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AN EVALUATION OF
OHIO'S UNIFORM SCHOOL ACCOUNTING SYSTEM

DISSERTATION

Presented in Partial Fulfillment of the Requirements for
the Degree Doctor of Philosophy in the Graduate
School of The Ohio State University

By
Guy Michael Sconzo, B.A., M.A.

* * * * *

The Ohio State University
1978

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Faculty of Educational Administration
To My Wife,

Diane
ACKNOWLEDGEMENTS

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Thank you all for making my dream come true.
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THE PROBLEM

A doctoral dissertation written fifteen years ago included the following statement:

School administrators in many school districts face the problem of handling expanded school enrollments with limited physical facilities and with limited teaching personnel. Both those limitations may be attributed in part to limited financial means (Cloyd, 1963).

Though the situation facing school administrators today differs drastically (e.g., significant enrollment declines) the problem of "limited financial means" still looms large. Possible remedies to such financial problems are numerous, however, any remedy may be approached from two basic directions:

(1) a substantial increase in available revenues, or
(2) the implementation of an efficient and effective control mechanism over costs and expenditures.

If rising educational costs can be coupled with rising revenues, there may be little pressure or desire to concentrate efforts on cost studies. However, when increases in taxes are no longer approved by voters, it becomes necessary for school officials to analyze costs with the intention of determining the value, quality and quantity of educational services to be provided. This would then enable school officials to balance educational benefits against costs incurred. One important step in this
direction is for school officials to seriously consider cost accounting (of the nature developed in uniform school accounting systems) as a financial management tool.

Background of the Problem

Uniform accounting systems have grown in number during the past decade since the introduction of the recommended program outlined in Handbook II of the Office of Education. Recognizing the need for standard practices in general accounting terminology, the U.S. Office of Education in 1957 issued a handbook for financial accounting for local and state school systems. This handbook was the outcome of an earlier effort in 1953 by the Office of Education to compile a basic list of educational terminology and information to be used by state departments of education.

It is important to note that representatives of various professional organizations such as the American Association of School Administrators, the Association of School Business Officials, and the Council of Chief State School Officers comprised an advisory committee which worked with staff from the Office of Education in the preparation of Handbook II. Thus, a high level of interest in the proposed program was generated. Jordan (1969) pointed out that "additional impetus to adapt a uniform system of accounting throughout the nation was created as a result of the enactment of the Elementary and Secondary Education Act in 1965." A huge number
of school districts across the nation received funds under this act, particularly in support of educational programs for the disadvantaged under Title I. Though in most instances these funds were handled through the regular fiscal accounting structure of the local school district, districts were required to prepare the budget and maintain supplementary records (for ESEA projects) in accordance with the accounting system as outlined by the U.S. Office of Education in Handbook II.

Essentially, the purpose of such a uniform system of accounting, from the central authority figure's perspective, is to meet the need for a reporting system that would enable the central authority figure to watch over all school districts. Ovsiew and Castetter (1960) support this view when they state, "by this concept the accounting system becomes the key control device to prevent over-expenditure of appropriations, and to reflect current budget operations and conditions." Schultze (1967) further concurs by maintaining that both accounting and budgeting enable the central authority figure to exercise control over the bureaucracy to be sure that people are actually doing what the government thinks they are.

The most recently revised handbook of the U.S. Office of Education on school accounting (1973) gives major emphasis to program accounting and cost accounting in order to better implement a Program, Planning, Budgeting, Evaluating System (PPBES). This revised handbook specifically points out:
The chart of accounts in this manual has been structured to enable planners to budget, program, and evaluate the resources, processes, and effectiveness of the various objectives of a school system.

This handbook also states:

The purpose of classifying expenditures is to provide a basis for grouping expenditures for meaningful analysis. Expenditures are classified by function (why purchased), object (what purchased), organization unit and activity (for whom), and fiscal year (when).

Given the current state of affairs described earlier with respect to the financing of public education, the need for more of a PPBES approach in schools can be seen as stemming from two sources:

(1) Scarcity of Resources. That is to say "resources are always less than we need to accomplish all the good and useful things that we would like to do" (Schultze, 1967). Therefore, this necessitates the effective and efficient choosing of how resources are to be expended to achieve our overall objectives, and

(2) Lack of Economic Market. That is to say schools rarely (if ever) have an automatic regulator that tells them when an activity has ceased to be productive, or could be made efficient, or should be replaced by another activity.

It seems apparent that underlying this major thrust is a clear sense of accountability. Specifically, the recent and major emphasis placed on program accounting and cost accounting developments in
schools attempts to incorporate contemporary concepts of accountability.

As stated by Candoli, Hack, Ray and Stollar (1973)

> with this orientation, accounting is used to provide necessary data and its necessary interpretation in order to relate costs and benefits in the financial support of educational institutions.

However, it must be noted that resistance to a general adoption by all states of the accounting system outlined in Handbook II has been the case. This resistance "has been based on the traditional fear of federal control and a general reluctance to change." (Jordan, 1969). Nevertheless, the cry for accountability rings louder ever day. This cry can be heard in Ohio (i.e.) in a 1976 Citizen's Council for Ohio Schools report. It states:

> Full information about how money has been spent and a sound process for planning future expenditures are requisites for effective use of resources . . . . At this time, neither of these things is adequate in most Ohio school districts.

This contemporary view is substantiated in practice when one considers Ohio's initial school accounting system. The system, "Classification of Receipts and Appropriation Accounts for School Systems," was developed in the early 1900's and is more commonly referred to as the "Form 84" accounting system. Among the system's flaws was its lack of uniformity. Said another way, this accounting system relied heavily on local school officials' discretion in terms of the categorization of various school expenditures. In addition to this, it was in no way program oriented.
Simply stated, "Form 84" did not reflect how money was spent for what school districts did.

In 1972 a representative committee of educators and accountants appointed by the Ohio State Department of Education and the State Auditor convened and began a complete revision of the Ohio "Form 84" Accounting System, based on the recommended system in Handbook II. The Department of Education subsequently committed ESEA Title III funds to test the structure developed by the Committee in various districts. In 1975, the Ohio General Assembly mandated the adoption of a new accounting system in Amended Substitute Senate Bill 170, which in part, amended Section 117.05, Ohio Revised Code, which required the Chief Inspector and Supervisor of Public Offices to adopt and require within each school district the use of a uniform system of cost accounting. In essence, this legislative requirement was brought about from the recognition that, under the existing system of accounting, uniformity could not be adequately maintained and the costs of many programs could not be properly determined.

With the charge to make vast changes made in the revised school accounting system mentioned above, this system has now been mandated as Ohio's "Uniform School Accounting System." The basic concept of this revised accounting system was developed from the "State Educational Records and Reports Series" provided by the U.S. Department of Health, Education, and Welfare. The main document utilized from this series
was "Financial Accounting, Classifications and Standard Terminology for Local and State School Systems 1973," or as it more commonly known, "U.S. Handbook II, Revised."

Ohio's Uniform School Accounting System is integrated in terms of budgeting, appropriations, state reports, and accounting. The system attempts to meet the contemporary information needs of school administrators, the general public and governing bodies. For example, the Citizen's Council for Ohio Schools (1976) spells out the need for cost accounting by program and by building:

1. When program changes are proposed it is essential to know the cost and expected benefits of new programs compared to the cost and apparent results of old programs in order to make practical decisions . . . . Accomplishing this end calls for accounting for costs by program and building on a per pupil basis.

2. Questions of the equity of expenditures among schools also require the collection of financial information by building . . . . School Districts should know the costs of educating students in each school and should be able to explain variations if they exist.

The Uniform School Accounting System in Ohio is designed to account for the full range of financial transactions which school districts "might reasonably be expected to encounter in the course of their ordinary and extraordinary operations or activities" (U.S.A.S. User Manual; 1976). This classification mechanism no longer provides school districts with an "account number per se, but rather a tag identifying each financial
transaction which ultimately permits an almost infinite display of financial information" (U.S.A.S. User Manual, 1976). (See Appendix A).

Ohio's Uniform School Accounting System was first implemented on January 1, 1977 in fifty-four local school districts, covering an eight county region (See Appendix B). This geographical area is referred to as the "Phase I Implementation Region." On January 1, 1978, the "Phase II Region" will be expected to implement the U.S.A.S. (See Appendix C); while the "Phase III Region" will round out the state and face a January 1, 1979 U.S.A.S. implementation (See Appendix D). It is important to further note that all county boards of education in the State will be included in the "Phase II Implementation Region." State Auditor's Office Staff conduct a series of two day training sessions prior to each phase of U.S.A.S. implementation. Local School Districts are divided among three groups; (1) districts which utilize data processing in the accounting function, (2) districts which utilize business machines in the accounting function, and (3) districts which utilize hand posting in the accounting function. Participation at the training sessions typically involves clerk-treasurers and superintendents, though other interested school district personnel are encouraged to attend. The content of training sessions generally includes background information on the U.S.A.S., an overview of the theory behind cost accounting and program budgeting, and a "hands on" exercise involving the actual application of the U.S.A.S. to local school districts (See Appendix E).
In addition to the training sessions, the State Auditor's Office Staff provide on-site technical assistance to school districts, as well as optional seminars on topical areas related to the U.S.A.S. (e.g., "New Appropriation Resolutions," and "Budgeting Practices"). Once statewide implementation is accomplished, a variety of "system maintenance" functions will be carried out by the State Auditor's Office Staff.

Statement of the Problem

In essence, the Uniform School Accounting System was designed and implemented to accomplish three basic objectives:

(1) To generate data (essentially of a fiscal transactions nature) from school districts in Ohio in a uniform, consistent fashion for the purposes of inspection and analysis by the State Auditor's Office.

(2) To facilitate the school district's generation of data, at varying levels of detail, to provide for program budgeting, accounting, and reporting.

(3) To provide a classification mechanism with which school districts may more effectively and efficiently manage their limited resources in relation to competing educational demands (U.S.A.S. User Manual, Introduction, 1976).

Since the Uniform School Accounting System (herein referred to as U.S.A.S.) was implemented in only eight counties as of January 1, 1977 (See Appendix B), it is important at this early stage to begin to assess whether or not the system is serving to meet its stated objectives (particularly objectives #2 & #3). In addition to this, it is important to
gauge the level of commitment districts have with regard to the utilization of the U.S.A.S. It is important for the reader to note that the State Auditor requires districts to use only three of the nine U.S.A.S. dimensions (Fund, Function, and Object). However, districts are free to use as many of the remaining dimensions as they desire. Finally, it is critical to discover those factors which either contribute to or restrain districts from optimizing implementation of the U.S.A.S.

To accomplish this, the writer has chosen to orient the research around an evaluation approach. This approach will draw from and integrate the arenas of "formative" (Aiken and Fitz-Gibbon, 1975), "theory-based" (Fitz-Gibbon, Morris, and Bank, 1975), and "product" (Stufflebeam, 1973) evaluation. A thorough explanation of this evaluation framework is included in the "Procedures and Methodology" Chapter of this dissertation.

Proceeding from an evaluative point of view, the problem to be addressed in this study can be delineated further in the form of the following broad question areas:

Question #1 (re: U.S.A.S. Objective #1)

Does the U.S.A.S. generate data (essentially of a fiscal transactions nature) from school districts in Ohio in a uniform, consistent fashion for the purposes of inspection and analysis by the State Auditor's Office?
Question #2 (re: implementation of the U.S.A.S.)

At what level of commitment are districts in terms of utilizing the potential of the U.S.A.S.? (Are districts "minimally committed" -- have implemented or intend to implement only those accounting categories of the U.S.A.S. as required by the State Auditor? Are districts "modestly committed" -- have implemented or intend to implement slightly more than those required accounting categories? Are districts "deeply committed" -- have implemented or intend to implement the U.S.A.S. in near its entirety?)

Question #3 (re: U.S.A.S. Objective #2)

To what extent is the U.S.A.S. used in school districts re: generating data (of a fiscal transactions nature) at specified levels of detail? (Has there been a change in fiscal data generation in districts since the inception of the U.S.A.S.? If so, what is the nature of that effected change?)

Question #4 (re: U.S.A.S. Objective #2)

Has the U.S.A.S. impacted on districts in ways that moved them in considering, developing, or utilizing program oriented budgeting as a management tool? (Since the inception of the U.S.A.S., . . . is a change to more of a program oriented
budgeting program begun in districts? . . . have districts with program oriented budgeting already in effect expanded their efforts?)

Question #5 (re: U.S.A.S. Objective #3)

Do "school district budget officials" and appropriate State Auditor's Office personnel perceive the U.S.A.S. to have provided a mechanism(s) by which local school districts have been able to more effectively and efficiently manage their limited resources?

Question #6 (re: factors affecting use of the U.S.A.S.)

What seem to be some factors (other than the U.S.A.S.) which contribute to or restrain districts from accomplishing the concerns addressed in the above questions? (e.g., To what extent does hand posting, machine capability, or computer capability as the accounting tool make a difference in utilizing the U.S.A.S.? To what extent do the attitudes of "school district budget officials" make a difference in utilizing the U.S.A.S.?)

