<td>694000</td>
<td>1,558000</td>
<td>387000</td>
<td>443000</td>
<td>1,212000</td>
<td>390000</td>
<td>590000</td>
</tr>
</tbody>
</table>

|                |       |       |       |       |       |       |       |       |       |       |       |       |
| **Withdrawals:** |       |       |       |       |       |       |       |       |       |       |       |       |
| Trans. to Ckg. a/c | 233000 | 102000 | 378000 | 329000 | 407000 | 667000 | 374000 | 312000 | 315000 | 957000 | 345000 | 462000 | 4,881000 |
| Purchase of C/Ds  | 120000 | 150000 | 1,400000 | 400000 | 1,150000 | 110000 | 220000 |       |       |       |       |       | 3,550000 |
| Other-Fund Bal.   | 200000 |       |       |       |       |       |       |       |       |       |       |       | 200000 |
| **Total Disburse.** | 553000 | 102000 | 528000 | 1,729000 | 807000 | 667000 | 1,524000 | 312000 | 425000 | 1,177000 | 345000 | 462000 | 8,631000 |
On this page are two reports, one which provides data on cash disbursements, the other, data on cash receipts. These forms and their respective data, together with beginning balances, provide the information required to complete the record of bank transactions in the checking account. An illustration of this kind of record is shown on the next page.

**M. M. District No. 1**

Report of Cash Disbursements

<table>
<thead>
<tr>
<th>Report Number</th>
<th>Dates</th>
<th>Account (✓)</th>
<th>Check No.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From</td>
<td>To</td>
<td>From</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Remarks:
1) Holding check #     for $     until / /  
2) 

**M. M. District No. 13**

Report of Cash Receipts

<table>
<thead>
<tr>
<th>Report Number</th>
<th>Dates</th>
<th>Account (✓)</th>
<th>Receipt No.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From</td>
<td>To</td>
<td>From</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Remarks:
We recommend using at least one sheet as shown on this page, per month. The balances at the end of the month should always agree with the treasurer's report. The check number control should always agree with the treasurer's report. An illustration of the treasurer's report is shown on a later page. The primary purpose for illustrating this form is to illustrate the use of one checking account for three funds: the general fund, the school lunch fund and the trust and agency fund.

**M. M. District No. 13**

**Record of Bank Balance - Checking Account**

1967 - 1968

<table>
<thead>
<tr>
<th>DATE</th>
<th>TRANSACTION</th>
<th>FROM</th>
<th>TO</th>
<th>RECEIVED</th>
<th>DISBURSED</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/68</td>
<td></td>
<td>379</td>
<td></td>
<td>015</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>380</td>
<td>381</td>
<td>9 887 60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/5/68</td>
<td></td>
<td>7428</td>
<td>7430</td>
<td>79 920 51</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7432</td>
<td>80 00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/2/68</td>
<td></td>
<td>383</td>
<td>394</td>
<td>2 185 07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/5/68</td>
<td>Trans. from Sav. a/c</td>
<td>60</td>
<td>0</td>
<td>00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/9/68</td>
<td>Reg. a/c</td>
<td>7431</td>
<td>7490</td>
<td>25 055 77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/9/68</td>
<td>D/C a/c</td>
<td>1168</td>
<td>1325</td>
<td>22 018 58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/10/68</td>
<td>Trans. from Sav. a/c</td>
<td>45</td>
<td>0</td>
<td>00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>395</td>
<td>402</td>
<td>1 792 59</td>
<td>Savings a/c</td>
<td>194 21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>403</td>
<td>404</td>
<td>234 92</td>
<td>Savings a/c</td>
<td>194 21</td>
</tr>
<tr>
<td>1/9/68</td>
<td></td>
<td>7491</td>
<td></td>
<td>60 00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/10/68</td>
<td></td>
<td>7492</td>
<td></td>
<td>79 50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/17/68</td>
<td>Savings</td>
<td>405</td>
<td>431</td>
<td>8 882 97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/16/68</td>
<td></td>
<td>432</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/16/68</td>
<td></td>
<td>433</td>
<td>436</td>
<td>1 234 92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/9/68</td>
<td></td>
<td>7493</td>
<td>7498</td>
<td>235 56</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/19/68</td>
<td>Trans. from Sav. a/c</td>
<td>7499</td>
<td>7504</td>
<td>122 187 96</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/19/68</td>
<td></td>
<td></td>
<td></td>
<td>113 000 00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

-29-
On this page, we note the record of certificate of deposit transactions. A complete record of these transactions provides a valuable tool for forecasting future C/D purchases and maturity dates. It is also useful as a supporting document for a treasurers report. It provides an excellent audit trail for the auditor and is a ready reference to compare the amount of interest due to the amount received.

M. M. District No. 13
Record of Certificate of Deposit Transactions
1967 - 1968

<table>
<thead>
<tr>
<th>CERTIF. NUMBER</th>
<th>DATE ISSUED</th>
<th>DUE DATE</th>
<th>AMOUNT</th>
<th>RATE</th>
<th>DAYS</th>
<th>AMOUNT</th>
<th>TOTAL FOR MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>25940</td>
<td>10/11/67</td>
<td>2/2/68</td>
<td>100,000</td>
<td>5 1/4</td>
<td>114</td>
<td>1</td>
<td>641.60</td>
</tr>
<tr>
<td>25977</td>
<td>1/15/68</td>
<td>2/14/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>30</td>
<td>1</td>
<td>453.00</td>
</tr>
<tr>
<td>25959</td>
<td>11/22/67</td>
<td>2/16/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>86</td>
<td>1</td>
<td>298.60</td>
</tr>
<tr>
<td>25946</td>
<td>10/25/67</td>
<td>3/1/68</td>
<td>100,000</td>
<td>5 1/4</td>
<td>128</td>
<td>1</td>
<td>843.20</td>
</tr>
<tr>
<td>25973</td>
<td>1/17/68</td>
<td>3/13/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>56</td>
<td>1</td>
<td>845.60</td>
</tr>
<tr>
<td>25947</td>
<td>10/25/67</td>
<td>3/15/68</td>
<td>100,000</td>
<td>5 3/8</td>
<td>142</td>
<td>2</td>
<td>932.80</td>
</tr>
<tr>
<td>25960</td>
<td>11/22/67</td>
<td>3/29/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>128</td>
<td>1</td>
<td>932.80</td>
</tr>
<tr>
<td>25974</td>
<td>1/17/68</td>
<td>4/10/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>84</td>
<td>1</td>
<td>268.40</td>
</tr>
<tr>
<td>25975</td>
<td>1/19/68</td>
<td>4/10/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>82</td>
<td>1</td>
<td>238.20</td>
</tr>
<tr>
<td>25976</td>
<td>1/17/68</td>
<td>4/26/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>100</td>
<td>1</td>
<td>510.00</td>
</tr>
<tr>
<td>25978</td>
<td>1/19/68</td>
<td>5/15/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>114</td>
<td>1</td>
<td>721.20</td>
</tr>
<tr>
<td>25980</td>
<td>1/19/68</td>
<td>5/24/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>117</td>
<td>1</td>
<td>766.60</td>
</tr>
<tr>
<td>25981</td>
<td>1/19/68</td>
<td>6/7/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>126</td>
<td>1</td>
<td>902.40</td>
</tr>
<tr>
<td>25982</td>
<td>1/19/68</td>
<td>6/21/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>140</td>
<td>2</td>
<td>220.80</td>
</tr>
<tr>
<td>25941</td>
<td>10/11/67</td>
<td>6/28/68</td>
<td>300,000</td>
<td>5 1/2</td>
<td>261</td>
<td>11</td>
<td>823.30</td>
</tr>
<tr>
<td>26113</td>
<td>4/22/68</td>
<td>7/19/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>77</td>
<td>1</td>
<td>162.20</td>
</tr>
<tr>
<td>26114</td>
<td>4/22/68</td>
<td>8/16/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>115</td>
<td>1</td>
<td>736.50</td>
</tr>
<tr>
<td>26115</td>
<td>4/22/68</td>
<td>9/13/68</td>
<td>100,000</td>
<td>5 1/2</td>
<td>143</td>
<td>2</td>
<td>159.10</td>
</tr>
</tbody>
</table>
On page 31, 33, 34 and 35, are illustrations of various concepts used in managing funds. On this page, for example, is an illustration of how one checking account accommodates three funds. The balances shown are in agreement with a treasurer's reconciliation of the checking account. Note that it is very likely that the general fund cash account will often be overdrawn.

