

OFFICE OF THE SUPERINTENDENT
Millburn Public Schools

INFORMATION ITEM

May 2, 2011

To: Board of Education Members

From: Ellen E. Mauer, PhD

Subject: Options for Replacement of Business Manager

The BOE asked for several options to consider in the replacement of the business manager position. I have put together some choices and cost estimates based upon many calls and research with some current and retired business managers in the area as well as from the Illinois Association of School Business Officials site.

If you consider the attached job description, the choices refer to the duties by number. As you read, you may refer to the job description. It is important to note that number 1 is a very large duty. The reality of that item is that the person must oversee all programs, buildings & grounds, custodial, all transportation, and the actual staff evaluations that go along with them. It is also important to note that the salaries may be iffy. There are many who are already out of that salary range so the salaries that are listed are for newer, non-experienced types.

One additional thing to note for the discussion is the role of PMA. PMA is our financial advisor who assists with long-term projections, contract negotiations, and lets us use their software programs. They provide a kind of check and balance to the long-term forecasting process and are involved in Springfield to a larger extent than we are to give them more expertise in their predictions. Because they are a separate entity, it may give us more credibility with our long-term projections in the eyes of the public. PMA is a simply a tool for our business manager. If our business manager does not give accurate information to PMA regarding projections, the projections

they make will be flawed. The communication is vital and the accuracy of the business manager is vital in these dialogues. We should not view PMA as a kind of substitute for a business manager.

I have also listed some pros and cons beneath each choice for your discussion. Further attachments from last time are after this document.

Choice A

Business Manager Model-

- Employ a full time business manager with the appropriate certification to perform/oversee items 1-13 (all).

Total estimated cost: \$87,500 to \$115,000 plus benefits

Pros:

- The last Financial Advisory Committee in 2009 recommended that the district hire a business manager after their review; therefore, it is in keeping with official community input.
- Transition would be minimal.
- The person would be a certified administrator and would be able to conduct employee evaluations.
- The person is trained in all areas of school business management. The person would be able to provide a kind of check and balance in working with the superintendent. For example, a bookkeeper is not going to be able to challenge the superintendent if they felt that the financial management directives were out of line.

Cons:

- We have had a few community members who do not understand what the role of a business manager is and are upset that we are spending money on that kind of position. When those people talk, their perception is that we are spending money inappropriately.
- Depending upon who is hired, they may cost more than the salary at which Mary left.

Choice B

Combination model-

- Employ a full time bookkeeper or accountant to handle items 2, 4, 5 (minus investments), 11, 13.
 - Estimated cost for bookkeeper: (\$30,000 plus benefits)
 - Estimated cost for accountant: (\$56,000 plus benefits)
- For 10 (HR)-Superintendent could oversee this with existing secretary instead of sharing HR with business manager as is currently done.
- Elevate the position of maintenance very slightly to a head of buildings and grounds to do 8, and assist with some evaluations, and take on some other responsibilities the business manager currently does for things like inventory, summer projects, and oversight of custodians.
 - Estimated cost increase of \$8000 (benefits already included)
- Hire a part-time retired business manager for 100 days to do 1, 6, 7, 9.
 - Estimated salary cost: \$350-\$500 per day, but some go higher. Total from \$35,000 to \$50,000 (no benefits)

Total estimated cost:

\$73,000 to \$88,000 plus benefits if bookkeeper

\$99,000 to \$114,000 plus benefits if accountant

Pros:

- The last Financial Advisory Committee in 2009 recommended that the district hire a business manager after their review; therefore, it is in keeping with official community input, but in an altered way.
- The person would be a certified administrator and would be able to conduct employee evaluations.
- The person is trained in all areas of school business management. The person would be able to provide a kind of check and balance in working with the superintendent. For example, a bookkeeper is not going to be able to challenge the superintendent if they felt that the financial management directives were out of line.

Cons:

- We may have some community members who do not understand what the role of a business manager is and are upset that we are spending

money on that kind of position, even if part-time. When those people talk, their perception will be that we are spending money inappropriately.

- The person can only work 100 days of the entire year; therefore, we will need to negotiate what they will and will not be able to do in that amount of time.
- If the part-timer cannot fulfill some of the duties, it will fall to the superintendent.

Choice C

Superintendent as the Business Manager Model-

- Have the superintendent double as the business manager and add 1, 6, 7, 9, and 10 to the job.
- Hire a full time bookkeeper or accountant to handle items 2, 4, 5 (minus investments), 11, 13
 - Estimated cost for bookkeeper: (\$30,000 plus benefits)
 - Estimated cost for accountant: (\$56,000 plus benefits)
- Elevate the position of maintenance very slightly to a head of buildings and grounds to do 8, and assist with some evaluations, and take on some other responsibilities the business manager currently does for things like inventory, summer projects, and oversight of custodians.
 - Estimated cost increase of \$8000 (benefits already included)

Total estimated cost:

\$38,000 to \$64,000 plus benefits for one full time person

Pros:

- We have had a few community members who do not understand what the role of a business manager is and are upset that we are spending money on that kind of position. When those people talk, their perception is that we are spending money inappropriately. With this scenario, they would feel differently.
- Some money would be saved. The current business manager salary is \$87,500 so we could potentially save \$23,500 to \$49,500.