In essence then, the problem to be addressed in this study is to assess the impact of the U.S.A.S. on school districts in the eight county, Phase I implementation region. Said another way, it is the researcher's intent to determine the perceptions of school district personnel.
as well as appropriate State Auditor's Office personnel, with respect to
the events and products of the first year of U.S.A.S. implementation.

Significance of the Problem

The significance of the problem under study is threefold in nature.
As mentioned earlier, the central purpose of this study is to generate
data that will reflect the extent to which stated objectives of the
U.S.A.S. are being met in school districts of the eight counties where
it was initially implemented. Hence, this information could be used by
those persons directly involved in the on-going monitoring and develop­
ment of the U.S.A.S., as well as those on whom the U.S.A.S. impacts.
Among these persons are:

- school personnel in those districts studied,
- school personnel in districts just implementing the
  U.S.A.S. as of January 1, 1978,
- school personnel in districts still awaiting future
  implementation of the U.S.A.S., and
- personnel in the State Auditor's Office.

In essence, the data generated could serve as a basis for modifying
either the use of the U.S.A.S. or the U.S.A.S. itself in ways that will
optimize the system's impact on districts.

The evaluation further provides information of a nature which
links a description of "what is" (practitioner-field based) to an existing
theory based system (U.S.A.S.). Said another way, the evaluation
provides a key linkage between the U.S.A.S. as it was designed to accomplish pre-determined objectives, and the U.S.A.S. as it is currently operating in local school districts. Therefore, the information generated will have utility for the "practitioner" (user) and the "professional" (developer).

Finally, the problem under study is significant in so far as it has prompted the opportunity to develop a unique evaluation framework. That is to say, the evaluation framework needed to conduct such a study blends a variety of evaluation concepts into a unique approach which can be replicated, modified and built upon further to enhance and facilitate future evaluations of similar programs.
REVIEW OF THE LITERATURE

It was discovered that few studies exist which relate to evaluating a state's uniform school accounting system. It is further difficult to develop such a study on a single appropriate theoretical model. However, literature does exist related to various aspects of program oriented budgeting and school accounting. Therefore to better understand the framework within which the evaluator proposes to study Ohio's Uniform School Accounting System, it is important to review the literature concerned with program oriented budgeting (PPBS; PPBES) and how appropriate accounting systems play an integral part in this major thrust.

Program Oriented Budgeting

The public now bears near a 70 billion dollar burden to support public education. Given this fact, there is little doubt as to why the public asks, with increasing frequency and volume, "What do I own?... How much do the programs cost?" Coupled with this is the increasing complexity of state and federal laws regarding aid to education. This condition has clearly led to a greater need for educators to know the true costs of individual education programs. One example of this phenomenon might be the recently enacted "Education of the Handicapped" law (Public
Law 94-142). This federal law states that local school districts are required to identify and be reimbursed only for those costs of educating the handicapped which are in excess of the regular costs of education. In more general terms, Candoli, Hack, Ray and Stollar (1978) depicts the current situation as being "... the rate of change in the educational environment calls for periodic and intense examination of alternative ways to allocate school funds. Traditional methods of budgeting have not given the school administrator adequate insight to weigh alternative plans of education."

As a starting point, it is necessary to distinguish between budgets and budgeting. Craig (1977) provides a useful distinction in the following definitions:

**Budgets**  -  Formal legal documents showing funds for organization units by object code requiring conventional accounting records.

**Budgeting**  -  A process of decision-making about resource use to achieve objectives requiring performance oriented data of two different types: 1) Impacts (externally oriented), and 2) Activities/Outputs (internally oriented).

In this sense, the school budget and/or budgeting process can be reviewed as two kinds of necessary instruments: (1) an instrument of internal control, and (2) an instrument of educational planning. Candoli, et al (1978) further delineates the notion of budgeting by pointing out some of its benefits. They are:
1. It establishes a plan of action for the future.

2. It requires an appraisal of past activities in relation to planned activities.

3. It necessitates the establishment of work plans.

4. It necessitates foreseeing expenditures and estimating revenues.

5. It requires orderly planning and coordination throughout the organization.

6. It establishes a system of management control.

7. It serves as a public information system.

One kind of budgeting approach which most closely addresses the needs of school administrators today is program oriented budgeting (also referred to as PPBS - planning, programming, budgeting system, or; PPBES - planning, programming, budgeting, evaluation system). Program-oriented budgeting includes concepts and techniques for resource allocation decision making for rational and effective programming (Ohio State University, 1969). Having primarily originated in the federal government, most federal agencies use a program oriented budgeting approach (PPBS) for development, analysis, and presentation of resource needs. It is important to note that while traditional budgeting methods focus primarily on resource inputs, PPBS focuses on both inputs (costs) and outputs (benefits). Haggart (1972) points out that "program budgeting is more than a neat method of budgeting by program and consequently requires more than mere concentration on budgeting and accounting procedures. Program budgeting is basically a resource allocation system." Perkins
(1969) supports this view when he states, "planning, programming, budgeting systems provide a new approach to the optimum rise of limited school resources in improving the learning process." It has been said that the most salient feature of PPBS is its usefulness as a general analytical tool for educational planning (Haggart, 1969).

The purposes served by PPBS in educational settings are numerous. They range from its providing an organized data base for systematic selection of a preferred course of action (Haggart, 1972), to its being a tool school officials can use to communicate to taxpayers the necessity for current school programs and the manner in which tax dollars are allocated (Perkins, 1969). Piele (1969) seems to have capsulized many of the purposes served by PPBS in the following:

1. to make available to decision makers more concrete and specific data relevant to broad decisions;
2. to spell out more concretely the objectives of school programs;
3. to analyze systematically and present for School Board review possible alternative programs to meet these objectives;
4. to evaluate thoroughly and compare the benefits and costs of programs;
5. to produce total rather than partial cost estimates of programs;
6. to present on a multi-year basis the prospective costs and accomplishments of programs;
7. to review objectives and conduct program analysis on a continuing year-round basis.
Program oriented budgeting further devises a standardized, wholistic data system necessary for central coordination and control over large organizations - bureaucracies.

Much has been written to define and describe program oriented budgets. Program budgets are often referred to as "management tools." (McManama, 1971); "a sophisticated mechanism to improve decision making in situations characterized by a fair degree of uncertainty and a need to allocate scarce resources" (Murphy, 1970). In concert with this view, Immegart and Pilecki (1973) see Planning, Programming, Budgeting Systems (PPBS) as being synonymous with "rational planning, optimization of scarcity, and systematic allocation of limited resources." Though there is no standard definition of PPBS, and in fact there is no one PPB system, there seems to be consensus that PPBS/Program Budgeting involves the following elements:

1. identification of objectives;
2. analysis of the "output" of a given program in terms of its objectives;
3. measurement of total program costs;
4. formulation of objectives and programs within an extended time-horizon; and
5. systematic analysis of alternatives to find the most effective means for achieving proposed objectives. (Scurrah and Shani, 1974)

Hatry and Cotton (1967) delineated the characteristics of program budgeting in a distinctive manner by focusing exclusively on PPBES (planning,
They stated those characteristics as follows:

1. It focuses on identifying the fundamental objectives of the government system and then relating all activities, regardless of organizational placement, to these.

2. Future year implications are explicitly considered.

3. All pertinent costs are considered -- including capital costs as well as noncapital costs, and associated support costs (such as employee benefits, associated vehicle and building maintenance costs) as well as direct costs.

4. Systematic analysis of alternatives is undertaken. This characteristic is the crux of PPBES. It involves: (a) identification of the governmental objectives; (b) explicit, systematic identification of alternative ways of carrying out the objectives; (c) estimation of the total implication of each alternative; (d) estimation of the expected results of each alternative; and (e) presentation of resulting major costs and benefit tradeoffs among the alternatives along with the identification of major assumptions and uncertainties.

All of the aforementioned characteristics stand as the antithesis to those associated with traditional budgeting. While a school district's traditional line-item budget is concerned with where money is put into the system (e.g. personnel, supplies, and funds required by the organization), a Program Budget is concerned with the cost of the various outputs of the system. In essence, a Program Budget (PPBS) "links the fiscal (budgeting) and substantive (goals and objectives) aspects of planning" (Hitch, 1967).
Doherty (1970) maintains that the most critical activity in the planning, programming, budgeting system is the specification and use of goals and objectives. "Since only programs, not goals, can be translated into resources requirements and objectives, the entire system of planning, budgeting and evaluating is dependent on the correct specification of program objectives" (Doherty, 1970). Carpenter (1969) supports this view when she states, "primary objectives -- those that support basic values and fulfill community needs -- must be specified. Because primary objectives head the hierarchy of educational objectives and because they provide the format for the program budget, they are important to an understanding of a school district's purposes." Goal-objective identification and development leads to the grouping of activities and support services to form specific programs. These programs are ultimately combined in a program structure.

The process of program structuring provides a format for the program budget and categorizes the activities of education into programs according to their contribution to meeting educational objectives. This planning achieves better educational results by utilizing resources more effectively (Haggart, 1971).

It is clear then that effective decision making relative to resources then requires schools to have a set of objectives stated in as measurable terms as possible.

Given an overview of program oriented budgeting, its parameters, purposes and characteristics, it becomes easier to understand why it is
being given considerable attention by school officials today. Numerous articles, reports, etc. have been published outlining a variety of techniques and strategies for operationalizing PPBS in educational settings (Alioto and Jungher, 1971; Curtis, 1971; Ohio State University, 1969). Generally, these publications describe the components necessary for operationalizing PPBS, suggest methods of achieving those components, and illustrate risks and problems in the developmental process. They further provide information necessary for planning educational programs to meet community needs and for choosing among alternative methods of resource allocation to achieve desired goals and objectives.

While PPBS in educational settings is getting a lot of positive attention, some writers are simultaneously pointing out potential problems inherent in this particular budgeting approach. Specifically, Huff (1970) delineates two problems with PPBS. They are:

1. Cost-benefit analysis is vital to PPBS, and the benefits or quality of individual programs remains a matter of subjective judgement.

2. Educational institutions could fall into the trap of technocracy, in which economic analysts control decisions by the cost data they are able or willing to supply.

It is crucial to note that:

PPBS is not a panacea. It is not a substitute for the experience, the intuition and judgement of the educational planners. Its aim is to sharpen that intuition and judgement by stating problems more precisely, by discovering new alternatives, and by making explicit the comparisons among alternatives (Candoli, et al, 1978).
Said another way, although PPBS indeed is no panacea, it can promote better management of scarce available resources.

**School Accounting**

School officials devoted to program oriented budgeting, of the order addressed with uniform school accounting systems, try to design a set of documents relating dollars to activities to impacts. Clearly then uniform school accounting systems must be a kind of management information system that provides data to complete the above formula. It is further crucial that normal operating procedures, like uniform school accounting systems, have built into them the generation of data relevant to program objectives. Without such data, it would be virtually impossible to properly evaluate organizational as well as individual performance. It is then clear that program oriented budgeting (PPBS, PPBES) requires an information/record keeping/accounting system that establishes categories that are more closely related to outputs. Therefore the necessary counterpart of program oriented budgeting is program-cost accounting, as it attempts to classify and relate costs to the various programs included in the educational enterprise. However, the accumulation of such data is worthwhile only if policymakers and administrators will use the data in decision making. Program evaluation, comparative analysis, and cost-benefit comparisons are among the side-benefits of program-cost accounting systems. As alluded to earlier in this chapter, such analyses
are no longer luxuries, but rather necessary management tools needed to
cope with education's problems in the current environment.

This leads the writer to consider school accounting as a separate
cconcern. In general, accounting is concerned with certain kinds of infor-
mation about the status and progress of the organization. An accounting
ystem is, in essence, a system for the collection, organization,
management, analysis and retrieval of budgetary information. As stated
by Tidwell (1974),

an accounting system includes not only ledger
accounts, books of original entry, and underlying
forms and papers, but also the routines and
procedures by which all of the records of the
school system are knit together into a meaningful
and useful financial control device.

Hentschke (1975) concurs with this view when he states:

accounting is analytical in the sense that it takes
a great mass of data and through classification and
summarization, reduces that mass of data to a
relatively small number of highly significant and
interrelated items, which, if properly presented,
tell much about that organization.

Adams, Hill, Lichtenberger, Perkins and Shaw (1967) defines school
accounting as "recording and reporting activities and events affecting
personnel, facilities, materials, or money of an administrative unit and
its programs." They delineate this definition further by stating:

Specifically, it [school accounting] is concerned
with determining what accounting records are
to be maintained, how they will be maintained,
and the procedures, methods, and forms to be
used; recording, classifying, and summarizing
activities or events; analyzing and interpreting recorded data; and preparing and issuing reports and statements which reflect conditions as of a given date, the results of operations for a specific period, and the evaluation of status and results of operations in terms of established objectives (Adams, et al, 1967).