<table>
<thead>
<tr>
<th>M. M. District No. 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Checking Account for 3 Funds</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$5,000</td>
</tr>
<tr>
<td>School Lunch Fund</td>
<td>8,000</td>
</tr>
<tr>
<td>Trust and Agency Fund</td>
<td>10,000</td>
</tr>
</tbody>
</table>

Total in Regular Checking Account $13,000

To explain the concepts illustrated on pages 31 to 35 we have a panel of experts: Mr. Wilson, Mr. Parsons and Mr. Walsh. Mr. Wilson's presentation considers concepts on pages 31, 32 and 33. Following Mr. Wilson, Mr. Parsons will review procedures and guidelines on page 34. Mr. Walsh completes our presentation with up-to-date statistics on the importance of money management and an explanation of guidelines on page 35.
M. M. District No. 13
Treasurers Report

---

**REGULAR CHECKING ACCOUNT**

Balance / / $  
Add Receipts: # to  
Transfer from Savings Account $  
Certificate of Deposit  
Other  
Total Beginning Balance and Receipts  
Less Checks issued:  
Business Office to  
Data Center to  
Balance / / $  

**FUND BALANCES**

General Fund $  
School Lunch Fund  
Trust and Agency Fund  
TOTAL $  

**BANK RECONCILIATION—REGULAR CHECKING ACCOUNT**

Bank Balance per Bank Statement / / $  
Less  
Outstanding Checks  
Book Balance / / $  

**SAVINGS ACCOUNT**

Balance / / $  
Add deposits:  
Balance plus deposits  
Less withdrawals  
C.D. Purchased  
Transfer to Regular Checking a/c  
Balance / / $  

Here is a suggestion which few schools in the state have followed. The state manual requires only one expense control account, A522, for all expenditures. We suggest allocating expenditures into two categories, non-payroll and payroll. Similarly, we have categorized the appropriation accounts as A960 non-payroll expenses and A961 payroll expenses.

M. M. District No. 13
Payroll and Non-Payroll Control Accounts

<table>
<thead>
<tr>
<th>Expense Accounts</th>
<th>Appropriation Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>A522 200-800 Series a/c's Non-Payroll Expense</td>
<td>A960 200-800 Series a/c's Non-Payroll Expense</td>
</tr>
<tr>
<td>A523 100 Series a/c's Payroll Expense</td>
<td>A961 100 Series Payroll Expense</td>
</tr>
</tbody>
</table>
On pages 34 and 35 you will find very helpful procedures and guidelines which we have found useful in establishing and implementing money management procedures.

M. M. District No. 13
Procedures and Guidelines

Board Resolutions

(1) Resolved: To establish a savings account at the

Bank
with a deposit of $ of General Fund monies. To authorize the Treasurer to deposit school funds in this account. To authorize the clerk or treasurer or Business Manager to make withdrawals for the purchase of Certificates of Deposit and to transfer funds to a Checking Account of M. M. District #13. Further authority is given to permit withdrawals from the savings account for transfer to a checking account by telephone communication with the bank by an authorized school employee. The oral transfer request must be immediately followed by a written confirmation (see letter attached) of the transfer request, a withdrawal slip signed by the Treasurer, and appropriate entries in the passbook.

(2) Resolved: To require the

Bank
to pledge obligations of New York State or of any municipality or school district of the State of New York or the United States of America as collateral for the aggregate amount of interest bearing deposits with the bank.

Rule of Thumb

Daily interest earned on $10,000 deposit

<table>
<thead>
<tr>
<th>Amount of Deposit</th>
<th>Daily Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rate</td>
</tr>
<tr>
<td>$10,000</td>
<td>4 %</td>
</tr>
<tr>
<td>$10,000</td>
<td>4 1/2%</td>
</tr>
<tr>
<td>$10,000</td>
<td>5 %</td>
</tr>
<tr>
<td>$10,000</td>
<td>5 1/2%</td>
</tr>
</tbody>
</table>
Guidelines for Savings Account Transactions

Deposits:

What - Following are monies to be deposited in the savings account:

- State Aid
- County Aid - (Sales Tax)
- Property Taxes
- Interest Earned on Savings a/c and C/Ds
- Proceeds of a matured certificate of deposit

When - Immediately: It is important to deposit monies on the day the revenue is received.

How - Present pass book, deposit slip in duplicate, and properly endorsed checks. Deposits of property taxes may be made directly to the bank by the tax collector. The bank must be notified of the agreement.

Why - Approximately $1.10 interest is earned each day for each $10,000 on a 4% savings account deposit. Thus, $11.00 interest is lost each day when $100,000 is not on deposit in the savings account.

Withdrawals:

What - Following are monies withdrawn from the Savings Account:

- Transfers to a checking account
- Purchase of a certificate of deposit

When - When a checking account balance is insufficient to cover checks to be drawn.

How - When a certificate of deposit is purchased:

1. Present savings account pass book, withdrawal slip signed by the treasurer and properly endorsed and deposit slip, in duplicate, for deposit in the checking account or purchase of certificate of deposit.

2. Telephone call to the bank requesting transfer - followed by:
   a) confirmation letter and
   b) procedure (1) above

Why - 1) Transfer to checking account and/or certificate of deposit only to guard against improper withdrawal of funds
   2) Provide a convenient procedure of transfer by telephone
   3) Maintain a minimum daily balance in the checking account and, conversely, a maximum daily balance in the savings account.
Good Afternoon —

On behalf of my fellow panel members and myself, we welcome you to Presentation #3 entitled "Imaginative Budget Selling".

A brief outline of what we hope to accomplish and by what means, indicates the following pattern:

First - A few minutes will be used to show a sample of one school district's budget presentation method involving the use of Audio-Visual equipment. This portion in which I'm involved will be quite brief.

Second - A short commentary by Mrs. Betty Unger - the Coordinator of School-Community Relations at Orchard Park Central School will involve her thoughts, ideas and practical approaches, schools should consider in a public relations program. Mrs. Unger has a journalism background and has written her Masters thesis on this matter.

Our third member is Mr. Leonard Glowinski - Administrative Assistant in charge of School-Community Relations for Williamsville Central School System. His talk involves some basic techniques and principles that we can apply to our own local situations. Mr. Glowinski also has a background in journalism and has produced for his school district, some notable P. R. examples.

Our fourth member is from the Albany area - now associated with the Bureau of General Educational Management Services of the State Education Department.

Mr. James Goodspeed, a prior school superintendent, is presently involved in Cooperative Review Services projects - an audit of school management practices that can be requested by school systems, if so desired. In his travels throughout the
entire State, Jim has observed some interesting approaches and methods and will add to this, some thought-provoking comments which undoubtedly have been influenced to some extent by his fellow Albany associates and therefore, possibly bears some heed by us in the field.

Any time remaining will be used for a round table discussion or question and answer period.

