

School Finance – ALS 860—Course Syllabus
Indiana University of Pennsylvania
Fall, 2013

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8:00am-2:00pm (includes a working lunch)
Sept. 7, 28; Oct. 12 (maybe changed to an online class); Nov. 9, 23, 2013

COURSE RATIONALE

Superintendents confront the reality of managing budgets, whereby there is little opportunity to generate significant increased revenue, and “fixed costs” continue to increase. It is therefore imperative that Superintendents “manage” multi-million dollar budgets, formulate a framework to govern decisions ensuring fiscal solvency, and remain in compliance with local practices and state and federal regulations. Significant mistakes will lead to questions of credibility, and possible dismissal!

OBJECTIVES

Upon completion of this course, participants will be able to:

- List revenue sources and expenditure categories, assess allocations in relationship to overall operating budget, and determine the need for preservation of fund balance.
- Explain the process involved in “budget building”.
- Analyze a district’s “fiscal health”.
- List operations or procedures that become “red flags” in the auditing process.
- Explain recent legislation, as well as financial ramifications to stakeholders.
- Summarize the scope of “Business Office” operations.
- Review a district’s historical expenditures in Special Education/Cyber Education, and determine what if any gap exists between state funding and district costs.
- Generate strategies designed to plan/manage district budgets, both short and long term.
- Outline the process, conduct analysis, evaluate financial ramifications, and determine funding for major school district initiatives, especially construction.
- Master basic terminology inherent in the area of school finance (i.e., millage, ADM, Basic Education Subsidy, aid ratio, assets, debt, various formulas).
- Identify areas associated with ethics violations.

School Finance – ALS 860—Course Syllabus
Indiana University of Pennsylvania
Fall, 2013

RESOURCES/LEARNING TOOLS

Web Sites to be accessed & monitored on a weekly or as needed basis:

<http://www.pasbo.org>

<http://www.ethics.state.pa.us>

<http://www/psba.org>

RESOURCES/LEARNING TOOLS

Note: the PASBO (Pa. Assoc. of School & Business Officials: 717-540-9551) is a wonderful site to bookmark inasmuch as it provides links to most state professional associations. When accessing PSBA, on the other hand, pay particular attention to the Legislative Update as it appears under Government & Member Relations).

If your district provides for organizational membership to the Pennsylvania School Board Association (PSBA), then you should receive the School Leader News weekly bulletin. The bulletin provides a synopsis of legislative activity that you will need to monitor relative to this course. If you do not receive this bulletin, ask your Superintendent for access. Also, you may order the PSBA texts through your school district and therefore obtain them at a discounted cost. In all likelihood, the Superintendent and/or Business Manager will have copies of these texts; thus, you may simply want to borrow them.

Texts

Keagy, D., & Piper, D. (2010). *Pennsylvania school business: A guide for educational administrators*. Harrisburg, PA: Pennsylvania Association of School Business Officials.

Please note that this next book (School Construction Handbook) is no longer in publication, and you may want to try to secure a copy from your central office (superintendent or business manager). If they do not have a copy, I will fill in the gaps through our course.

School Construction Handbook. (2004). Pennsylvania School Boards Association

Student Activity Fund Manual- Dr. Marcoline will provide information on this source

Readings

You will be provided with handouts as deemed appropriate by your instructor. Furthermore, either through independent or collaborative efforts, you will locate readings that you are expected to share with your instructor and colleagues.

School Finance – ALS 860—Course Syllabus
Indiana University of Pennsylvania
Fall, 2013

A Copy of Your District’s Current Operating Budget

Your learning will be more meaningful if it has relevance. Many of the learning activities will emanate from the reality of an actual school district’s operating budget. Thus, please contact your Superintendent and/or Business Manager to secure a copy of your district’s operating budget. If you cannot obtain a copy of your district’s operating budget, you will be provided with a sample budget from another school district.

Note: If you have difficulty obtaining any of the needed resources/learning tools, please e-mail me as soon as possible so that I may assist you.

EXPECTATIONS & COURSE EVALUATION

You will be evaluated in relationship to how much you teach me and our class! Very simply, you can anticipate that our learning community will be predicated upon the following values:

- Each of us brings a knowledge and experiential base that is worthy of being shared so that all may learn.
- We have an ethical responsibility to promote the learning of others as well as our own.
- Learning will happen when each of us assumes individual responsibility for learning. The exercise of that individual responsibility manifests itself in adequate preparation for class, quality completion of tasks within allocated timeframes, and a commitment to “find meaning” in the learning when the “construct for meaning” is not so readily apparent!

EXPECTATIONS & COURSE EVALUATION

- Learning extends well beyond course content – our learning community must provide opportunities for the on-going development of “real life” competencies inclusive of interpersonal, problem-solving, and communication skills.