As evidenced here, it can be stated that the accounting function is an integral part of the educational system's planning process.

While traditionally accounting was primarily reviewed as a control mechanism; more recently, accounting is seen as a tool used to provide information necessary to determining the costs and benefits of organizations (specifically educational organizations) (Candoli, et al, 1978).

In this sense, school accounting becomes more than just a set of numerical data which contain historical information about past activities in the school district. It provides the basic information used in making current administrative decisions, planning future activities, and responding to public demands to provide financial information which may be helpful to them in arriving at informed decisions (Tidwell, 1974). As Jordon (1969) points out, "data and supporting information available through the accounting system will form the information core around which plans are made for alterations in existing program and development of future programs." "Without adequate [accounting] records which indicate what has happened, or what is happening, decisions about management or about governing policies would have to be based on guesswork, estimates, or memory " (Tidwell, 1974).
Generally, accounting techniques are used to describe:

1. the nature, sources, and amounts of revenue inputs;
2. the appropriation of revenues to various programs (or funds and accounts); and
3. the actual expenditures in these programs.

These data are then related to program outputs or educational benefits, so that citizens can understand the financial implications of program decisions, and the program implications of financial decisions. In this way, the schools are accountable to the public, and the public has information on which it can exercise its decision making power in areas of financial policy (Candoli, et al, 1978).

Many writers have sought to articulate the purposes and objectives of school accounting. An extremely useful summarization of a good school accounting system has been developed by Tidwell (1974). Those objectives are:

1. To provide a complete record of all financial transactions of the school system.
2. To summarize, with reasonable promptness, financial reports required by proper, effective and efficient administration.
3. To provide financial information which would be helpful for budget preparation, adoption, and execution.
4. To provide financial controls or safeguards for the school system's money and property.
5. To provide a basis whereby the governing board can place administrative responsibility and minimize the possibility of waste, carelessness, inefficiency, and possible fraud.
(6) To provide clear and concise financial reports to the public as a basis for judging past, present and future financial operation of the school system in view of legal restrictions placed upon such funds.

(7) To provide a historical record which, over a period of years, can be studied and analyzed critically and constructively for the purpose of aiding citizens, the governing board, and the school system's administrative officers in keeping pace with changing concepts of education at the local level and its financial administration.

In addition to Tidwell's work, Candoli, Hack, Ray and Stollar (1978) recently provided a rather comprehensive list of the varied purposes served by the accounting function in schools. Those purposes are:

1. Maintaining an accurate record of significant details in the business transactions of the school system.

2. Providing a basis and medium for planning and decision making by both policy making and administrative bodies at local, state, and federal levels.

3. Providing a control system to assure the appropriate use of resources in the educational enterprise.

4. Expediting the process of setting priorities; establishing, analyzing, and selecting alternatives in the budgeting process; and establishing an operational blueprint for the school system.

5. Providing a medium for reporting the financial condition of the school system to the patrons of the school district, as well as to other groups and agencies at the local, state, and federal levels. This is done for purposes of planning and policy making, accountability, control and comparative study.

6. Providing basic input information to calculate and extend school district budgets, tax levies, and state and federal subventions or transfer payments.
Within the literature dealing with school accounting, a type of accounting that is most closely related with program-oriented budgeting concerns is cost accounting. Cost accounting is that branch of accounting concerned with searching out and reporting all elements of the cost incurred in executing a specific activity or unit of work (output). The Committee on Cost Concepts and Standards of The American Accounting Association describes cost classifications as:

Cost is classified normally in terms of a non-managerial objective. Its presentation normally requires sub-classification. Such sub-classification may be according to functional lines, areas of responsibility, the nature of the cash elements, or some other useful breakdown. The appropriate sub-classification depends upon the uses to be made of the cost report.

It follows that poorly conceptualized expenditure-accounting classifications will greatly inhibit the organization's capability for generating meaningful and comprehensive cost data. As outlined by Macleod (1971), cost accounting has "three values important to non-profit institutions:

(1) efficiency and cost control,
(2) planning and allocating resources of people and funds,
(3) 'pricing' for cost reimbursement."

Said another way, cost studies can help local school districts determine:

. . . how and why costs occur
. . . to which objectives they are related
. . . the reasonableness of these costs
. . . the cost curves for certain educational products
... the anticipatory costs of future educational aims
... how costs compare with other local school districts
or with historical costs
... and the allocation of variable costs or on equitable
basis, etc. (Cloyd, 1963).

The use of cost accounting by school management officials will result in
better informed administrators who are able to act on reliable data in
making their decisions (American Accounting Association, 1956). In turn,
those data can be used as a powerful tool in the educational and public
relations programs of the local school district. Hence, a key purpose
of school cost accounting is to maximize services to the community.

It is reflected in the literature then, that without an effective
cost accounting system, valuable and vital data would not be available
to administrators confronted with resource allocation decisions. The
decision maker needs information that is organized in a particular way to
facilitate selection of the most prudent course of action. It is this
information need that underlies the similar notion of program accounting.
As defined by Knezevich (1973), program accounting is a "system of
identifying, collecting, and classifying fiscal resources consumed in
the pursuit of program objectives."

Adding the word "program" to a functional accounting classification system does not magically transform it into a fiscal information
pattern related to a PPBS approach. It at the very least requires a three-
way organization of fiscal data; by objective, by function, and then by
objectives satisfied (as is addressed in the Uniform School Accounting
A good program accounting system should enable school districts to:

1. Report its financial operations by program, both internally and to interested third parties;
2. Utilize budget resources more effectively; and
3. Control school district operations by program at various levels.

Accounting is clearly an integral part of the planning process.

Therefore, it is incumbent upon the school administrator to know and understand financial accounting so that he/she may use this tool to explain costs in his/her effort to win the cooperation of the local school community. On the other hand, even the approving, cooperating taxpayer is entitled to know the costs of the various services offered by the educational system. In this regard, Tidwell (1957) cautions that "traditional accounting courses are too narrow while governmental accounting courses cover city, county, state, and federal levels." His recommendation is that the public school systems can gain for themselves the same accounting advantages that are presently enjoyed by other areas of public service through the development of formal courses in schools of educational business administration.

Though it was written over twenty years ago, the following seems very appropriate for school administrators today:

It is the duty of the administrator to provide financial managerial efficiency despite impediments created by legal provisions, state
bureaucracy and restraints, and the inability of the taxing base to support good schools .... The school administrator must be able to record financial information not only in the prescribed legal manner but also in a way that will give him needed information to handle internal financial matters (American Accounting Association, 1956).

Generic Criteria for Evaluating the U.S.A.S.

Reviewing the literature concerned with program budgeting and school accounting, in part, provided an important basis for determining the generic criteria to guide the evaluation of the U.S.A.S. in Ohio. In generating these criteria, emphasis is placed on those notions which specifically relate to the accounting system's facilitative impact (or lack thereof) on school districts regarding program budgeting concerns. However, general consideration is given to other broad areas of management concern relative to an accounting system as well. Specifically, the criteria reported here is generated from essentially two sources:

(1) The program budgeting/school accounting literature.

(2) An interview with a University expert in program budgeting-accounting.

In reporting these criteria the writer will present an outline that... notes the criterion, explains what is meant by the criterion, and where appropriate, cite the source of the criterion. A summary of all of the information presented here can be viewed in matrix form in the Appendix (see Appendix F).
Generic Criteria:

(1) Full Disclosure - Comprehensive

As defined by Hentscke (1975) "the presented information includes everything that an informed reader should know to come to appropriate conclusions, nothing of substance having been cancelled or omitted." Said another way, the system should assume that all costs are accounted for, and that there is a comprehensive view of all services (Johns and Morphet, 1975).

(2) Flexibility

Wilson (1959) defines this criterion as "the system should be built with an eye for accommodating future changes with as little disturbance as possible to the basic plan." Though this definition has utility, another way to consider the importance of flexibility as a criterion is to consider the system's capability in providing for "alternative aggregation - disaggregation routes" (Craig, 1977). With the latter definition, the writer is concerned with whether or not the accounting system is capable of extracting and compiling data in a variety of ways which would appropriately meet varied information needs.
(3) Accuracy

The record keeping system of any organization must contribute to accuracy. Stated more assertively, it "must be designed to demand accuracy and a reasonable degree of internal control" (Candoli, et al, 1973).

(4) Adequacy

As defined by Candoli, et al (1973), "the system should be adequate to provide financial and related operational information for all interested parties." If this operational information is to contribute to effective and efficient resource allocation and decision making, then this particular criterion is most crucial to consider (Shick, 1966; Anthony, 1965). Specifically, the need for a single data system that provides for the information needs at different levels of the organization is critical. This general notion can best be explained by considering Craig's (1977) alternative formulation of Anthony's Planning and Control Systems (1965). Basically, Craig outlines three levels of unique information needs relative to decision making in the organization. They are:

(a) System/Environment Interface
(Strategy Level)

This level is primarily concerned with major strategic choices on goals, objectives and system design.
(b) Total System Integration and Management
(Management Level)
This level is primarily concerned with designing and monitoring the operating system and organizational structure.

(c) System Components Management
(Operational-Technical Level)
This level is primarily concerned with supervision and monitoring operating units and details.

(5) Simplicity
"The system should be useful in terms of not becoming frustrating busy work, but should truly assist in improving the educational processes " (Candoli, et al, 1973).

(6) Contribute to Efficient Administration
The accounting system should in effect reduce delays and red tape in servicing the operational needs of the school district.
METHODOLOGY

The term evaluation has been defined in a variety of ways. Among the more prominent definitions in the literature are the following:

"... describing and judging an educational program " (Stake, 1967).

"... comparing performance against standards " (Provus, 1969).

"... defining, obtaining, and using information for decision making " (Stufflebeam, 1968).

"... the process of ascertaining the decision areas of concern, selecting appropriate information, and collecting and analyzing information " (Alkin, 1969).

"... the process of obtaining information and using it to form judgements which in turn are to be used in decision making " (TenBrink, 1974).

Though these definitions are useful to the researcher as guidelines, the present study can best be termed an evaluation research (Weiss, 1972). The term "evaluation research" is defined by Weiss (1972) as measuring "the effects of a program against the goals it set out to accomplish as a means of contributing to subsequent decision making about the program and improving future programming." It is specifically within this definition that the evaluator will study Ohio's Uniform School Accounting System.
Framework for the Study

As a broad framework for conducting the study, the researcher is interested in pursuing two particular notions about evaluation, that is, (1) knowing whether or not desired goals are being met (as outlined in the "Statement of the Problem"), and (2) providing information about implementation impacts needed to improve program performance.

The main thrust of the evaluation is "formative" (Alkin and Fitz-Gibbon, 1975) in intent. Formative evaluation simply means that the information generated by the study would be fed back into the system, during the on-going development of the U.S.A.S. to help improve it from the school district's perspective. Formative evaluation, then, is most concerned with the evaluation of "implementation" and "progress" (Alkin and Fitz-Gibbon, 1975). This is clearly distinct from outcomes with no attention given to providing feedback to the (e.g.) program being evaluated (Alkin and Fitz-Gibbon, 1975).

Stufflebeam's CIPP (Context, Input, Process, Product) Evaluation Model (1973) further provides the researcher with guidance in developing the framework for the evaluation (See Appendix E). As Stufflebeam (1973) points out, "the CIPP model defines evaluation as the process of delineating, obtaining, and providing useful information for judging decision alternatives." This definition contains three important notions: first, "evaluation is a systematic, continuing process"; second, "the evaluation process includes three basic steps: the delineating of
questions to be answered and information to be obtained, the obtaining of relevant information, and the providing of information to decisions and thereby to improve ongoing programs"; and third, "evaluation serves decision making " (Stufflebeam, 1973). Randall (1969) views Stufflebeam's CIPP evaluation model as an attempt to "maximize the effectiveness of critical decisions through timely reporting of relevant information in a useful form to appropriate levels of decision making." Within the bounds of the CIPP Model, the evaluation of the U.S.A.S. can be seen as a "Product Evaluation" (for the purposes of the evaluator, as distinct from the purposes of the State Auditor's Office). The "Product Evaluation" component of the CIPP Model "provides information for determining whether objectives are being achieved and whether the procedure employed to achieve them should be continued, modified or terminated " (Stufflebeam, 1973). Said another way, product evaluation considers evidence of the program's effectiveness in attaining its overall goals.

To clarify further the kind of evaluation research approach here to study Ohio's Uniform School Accounting System from yet another perspective, it might be useful to label it a "theory based evaluation of a program " (Fitz-Gibbon, Morris, and Bank, 1975). That is to say, the selection of program features to evaluate is determined by an explicit conceptualization of the program in terms of a theory(s). In essence, it is an evaluation based on a model, theory, or conceptualization about
how the program works. This kind of approach is already inherent in
the generic criteria presented in Chapter II of the present study. The
generic criteria presented there are those which a theory indicates are
crucial in producing the desired program (U.S.A.S.) outcomes. These
generic criteria further relate back to the evaluator's broad "Evaluation -
Research Questions" (as presented in Chapter I).