Section I -

Before showing some sample slides and a short run of a tape recording, I must indicate clearly that this is only one district's method - and certainly does not show the complete effort involved in our "Budget Selling" Process. It is a sample that has been successful in the past but may not be in the future. Obviously, many other factors - some much more important have tremendous effects on Budget Selling. Having cautioned you, let's proceed.

For a little background information, our Board of Education has separated the Annual Budget Meeting from the Board of Education Member Election. One of the results of this decision, is that we have had on the first Tuesday night in May (a legal date), a captive audience of taxpayers. The usual formalities of such a meeting are guided by an agenda that is printed on the back of our Budget Bulletin Handouts.

The highlight of this Annual Meeting is the dimming of the house lights whereupon our District Principal takes over and gives us a taped explanation of the budget line by line for appropriations and revenues. Slides are shown that are pertinent to the items being explained at that moment, similar to the following:

Run tape and slides for 3-4 minutes -
As you can see, the visual stress is on educational programs involving teachers, students, lay citizens, classified employees, buildings, equipment, etc. with a limited amount of dollar sign pictures.

Subsequent to this complete tape-slide presentation which lasts approximately 20 minutes and incorporates about 60-70 slides - questions are answered. These have been very limited in scope and the voting results most gratifying.

I now turn the lecturn over to Mrs. Unger.
WHAT DOES A PUBLIC RELATIONS PERSON DO IN A SCHOOL?

Betty Unger
Coordinator, School-Community Relations
Orchard Park Central School

I am asked this question continually and, in order to answer it for you, I feel I must brief you on what I think our philosophy of public relations is at Orchard Park.

We believe in maintaining communications with the public, which is "public relations", all year around. We feel that parents have a right to know what we are teaching their children and taxpayers have a right to know how their money is being spent. We also believe that we cannot go to the public once a year with a budget, or every two years with a new school bond issue, and receive an enthusiastic response automatically. We cannot expect them to accept a rise in taxes unless we have sold them all year on what we are doing.

The burden of this communication with the public rested on our superintendent for many years, and then on his administrative assistant. They had done a good job but they were busy men. Education had become a complicated business, full of pressures that were unknown twenty years ago.

At the request of the Board of Education, the Citizen's Advisory Committee on Education did a study of public relations for schools. It recommended a more structured P-R (or public relations) program for Orchard Park. As a member of this committee and as an employee of the school in another capacity, I had been instrumental in selling the Board the idea that it would be more effective and more economical to assign the bulk of the P-R functions to one person. After attending a workshop on school P-R at Plattsburgh, I drew up a plan for such a program at Orchard Park. The board and superintendent approved, and one year later I was hired as a part-time coordinator of school-community relations. This position has
become a fulltime, eleven month job whose possibilities are endless, limited only by my time and energy. So much for history.

If your school is engaging in any kind of formal P-R program and using high-priced administrators to do the job, you might consider the time that they devote to this work in your school-community budget. If you add the secretarial and clerical help needed you will find that you're spending far more than you thought you were, even though it does not show in your school-community account. (Of course it may be more acceptable to the public hidden under "salaries - miscellaneous".)

Also, if your P-R program deals with publications and news releases, the chances are your administrator is not an expert in the field. He has probably come up through the ranks as an educator and few educators have had experience in writing for the general public. Their style is apt to be too wordy and too technical to be easily read. Then too, writing takes time and a great deal of concentration which most executives cannot achieve with their interrupted schedules.

Now — what do I do?

The greatest portion of my time has been spent on school news and publications. I gather the information, take the pictures, write the copy, do the layouts, type, proofread or what have you.

I write:

1. News releases and submit photos to the Buffalo papers and our weekly local paper.

2. A weekly column for our Penny Saver, or shopping guide.

3. A mimeographed synopsis of Board of Education discussion and action which is sent to the entire school staff the day after every board meeting.
4. A monthly newsletter to parents.

5. A yearly almanac with school facts.

6. The annual budget brochure.

7. All bond issue brochures

8. A kindergarten booklet and

9. A teacher recruitment kit

I am responsible for continual displays in the Senior High Foyer cases (all five of them), have had occasional displays in our two local banks and did a display for the Erie County Fair Educational Building.

When I'm not handling correspondence and channeling information to staff, I'm attending meetings, conferences, science fairs, citizen committee and P.T.A. gatherings, plays, demonstrations and so forth. I keep my ears open and am constantly on the alert for areas of communication which are breaking down among teachers, administrators, parents, students, editors, board members. If I can do something about it, fine; if not, I alert someone who can.

Other possibilities, yet to be explored are slide presentations and speakers bureaus. Probably our most effective media of communication is our monthly "Bulletin" which is in its 19th year. Superintendent Elmer Handel started it as a mimeographed sheet to be sent home with pupils. It contained menus, the school calendar and school policies. Since then it has gradually evolved into this form. We have it printed and mailed to over 3000 homes--1000 more copies are distributed to our staff, newcomers, real estate agents, libraries and offices.

I have had the time, where my administrative predecessors did not, to include articles about teachers, students, board members, curriculum, new ideas, budget
procedure, our successes and sometimes our failures. If there is a bond issue or budget vote coming up I start months ahead of time preparing for it. Stories on our needs, the district growth, crowded conditions, bidding, budget making and so forth are part of my campaign for "yes" votes. From time to time I give progress on plans for new buildings or on construction.

Do people read it? I hope so. I try to make it attractive and insert lots of pictures to illustrate various points. We are competing with all sorts of slick magazines and advertising literature for the public's attention and I feel it behooves us to put out as readable a publication as we can afford.

What does it cost? A 12-page issue runs about $300 which includes everything except my time. Bidding the printing on all our publications probably helps cut down costs. However, I have found that the lowest bidder is not always the best printer and this compounds my problems. If you specify color in the bid, it doesn't cost any more than black and white. We pay for each 1/2 tone (picture) but if I group the pictures, we still only pay for one or, two, at the most.

Incidentally, by what postal class do you send your newsletters? I have noticed some which I receive are sent third class. According to our local post office, a newsletter should be sent second class which I found is cheaper than third.

Let's take a look at our budget brochure. Years before I came, our parents were used to pictures and stories along with financial data. I cut the sixteen pages to eight - deleting most of the long explanations and dissertations. I felt a letter from the Board and short, concise explanations of changes were enough. If we hadn't convinced people we were doing a good job by then, I reasoned it was too late at budget time. It was as simple as possible without getting defensive.
That approach was fine for one year. The next year, our local editor came out against raises for teachers, frills; and an "inept" board that was extravagant, pampered teachers and dallied over school bond issues." His appeal was emotional with considerable distortion of facts.

We also had an accountant running for the school board who criticized our method of financial reporting and the whole budget presentation of the year before.

Since we hadn't gone to press, I inserted a few more comparisons and charts in the budget brochure. I also filled the May Bulletin and the same local paper with a wealth of "school propaganda", as my sons call it. Perhaps it wasn't the policy the books recommend but we won the budget by a 2 to 1 vote and the accountant lost. All of which proves that we have more loyal parents than accountants in the community, thank goodness.

Much credit for the affirmative vote must go to the Citizen's Committee for their support and to Superintendent Handel and Board President Paul Rohrdanz who expertly fielded the questions at the annual meeting, the night before the vote.

How we will make out this year is anyone's guess. It will be difficult to prepare the public for a budget in May and a large bond issue for a new senior high school in June. I may be looking for another job about July!

In my third year on the job I realize that this task of informing the public has grown too involved to be dealt with as a part-time administrative task. My hat is off to you who are coping with it successfully on this basis. Of course if you have a good product to sell, such as I have at Orchard Park, your work is much easier.

Are there any questions?

I do have copies of our Bulletins to which you're welcome. I also have some samples of our other publications for you to look at, if you are interested.
This year, perhaps as never before in recent history, the people of western New York may look with less favor on school budgets as proposed during annual meetings.