Evaluation as Related to Grade Determination

- Evaluation will be determined primarily through assigned papers and oral presentations. You will be provided with guidance concerning each class assignment, so that you will know in advance the criteria for success. While some topics will be assigned, others will provide an opportunity for selection. You can anticipate that the majority of these papers will be limited in length to one to three pages. The primary presentation in this class will last approximately 30 in length, and include a corresponding paper of approximately 5-8 typed pages, with references, and in **APA style** (see partial list of topics below).

School Finance – ALS 860—Course Syllabus
Indiana University of Pennsylvania
Fall, 2013

Please select a topic and date for your presentation. Also, I would like to have some of these presentations on the first day of class- Sept. 7. This is an excellent opportunity for you to work on your topic during the summer, and have the presentation ready to go on Sept. 7.

Please note that the following schedule for each class may vary somewhat due to the availability of speakers, etc.

ADVANCE PREPARATION FOR CLASS #1
Saturday, Sept. 7, 2013
8:00am-2:00pm

1. Ensure that you have access and can obtain Resources/Learning Tools by our first class.
2. Please **read chapters 1-5 in your text**. Also, I would like you to conduct an interview with our Superintendent and/or Business Manager - record his/her responses to the following questions:
 - What is the timeframe for the budgeting process?
What changes have been necessary since the inception of Act 1?
 - What is the role/responsibility of the various constituents: teachers, principals, central office personnel, Business Manager, Superintendent, and Board ? In other words, who does what/when in building a school district budget?
 - To what extent does each of the constituents have “decision-making” autonomy?
 - What do the “code numbers” mean?
 - What is one thing you wish you would have learned in a school finance course that would have been helpful to you?
 - What do you see as the greatest challenge facing the school district in relationship to budget and finance?

Please note that our first class will include a presentation from Mr. Greg Cessna, Homer-Center School District Business Manager, concerning the preparation and development of the budget. The presentation will also include how a school district budget interfaces with that of the Indiana County Technology Center (Mr. Cessna also served as the business mgr. of the ICTC as well).

For our next class, please read the feasibility study that will be distributed to you. Also, read chapters 10-12 in your books, as well as, two articles on the topic of school construction. Be prepared to submit the articles to me, as well as discuss the content during the class session. As always, make notes in the margins concerning your thoughts/reactions/questions. Finally, you will be expected to conduct an interview of the person most connected to the construction process in your district. It may be the business manager, supt., or director of maintenance. Interview questions are detailed on the next page.

School Finance – ALS 860—Course Syllabus
Indiana University of Pennsylvania
Fall, 2013

Class #2
Saturday, Sept. 28, 2013
8:00am-2:00pm

1. Our second class will focus on school construction. As a result, I would like you to **read two articles on this topic**, be prepared to discuss articles/your reaction in small groups. In addition, I would like you **to interview the person** that most directly oversees construction in your district. If you do not have someone in that capacity, you may wish to go to a neighboring school district for the interview. The questions will be as follows:
 - What factors come into play to determine when it is time to renovate a school building?
 - What are some of the most significant costs that you have faced in recent years involving school repairs? Please provide detail and approximate costs.
 - How were these costs budgeted?
 - What involvement did you have with the architectural firm during pre-construction, as well as actual construction?
 - How was the most recent construction financed?
 - What was your role during the renovation/construction process?
 - Please explain the debt service (long-term debt) that your district has, and how it is budgeted each year? What does this debt amount to (as a percentage of the budget)?
 - How is public kept informed/involved in the above process?
 - What are some of the more pressing problems that you faced during the above process?

In addition to the above, I will have you read a feasibility study. We will be discussing the significance of such a study, and why they are required in order to consider new construction or a renovation. In addition, we will have a representative from Kimball and Associates, Architectural Firm out of Ebensburg, PA. The purpose of the presentation will be to hear firsthand as to what all goes into the development of a building project from their end.

For our next class, I am working on the possibility of doing the class either on line or through some other process. More information will be forthcoming concerning the details of this session. In either case, I would like you to read two articles on the topic of school bus transportation. Make notes in the margins, and be prepared to discuss with other members of the class.

School Finance – ALS 860—Course Syllabus
Indiana University of Pennsylvania
Fall, 2013

Class #3

Please note that I am attempting to establish a WIKI or D2L for this class. It will be in place of our traditional approach. As a result, you may not have to attend a traditional session on campus, but instead spend your time interacting with the cohort via the WIKI/D2L. In addition, if you select this date for your personal presentation, it will be necessary for you to upload your presentation to the site.

More information will be forthcoming

Saturday, Oct. 12, 2013

8:00am-2:00pm

1. Our third class will focus on the topic of school transportation. As a result, I would like you to read the section of our text dealing with the same (**chapter 9** in particular). In addition, please **read two articles dealing with public school transportation**. Be prepared to discuss these articles. Make notes in the margins, and also be prepared to submit the articles to me.