Though "evaluation research has no special methodology of its
own . . . as 'research', it adheres to the basic logic and rules of
scientific method as closely as possible " (Suchman, 1967). For this
very reason, it is important to establish some very general criteria and
standards to guide the study. These criteria and standards form the
framework within which the "generic criteria" (Chapter II) and the
"evaluation - research questions" (Chapter I) can operate. Initially,
Dror's (1968) definitions of a criterion and a standard provide a useful
distinction.

Criterion - used to ascertain the actual level or
   quality of a process.

Standard - used to appraise the ascertained quality.

The success or failure of a program to achieve its objectives
may be judged according to a number of different criteria. Suchman
(1967) points out three such criteria which are used as part of the
evaluation framework.
(1) Effort

The amount of activity expended toward accomplishment of the objectives.

(2) Performance

The magnitude of the outcome, result, or effect produced by program activity.

(3) Process

The determination of why a program worked or did not work.

On the other hand, Dror (1968) outlines some general evaluation standards which are used as part of the evaluation framework.

(1) Does the achieved quality meet the needs of the addressed population?

(2) Does the achieved quality meet the standards of the profession?

(3) Is the achieved quality as high as the quality planned for?

(4) Is the achieved quality good enough to compare to some optimal model?

A synthesis of evaluation approaches and models, along with the general guiding criteria and standards forms the evaluation framework for the study of Ohio's Uniform Accounting System.

Population and Sample

As indicated in Chapter I, Ohio's Uniform School Accounting System was initially implemented in an eight county region as of
January 1, 1977 (see Appendix B). This Phase I implementation region included fifty-four school districts. Data will be obtained from the clerk-treasurer and superintendent in each of the fifty-four school districts. Because the U.S.A.S. is used as a technical tool in the school district's accounting function as well as a management tool to generate data as a basis for making educational program decisions, it was decided that input from both the clerk-treasurer and superintendent was important. In this way, both uses could be appropriately described. This population serves as the target group for the first stage of the evaluation. This stage primarily involves discovering districts' "level of commitment" (as described in Chapter I, "Evaluation-Research Questions") with regard to the utilization of the U.S.A.S.

Based on level of commitment, as well as a sensitivity to the accounting "machinery" capability of a district, a selected stratified sample of school districts was developed. That sample, plus selected representatives of the State Auditor's Office, constituted the target group for the second stage of the evaluation. This stage involves an in-depth analysis of the perceived successes and/or failures of the U.S.A.S.

**Instrumentation**

Questionnaires and interviews are used as primary data-gathering devices for the study. Both data gathering instruments have
high utility in conducting this evaluation. The questionnaire provides
the researcher with enough base-line data upon which decisions are made
relative to those districts in which personnel shall be interviewed. On
the other hand, the interview provides the researcher an opportunity to
gather more in-depth information regarding perceived successes and/or
failures of Ohio's Uniform School Accounting System after one full year
of implementation. In addition, "the interview gives the initiator
researcher a far better opportunity to gauge the truthfulness or other
qualities of his informant or candidate than when he has to rely on
documentary sources alone" (Madge, 1965). A relatively comprehen-
sive summary of the advantages of the interview (as an instrument for
data gathering) compared to the questionnaire is as follows:

(1) The interviewees may provide personal and confidential
information which they would not ordinarily place in
writing on paper; they may wish to see the investigator
who is securing the information and to receive
guarantees as to how the facts will be used; they may
need the stimulation of personal contacts in order to
be "drawn out . . ." 

(2) The interview enables the investigator to follow up leads
and to take advantage of small cues; in dealing with
complex topics and questions, the development or trend
of the conversation is likely to proceed in any direction,
and no instrument prepared in advance can fully meet the
situation.

(3) The interview permits the investigator to form an
impression of the person who is giving the information,
to arrive at some judgement of the truth of the answers,
and to "read between the lines" things that may not
have been said in words.
(4) The interview provides an opportunity for the interviewer to give information and to develop certain attitudes on the part of the respondent, a procedure that is not possible in using a questionnaire or a test . . . . (Good and Scates, 1954).

The questionnaire used in the first stage of the evaluation (see Appendix H), as well as the interview schedule used in the second stage (see Appendix I), were developed to reflect the broad concerns presented in Chapter I ("Evaluation - Research Questions") and the "generic criteria" presented in Chapter II. Questionnaires developed by Riffel, Watts, and Hudson (1972) in their evaluation-study of the program accounting and budgeting project in Alberta, Canada were used as a guide for developing both the questionnaire and interview schedule used in the present study. The questionnaire and interview schedule were validated using a sample of clerk-treasurers and superintendents in the Phase II implementation region (see Appendix C), Dr. Rod Muth and Dr. Robert Warmbroad of the Ohio State University, and participants in the "Research in Educational Administration" seminar (Ohio State University).

Two cover letters (see Appendix J) accompanied the questionnaire sent to clerk-treasurers and superintendents in the Phase I implementation region. Also, a subsequent letter (see Appendix K) was sent to each prospective interviewee in those districts chosen from the Phase I implementation region.
Limitations

The major limitations to this study are inherent in the fact that the evaluation of Ohio's Uniform School Accounting System took place after only one complete year of operation in school districts. This therefore excluded potential respondents (e.g., teachers, principals, etc.) because of their minimal level of involvement and understanding regarding the U.S.A.S. In terms of instrumentation, much of the data generated in this study is through interviews. As such, gathering data from interviewees is subject to human frailties such as perceptual distortion and modification of experience through hindsight (Kerlinger, 1973). In terms of content, much of the data generated in this study is attitudinal in nature. This leads to another limitation, which is the attempt to quantify much of the data. Quantification is difficult with abstract and variable responses.

Since, in effect, the State Auditor has chosen the eight counties in Ohio to undergo initial implementation of the U.S.A.S., the study is necessarily limited to those choices. Hence, the data generated by the study limits the validity of generalizing the findings. Said another way, caution must be exercised in generalizing results to all districts in the state of Ohio and across the United States. However, the researcher believes that the findings have utility insofar as the main thrust of the evaluation is formative in intent.
RESULTS AND DISCUSSION

Data from Questionnaires

As outlined in the preceding chapter, questionnaires were sent to superintendents and clerk-treasurers covering fifty-four districts in the U.S.A.S. Phase I Implementation Region. In reporting data from questionnaires, two different considerations are pursued. The first consideration involves describing the current status with respect to how the U.S.A.S. is being used by and impacts on school districts. The second consideration involves viewing school districts in terms of their level of commitment regarding intended future use of the U.S.A.S. dimensions, experiences regarding the utility of the U.S.A.S., and accounting technology. In this regard, decisions were made on which districts to select for inclusion in the interview stage of this evaluation. The reader should further note that data is reported in terms of district responses only. Said another way, whether the superintendent and/or clerk-treasurer responded by completing a questionnaire, the school district is considered to be represented. However, in those instances where both the superintendent and clerk-treasurer responded, responses were compared and checked for discrepancies. In all such cases, virtually no discrepancies were discovered.
U.S.A.S. Dimension Usage

Of the fifty-four districts surveyed, fifty-one (94%) responded. In part the questionnaire sought to reveal those U.S.A.S. dimensions actually used by school districts during the first year of implementation (see Table 1). It was discovered that the vast majority of districts did not choose to use more dimensions than necessary to accomplish the same ends as under the previous "Form 84" Ohio School Accounting System. That is to say, all districts complied with the State Auditor's mandate to incorporate the Fund, Function, and Object dimensions into the district's accounting plan. On the other hand, the vast majority of districts chose only to incorporate the Transaction Indicators and Special Cost Center dimensions in addition to the mandate. It should be noted that even though these latter two dimensions were not mandated, they are necessary to use for compliance with various State and Federal reporting requirements.
Table 1
U.S.A.S. Dimensions Used by School Districts

<table>
<thead>
<tr>
<th>U.S.A.S. Dimensions</th>
<th>f</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandated dimensions plus the Transaction Indicators and Special Cost Center dimensions</td>
<td>37 (73%)</td>
</tr>
<tr>
<td>Mandated Dimensions plus 3 - 4 other dimensions</td>
<td>11 (22%)</td>
</tr>
<tr>
<td>Mandated dimensions plus 5 - 6 other dimensions</td>
<td>3 (5%)</td>
</tr>
</tbody>
</table>

U.S.A.S. Utility

A large portion of the questionnaire sought to discover school district's experiences with regard to the utility of the U.S.A.S. Utility of the accounting system was delineated into six areas or indicators of potential U.S.A.S. impact; personnel, budgeting/financial management procedures, program evaluation, program planning, efficiency in servicing the district's operational needs, and long-range planning (see Table 2). As an aside, it is interesting to note that even though the questionnaire did not ask respondents to make additional comments, some individuals took the opportunity to do so (see Appendix L). In this regard, those comments appropriate to specific question areas are reported.
<table>
<thead>
<tr>
<th>Indicators of Utility</th>
<th>Response</th>
<th>f</th>
</tr>
</thead>
<tbody>
<tr>
<td>District has individual or group to consider future expanded use of the U.S.A.S.</td>
<td>yes</td>
<td>10 (20%)</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>36 (70%)</td>
</tr>
<tr>
<td></td>
<td>being considered</td>
<td>5 (10%)</td>
</tr>
<tr>
<td>District is using the U.S.A.S. as a basis for modifying their budgeting/financial management procedures.</td>
<td>yes</td>
<td>25 (49%)</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>16 (31%)</td>
</tr>
<tr>
<td></td>
<td>being considered</td>
<td>10 (20%)</td>
</tr>
<tr>
<td>District is using data generated from the U.S.A.S. to evaluate a particular program.</td>
<td>yes</td>
<td>8 (16%)</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>29 (57%)</td>
</tr>
<tr>
<td></td>
<td>being considered</td>
<td>14 (27%)</td>
</tr>
<tr>
<td>Data generated from the U.S.A.S. has caused the district to plan or modify plans for a particular program.</td>
<td>yes</td>
<td>6 (12%)</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>36 (70%)</td>
</tr>
<tr>
<td></td>
<td>being considered</td>
<td>9 (18%)</td>
</tr>
<tr>
<td>The existence of the U.S.A.S. has increased efficiency in servicing the operational needs of the district.</td>
<td>yes</td>
<td>14 (27%)</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>24 (48%)</td>
</tr>
<tr>
<td></td>
<td>being considered</td>
<td>13 (25%)</td>
</tr>
<tr>
<td>District has attempted long-range planning (10 years into the future) based on information generated by the U.S.A.S.</td>
<td>yes</td>
<td>3 (6%)</td>
</tr>
<tr>
<td></td>
<td>no</td>
<td>38 (74%)</td>
</tr>
<tr>
<td></td>
<td>being considered</td>
<td>10 (20%)</td>
</tr>
</tbody>
</table>
Generally, responses seem to indicate that school districts have differing experiences regarding specific indicators of U.S.A.S. utility. A clear majority of districts (70%) have not identified an individual or group to consider future expanded use of the U.S.A.S. When viewing comments made by some respondents relative to this area, it seemed apparent that much attention is being focused on the clerk-treasurer's office in terms of burdening transitional activities. Said another way, the amount of work required for initial implementation is interfering with consideration of potential future expanded use of the U.S.A.S.

The accounting system has generated an added work load on the office of the clerk-treasurer, and personally, I feel the benefits do not warrant the increased cost for personnel (for the size of our district).

One thing for certain, we have learned that definite changes will have to be made in the clerk's office to meet the demands.

I think it has increased our work load without providing any equivalent efficiency -- in fact it has made it more difficult to monitor.

(Comments from Questionnaires)

On the other hand, in the area of budgeting/financial management, it was discovered that only slightly more of the districts (49%) have experienced some utility. Specifically, these districts indicated that they are using the U.S.A.S. as a basis for modifying their budgeting/financial management procedures. This stands in contrast to those which are not (31%) or are still in the process of considering such a change (20%).
Interestingly enough, with regard to the remaining areas or indicators of experienced U.S.A.S. utility (program evaluation, program planning, efficiency in servicing the district's operational needs, and long-range planning), most districts have not experienced much utility. Specifically, a majority of districts (57%) have not used data generated from the U.S.A.S. to evaluate a particular program. In the same regard, most districts (48%) do not see the existence of the U.S.A.S. as having increased efficiency in servicing their operational needs.

On the other hand, it should be noted that 27% of the districts (the second largest number of "yes" responses to any experienced utility question) did see the U.S.A.S. as increasing efficiency in servicing their operational needs. This point can be further highlighted in the following comment taken from a questionnaire:

The district has really just begun to really use the system — '78 appropriations were put on for the first time . . . machine limits us in how far we can carry out the coding. I do like the system, and can see how it can help in evaluations of programs, etc.

When considering whether or not data generated from the U.S.A.S. has caused the district to plan or modify plans for a particular program, a clear majority of districts (70%) responded in the negative. Consistent with this lack of experienced utility, the largest majority of districts (74%) have not attempted long-range planning (10 years into the future) based on information generated by the U.S.A.S.
In discovering how the U.S.A.S. impacted on school districts, it was important to know districts' accounting technology capability. The relative importance of this variable can best be emphasized by citing some comments taken from questionnaires.