Cons:

- The last Financial Advisory Committee in 2009 recommended that the district hire a business manager after their review; therefore, they may feel that their input was not taken seriously.
- The superintendent and bookkeeper/accountant is not trained in all areas of school business management. The bookkeeper/accountant would not be able to provide a kind of check and balance in working with the superintendent. For example, a bookkeeper is not going to be able to challenge the superintendent if they felt that the financial management directives were out of line.
- It is highly likely that the superintendent is not going to have enough hours in a day to do both jobs effectively, even with the help. There will have to be decisions made about which areas are going to be neglected. It is highly likely that it would end up being the areas of transportation and buildings & grounds. This is not due to the superintendent's inability to do the job; rather, the time constraints with doing two jobs.

MILLBURN SCHOOL DISTRICT 24

Title: Business Manager

Qualifications:

1. Illinois Type 75 Certification – Administrative Certification
2. Chief School Business Official Endorsement
3. A minimum of 2 years in an Educational Leadership Position
4. Such alternatives to the above qualifications as the Board may find appropriate and acceptable

Reports To: Superintendent

Supervises: Staff members designated by the Superintendent

Job Goal: To plan, coordinate and supervise the operation of the financial services office to promote overall efficiency of the school system and its finances so as to provide inspiring educational opportunities for all students.

Performance Responsibilities:

1. Provide overall coordination and leadership to district personnel and programs related to business services.
2. Coordinate the development and implementation of the budget for all funds in accordance with the Illinois School Code.
3. Ensures the district mission statement, belief statements, vision statements, and district goals and priorities are embedded in all business office functions and decisions.
4. Administers the district insurance (property, liability, school board legal, and workers compensation), the employee fringe benefit programs, and the district risk management program.
5. Oversees the overall financial operation of the district including accounts payable and payroll functions, local, state, and federal financial reports, and investing district monies according to Board policy.
6. Develops regular and periodic financial projection reports for the Board.
7. Provides guidance in the preparation of specifications to secure quotes and bids as required by Illinois School Code.
8. Administers inventory control program for the district contents, supplies, and other equipment.
9. Responsible for the preparation and presentation of the annual tax levy and filing of the tax levy request with the county officials.
10. Administers a program of personnel management for all employee groups as well as verifying the completeness of all employee conditions of employment.
11. Prepares all contracts for extra-curricular assignments and all other employee assignments requiring additional pay.
12. Collaborates and establishes partnerships with community members, community agencies, and governmental agencies to respond to diverse community interest and needs.
13. Performs all other duties, which are necessary to ensure the proper functioning of the business office as assigned by the Superintendent.

Terms of Employment:

Salary to be established by the Board of Education on an annual basis
12-month work year

Evaluation:

Performance of this job will be evaluated in accordance with provisions of the Board's policy on Evaluation of Administrative Personnel.

Determining the Need for a School Business Official

*By Dr. Clyde Bradley, Associate Professor, Northeastern Illinois University
Dr. John Beckwith, Professor, Northeastern Illinois University
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Illinois school officials are and will continue to be faced with many changes taking place in education during the 21st Century. The State is faced with adequacy and equity issues, the possibility of more extensive use of vouchers and/or charter schools, and greater accountability in the form of student testing. In addition, because of "No Child Left Behind" legislation, students who continually score below the standards will be given an option to attend another school. Other factors which will weigh heavily on schools include our aging population, continuing poverty, and cultural diversity.

Needless to say, the devastation of September 11, 2001, has had a tremendous impact on our economy and nation. Since then, the federal and state governments have been struggling financially. This has had a financial impact on Illinois schools. Schools cannot rely on continual increases in state support. Furthermore, tax cap legislation continues to play a significant role in educational finance. Finally, with an ever-increasing aging population and an increasing unemployment rate, it may become significantly more difficult to pass a local referendum for a tax rate increase.

These are just some of the issues facing schools today. Not mentioned are the many technology issues, infrastructure problems, overcrowded classrooms, need for additional bilingual classes, increased special education costs, and vouchers. These issues, along with all of the other factors that weigh heavily on educators today, are placing a major strain on boards of education and superintendents. Superintendents tend to be spending an inordinate amount of time on financial issues rather than on improving teaching and learning.