Recent events stemming from America's foreign policy and domestic policy are causing increasing concern. The war in Vietnam and the threat of war in Korea have created a climate of uneasiness. On the home front, racial unrest and civic disorder, coupled with scandals involving youth with narcotics, add fuel to the fire of discontent.

The fears in the hearts of Americans that the U.S. dollar is in serious jeopardy further aggravate the situation, as do increased taxes on virtually every level of government--local, county, state, and federal.

From all sides, then, many Americans feel hemmed in, somehow threatened and encroached upon--both in the Nation and beyond its shores. There is an atmosphere of vague uneasiness and widespread discontent; and it is this atmosphere within which our schools must function and seek public support for annual budgets.

Add to this the fact that teachers everywhere are on the march, seeking greatly increased salaries and new fringe benefits, and the picture is dark indeed. For those of us whose task it is to sell school budgets to voters this year, prospects are not bright.

As all of us know, the problems facing school budgets this year are three: first, the issue of rising taxes; second, the issue of private schools; and third, the issue of integration.

Any one of these three issues alone presents a formidable obstacle to passing
budgets. Taken together, however, all three of these issues, if they strongly affect a given school district, pose an even more formidable threat to passing school budgets.

Now it is true that these three issues—rising taxes, private schools, and integration—are not new; they have been with us for some time. However, these issues are becoming increasingly more pronounced as the years pass, so that this year what amounts to a crisis in public education may be at hand.

This year, taxes are being raised as never before by all levels of government. And as all of us know, school districts are no exception to this. What with the militant and united front of teachers demanding higher salaries, what with increases in Debt Service as new schools are built to serve rising pupil enrollments, school taxes are going up. And even if more money were not needed for salaries and new buildings, school taxes would continue to go up as long as the inflationary spiral continues.

Yes, school taxes are rising—and they probably will continue to rise. And as school taxes rise, so do the tempers of taxpayers. Couples, who five years ago bought a new home and budgeted x number of dollars for mortgage payments and property taxes, these same couples are finding—as might be expected—that what had been budgeted five years ago is no longer adequate to meet expenses. And for most of these new home-owners, there are not only additional school taxes, but also additions to the family as children are born—children who cost money to support.

Mind you, we are not talking about senior citizens or people on fixed incomes; we are talking about people with children, people whose children attend school, people who all too often budgeted too closely, who in many cases failed to
provide sufficient margin for tax increases, people who today perhaps find themselves living beyond their means—or very close to it. These are some of the voters who in the past three years have been defeating school budgets in New York State.

The record shows that in the last three years a mathematical progression can be perceived in defeats of school budgets in this state. Each year, the number of school districts where budgets have been rejected has doubled, for a 100% increase each year. And there is strong reason to believe that this trend may continue, especially in light of the fact that two other issues—integration and private schools—are coming to a head this year.

But between the issue of rising taxes and those of integration and private schools there is this major difference: while people for the most part voice openly their opposition to rising taxes, they will but whisper in corners about the integration issue or the private school issue. These latter two issues, like icebergs, are much more a danger than meets the eye. They are submerged for the most part, but this does not stop them from scuttling a school budget.

As school officials in major urban centers such as Buffalo and Niagara Falls frequently express publicly the need for integrated schools, as Commissioner of Education Allen in Albany speaks along similar lines, everyone is reading and listening—especially those who live in school districts on the fringes of major urban centers.

As terms and practices such as "busing" and "educational park" continue to make headlines, people are reading about them—and reacting to them, some favorably, others unfavorably. Where once in most school districts school board members had been elected on the basis of personality, popularity, or commitment to public education, today and for years to come the issue will be: Where does this
candidate stand on integration?

And the same Annual Meeting that will consider the election of Board members, this same meeting must decide the fate of the school budget. When this happens, issues that are separate and that should be considered separately, these issues overflow and merge to color everyone’s thinking on everything. And as this integration issue takes root in the imaginations of people, voters will begin to take a hard second look at budget items such as transportation—the purchase, operation, and maintenance of school buses. One could mention other areas such as vacant classrooms, but buses will do as well.

The integration issue concerns many white voters who may reject school budgets—or emasculate them—in order to strike out against what many consider to be arbitrary sociological experimentation. The private school issue, on the other hand, concerns yet another kind of voter. This voter is one who probably himself attended private schools and whose children currently are attending private schools, but who must support financially both private and public schools.

This kind of voter naturally tends to use the private school as his frame of reference, as his yardstick for measuring what schools should have or have not, how schools should be built, or not be built. Private schools, often limited as they are financially, cannot afford to compete with public education and all the advantages it offers young people. So it is that private school supporters term “frills” in public schools what they cannot afford to have in their own private schools. So it is that such voters often reject school budgets—and bond issues for new schools—as extravagant, as unnecessary, as frills.

Now ordinarily, such voters with private school loyalties pose no significant threat—either because they are too few, or because they do not vote at all; or if
they do vote, they see fit to support public education. Not ordinarily, but these are extraordinary times—and extraordinary school districts.

The resounding defeat given by voters to the proposed new New York State Constitution—this pleased the vast majority. But for those 25% or so who voted "yes," the Blaine Amendment is all too real. In a region such as western New York, where over 50% adhere to Roman Catholicism, in a county such as Erie, where as many as 60% are adherents, the Blaine Amendment and the private school issue are central concerns. Now this is not to insinuate that there exists any such entity as "the Catholic vote." This surely was disproven last November when even Buffalo rejected the State Constitution. Rather, I am saying that if there is a private school issue, here in Erie County is as good a place as any for it to show its influence.

What I am trying to suggest is that a certain number of private school supporters, as is their right, may, out of frustration at the defeat of the Constitution, come out and vote—come out and vote "no" on the budget—this despite the fact that in recent years local ecclesiastical authorities have urged all citizens to support public education.

So much for identifying three issues—the private school issue, the integration issue, and the rising taxes issue. The question now should be: Where do we go from here? How can we deal with these issues?

There can be no all-inclusive answer for all school districts, different as they are. It is up to each school district to determine which of these issues most concerns voters, and then act accordingly. However, I do believe that there are a few general statements that can be made, some of which may be useful.

First; whatever means you use to present your budget to voters—be it letter-press, offset, or mimeograph—let your budget leaflet be suited to your own particular
school district. What may be very effective in one district may prove disastrous in another. And how does a person know whether a budget leaflet is suited to a district? By knowing who your readers are, what their aspirations are, and what problems concern them most.

Are your readers mainly white-collar or blue-collar? Are there many who attend private schools? Is it a college-conscious community? Are there many foreign-born in the district? These are but examples. Many more could be asked.

Once you have determined who your readers are and what they value most, you can study the total educational program and decide which aspects of it appeal most to the majority of your readers. And if your schools are meeting the needs of and responding to the aspirations of your community, this should be no problem. Study your program and select one or two phases, and stress or highlight these with large headlines, photographs, and printed copy. Select focal points and frame them in appropriate words. Now I said "words," not just statistics, because too often a budget leaflet is no more than an uninviting series of numerical tables. It is vital that statistics should be related by words to the total educational program. Unless parents can see dollars in terms of children benefited, a budget can be lost.

Now use words--and pictures--to stress those aspects of the program which will tend to appeal to the majority, or to several large groups within that majority. For example, in rural areas highlight courses concerned with agriculture, or 4H Club activity. In an area where blue-collar voters predominate, stress offerings such as woodworking and other such shop courses.

If there is a sizeable number of parents with children in private schools, tell how the public school budget provides concrete benefits for private school students--for instance, the school nurse, bus service to and from school, textbooks,
and so forth. I have mentioned the need to use words to make statistics more meaningful. The question is: what kind of words, and how many? A simple answer to this would be that the vocabulary should be suited to the general educational background of the community, as should the comparisons used be consonant with the experiential background of the district. However, you can insult a reader as much by talking over his head as you can talking down to him. And most important of all, be as brief as possible.