As more up-to-date accounting equipment is implemented in our office, the new system of accounting can be utilized further.

... machine limits us in how far we can carry out the coding.

Our district has invested in a new computer to be able to adopt the new system.

It is clear from the data collected (see Table 3) that very few districts (16%) have computer capability. In contrast to this, the vast majority of school districts either have hand posting capability (45%) or machine accounting capability (39%).

Table 3
Accounting Technology of School Districts

<table>
<thead>
<tr>
<th>Technology</th>
<th>f</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hand Posting</td>
<td>23</td>
</tr>
<tr>
<td>Machine Accounting</td>
<td>20</td>
</tr>
<tr>
<td>Computer Utilization</td>
<td>8</td>
</tr>
</tbody>
</table>
U.S.A.S. Aggregate Utility

As mentioned at the beginning of the chapter, a large portion of the questionnaire sought to discover school districts' experiences with regard to the utility of the U.S.A.S. Specifically, six questions (out of the nine included in the questionnaire) addressed this concern. Though district responses to each individual question has already been reported, it is important to determine school districts' level of experienced utility (with regard to the U.S.A.S.) in the aggregate. Said another way, to view the range of school districts' total experience, it is important to categorize them as having experienced either "high," "medium," or "low" levels of utility. This categorization was then determined on the basis of the combination of "yes," "no," or "being considered" responses from each district (see Table 4).
Table 4  
Aggregate of Responses with regard to  
School Districts' Experiences - Utility of U.S.A.S.

<table>
<thead>
<tr>
<th>Level of Utility</th>
<th>Total Responses to Utility Questions</th>
<th>( f )</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>high</td>
<td></td>
<td></td>
</tr>
<tr>
<td>high</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>medium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>medium</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>low</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>6</td>
</tr>
</tbody>
</table>
A specific example might be cited by viewing those districts which fall into the "high" level of experienced utility. The reader should note that there is a total of six districts included at this level. Of those six districts, the two at the upper end of the "high" utility range are thereby virtue of the fact that their responses to the utility questions (on the questionnaire) resulted in five "yes" responses, one "no" response, and no "being considered" responses.

It is clear from the data collected that after approximately a year and a half of U.S.A.S. implementation, a majority of districts (67%) have experienced a low level utility with regard to the system (see Table 5). On the other hand, it is important to further note that only six districts (12%) have experienced a high level of utility.

Table 5
School Districts' Experienced Level of Utility

<table>
<thead>
<tr>
<th>Level of Utility</th>
<th>f</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>6 (12%)</td>
</tr>
<tr>
<td>Medium</td>
<td>11 (21%)</td>
</tr>
<tr>
<td>Low</td>
<td>34 (67%)</td>
</tr>
</tbody>
</table>
It is necessary at this point to reiterate the fact that data collected from questionnaires were used largely to make decisions on which districts to include in the interview stage of this evaluation. Since the major portion (in terms of depth and breadth) of the total data collected for this evaluation was collected from interviews, it was crucial to assure interviewing a representative sample of school districts. In this regard, emphasis was placed on school districts' level of commitment to utilizing the U.S.A.S. As defined in Chapter I, a district's level of commitment is based on that district's future intended use of U.S.A.S. dimensions. From the data collected, it is apparent that only a slight majority of districts (55%) fall into the "minimally committed" category (see Table 5). The remaining districts are relatively evenly divided between having a "modest commitment" (24%) or a "deep commitment" (21%).

Table 6
School Districts' Level of Commitment re: Intended Use of U.S.A.S. Dimensions

<table>
<thead>
<tr>
<th>Level of Commitment</th>
<th>Intended Use of U.S.A.S. Dimensions</th>
<th>f</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimally Committed</td>
<td>Mandated dimensions plus the Transaction Indicators and Special Cost Center dimensions</td>
<td>28 (55%)</td>
</tr>
<tr>
<td>Modestly Committed</td>
<td>Mandated dimensions plus 3-4 other dimensions</td>
<td>12 (24%)</td>
</tr>
<tr>
<td>Deeply Committed</td>
<td>Mandated dimensions plus 5-6 other dimensions</td>
<td>11 (21%)</td>
</tr>
</tbody>
</table>
To base decisions on which school districts to interview solely on level of commitment would be incomplete in nature. For this reason, it is important to also view districts in terms of their experienced level of utility as well as their accounting technology capability. When viewing school districts' accounting technology and experienced level of utility, the data yields some inconsistent but interesting findings (see Table 7).

Table 7
School Districts' Accounting Technology and Experienced Level of Utility

<table>
<thead>
<tr>
<th>Technology</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Utilization</td>
<td>3 (6%)</td>
<td>3 (6%)</td>
<td>2 (4%)</td>
</tr>
<tr>
<td>Machine Accounting</td>
<td>1 (2%)</td>
<td>5 (10%)</td>
<td>14 (27%)</td>
</tr>
<tr>
<td>Hand Posting</td>
<td>2 (4%)</td>
<td>3 (6%)</td>
<td>18 (35%)</td>
</tr>
</tbody>
</table>

While districts with machine or hand posting accounting technology tended to experience a low level of utility, districts with computer capability tended to have experienced either a low, medium, or high level of utility. Said another way, though a district's accounting technology seemed to make a difference (in terms of experienced level
of utility) with machine and hand posting capability, it seemed not to make a difference with those having computer capability.

It is interesting to further note that when viewing districts in terms of their accounting technology and level of commitment, the data yield a similar finding (see Table 8). That is to say, districts with machine or hand posting accounting technology tended to have a minimal level of commitment; while districts with computer capability tended to have either a minimal, modest, or deep level of commitment.

### Table 8

School Districts' Accounting Technology and Level of Commitment re: Intended Use of U.S.A.S. Dimensions

<table>
<thead>
<tr>
<th>Technology</th>
<th>Deeply</th>
<th>Modestly</th>
<th>Minimally</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Utilization</td>
<td>3 (6%)</td>
<td>3 (6%)</td>
<td>2 (4%)</td>
</tr>
<tr>
<td>Machine Accounting</td>
<td>5 (10%)</td>
<td>4 (8%)</td>
<td>11 (21%)</td>
</tr>
<tr>
<td>Hand Posting</td>
<td>3 (6%)</td>
<td>5 (10%)</td>
<td>15 (29%)</td>
</tr>
</tbody>
</table>

One can begin to understand this phenomenon (from the perspective of districts with less than computer capability), by reviewing some comments taken from questionnaires.
... machine limits us in how far we can carry out the coding.

As more up-to-date accounting equipment is implemented in our office, the new system of accounting can be utilized further.

Finally, when viewing districts' experienced level of utility and level of commitment, the data yielded one clear finding (see Table 9). In this regard, it can be said that the majority of districts which experienced a low level of utility also indicated a minimal level of commitment. On the other hand, districts with either medium or high experienced levels of utility ranged from having a minimal to deep level of commitment.

Table 9
School Districts' Experienced Level of Utility and Level of Commitment re: Intended Use of U.S.A.S. Dimensions

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Utility</th>
<th>Deeply</th>
<th>Modestly</th>
<th>Minimally</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td></td>
<td>3 (6%)</td>
<td>1 (2%)</td>
<td>2 (4%)</td>
</tr>
<tr>
<td>Medium</td>
<td></td>
<td>5 (10%)</td>
<td>2 (4%)</td>
<td>4 (8%)</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td>3 (6%)</td>
<td>9 (17%)</td>
<td>22 (43%)</td>
</tr>
</tbody>
</table>
Having considered the totality of data presented thus far, the decision of which districts to include in the interview stage of this evaluation remains. As already mentioned, this decision must rest on arriving at a select sample of districts based on these variables; level of commitment, level of utility, and accounting technology. To accomplish this end, it is important to view all fifty-one responding districts in terms of those variables (see Table 10).
Table 10
Range of School Districts' Level of Commitment, Level of Utility, and Accounting Technology

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Utility</th>
<th>Technology</th>
<th>f</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deeply High</td>
<td>High</td>
<td>Computer</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>Deeply High</td>
<td>High</td>
<td>Machine</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>Deeply High</td>
<td>High</td>
<td>Hand Posting</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>Deeply Medium</td>
<td>Medium</td>
<td>Computer</td>
<td>2 (4%)</td>
</tr>
<tr>
<td>Deeply Medium</td>
<td>Medium</td>
<td>Machine</td>
<td>2 (4%)</td>
</tr>
<tr>
<td>Deeply Low</td>
<td>Low</td>
<td>Computer</td>
<td>0</td>
</tr>
<tr>
<td>Deeply Low</td>
<td>Low</td>
<td>Machine</td>
<td>2 (4%)</td>
</tr>
<tr>
<td>Deeply Low</td>
<td>Low</td>
<td>Hand Posting</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>Modestly High</td>
<td>High</td>
<td>Computer</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>Modestly High</td>
<td>High</td>
<td>Machine</td>
<td>0</td>
</tr>
<tr>
<td>Modestly High</td>
<td>High</td>
<td>Hand Posting</td>
<td>0</td>
</tr>
<tr>
<td>Modestly Medium</td>
<td>Medium</td>
<td>Computer</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>Modestly Medium</td>
<td>Medium</td>
<td>Machine</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>Modestly Medium</td>
<td>Medium</td>
<td>Hand Posting</td>
<td>0</td>
</tr>
<tr>
<td>Modestly Low</td>
<td>Low</td>
<td>Computer</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>Modestly Low</td>
<td>Low</td>
<td>Machine</td>
<td>3 (6%)</td>
</tr>
<tr>
<td>Modestly Low</td>
<td>Low</td>
<td>Hand Posting</td>
<td>5 (10%)</td>
</tr>
<tr>
<td>Minimally High</td>
<td>High</td>
<td>Computer</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>Minimally High</td>
<td>High</td>
<td>Machine</td>
<td>0</td>
</tr>
<tr>
<td>Minimally High</td>
<td>High</td>
<td>Hand Posting</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>Minimally Medium</td>
<td>Medium</td>
<td>Computer</td>
<td>0</td>
</tr>
<tr>
<td>Minimally Medium</td>
<td>Medium</td>
<td>Machine</td>
<td>2 (4%)</td>
</tr>
<tr>
<td>Minimally Medium</td>
<td>Medium</td>
<td>Hand Posting</td>
<td>2 (4%)</td>
</tr>
<tr>
<td>Minimally Low</td>
<td>Low</td>
<td>Computer</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>Minimally Low</td>
<td>Low</td>
<td>Machine</td>
<td>9 (17%)</td>
</tr>
<tr>
<td>Minimally Low</td>
<td>Low</td>
<td>Hand Posting</td>
<td>12 (23%)</td>
</tr>
</tbody>
</table>

Based on this range of school districts, decisions on which to include for participation in interviews are made.
Data from Interviews

In arriving at a select sample of school districts to include in the interview stage of this evaluation, the researcher sought to cover the range of questionnaire respondents. Districts were chosen on the basis of three key variables: level of commitment, level of utility, and accounting technology capability (see Table II).

Table II
School Districts Included in the Interview Stage

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Utility</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deeply</td>
<td>High</td>
<td>Computer</td>
</tr>
<tr>
<td>Deeply</td>
<td>High</td>
<td>Hand Posting</td>
</tr>
<tr>
<td>Deeply</td>
<td>Medium</td>
<td>Hand Posting</td>
</tr>
<tr>
<td>Modestly</td>
<td>High</td>
<td>Computer</td>
</tr>
<tr>
<td>Modestly</td>
<td>Medium</td>
<td>Computer</td>
</tr>
<tr>
<td>Modestly</td>
<td>Low</td>
<td>Machine</td>
</tr>
<tr>
<td>Minimally</td>
<td>Medium</td>
<td>Machine</td>
</tr>
<tr>
<td>Minimally</td>
<td>Low</td>
<td>Computer</td>
</tr>
<tr>
<td>Minimally</td>
<td>Low</td>
<td>Hand Posting</td>
</tr>
</tbody>
</table>

These districts reflect the extremes in questionnaire respondents (i.e., Deep Commitment, High Utility, Hand Posting Technology), as well as unusual combinations of variables (i.e., Deep Commitment, High Utility, Hand Posting Technology to Minimal Commitment,
Low Utility, Computer Technology). The later examples are considered to be unusual in so far as one would expect a district with hand posting accounting technology as not being capable of having a deep commitment or high experienced level of utility with regard to the U.S.A.S. Hence, it was anticipated that including such districts in the interview stage would enrich the data generated.