During the 2000-2001 school year, Illinois had 894 school districts (383 elementary, 103 high school, 408 unit) with student populations ranging from the very small to over 400,000 students (Illinois State Board of Education, State, Local and Federal

Financing for Illinois Schools—2000-2001). According to Market Data Retrieval, Illinois has 533 individuals working in school districts who are in business, finance, or purchasing broken down as follows: Districts with 10,000 or more students employ a total of 38 individuals, districts over 2,500 but less than 10,000 students employ 144 individuals, and districts under 2,500 students employ 351 individuals (Market Data Retrieval). However, only 145 of these individuals are given some title related to a school business official, such as Business Manager, Assistant Superintendent for Business, or Director of Business (Illinois State Board of Education, Department of Assessment). These figures reflect how many of these individuals actually have the Chief School Business Official's Endorsement. The Illinois Association of School Business Officials has 346 members who currently have titles related to business, finance, and/or fiscal (Illinois ASBO).

In the 1800s local boards handled the business functions. However, as the finance and business functions expanded, they were delegated to the superintendent. As the role of the superintendent grew, the function of a school business administrator began to appear. By the 1900s the role of the school business administrator was beginning to be viewed as a specialized area requiring preparation for this position. As early as 1910, the National Association of Public School Business Officials was formed, which became known as the Association of School Business Officials (Ray, et al). Locally, the Illinois Association of School Business Officials was established in 1952.

Today, the number of qualified candidates for the position of Chief School Business Official has been greatly reduced due to changes in the retirement system, such as significant early retirement incentives and reducing the years of experience needed for retirement from 38 to 34 years. Additionally, school business officials in Illinois need to be trained and educated in the areas such as

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school fund accounting, finance, budgeting, purchasing, auditing, cash management, and school-business related programs. Other areas, that need to be addressed are salary administration, facility management, ancillary services, federal and state programs, negotiations, special education and strategic planning (Glass, et al).

Furthermore, Illinois requires school business officials to have two years of school business experience prior to attaining the actual title of Chief School Business Official (CSBO). This has hindered many individuals from going into this field. Many potential school business administrators may be forced to take a reduced salary as an intern or work in a lesser role to attain this requirement. This may be difficult, if not impossible, to meet their financial needs.

Regardless of the size of the school districts, educational leaders today are faced with more complex and greater demands than they were for most of the 20th century, including the explosion of technology and the need for organizational effectiveness. In the 21st century, school districts will have to operate in a more collaborative manner than in the past with community members, parents, and professional organizations actively involved in our schools. The school business official needs to be able to interact with these groups. This changing role requires the school business official to master a variety of skills (Medeiros).

All school districts have business functions that should be handled by school business officials, but many times this is not feasible. What can districts do to meet these business function requirements? A partial answer may be to examine the various options.

1. Hire a school business official with state certification.

Proponents of this say that the school business official may be able to generate funds from various sources that would more than offset costs of the position. However, the local board of education must make this determination.

2. Spread the business functions throughout the staff.

Examples would be to give the accounting functions to the district bookkeeper or accountant, the budgeting to the superintendent with assistance from the principals, or buildings and grounds to a head custodian. A major concern with this is whether or not people assigned to these responsibilities are sufficiently competent to carry them out. Unfortunately, additional responsibilities assigned to the superintendent or principal may take attention away from the curriculum and instruction of the district.

3. Employ a part-time certified school business official.

This assumes a part-time person is available and enough time is allocated to accomplish the many business responsibilities. One of the major detractions from this type of arrangement may be that such a person will probably not have time to work with the staff – teaching, administrative and supporting – so that decisions may not necessarily support the mission and goals of the district and district needs.

4. **Form a cooperative with near-by districts in hiring a school business official.** This is currently accomplished with purchasing and insurance. However, the problems involved with a part-time school business official are similar to option three.

5. **The superintendent assumes all duties of the school business official.** Obviously, a superintendent must have skills and understandings of a school business official in these areas. In addition, the superintendent must ensure that curricular and instructional areas are adequately addressed.

6. **Privatization of transportation, food services, and buildings and grounds.** These components of school business official functions can be contracted to private companies or municipalities. This has the potential to save administrative time for the district and operational costs.

No matter which option or combination of options are chosen, competency of personnel for the job must be the top consideration. The chief objective of any school system is to provide the best possible instructional experiences for its children. All school business responsibilities should make sure the primary goal is the improvement of instruction. In other words, business personnel should be part of a total staff whose main objective is to provide students with a quality instructional program.

There is very little question that school districts are being faced with numerous business needs. However, it is sometimes difficult to sufficiently demonstrate the need for an additional administrative expense for a business official that will satisfy the board, community, and faculty. In an effort to assist districts in determining a need, a survey can be used that will determine the degree to which a business manager is needed. It can be utilized with the board, faculty, and community, if desired. It becomes a more objective manner in justifying the employment of a school business official.