To repeat, let the choice of vocabulary and the similes or comparisons be suited to the school district. Obviously, a district whose readers are mainly college graduates will use one level of vocabulary and allusion, while a district that serves the blue-collar group will employ yet another kind of vocabulary.

Nor am I suggesting some sort of intellectual snobbery here, but rather a message presented in such a way that it will best communicate with the group--or groups--for which it is intended. Yet, no matter what level of vocabulary you use, at all times--needless to say--the structure, grammar, and spelling should be correct, no matter who the readers are. The same should be true of the tone of the writing: the tone should be knowledgeable but not pontificial, courteous but not unctuous. In short, the tone should be considerate of the human feelings of others.

While we are still on the topic of words, a brief discussion of jargon, or technical words, would seem in order. Use as little technical terminology as possible; and when you do find it necessary to use jargon, explain the terms--preferably in parentheses immediately after the term, or in footnotes. Be advised, however, not to discard jargon entirely, for the layman expects every field of specialization to have an air of mystery about it, things known to the initiate. The layman begins to resent jargon only when it confuses him, when it is unexplained.
When you have finished putting together your budget leaflet, you should consider mailing one copy to every address in your school district. Before you do so, however, design for this leaflet a cover, a cover that will serve two functions:

First, let your cover be attractive. Use inexpensive colored paper—even mimeograph paper. You could, say, if yours is a district where St. Patrick is honored, have a bright green cover. Or use simple but eye-catching line-drawings to enhance the cover.

Secondly, let your cover clearly state that the leaflet is being distributed by the school district and that it's about taxes. Avoid being clever or subtle, lest your publication reach the wastebasket instead of your reader's eyes. Remember that competition to get people to read your publication is stiff. Recent studies indicate that the average family of four is exposed, within a single day, to 1,500 different ads. Hopefully, if a resident realizes that the mailed leaflet may concern higher taxes for him, there is a strong likelihood that he will at least open the leaflet.

In conclusion, it is my firm conviction that voters have the right to know the consequences of voting down a budget before—as well before—as they vote. What State Law has to say on the so-called "austerity budget" should be explained in the same leaflet that outlines the budget itself.

And this should not be done by way of threatening voters with reprisals, but as a point of vital information. It might be sufficient simply to quote select excerpts from the Law on austerity budget, without any editorial comment whatsoever.

Negative as this approach may appear to be, it behooves us to inform our readers. In this matter, as in all matters that affect the common good, the public has a right to know.
IMAGINATIVE BUDGET SELLING

James E. Goodspeed
Bureau of General Management Services
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"...methods of budget presentation to school boards and to the public, ..."

A school budget is usually created over a long period by a large number of people under the supervision of a chief administrator and chief business official working within guidelines and philosophies established by a board of education.

The effectiveness of the job in presenting a "popular" version of the budget is a reflection of the overall budgeting practices that led to the creation of the proposed budget.

I quarrel slightly with our printed program today to the extent that it is concerned with the presentation of the budget to the board of education. The school board should be no problem if it has overseen, and assisted in, the development of the proposed budget. Any presentation of a completed budget to a school board should be in the nature of a review.

The board should have a formal budget policy which charges the chief administrator with the responsibility for initiating the development of the budget. The policy should identify the general steps to be taken in budget development, specify the roles to be played by key people and groups, and explain the overall philosophy of the board regarding the school program and the budgets which guide the program.

The board should formally adopt a budget calendar which will begin in August or September, call for receipt of a working copy of the new budget in January or February and board adoption of a proposed budget by March or early April. The calendar should include an early meeting of the administration with the staff (perhaps in September) and should call for major board decisions on new and revised programs,
staff additions, etc., at specified times early in the year.

The board and administration should have a long-term educational and financial plan (covering at least 5 years) which is periodically updated. Such a long-term plan is the background against which major board decisions are made with regard to the immediate budget. As projections change the long-term plan should change. A long-term plan is almost a necessity in good budget development in order that objectives be kept in mind and annual steps be taken to attain them.

The administration should do all in its power to see that budgets are developed with the assistance and advice of all staff members. All personnel should have a real and equal opportunity to suggest program changes and appropriations which will receive the attention of administrators and board members.

For the long process of budget development, an advisory committee of interested citizens can be of great value. Such a group can be of assistance to the administration in its work and some of its suggestions may ultimately go to the board for policy consideration.

A budget is the financial plan for carrying out an educational program for a school year. It centers on children, teachers and curricula. It also involves transportation, construction, operation and maintenance of facilities, debt service, cafeteria programs, etc.—it gets very complicated. The objective of the entire budget activity should not be forgotten; i.e., the presentation of a school program; a financial plan for operating the program; a request for citizen approval of the proposal and permission to levy taxes and proceed with the plan. If the budget was developed as a "crash program" or was developed in a lackadaisical fashion, chances are the popularization of the budget will be equally bad. Budget appropriations, property valuations, equalization rates, determination of tax levies and rates, etc., must be explained to the public with all the
clarity, patience and persistence of the most competent teacher employing all possible techniques.

We are here considering popular budget presentations by schools which are proud of their programs, feel their entire operation is successful and adequate and, rather than wanting to hide anything, are sincerely trying to help the public understand what their school does and why it needs their support. I hope we are in agreement that the public is becoming more aware of educational programming and financing—people are now more sophisticated in using and noticing such terms and concepts as "planned balance," salary "schedules," debt limitations, per pupil costs, etc. We now need to clarify suspected or frequent public misconceptions—regarding such matters as availability of instructional equipment, certification of teachers, pupil-teacher ratios, type "A" lunches, etc.

Giving the public information on school programs, explaining financial data, answering criticisms, inviting questions and, in general, carrying on a public relations program is all part of informing the people about the school budget—both the one now in operation and the new one we want approved. This is not a job that can be done at one time, with one publication. We can't expect to answer all questions for all individuals and groups with one edition of a popular budget. Specific information presented and the emphasis of presentations should vary to fit individuals and groups.

We should be using citizen or citizen-staff committees for both the formulation and dissemination of budget information.

We should be using our staff and board members to deliver budget addresses to area groups.

We should be using informal budget hearings (beyond those required by law) — perhaps at the level of individual school buildings.
Just as good budgeting practice is a year around project, explaining the budget is a year around activity. The public must be kept constantly aware of school planning. In this manner there will be less shock and confusion when we annually ask voters to approve payment of the local school costs.

Under the guidance of boards of education, school budgets are prepared by educators and business officials. When these people attempt to explain and publicize their product, the result can be a horrid example of "educationism" re-enforced with unintelligible statistics. While we should be as thorough and complete as necessary in explaining the budget, we must be clear and reasonably simple.

"It is desirable to have the budget printed for distribution--selected pictures of the school system should be included to depict the most outstanding features of the school program--Whatever it is, printed or mimeographed, care should be exercised to see that (1) a good quality of paper is used; (2) ample illustrations are included; and (3) technical and professional terms are not used where it is possible to express ideas in language which the general citizenry understands." ¹

At public hearings and annual meetings when proposed budgets are presented, we should use people who are good speakers--good teachers--and not business officials or administrators or board members who are terrible public speakers. We should have a format for the presentation and an atmosphere in the hearing which will make people comfortable and receptive.

A school budget is not easily made and not easily explained. If either of these functions is poorly done, however, a school budget is easily defeated.