Interviews were conducted with the superintendent (or designee) and the clerk-treasurer in those districts indicated at the beginning of this section (see Table II), as well as selected key members of the State Auditor's U.S.A.S. project staff. The data generated from interviews are reported in a way that integrates the responses of the superintendent (or designee) and clerk-treasurer in each district (see Appendix N). This allows the researcher to report data in terms of district experiences and perceptions. The reader should also note that responses to individual questions are aggregated under five major areas so that the data may be reported with more organization, focus and conciseness. Those five major areas are:

1. Various ways in which the U.S.A.S. has impacted on school districts,

2. Experiences and perceptions regarding the nature of information produced by the U.S.A.S.,

3. Various ways in which the U.S.A.S. has been utilized (and/or not utilized) as a management tool by school districts,
(4) Experiences and perceptions regarding the effects the U.S.A.S. has had on the budgeting process, and

(5) Various experiences and perceptions of the U.S.A.S. in general. That is, statements made by interviewees when asked, is there anything else you would like to say about the U.S.A.S.?

Finally, the data will be reported in terms of a school district's level of commitment, level of experienced utility, and accounting technology capability when appropriate. The data generated from school districts will further be compared to responses made by selected staff of the State Auditor's Office.

**U.S.A.S. Impacts**

The first major area under which interview responses are aggregated is concerned with the various ways in which the U.S.A.S. had impacted on school districts. Said another way, the data in this area is intended to reflect the experiences and perceptions of interviewees regarding the U.S.A.S. in terms of how it has caused certain things to occur in school districts. Before specifically addressing this concern, it is important to determine what school district personnel believe are the primary purposes of the U.S.A.S. It was discovered that most districts agreed on two distinct levels regarding purposes the U.S.A.S. will serve. Those levels are the state level and the local level. When viewing the state level, districts with higher levels of commitment and utility felt that state bodies, such as the Legislature, Auditor's Office,
and the Department of Education are simply looking for more detailed financial information than they were able to get under the Form 84 system. Specifically, this would enable them to see the operational costs of various school districts more clearly, and hence, will provide them with answers to the questions they have that fall into the realm of educational accountability. Other expressed purposes that serve state level concerns are:

(1) The U.S.A.S. will be a better system to work with in conducting audits. One individual felt that the U.S.A.S was the first crucial step toward a time when all audits will be conducted from a centralized computer center.

(2) The U.S.A.S. would provide uniformity across the state in accounting concepts. In general, district personnel felt that the old Form 84 accounting system had a few codes that encompassed everything, and with few exceptions, every district created their own codes to supplement that to handle their needs internally. Hence, there was no uniformity.

On the other hand, districts with lower levels of commitment and utility viewed the purposes of the U.S.A.S. that served the state level with much more skepticism. In this regard, it was discovered that district personnel believed the U.S.A.S. to be a conscious effort to develop a format which would readily show what the per pupil costs are in districts. Eventually, this would translate itself into a comparison of what kinds of state funds go into a district and how much spending per pupil occurred in terms of this state input. It was specifically stated that the U.S.A.S. is not rooted whatsoever in a desire to serve the public interest.
When reviewing those purposes of the U.S.A.S. in terms of the local level, districts with higher levels of commitment and utility believed:

(1) The U.S.A.S. produced information that can be used for program and fiscal decision-making and/or cost-benefit analyses.

(2) The U.S.A.S. gives better cost accounting capabilities to all school districts. As such, it provides better management information in affording administrators the opportunity to clearly see the cost for educational units, buildings, subject areas, etc.

On the other hand it should be pointed out that smaller districts with lower levels of commitment and utility felt that the U.S.A.S. would be more beneficial to the State Auditor's Office than to the school district because districts could ascertain most costs without the U.S.A.S. In fact then, it is less revealing to these districts to maintain their records using the U.S.A.S. To illustrate this point, an interviewee used the example of textbooks in the district. Under the Form 84 system, he could ascertain what was spent on textbooks for the district, the high school, and even so far as the English Department. He indicated that under the U.S.A.S., it is much more difficult to find this information out.

As an aside, it is interesting to note that all districts, as well as the State Auditor's Office, believed that in the future, additional dimensions of the U.S.A.S. will be mandated for use by all school districts. It is believed that these additional mandates will manifest
themselves in the form of various state reporting requirements.

Specifically, one interviewee stated that the law intended that one should be able to ascertain all direct and indirect costs for all aspects of the school system. In order to be true to the spirit of the law, additional dimensions of the U.S.A.S. will have to be mandated. Districts of lower levels of commitment and utility differed only in so far as how this data would be used at the state level. In essence, they believed that the data collected from mandating additional dimensions would enable the Auditor's Office to state that a school district is in financial trouble because they are operating with (e.g.) 42 teachers above the state minimum. This would then result in producing a financial picture which would lead to making state minimums the accepted norm for a school district.

As mentioned in Chapter I, the State Auditor's Office only mandates three of the nine U.S.A.S. dimensions. Beyond that, districts are free to choose to incorporate any or all of the remaining six dimensions. Given this situation, it is important to discover those factors which influenced a district's decision in this regard. Districts which decided to use more than the Auditor's mandated dimensions, did so for the following reasons:

(1) To develop the capability of storing and retrieving a tremendous amount of management data -- data that is useful in decision making.
(2) To continue their already existent program budgeting efforts. Complying only at the mandated level would destroy previously developed program budgeting practices.

(3) To have available more complete fiscal data regarding the operations of the school system.

(4) To be able to break down costs of various operations in the school system (e.g., supplies and equipment according to departmental units).

(5) To continue what had already been accomplished with regard to a building level budgeting approach.

(6) To take on the posture of being a leader in their region regarding use of the U.S.A.S.

(7) To take on the posture of being a follower in their region. Said another way, if a district sees the lighthouse district in their region implementing more dimensions, then they would follow in that regard basically because the system must be good.

The factors outlined above were typically associated with districts having higher levels of commitment and utility. Districts with lower levels of commitment and utility typically decided to use only those dimensions mandated by the State Auditor's Office. Some of the reasons for that kind of decision are as follows:

(1) The district refuses to do more than they have to, in the hopes that the U.S.A.S. will soon be changed or replaced.

(2) If the district is performing their accounting function with a hand posting technology, they see implementing any more than the mandated dimensions as being impractical and near impossible.
(3) To use the mandated dimensions as a starting point. That is to say, the district is not yet sure how far they want to go with the system and therefore prefers to implement carefully and slowly.

(4) The district does not see value in being able to analyze costs in any further depth than was possible under the Form 84 system. Specifically, one interviewee stated that if there was some way to back out of the U.S.A.S. entirely, legally, they would do so.

When one views these various factors, one is led to consider, among other things, the extent to which district personnel are able to use the U.S.A.S. or perceives the usefulness of the U.S.A.S. is dependent upon the district's accounting technology capability. The majority of district personnel interviewed agreed that if you choose to go beyond the State Auditor's mandated dimensions, then you have to concurrently go beyond the use of bookkeeping machine. It was also agreed that a district can incorporate and operationalize the mandated dimensions alone with a bookkeeping machine or a hand posting technique. However, the type of accounting equipment available to a district will dictate how much data you can generate from the U.S.A.S. and the kinds of questions you can have answered. Generally, the belief expressed here is that without data processing capability, the data generated by incorporating additional dimensions of the U.S.A.S. would be too voluminous to handle. However, it is interesting to note that there were some districts which believed the accounting technology capability didn't make any difference. One interviewee's point in this regard is that a district's
accounting function can be performed more quickly with electronic data processing than with bookkeeping machines or hand posting. In smaller districts that utilize a hand posting technology, certainly more ledger sheets or cards will need be created; however, there's a benefit of having additional flexibility with this kind of a system. One interviewee stated that someone who was hand posting accounts can simply take an eraser and fix an error; those using a computer must undertake "all sorts of weird gyrations" to accomplish the same thing (District: Deep Commitment, High Utility, Computer Technology).

A specific and extremely concrete way in which the U.S.A.S. impacts on school districts is by districts having to incur additional costs for operating the system. While only one district stated that the U.S.A.S. has not led to any increased costs, all of the remaining districts responded affirmatively to this concern. Those points where districts have experienced increased costs due to the inception of the U.S.A.S. are as follows:

(1) It takes a tremendous amount of district personnel effort to adopt the U.S.A.S. and in this way intangible costs are increased.

(2) The U.S.A.S. has caused district personnel to spend more time on the accounting function. This has occurred, for the most part, at the initial U.S.A.S. implementation stage.

(3) It has caused some districts to change their accounting technology (i.e., from bookkeeping machinery to computer).
(4) As districts decided to seek more data from the U.S.A.S. (or were required to do so through state level reports), additional personnel (and sometimes equipment) expenditures were incurred.

When considering this concern of increased costs for districts, it is important to note that a person from the State Auditor's Office believes if a district implements only those mandated dimensions of the system, then the U.S.A.S. would not lead to any increased costs. It must be pointed out, in this regard, that most of the school district personnel interviewed disagreed with this view entirely.

Following the concern of increased costs for school districts due to the inception of the U.S.A.S., it is important to pursue the question of whether or not these costs are too high as compared with the benefits a district can accrue from the U.S.A.S. The State Auditor's Office advises that districts not make any capital investments (i.e., equipment acquisition) during the first year of U.S.A.S. implementation. It is believed that after one year's experience, a district can make a better "management decision about what they want to get out of the system, what kind of accountability, and what their future needs are going to be." In essence, when a district's personnel can first see what the U.S.A.S. can do for the, then they can make a better cost-benefit decision relative to incurring additional expenditures. Districts with lower levels of commitment and utility believe that the costs of operating the U.S.A.S. are indeed too high in relation to the benefits. In fact, these district personnel see absolutely no benefits to be accrued
from the U.S.A.S. whatsoever. On the other hand, districts with higher levels of commitment and utility see many benefits accruing to them from the U.S.A.S.; benefits that far outweigh any costs incurred. Some comments taken directly from interviewees will serve to highlight this position.

The accounting system is well worth the expenditures you have to make in order to work it properly. Accountability is what it's all about. Educational accountability is crucial today. The new accounting system is a most useful tool in regard to this (District: Modest Commitment, Medium Utility, Computer Technology).

The key is you can give the information to the Board of Education and the educational managers in a format that will help them -- it really becomes a management tool ... The costs aren't too high (District: Deep Commitment, High Utility, Computer Technology).

I don't think the costs are too high in relation to the benefits. Yes there are some additional costs, but there will be significant time saved in terms of person hours and the data produced will be very useful to us if we continue to use the system properly (District: Deep Commitment, Medium Utility, Hand Posting Technology).

One specific example relating to the benefits accrued from the U.S.A.S. being higher than the costs incurred is worth mentioning at this point. A district with a higher level of commitment and utility (i.e., modest commitment, high utility, computer technology) cited the U.S.A.S. for enabling them to accurately ascertain the costs of their driver education program. They discovered that the cost per pupil was approaching $160.00. The district knew that they could contract out their driver
education program for approximately $55.00 per pupil. With this knowledge, district personnel conducted studies that compared the in-house program with the external program and discovered no significant difference in terms of the educational end product. Needless to say, the district proceeded to contract out their entire driver education program. In essence then, it was the U.S.A.S. that contributed to this savings.

Another concern relative to the ways in which the U.S.A.S. impacts on school districts has to do with the system's flexibility to accommodate future changes. All but two districts interviewed saw the U.S.A.S. as being flexible in this way. Specifically, districts have experienced five or six revisions in the U.S.A.S. since its inception. As areas and needs arose which were not planned for initially, it was possible to make modifications to the U.S.A.S. without having to change the entire system. These districts further saw "the new accounting system as being one where you can get out of the system what you want, depending on how much you want to put in and how far you want to break down certain costs" (District: Modest Commitment, Low Utility, Machine Technology). Said another way, the new accounting system certainly allows for expansion. One interviewee compared the U.S.A.S. to a "telescope, you can collapse it or expand it depending on what you want" (District: Modest Commitment, Medium Utility, Computer Technology). The basis for those two districts not
agreeing with the majority, relative to this concern, seems to be looking at the flexibility issue from another perspective. The majority of districts pointed toward the U.S.A.S. as being a very rigid system in terms of the Auditor's Office setting certain limitations on how districts can classify expenditures. One district cited their experience in trying to find a code to which the rental of their postage meter could be assigned. In this instance the district decided to charge it to the communication-postage code. However, they learned that this was improper in that the postage meter comes under a completely different object. It must be coded as a specific rental object. In this instance the interviewee stated "eventually, there will be findings made against school districts using the U.S.A.S. where that school district does not put the object item in the category mandated by the State Auditor" (District: Minimal Commitment, Low Utility, Computer Technology).