Adapting the school business needs, as developed by DiBella, the authors generated a Likert type twenty-four statement questionnaire to assist a school district in determining the degree to which a school business official is needed (DiBella). The Likert approach enables respondents to indicate their extent of agreement or disagreement with a statement. The constant use of a five-point scale (Always, Usually, About Half the Time, Seldom and Never) throughout the questionnaire generates an equal interval scale.

To analyze the information, values are assigned to each point on the scale, 5 (five) Always, 4 (four) Usually, 3 (three) About Half the Time, 2 (two) Seldom and 1 (one) Never. Descriptive statistical techniques, such as median or mode, range or inter quartile range and/or dot plot or bar graph, are best used when analyzing and presenting the data in a school district.

A Likert type of questionnaire provides a school district with an easy and efficient approach to explore the pros and cons of establishing a chief school business position and to quantify the need for a position. The "Do You Need a School Business Official Assessment" questionnaire should be administered to a wide

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variety of stakeholders. The greater the involvement, the higher the probability of acceptance of the need for a school business official.

To address the question posed in the title of this article, the following observations are appropriate.

1. Business functions must be addressed, regardless of who works with them. Budgets will be developed, levies will be established, accounts will be managed, and purchases will be made. School personnel will direct or accomplish these responsibilities, regardless of title.
2. Size of district and financial ability are useful in determining how this is accomplished. Unfortunately, there are no guidelines or criteria known by the authors to determine when it is feasible to establish the position of school business official.
3. Attitudes of staff and the Board of Education are important in arriving at a decision to create the position of school business official. The "Do You Need a School Business Official Assessment" is a valuable tool to sample district stakeholders attitudes.
4. If the district cannot afford the cost of a school business official, then a workable plan could be for the superintendent to assume the responsibilities and make the necessary assignments. However, safeguards should be set up so that the instructional program does not suffer.
5. If at all feasible, a school business official should be employed and made part of the administrative team. The July 2001 ASBO Professional Standards says it best by indicating: "Today, school districts cannot meet the challenges of an increasingly demanding and diverse clientele without an efficient and effective business and financial framework within which to operate. Well prepared and dedicated school business officials, working in tandem with other members of the administrative team, can better assure that such a framework is in place" (Association of School Business Officials International's Professional Standards).

Determining the need for a school business official is a dynamic issue for many Illinois school districts. With the ever-increasing limited financial resources, the school district must seriously consider how the important business functions will be handled in a responsible and professional manner. The questionnaire will assist a school district in facilitating a discussion about the need for a school business official. ●

References

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Determining the Need for a School Business Official

Do You Need a School Business Official Assessment

Instructions: Please indicate below with a check mark in the appropriate box your district's frequency of need for each of the following statements.

	Always	Usually	About Half the Time	Seldom	Never
1. Our district needs a business official for budget development and management.					
2. Our district needs a business official to manage accounting and internal controls.					
3. Our district needs a business official for contracts and grants.					
4. Our district needs a business official for financial reporting.					
5. Our district needs a business official for auditing.					
6. Our district needs a business official for purchasing.					
7. Our district needs a business official for salary and benefit administration.					
8. Our district needs a business official for collective bargaining.					
9. Our district needs a business official for payroll administration.					
10. Our district needs a business official for recruitment and hiring of personnel.					
11. Our district needs a business official to manage personnel training.					
12. Our district needs a business official for technology hardware and software purchasing.					
13. Our district needs a business official for network administration.					
14. Our district needs a business official for telecommunications administration.					
15. Our district needs a business official to manage technology maintenance.					
16. Our district needs a business official to manage technology training.					
17. Our district needs a business official to manage maintenance and custodial services.					
18. Our district needs a business official to manage safety and security.					
19. Our district needs a business official to manage air quality.					
20. Our district needs a business official for capital planning.					
21. Our district needs a business official to manage construction projects.					
22. Our district needs a business official for referendum planning.					
23. Our district needs a business official to manage transportation services.					
24. Our district needs a business official to manage the food services.					

16 monitoring investments

District	District population	NO	YES
Winthrop Harbor	293	X	
Beach Park	2561		X
Zion	2694		X
Emmons	354		X
Antioch	3104		X
Grass Lake	206		X
Gavin	1006		X
Big Hollow	1518		X
Lake Villa	3245		X
Grayslake	4232		X
Woodland	6909		X
Gurnee	2228		X
Lake Bluff	968		X
Lake Forest	2146		X
Oak Grove	1021		X
Libertyville	2609		X
Rondout	164	X	
Hawthorn	3862		X
Mundelein	1902		X
Diamond Lake	1204		X
Fremont	2158		X
Kildeer	3282		X
Aptakisic	1950		X
Lincolnshire	1651		X
Bannockburn	190		X
Deerfield	3117		X
North Shore 112 (HW & HP)	4537		X

I did not include high school or unit districts since they all have them.

All YES marks indicate full time positions.