Our task this afternoon is to identify the main economic currents influencing the budgets of public school systems. The importance of this task is obvious. As business officers, it is necessary for you to know the directions of change in the budgets you will be presenting to your school boards and their constituencies. If your presentation is to be convincing over the long run, it must be consistent from year to year; it must inaugurate new programs at the right time with well conceived means of developing financial support as the program progresses. Although essentially conservative, given that resources are always limited, it must simultaneously encourage school boards to be courageous and forward-looking in meeting their obligations and it must take advantage of new sources of revenue.

Identifying the main economic currents is essentially a matter of forecasting the environment in which the school systems will develop. The particular environment commanding our attention is more clearly recognized if we view educational services as one part of the services provided through public funds. Public spending has been a growing proportion of total spending – public plus private – in this country; that is, public goods have been becoming a larger fraction of total production rising from 26 percent of GNP twenty years ago to 29 percent today. Furthermore, state government spending has been a growing percentage of total public spending, and more specifically, education has been a growing fraction of state government spending. In short, we are talking about the nation's fastest growing industry, one which currently
commands nearly 5 percent of the GNP, leaving out of account all private education. Will public education continue to grow so rapidly? Not indefinitely, at present rates of growth it would eventually swallow up all of our resources. Nevertheless, if 1975 is arbitrarily taken as our time horizon, continuation of the rapid growth in absolute and relative terms should be expected.

To judge future prospects for growth requires forecasting the demands placed upon the educational system and the resources which will be available to it. It is a matter of the age-old economic problem of supply and demand - in this case attempting to estimate their future magnitudes. Economic predictions can be based on 1) sophisticated econometric models, 2) simple straight-line projections of past trends, or 3) seat-of-the-pants hunches. What I have to say makes some use of the first two approaches but is based primarily on the third: hunches that are more or less informed. The hunches are based on assumptions which are a mixture of what I want to see and what I expect to see. If you dislike or disagree with the prejudices inherent in my projections, substitute your own hunches and prejudices.

Regardless of the particular set of prejudices and assumptions that are plugged in, the topics I will be dealing with are, I believe, the relevant ones. Therefore, you should view my statements as no more than an outline for thinking about these matters. The statements will be in terms of broad categories. With your accumulated experience you are able to fill in the specifics, differently and better than I can.

First, we will take a quick look at the demand side; later I will come back to it in more detail. There are the obvious demands on school systems associated with the growth of the population and its age distribution, and also its movement away from rural areas and out of the centers of the cities. These matters have their specific implications
for each school system and will not be discussed here. More important in setting new trends for public school finances are: 1) the continued growth of national income, to the point where poverty can be eliminated - and probably nearly will be, at least in the sense in which it is now defined and 2) the public schools will be used as major instruments for accomplishing broad social goals. The relevant goals are integration, and/or a better break for the nonwhites, and improving the social atmosphere of the centers of our big cities. These two points - growth of GNP with the elimination of poverty and the use of schools to accomplish social goals - are overlapping; any rigid boundary between them is arbitrary. We shall explore these more intensively in order to see their implications, but before doing so, the availability of resources for supporting these demands - the supply side, that is - needs to be considered.

The satisfaction of these demands requires a tremendous growth in resources. Will the flow of resources be adequate? I believe the answer is clearly yes, for the following reasons, given my assumptions. First, the economy will continue to grow at three to five percent annually, in real terms. That is, we will not have a major depression, probably nothing beyond very modest recessions. Most years will be characterized by the kinds of conditions we have come to expect during the past six or seven years. Although the growth of GNP may not be stable considered from the point of view of inflation, it will be reasonably steady from the point of view of employment and output. The wholehearted adoption of the "New Economics" by the President and by both parties in Congress is the basis for this prediction; at least, the "New Economics" has been adopted in so far as it applies to counteracting recessions. There is, of course, a clear reluctance to follow its dictates with respect to taking the winds out of the inflationary sails. A growth of this magnitude means a $60 or $70 billion
annual addition to GNP - the amounts being larger with the passage of time. (Part of this annual increment is merely in prices.) This point is the "other side of the coin" of the argument made on the demand side with respect to the growth of GNP. That is, the growth of GNP implies more resources in terms of buildings, equipment, and more and better trained workers.

Second, defense expenditures, measured in absolute terms, will level off or decline. They will at least be a declining fraction of GNP. In other words, I am assuming that the hostilities in Southeast Asia will be brought to some kind of conclusion and that we will not be putting out fires in some other part of the world. If this assumption is incorrect and if the defense budget continues to grow more rapidly than GNP, there will be less resources for education than I am assuming.

Third, I anticipate that the Federal Government will expand greatly the amount of funds which it grants to the states. The Federal Government is our most efficient tax collector, but for some important public problems, it is remote from the point where the funds are spent. Hence, I expect an expansion in Federal grants, perhaps in accordance with Walter Heller's proposal of unrestricted grants, or substantial expansion in existing and new categorical grants. Representative Martha Griffiths, Chairman of the Committee on Fiscal Policy of the Joint Economic Committee, and a member of the House Ways and Means Committee, cites projections of a doubling of federal grants-in-aid to state and local governments, saying "some may question whether this will indeed take place - though it is notable that the total has more than tripled in the past decade."

In support of this optimistic outlook, it should be noted that even though Great Society programs fared rather poorly in the last session of Congress, Federal aid
to education came off quite well. John Gardner, the just-resigned Secretary of Health, Education and Welfare, reviewed the situation in these terms: "Only three years ago Congress was bitterly divided on Federal aid to education. This time, the Office of Education received 97 percent of its budget request from the Congress, and the Elementary and Secondary School Act passed the House by a vote of 294 to 122. That vote in a relatively conservative Congress is a measure of how far we've come in recognizing the urgency of the problems confronting our schools." Representative Edith Green, who headed the Special House Subcommittee on Education, states: "In the years ahead, I see greater financial support of education by the Federal Government."

Continued growth in state government aid to local school systems is also anticipated. Again for much the same reason, the state government is a more efficient tax collector than the school district. Also, much of the Federal money will reach the local schools via the state governments.

Putting all of this together suggests that out of a rapidly rising GNP, the public sector in total will claim at least as much, relatively, as it does now, and that an increasing fraction of public funds will be channelled through the Federal and state governments to the local school systems. The budget just presented by Governor Rockefeller to the State Legislature provides further tangible evidence for optimism on the adequacy of the flow of resources into education.

Returning now to the demand side, I want to set the background with three somewhat discretionary notes, each relevant to the environment within which the demands are developing.
(1) The higher incomes go, the more—and better—will be the education demanded by the public. Or, expressed in economists' terms, education has a high income elasticity. Given the outlook for incomes, we can, because of this elasticity, anticipate that demands for education will continue to expand more rapidly than for other industries. Very likely, partly because of this continued rapid growth, it will take on characteristics quite different from what we are now accustomed. Typically, industries change in character while going through rapid expansion, and education is no exception.

(2) A considerable body of recent economic research has been devoted to what has come to be known as "investment in human capital." This investment is primarily in education. Among the findings of this research are the following: investment in human capital has contributed as much or more to the growth of the American economy as investment in tangible capital. That is, we are now beginning to recognize that education not only has its cultural, political, and social benefits, but—quite separate from these—it provides an economic return which is greater than the return on the money put into textile mills, automobile factories, breweries, or whatever. Further, the return on investment in the earlier grades is higher than the return on investment in high school and college education.

When we talk about investment in education, we include the income given up by high school and college students who could hold income-earning jobs if they were not following academic pursuits, as well as expenditures for teachers, buildings and so forth. It is the latter part that is our concern today, and the pressure to expand this part is greatly enhanced by the recognition of high economic returns from the
total investment. The finding that the returns are the greatest from the earlier years of schooling suggests that it might be wise to allocate more of our resources to helping the disadvantaged finish at least the eighth or tenth grade. By disadvantaged, I mean those with at least minimum intellectual ability, but lacking in opportunity and/or motivation.