Finally, another way in which the U.S.A.S. has impacted on school districts is in terms of it possibly dictating very cumbersome and complex work for district personnel. While the State Auditor's Office maintains that basically "the only time we found the system to be too much for a district to handle was in a training session we found they were trying to do much more than they had in the past," the findings seem to indicate a different kind of phenomenon. Once again, districts with lower levels of commitment and utility tended to view the U.S.A.S. as being too cumbersome and complex a system to work with. One
such district indicated that they would have to go from 600 ledger cards to 5,000 accounts under the new accounting system. While this occurrence, in and of itself, is not necessarily bad, district personnel stated that much of the data broken out under the new system will be useless. For example, "breaking out sick leave costs to instructional programs" was deemed ridiculous by one particular district (District: Modest Commitment, Low Utility, Machine Technology). Another district's personnel saw the U.S.A.S. in terms of complexity as being "absolutely fierce." One interviewee in this district stated (District: Minimal Commitment, Low Utility, Computer Technology), "We've used this system a year and a half now and still have difficulty locating information and coding information." The complete antithesis to these experiences was expressed by districts with higher levels of commitment and utility. The general experiences of these districts can best be captured in one interviewee's statement:

I don't think it's too complex or cumbersome. I think the problem is you go from a very simple method in the Form 84 system to a system that provides additional data and that complicates things in people's minds. Basically, we have found it relatively easy to change from one designation to another. For example, we always talked about B-6's or B-9's, now we talk about numbers that reflect particular functions (District: Deep Commitment, Medium Utility, Hand Posting Technology).

The point to be emphasized here is the fact that those districts did not see the U.S.A.S. as being too cumbersome or complex to work with,
even when it is compared to the Form 84 system. In this regard, another interviewee stated, "the Form 84 was so bland and so is the bare minimum of the new accounting system. It just accounts for the money, it doesn't tell you where it goes" (District: Modest Commitment, High Utility, Computer Technology).

**U.S.A.S. In-Service**

Before moving to the second major area of interview data, it is appropriate to view the perceptions of school district personnel with regard to in-service training provided by the State Auditor's staff. Specifically, the evaluator was attempting to determine whether or not the State Auditor's Office had provided adequate in-service training for district personnel in terms of implementing the U.S.A.S. As explained in Chapter I, the State Auditor's Office provides a two-day training seminar for all districts beginning to implement the U.S.A.S. In addition to this service, the Auditor's staff provides follow-up support with on-site technical assistance. It is interesting to note that the staff at the Auditor's Office was most critical of their in-service training efforts. While they felt that the "back-up on-site program" was adequate, they felt the training sessions were not.

(Our in-service training) has not always been timely in Central Ohio . . . We certainly would like to do more in the area of training but there is a point of practicality there. How long do you keep these people out of their districts? How long can we afford to be on the road per training session without sacrificing service to the other districts.
All district personnel interviewed, from those with minimal commitment, low utility, hand posting technology to those with deep commitment, high utility, computer technology, agreed that the U.S.A.S. project staff of the State Auditor's Office was doing an admirable job. In essence, the feeling conveyed was one of general satisfaction with the staff and the training tools they have developed (i.e., the U.S.A.S. User Manual). However, it should be noted that points were raised in interviews relative to those areas of training which lacked certain aspects, through no fault of the project staff. The following comments taken from various district interviews will illustrate this:

I think it is difficult for them to do so because they have a great turnover in staff. I think you almost need someone to work with you continuously to properly implement the system and I'm not sure that they can provide that service (District: Modest Commitment, Medium Utility, Computer Technology).

As far as training, they're in a difficult position. They had dollars appropriated by the state legislature to train and implement this but they don't have the people with the actual experience in the day to day procedures and what's needed in the schools (District: Deep Commitment, High Utility, Computer Technology).

I think they made efforts at it. Frankly, I don't feel most of them understand it that well themselves (District: Minimal Commitment, Medium Utility, Machine Technology).

U.S.A.S. Information Generation

The second major area under which interview responses are aggregated is concerned with school districts' experiences and
perceptions regarding the nature of information produced by the U.S.A.S.
That is to say, what are those factors that characterize data generated from the U.S.A.S.? When considering whether data produced by the U.S.A.S. is superior to that provided by the Form 84 system, the districts interviewed were divided in terms of their perceptions. Those districts with lower levels of commitment and utility perceived data generated by the U.S.A.S. not to be superior to that generated by the Form 84 system for basically two reasons:

(1) It is more difficult to get at information under the U.S.A.S. Specifically, one interviewee related this example,

I will get a call from a principal and he'll say ... I've spent my textbook allocation, is there some surplus somewhere that I can use. It is much more difficult for me to find out this information now than it was previously" (District: Minimal Commitment, Low Utility, Hand Posting Technology).

(2) Depending on how a district used the Form 84 system, one could generate all the fiscal data one would need with that system. Hence, having to make the transition to the U.S.A.S. is unnecessary.

On the other hand, districts with higher levels of commitment and utility perceived data generated by the U.S.A.S. as being distinctly superior to that provided by the Form 84 system. Among the reasons cited to support this view were the following:

(1) The U.S.A.S. gives a district the ability to determine and track costs by program area.
The multi-dimensional aspects of the new accounting structure allows us to complement our PPBS concept of goals and objectives and tries to evaluate their performance ... in relationship to the financial support given (District: Deep Commitment, High Utility, Computer Technology).

(2) The U.S.A.S. provides better management information. "The board will be able to understand the fiscal operation better, they get more complete information broken down" (District: Deep Commitment, High Utility, Hand Posting Technology).

(3) Data provided by the U.S.A.S. is more diversified and detailed.

You get a much clearer picture in terms of salary costs like retirement, life insurance, personal leave, sick leave, hospitalization. If you want to give the board a clear picture on what it costs to buy personnel, you have to have all of these costs clearly spelled out. With the different levels provided by the new system, we'll be able to pull that all together" (District: Modest Commitment, Medium Utility, Computer Technology).

Another aspect which characterizes the nature of data generated by the U.S.A.S. is comprehensiveness (or lack thereof). It was discovered that among those districts included in the interview stage, there was complete agreement that the U.S.A.S. indeed increased the comprehensiveness of the district's information systems. However, it should be noted that some districts with lower levels of commitment and utility questioned the usefulness of this comprehensiveness. Some comments taken from interviews clearly illustrated this point.
Yeah, it's there. So you have more information at your fingertips; but again, a criticism of it is that I don't know if it means anything to the Board. (District: Minimal Commitment, Low Utility, Hand Posting Technology).

It increases the amount of data that we have. Now the logical question -- you generate data, that is not the purpose, to generate data as an exercise, it is to generate data to increase knowledge. We're going to have alot of data under this accounting system that we're not going to use. (District: Modest Commitment, How Utility, Machine Technology).

It should also be noted that one interviewee in particular was concerned about the comprehensiveness of the data being produced by the U.S.A.S. as being erroneous at times. An example of this concern might be drawn in a hypothetical situation. In comparing the costs of the first grade reading program in two different schools within a district, one school might exceed in expenditures due to the fact that it has more teachers with master's degrees than the other. Hence, more is necessarily spent on salaries. In this situation, though more money is being spent in one school's program as compared to the other, it does not necessarily reflect a conscious effort on the part of the administration to do so. One could then speculate that the data generated here are erroneous and might cause the district some problems in terms of board, parent, and/or community reactions. When the researcher posed this situation to members of the State Auditor's staff, the following response was noted:
Certainly the financial system is not designed to test the educational quality of any school district, but at least now they'll know they are spending more money at one school building, which is something they did not know in the past... The cost design does tell you where you spend your dollars, you have to make the management decisions. We can't think for the managers, but can give them the accounting (tool) to tell them where they are spending their dollars.

Before leaving this notion of comprehensiveness, a response given by an interviewee in support of the U.S.A.S. increasing the comprehensiveness of the district's information system is worth noting.

It will do it in such a way that it will unify the administrative team. It will be done by sharing information, becoming more aware of various fiscal impacts on different components in the district, etc. Furthermore, generating the kind of data we're seeing as being important to generate is a task that must be shared by all administrative staff. (District: Modest Commitment, Medium Utility, Computer Technology).

This particular statement differed significantly from all the various responses given to the question dealing with comprehensiveness. For that very reason, it is highlighted here as a highly distinctive perspective.

Yet another aspect which characterizes the nature of information being produced by the U.S.A.S. is whether or not the system provides discretion for districts to aggregate data in a variety of ways depending on the questions they want to have answered. Once again, all districts interviewed were in basic agreement. The U.S.A.S. is designed in a
way that allows districts the discretion to aggregate data in a variety of ways to answer whatever cost-related questions they have. The idea here is to be able to use different dimensions of the U.S.A.S. that will yield different aids of information. A specific example of this can be drawn from one interviewee who stated, "Maybe you want to know how much you spend for secretaries in a school district. You should be able to go to the dimension that says 'job assignment' and there you find the cost of secretaries. If you want to know principal's secretaries, then you can break that kind of data out also" (State Auditor's Office). It should further be noted that while all who were interviewed agreed on this point, districts with lower levels of commitment and utility did make some qualifying statements. One such district (District: Modest Commitment, Low Utility, Machine Technology) stated that this kind of thing could also be accomplished as long as the district had data processing capability. Yet another district questioned the usefulness of being able to do this in certain cost areas.

Before we used to have the lump sum, you know, we spent "x" amount of dollars for retirement. Now I don't know what good it does me to know what that is, broken down by special education, or by the regular classroom teachers, the administrators, and so on. We can get that information with this new system, but there's no advantage to having it (District: Minimal Commitment, Low Utility, Hand Posting Technology).
Finally, one other characteristic was tested in terms of the nature of information being produced by the U.S.A.S. In this regard, the researcher sought to discover whether or not the data being generated from the U.S.A.S. would be useful to various levels of decision makers in a school district. There was general consensus among all district personnel interviewed that data generated by the U.S.A.S. are useful to different levels of decision makers in the district. However, once again it must be noted that one district (District: Modest Commitment, Low Utility, Machine Technology) qualified its affirmative response by stating, "But we have that same capability with the system we had previously." Other district personnel saw this aspect as being particularly useful to principals in helping them ascertain what is being spent on different units of their respective buildings. Also, to all decision makers in program planning efforts, as well as when there was a need to ask the community for additional operating millage since now they would be able to say why with sound, supporting details. One interviewee alluded to the size of a district as it related to this aspect.

Probably would not be as effective in this size district as compared to larger ones where there are first off more levels of decision makers, and that being the case, communication and the flow of information is much more difficult. Of course, on the other hand, by the mere fact that this system provides better data, in my opinion, than the old system, I can't help but see it as being useful to anyone (District: Deep Commitment, Medium Utility, Hand Posting Technology).
U.S.A.S. as a Management Tool

The third major area under which interview responses are aggregated is concerned with the various ways in which the U.S.A.S. has been utilized (and/or not been utilized) as a management tool by school districts. One aspect included in this area is determining whether or not the U.S.A.S. is an effective tool in devising more effective cost control procedures over the district. While personnel in two districts stated "no" emphatically to the U.S.A.S. being an effective tool in devising better cost control procedures, the majority of districts' personnel responded in the affirmative. Though the linkages between the U.S.A.S. and budgeting will be discussed under another major area, it is appropriate to compare two interviewee's responses to the cost control concern here. While one interviewee (District: Modest Commitment, Low Utility, Machine Technology) believed that the U.S.A.S. did not strengthen cost control procedures in the district because it interfered with program budgeting efforts, another interviewee felt the U.S.A.S. strengthened cost control procedures in the district because it enhanced program budgeting efforts. "In this respect, that when staff ask for funds they must justify more than ever what those funds will bring back in benefits" (District: Deep Commitment, High Utility, Computer Technology). Other reasons why district personnel believed the U.S.A.S. aided them in exercising more effective cost control procedures over the district are as follows:
(1) The new accounting system is very effective in terms of discovering the costs of various programs and subject areas.

(2) The U.S.A.S. affords one the opportunity to determine the detailed status of various accounts quickly and easily.

(3) The U.S.A.S. yields good comparative cost data among schools and students.

The reader should note that one interviewee offered a qualified person to this concern.

I think it could be. I question, however, some of the information you can obtain from this system... I would be able to find out if I wanted to what our language arts program is costing us... 80 - 85% of the program costs are going to be based on the type of personnel that you have. Our language arts program -- everyone in it happens to have a master's degree and about 15 years of teaching experience, so that's going to be high compared to some other programs. So yeah, I think you can get the information, but I don't know what it means once you get it (District: Minimal Commitment, Low Utility, Hand Posting Technology).

Another aspect that falls into the area of considering the U.S.A.S. as a management tool is whether or not the new accounting system is an effective tool in terms of better allocating dollars within the district. Districts seemed to be more decided in this area. Specifically, one district did not see the U.S.A.S. as an effective tool in terms of better allocating dollars because "our own line item program budget enabled us to take a look at our (school) system from the standpoint of our goals and objectives... the new accounting
system gets in our way" (District: Modest Commitment, Low Utility, Machine Technology). At the other end of the spectrum, one district saw the U.S.A.S. being an extremely effective tool for better allocating dollars. "We have found that since we have implemented this (accounting) system that our appropriations could have been made differently. Breaking down the data this way help us to see a better fiscal picture of the district" (District: Deep Commitment, High Utility, Hand Posting Technology). Many districts fell into the marginal range as far as anticipating the U.S.A.S. being an effective resource allocation tool or not. One district interviewee in the marginal, but affirmative range stated, "We haven't had it long enough to see exactly what the (accounting) system is going to produce in terms of appropriations historical data . . . I expect it will be very useful" (District: Deep Commitment, Medium Utility, Hand Posting Technology). On the other hand, another district interviewee in the marginal, but negative range stated, "when your budget is tied up primarily in personnel, I don't know how we are going to better allocate funds, if you're talking about equalizing funds, unless to switch personnel, eliminate personnel, etc. . . . this accounting system isn't going to help us do that" (District: Minimal Commitment, Low Utility, Hand Posting Technology).