As part of this session, we will have a presentation from a local school bus provider, Smith Bus Co. The representatives from Smith Bus will include the owner, Mr. Randy Smith

In preparation for our next class, please read chapters 13-15 in our books. Chapters 13 and 15 are of most importance. You will actually have a class in school law and negotiations, so that chapter 14 will be emphasized at that time. In addition, you will conduct an interview with the supt., ast. supt., HR person, business manager or individual most responsible for dealing with benefits in your district. The interview questions are detailed on the next page. Please be prepared to discuss/submit your work.

School Finance – ALS 860—Course Syllabus
Indiana University of Pennsylvania
Fall, 2013

Class #4
Saturday, Nov. 9, 2013
8:00am-2:00pm

1. Our fourth class will focus on the topic of school benefits. Please read chapters 13 -15 on human resource management, negotiations, and compensation and benefits. In addition, I would like you to conduct an interview with the person most connected with benefits in your district. The interview questions will be as follows:
 - Please detail the costs associated with benefits for one specific employee group?
 - What percentage of the district budget does this represent?
 - How have these costs grown in recent years? Also, have you noticed any trends in this area?
 - What steps have been taken to reduce these costs?
 - Are there any incentives that the district has in place for employees to help reduce your costs?
 - How has the employee group been kept informed of the above cost saving efforts?
 - In the most recent negotiations with this employee group, how has benefits entered the picture?
 - Are you a member of a consortium to help contain costs? Is so, how does this consortium operate, and what success has it had in recent years?

As part of this class, I will have Ms. Robin Hope present from the Reschini Agency. This agency serves as a third party administrator for over 25% of the PA School Districts. The focus of her presentation will be to identify ways in which public schools may reduce health insurance costs.

For our last class, please read chapters 6, 7, and 8 in our text. You will also do a report of your district purchase flow from beginning to end. The questions associated with the report are on the next page. Please be prepared to discuss/submit your work to me. In addition, I will have a handout for you to read on the topic of activity funds in PA.

School Finance – ALS 860—Course Syllabus
Indiana University of Pennsylvania
Fall, 2013
Class # 5
Saturday, Nov. 23, 2013
8:00am-2:00pm

1. Our final class will be held on the topic of activity funds and purchasing. As such, you will have read chapters 6, 7, and 8 and in your text (also, I would like to read a booklet that I will give to you dealing with activity funds), and **do a report from your district on mapping the purchasing flow**. In other words, how does something get ordered and delivered, expensed, etc. What happens when it arrives in the summer, how are items safeguarded, who oversees this process, how does your district avoid theft, and what happens if someone needs something during the interim? Do you use a petty cash account, how is that handled, and is there a chance that someone could abuse the above process?
2. Since this is our culminating class for the fall, the ALS Program will provide lunch for us.
3. The major paper associated with this class will be due today (at the latest).

Please note that as part of this class, I plan on having a representative from a local branch bank CNB speak to our class on the topic of bonds/financing associated with public schools.

School Finance – ALS 860—Course Syllabus

Indiana University of Pennsylvania

Fall, 2013

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ALS 860 School Finance

Fall, 2013

Potential Topics (I am open to other suggestions)

Please select a topic and date for your presentation. Also, I would like to have some of these presentations on the first day of class- Sept. 7. Email me as soon as you are ready, so that I may better build our daily schedules. In addition, don't be so quick to identify an area of current knowledge. Rather select an area that you would either like to know more about or that you feel inadequate.

1. Personnel
2. Personnel - Comparing large districts to small districts
3. School Construction
4. Capital reserve/fund balance
5. Cyber Schools, cost, options, etc.
6. Student Activity Fund
7. Title Funding
8. School District Budget/Revenue Sources
9. Evolution of Act 1
10. Site-Based budgeting process
11. Funding of full-day kindergarten
12. Student transportation- what is required, how is it calculated, how you create efficiencies, what are the reporting requirements...
13. Special Education Budgeting
14. Financial implications of mergers, closing buildings, etc.

School Finance – ALS 860—Course Syllabus
Indiana University of Pennsylvania
Fall, 2013

15. Retirement fund (including history), how stable, how is retirement calculated, how does PSERS compare with others state funds, what are the options for the Pa as we move forward?
16. Program based budgeting
17. Do at least a five year revenue/expense flow for a district. Include the various local, state and federal influences. You will have to calculate your projections based upon the last 5 year averages.
18. Take us through the taxation process from beginning to end. What is the role of the board, how are taxes handles, what is the role of the tax collector, how are delinquent taxes collected, what complaints are there with the way in which taxes are collected, what taxes are levied...
19. Bids and quotes, what are the differences between the two, how are they established, what are some of the safeguards/pitfalls/problems from a legal standpoint?