(3) Higher education is the most rapidly growing segment of the education industry and probably also the part which is changing most rapidly. Without citing data, one has only to recall the phenomenal growth of state universities and colleges, and particularly community colleges. One trend in higher education which has received much publicity is associated with the efforts of students to exercise more authority in decision making. The trend is clearly toward more open schools and more student involvement in curriculum and general administrative matters. If one agrees that what is now the fever of the colleges will soon become the mode for high schools, these trends have significant implications for the operations of public school systems, particularly those in central cities with students from a wide diversity of cultural and socio-economic backgrounds. And I imagine that imitating the colleges would also have significant implications for the budgets of public school systems.

Now, returning to the demands, they were defined as: incomes will increase and be distributed so that most of the worst aspects of poverty are eliminated, and public schools will become a deliberate instrument of social change. The first is a matter of growth and distribution of income and the second a matter of social-political attitudes about how our expanding wealth should be used. It is appropriate to treat these two sources of demand as one and to focus on the programs they are
and will be stimulating.

We should not let the current prosperity blind us to the fact that there remains a considerable amount of unemployment, concentrated particularly among teenagers in the centers of our large cities. Much of this unemployment is not reported in the official statistics because of the definitions used. The Economic Development Administration of the Commerce Department, in its recent Annual Report, stated that the nation may face a very critical job shortage by 1975, estimating that the 25 largest metropolitan areas may have a shortage of 2.9 million jobs. In terms of families and their personal lives this could mean lack of income for 7 million persons, conceivably leading to aimless migration from one job-shortage city to another.

Many programs have been put forward for reducing the effects of poverty, including guaranteed income, negative income tax, family allowances, and others. The President's Commission on Income Maintenance Programs is now studying many versions of these proposals. Since we have only a brief time this afternoon, I will focus on just one plan, the one which could have the most substantial impact on the educational system. I refer to what is sometimes called: the government as employer-of-last-resort, i.e., the government employs all of those not able to find jobs elsewhere. At one time this was considered a radical program, but it is now supported by Newsweek (Nov. 20, 1967), as well as other nonradical sources.

What could employer-as-last-resort mean for the school system? Some hint of what it might mean is found in Governor Rockefeller's Budget Message of two-and-a-half weeks ago:

"Job prospects for the uneducated and unskilled are bleak in our highly complex and competitive industrial society. Increasing the educational
opportunities for the disadvantaged in our cities has become the foremost problem of education.

To help meet this challenge, I am including in my school aid request additional funds in the amount of $26 million for the creation of supplementary aid for slum area schools. This aid, along with other new proposals for urban education, will give cities the financial assistance necessary to upgrade the quality of education in slum areas."

The Governor follows these statements with descriptions of programs designed to help slum dwellers, with the help coming through the school system. It is my personal opinion that the schools should play a major role in the government's position as employer-of-last-resort, and I believe Governor Rockefeller's proposals are first steps in that direction. Large amounts of funds - eventually coming mainly, or entirely, from the Federal Government - should be diverted to the metropolitan school systems, including those in the suburbs. The funds should be used for employing people who would otherwise be out of a job. These people should be employed in a manner which is useful - not just make work, low-grade custodial tasks, or errand boys. Further, the work should point toward making them regular members of the employable labor force. They should be students and employees simultaneously, although not enrolled in formal courses. A great deal of ingenuity and creative imagination will be required; and if we cannot find these things in the school system, where can we find them? I am not suggesting that the schools absorb all unemployed persons, but rather that they absorb a very significant fraction, including many of the hard-to-employ.

I see this as part of the drive to make our cities better places to live. It
will be related to growth in public housing, urban renewal, educational parks, etc. It will also mean that school superintendents will have to work as closely with BUILD - to cite the group in Buffalo that was organized by Saul Alinsky - as with mayors and Chambers of Commerce. Social action agencies of churches, social work agencies, and other similar groups will have a more important voice in the daily activities and development of the educational system.

What if school systems refuse to become instruments of social change and insist in staying outside of any all - encompassing plan to regenerate our metropolitan areas? That is, what if the schools insist that their task is to educate the young from 9 to 3, and to stay above mean, nasty, nagging community problems. They just can't! The schools cannot give up their historical role in this country. After all, one of the primary bases for the public educational system was to give genuine meaning to equality of opportunity. That is why it was supported by unions and common people during its beginnings. Our educational system today, in spite of all of its shortcomings, is one of the main features distinguishing this country from other western countries. Probably, it is the chief contributor to the so-called technology gap. If the school system does not become a part of the current trend, if it tries to stay out of the political turmoil and to hide from potential criticism, it will be giving up this historical role. Furthermore, some other agencies will move in and eventually assume important educational functions, commanding personnel and public funds which could be more effectively used within the educational system.

What are some of the other agencies which are likely to expand in the
educational domain if the public school system insists on trying to be a cloistered haven for the peaceful pursuit of knowledge? Perhaps it will be non-profit corporations, like RAND and the Institute for Defense Analysis, or special divisions of our giant corporations, or new departments in our large universities. Already, these agencies have begun to take on some educational tasks. For example, the Federal Government is now subsidizing business firms to train unemployables for jobs in private industry. This training includes education in basic reading skills and on up. The President has asked for a large expansion in the number of people to be trained. Although I believe this is an important program, and should be expanded, there are clear limitations on what can be accomplished by this approach. So far, the Department of Labor, in its Concentrated Employment Program, has been able to find training for only 7000 persons. The self-interest of a typical business firm dictates that it should find the best man for each job and shunt aside those who do not contribute to increasing profits, those who have prison records, incomplete formal education, work histories demonstrating unreliability, or other characteristics suggesting they will cause unusually high administrative costs. Furthermore, the training interest of the typical firm is aimed at particular jobs in a particular plant - not aimed at a broad based type of training. Another shortcoming of this program is that it concentrates almost exclusively on unemployed who are looking for work and neglects the many who are so discouraged with our calloused society that they have given up all attachment to the labor force.

Additional educational functions are also being assumed by many non-profit agencies. They have begun to move into the training and manpower field. Also, our multiversities are beginning to establish laboratory schools in the
ghettos for all kinds of purposes.

The incursion of these agencies into the traditional area of public education is probably desirable. New and more effective approaches to vexing problems may best be found if education is not a monopoly controlled by the public school systems. But the best balance among the approaches undoubtedly requires the public schools to be the basic agency, the main organizational force and the primary source of professional talent.

I am in no position to predict precise dimensions of these ventures. Probably nobody could do that at this point. But the shadowy outlines of what can be brought about are becoming discernible, and we better work hard to understand them if we want to have any influence over their direction.

There are important implications in these developments for the conduct of Graduate Schools of Education, particularly for their research programs. Fewer doctoral dissertations will be restudies of the rehashing of revised fourth grade social science curricula and more will be on experiments in improving social welfare; fewer will be on statistical tests of the reliability of intelligence tests for fifth grade white girls from a middle class background and more on measuring the effectiveness of educational techniques for those who resist formal training. And certainly more student teaching assignments will be in the problem areas of our cities; in fact, I think every student teacher should have at least some experience there.

Before ending my talk, I would like to say a few words on the structure of public school budgets - particularly the major segment: teacher payrolls. Very possibly, this is what you anticipated would be my major subject matter, since
the implications of the Taylor Law are now becoming evident and have been well advertised. I do want to say something about the Taylor Law - The New York State Public Employees Fair Employment Act - and then relate its consequences to what I have already said and to the structure of budgets.

Teacher payrolls constitute about one half of the budget in a typical school system. The number of teachers ought to be increased substantially, but will probably rise less rapidly than we would like because of the shortage of qualified persons and the attractiveness of alternative jobs. Their salaries ought and will increase, probably continuing the very recent trends of rising more rapidly than other salaries. The main effect of the Taylor Law - from a budgetary point of view - will be to accelerate this trend, because this is typically what happens when previously unorganized workers become unionized. Since the demand conditions for teachers are favorable and the supply is severely limited, the newly organized unions will be in an advantageous position. In order for the unions to cement their hold on their new membership, it will be necessary for them to make unusual gains in the first year or so. Under these conditions, the Taylor Law, by encouraging organization of public employees, will then have the effect of pushing salaries up a little faster than they would otherwise go. This will be the case regardless of whether a new wave of strikes occurs among teachers. And I believe my expectations will be borne out even if teachers do not increase their affiliation with organized labor. The National Education Association will continue its trend of moving towards more traditional collective bargaining tactics.

In these comments on salaries, nothing has been said about productivity. Wage increases in private industry are justified by productivity improvements in
output per worker, but we have not yet discovered reliable techniques for measuring the productivity of teachers. Undoubtedly their productivity has been increasing, at least in the form of better quality education per student turned out. In spite of the inability to measure, it seems reasonable to anticipate a continuation of the productivity improvement because of continuing improvements in teacher training, and because of more and better equipment. School systems will continue to add new gadgetry in the form of teaching machines and other programmed learning devices, educational television, computers to take out some of the daily drudgery, etc. These equipment aids are, of course, an increasing item in public school budgets.

Another aid to the productivity of teachers will be an increase in supporting personnel. And this brings me back to my earlier comments. If the government is to act as employer-of-last-resort and if the educational system is to absorb many of the unemployables, the number of supporting personnel, both for the professional and custodial staffs, particularly the former, will be greatly augmented. In fact, what I am proposing is one, two, or three teacher's aides for almost every teacher. These teacher aides will have important educational tasks assigned to them, to be done under the supervision of the regular teacher. Just how these teacher's aides will be used will vary considerably from school to school and from class to class. In some cases, there may be a version of team teaching, assignments to slow learners, helping students assemble materials for special projects, conducting tours of community facilities, for example, the police department, hospitals, public housing, public transportation, and other agencies not trusted by many of these people. Regardless of the particular technique selected, the program
will depend largely on the personality and imagination of the professional teacher. It should always be kept in mind that a dual purpose is involved. First, the supporting personnel should contribute significantly to the education of the regular students. Second, the supporting personnel should be improving their own training and self respect and hence their employability for more typical kinds of jobs. This latter point suggests a rather high turnover in the supporting staff.

If this sort of thing comes to pass, teachers will be taking on a new role. They will become supervisors of a small work force. Although continuing to have teaching in the regular manner as their primary responsibility, they will also have to be trained and sensitive to human relation problems, learning to be patient and imaginative in guiding the supporting personnel into useful tasks and converting them into employable workers. In effect, they will be teaching the teacher’s aides as well as their regular students - not an entirely new function for the experienced teaching staff.

What about the administrators? I believe we will need more and better administrators to be the leaders in developing programs in the framework described and fitting these programs to the characteristics of the local community. They will have to give a great deal of help and support to the teachers in their new tasks. And of course there will be the need to be involved in administering the Federal and State programs which will entail much filling out of forms and other types of red tape. If we want more administrators, and a better quality, we will have to pay for it. If we ask people to do jobs that command $25,000 annually in private industry, we must expect to pay $25,000 in the public sector as well. And that figure will soon be out of date.
To summarize we will be asking the public school systems - its teachers, administrators, and auxiliary personnel - to take on expanded responsibilities for guiding social change, particularly in metropolitan areas. We will have to allocate to the schools an increased fraction of our rapidly expanding resources. You, as business officers, will have to exercise monetary controls over a growing system that will be becoming increasingly complex. Your monetary controls will include the traditional function of acting as a restraining force consistent with the resources available, but that must also include mobilizing these resources to stimulate and motivate the best growth of the educational system. You will need to see the future trends and be able to present them effectively to State and Federal government administrators, to your school boards, and to the tax paying public.
APPENDIX
The workshop had a registration of 134 persons representing 67 school districts in the western New York area. The actual attendance was 131. The distribution of persons by title was as follows:

- Superintendents or other Chief School officers: 22
- Assistant Chief School Officers: 9
- School Business Officials: 36
- Assistant School Business Officials: 4
- School Board or District Clerks: 12
- District Treasurers: 3
- School Board Presidents: 3
- School Board Members: 5
- Others (unclassified): 32

On the following pages is a brief resume of the critique sheets that were completed at the workshop.

Topic I, "Legal Pitfalls in Budgeting," was found helpful by 89% of the participants of the workshop. (21% very helpful; 68% moderately helpful) Sixty-six percent (66%) of the persons present want more information on this topic. The remarks listed under Topic I were as follows:

1. Material too difficult for a novice.
2. Wish a summary.
3. Handling fringe benefits under Federal projects.
4. More depth—less general.
5. Use a microphone
6. More specific in troublesome areas.

7. Too elementary.

8. Budget presentation using a formula after fixed expenses and attendance ready.


10. Use of interest from Capital funds account explained more fully.

11. More information for city school districts.

12. Presentation too long.

13. Is audit expense warranted?


15. More audience participation.

16. Poor presentation.

17. More specific data needed.

"Manage Money-Reduce Taxes" was found to be helpful by 92% of the people who attended. (63% most helpful; 29% moderately helpful) Seventy-three percent (73%) of those in attendance wish more information on this topic. Tabulation of the remarks from this session is as follows:

1. More information on short term loans (1-25 days) to meet emergencies.

2. Do not lose opportunity to earn interest.


4. Good, clear presentation.

5. Repeat for bookkeepers at regular meeting.

6. Too elementary and slanted to Marine Midland.

7. Better control over payment of bills could result in lower costs.
8. Too little time.
9. Useful and practical.
10. More adequate supply of pass out materials.
11. Smaller groups organized around experience.
12. Smaller groups to allow for more questions.
13. Cash flow schedules would be most helpful.
14. Money management should be a separate workshop.
15. Good presentation.
16. Representation from more than one bank.
17. Schools have been doing this for a long time.
18. Program made workshop worthwhile.
19. Some excellent ideas.

The third presentation "Imaginative Budget Selling" was listed as helpful to 98 percent of those attending (42% most helpful; 56% moderately helpful). Sixty-six percent (66%) of those attending want more information on this topic. The comments listed on the critique sheets for Topic III are as follows:

1. Well presented.
2. How about city school districts?
4. Cannot be overemphasized.
5. Too much "show and tell"
6. One speaker "generated more heat than light." The stand on important issues too subjective.
7. Best speakers on program - more original material presented.
8. Presentations well prepared.
9. Stimulating presentations.
10. Subject adequately covered.
11. Much of what was presented has worked in our district.
12. Plan for budget vote and "hope" it will pass but preparation of re-budgeting if turned down.
13. Smaller school districts lack staff to implement adequate school-community relations.

Session IV, "Economic Forces Shaping Future Budgets," appealed to 96% of those attending the workshop (40% most helpful; 56% moderately helpful). Sixty-five percent (65%) want more information on this topic. The comments from those attending were:

1. Interested in hearing more about the relationship of local control and source of funds.
2. Interesting presentation.
3. Good, but too long. End program on time.
4. New approach. Could use more of this.
5. Not related to subject matter of workshop as a whole.
6. Excellent.
7. Dr. Butler's presentation most insightful presentation on this topic heard to date.
8. Too bad Dr. Butler felt pressed for time.


10. Speaker might have been better earlier in program.

11. More discussion and views on the school's role in socio-economic problems.

12. Dr. Butler presented typical outlook of future.

The report of proceedings is about 30% complete and will be available by the end of March.