The U.S.A.S. project staff of the State Auditor's Office believes that the new accounting system is indeed an effective tool in better allocating dollars within a school district. Basically, the sentiment here is that
if a district knows what they are spending in specific areas, then it can better determine where there is a need to make future expenditures.

The same notion applies in a district where resource cut-backs must be effected. Here, a member of the State Auditor's staff adds, "how can you make cuts under the old (accounting) system when you want to eliminate a program and didn't know what the program cost?"

When considering the area of the U.S.A.S. as a management tool, it is important to discover whether or not the new accounting system is useful in terms of program planning and evaluation. Those districts which saw the U.S.A.S. as not being a good management tool in this regard, stated the following as reasons:

(1) The Form 84 system provided a better management tool regarding program planning and evaluation. Therefore, making the transition to the U.S.A.S. was useless.

(2) The U.S.A.S. will only benefit the state in this manner.

(3) Implementing the U.S.A.S. has interfered with the efforts of school districts to use the Form 84 system as a management tool for program planning and evaluation.

Districts which tended to follow this line of reasoning were those with lower levels of commitment and utility. On the other hand, districts with higher levels of commitment and utility saw the U.S.A.S. as being a good management tool for assisting individuals in program planning and evaluation. The reasons stated for taking this kind of position are as follows:

(1) The U.S.A.S. facilitates your discovering the direct and in-direct costs of various programs. Hence, more knowledge
is provided that can be used in planning similar programs or innovations.

(2) The new accounting system provides data which enables individuals to compare spending patterns on various allocation accounts. These patterns can then be analyzed and priorities can be better determined in the evaluation process.

(3) The U.S.A.S. provides accurate and detailed cost data as that relates to different programs. Therefore, at least half of the formula needed to conduct viable cost-benefit analyses is established.

Finally, the notion of whether or not the U.S.A.S. limits or expands the types of reports a district is capable of producing was tested. All but two districts agreed that the U.S.A.S. greatly enhances and expands the types of reports a district is capable of producing. The majority of individuals interviewed stated that there are no limitations at all created by the U.S.A.S. on generating reports. "I think it's (the U.S.A.S.) flexible enough that it should be able to give us all the information we would ever need" (District: Modest Commitment, High Utility, Computer Technology). "Our ability to generate reports in quantity and quality and variety has been enhanced a hundred fold" (District: Deep Commitment, High Utility, Computer Technology). The basic sentiment taken by districts in this regard was that the U.S.A.S has made data more available to the district in a highly systematic fashion. This same position was taken by the State Auditor's Office staff.

It is virtually unlimited . . . We've never been hampered by that at all. A district will call us and say, I want my system to tell me this kind of information and we've never been stymied on that -- always been able to tell them
the kind of data they need to capture to get that information out of the system.

The two districts that saw the U.S.A.S., at least in part, as limiting the types of reports a district is capable of producing took that position for basically two reasons:

(1) The district had all the information it needed before the new accounting system was implemented.

(2) The U.S.A.S. breaks down cost information so finely that it becomes limiting in terms of time it takes to generate reports. For example, "if someone wanted to know what the district spent on textbooks, you'd have to go back to all of your operational units, pull out textbook costs and add it up, because you have already broken them out" (District: Modest Commitment, Low Utility, Machine Technology).

U.S.A.S. and Budgeting

The fourth major area under which interview responses are aggregated is concerned with discovering the experiences and perceptions of school district personnel regarding the effects the U.S.A.S. has had on the budget process. In part, the new accounting system was designed to facilitate program oriented budgeting in school districts (see Chapter I). For this reason it is important to assess this concern under a separate area. As a starting point, one needs to consider the extent to which the U.S.A.S. has prompted any changes in a district's budgeting procedures. It was discovered that in no way has the U.S.A.S. prompted any changes in the budgeting practices of the districts interviewed. Specifically, those districts which were utilizing a program budgeting approach before the inception of U.S.A.S. are still doing that; while
other districts are also maintaining their prior practices. Among the reasons given for this phenomenon are the following:

1. Some districts are still involved in the process of learning the new accounting system.

2. Fewer districts can possibly anticipate changing their budgeting practices based on the U.S.A.S., but need to collect more data in order to build more of an historical data base.

3. Other districts see that they are defining and detailing their request for funds more than ever before; however, this has not yet caused them to consider changing any budgeting practices.

Another aspect to consider when attempting to discover the effects the U.S.A.S. has had on a district's budgeting practices is whether or not the new accounting system has led the district to involve others (i.e., principals, staff, community people, etc.) in the budgeting process. Again it was discovered that no changes have been made in districts in terms of involving additional people in the budgeting process since the inception of the U.S.A.S. Said another way, among those districts interviewed, all were maintaining whatever practice they were pursuing prior to the new accounting system. However, it should be noted that among these districts, one saw the U.S.A.S. as being helpful in maintaining their prior practice; while one did not. Specifically, one interviewee saw the U.S.A.S. as interfering with the district's efforts to involve additional people in the budgeting process.
It makes it much more difficult. Mostly, because the system demands a refinement in accounting which relates to the point of being ridiculous (District: Minimal Commitment, Low Utility, Computer Technology).

On the other hand, another interviewee saw the U.S.A.S. as enhancing the district's long-time efforts to involve additional people in the budgeting process.

Every teacher has an obligation and an opportunity to make out a program. In fact, they must or they don't get any funds to attain the objectives they are stating for that program.

This is true for every employer . . . So everybody has an opportunity for decision making (District: Deep Commitment, High Utility, Computer Technology).

It must further be noted that one district in particular intends to evaluate their use of the U.S.A.S. in a couple of years. "At that time we might see an area where we might want to involve people" (District: Deep Commitment, Medium Utility, Hand Posting Technology).

Finally, the notion of whether or not the U.S.A.S. has helped districts to devise budgets which are more understandable to the community is pursued under this major area. District personnel were pretty much divided here in their experiences and perceptions. Those districts with lower levels of commitment and utility saw the U.S.A.S. as making the budget less understandable to the community. "What are you going to do, throw a 30 digit code number at somebody, it's incredible" (District: Modest Commitment, Low Utility, Machine Technology). For the most part, districts of higher levels of commitment
and utility anticipated the U.S.A.S. helping them to devise more understandable budgets.

It's going to take a while for people to learn the language, but it's better than the old system. For example, who in the world knows what fixed charges were. And even on top of that, if you charged off insurance properly, for example, under the old system, it fell out under the maintenance category. In other words, we were charging fringe benefits under our maintenance costs (District: Modest Commitment, High Utility, Computer Technology).

One district in particular saw the U.S.A.S. as already being useful in helping them to devise a budget which is more understandable to the community. Basically, the experience expressed here was that people were now able to see the various new dimensions which delineated expenditure areas more clearly. "The various new categories will make much more sense to them; the cost of instruction, the cost of administration, the cost of maintenance; which will mean much more to them than the cost of salaries — salaries for what?" (District: Modest Commitment, Medium Utility, Computer Technology).

U.S.A.S. General Experiences

The fifth and final major area under which interview responses were aggregated relates to the various district experiences and perceptions of the U.S.A.S. in general. That is to say, this area reflects the comments made by interviewees when asked (at the end of each interview), is there anything else you'd like to say about the U.S.A.S. that we haven't covered in the questions I've asked? In responding to
this question, many interviewees took the opportunity to re-emphasize points already raised during the interview; while less made an additional point that was not already touched on. In the area of re-emphasizing points already made, the following comments were noted:

(1) Many districts with higher levels of commitment and utility responded by reiterating their excitement and enthusiasm with the U.S.A.S. in general.

(2) Some reiterated their concern regarding how the new accounting system would benefit the State Auditor's Office. "Reservations I have are the flexibility, how is it going to be used state-wide" (District: Modest Commitment, High Utility, Computer Technology). "I think it will enable the state to step into school districts more to gain whatever kind of cost data they want. What's wrong with that is that I'm afraid they'll use, I should say misuse that information" (District: Modest Commitment, Low Utility, Machine Technology).

(3) In contrast, districts with higher levels of commitment and utility tended to restate the usefulness of data being generated by the U.S.A.S. in general. "This system answers questions alot better than the old system. It mates the academic with the fiscal better than ever before" (District: Deep Commitment, High Utility, Computer Technology). "It's going to provide us with a great deal of information to be more responsive to the accountability push" (District: Modest Commitment, High Utility, Computer Technology).

(4) One district pointed again to the need for more on-site assistance from the Auditor's Office in implementing the U.S.A.S.

(5) Another district re-emphasized the uselessness of developing the U.S.A.S. as related to the data it generates. "Most school districts spend anywhere of 75 - 85% of their budget on personnel and all of these sophisticated ways of determining how that other amount of money is spent to my way of thinking is useless" (District: Minimal Commitment, Low Utility, Hand Posting Technology).
(6) The issue concerning the U.S.A.S. forcing districts to move toward establishing data processing capability was raised again. "I think this system was devised with large districts in mind, or districts that were already on computer... of course, smaller districts like ours, which never thought about computerized systems, must now think in those terms" (District: Deep Commitment, Medium Utility, Hand Posting Technology).

Among those responses which raised an additional point that was not touched on during the interview, the following were noted:

(1) One interviewee provided a different kind of perspective on the necessity (and/or lack thereof) for computer capability in districts to properly operationalize the U.S.A.S. "I might say that I was glad to be on hand posting when we began this new system because I feel like that by the time we get on computer, then we will have the system pretty well down" (District: Deep Commitment, High Utility, Hand Posting Technology).

(2) Some interviewees alluded to the transition process from the Form 84 system to the U.S.A.S. "The conversion has been difficult... There's no way to call the district off so that adequate time and attention can be given to converting to the new accounting system" (District: Modest Commitment, Medium Utility, Computer Technology).

(3) Finally, a member of the U.S.A.S. project staff at the State Auditor's office alluded to one impact they saw the U.S.A.S. having on districts. "Lots of school districts that I see now are taking the opportunity to be more efficient with their dollars. They didn't think they were inefficient before, but things are laid out for them now where they can see it a little easier."
CONCLUSIONS

Just as the evaluation framework outlined in Chapter III guided the researcher in designing the study, so does it provide a basis for discussing and summarizing the findings. Essentially, the researcher sought to examine two particular notions about evaluation relative to the U.S.A.S.: (1) determining whether or not desired goals are being met (as outlined in Chapter I), and (2) providing information about implementation impacts needed to improve program performance. In this regard, the evaluative findings are discussed and summarized in terms of three distinct but interrelated considerations:

1. the broad question areas delineated in Chapter I,
2. the generic criteria illustrated in Chapter II, and
3. the general evaluation standards as developed by Dror (1968) and outlined in Chapter III.

Discussion and Summary of Findings

In discussing and summarizing the findings in terms of the broad question areas delineated in Chapter I, the researcher has integrated those evaluation notions as developed by Weiss (1972) and Stufflebeam (1973). Weiss' (1972) view of "evaluation research" is presented in so far as it seeks to measure "the effects of a program against the goals it set out to accomplish as a means of contributing to subsequent
decision making about the program and improving future programming.

On the other hand, Stufflebeam's (1973) CIPP (Context, Input, Process, Product) Evaluation Model is also presented since the "Product Evaluation" component seeks to provide "information for determining whether objectives are being achieved and whether the procedure employed to achieve them should be continued, modified or terminated."

A discussion and summarization of the findings in terms of the broad question areas delineated in Chapter I are as follows:

**Question #1 (re: U.S.A.S. Objective #1)**

Does the U.S.A.S. generate data (essentially of a fiscal transactions nature) from school districts in Ohio in a uniform, consistent fashion for the purposes of inspection and analysis by the State Auditor's Office?

While there is not yet enough historical fiscal data accumulated under the U.S.A.S. to completely address this concern, there is general agreement that additional dimensions of the U.S.A.S. will need be mandated. Specifically, without mandating additional dimensions, the data generated will provide no more information than was provided under the Form 84 accounting system. It must also be pointed out that there exists general skepticism as to how the State Auditor's Office will use the data generated by the U.S.A.S. Said another way, districts are concerned about the kinds of inspections and analyses the State
Auditor's Office will pursue. Relative to this, it is appropriate to summarize the perceptions of various school district personnel regarding the inherent purposes of the U.S.A.S. (as stated in Chapter IV). As compared to the conventional Form 84 accounting system, the U.S.A.S.: (1) is a more effective system for conducting audits of districts. (2) is a more effective tool in allowing state level organizations to identify per-pupil spending across districts in terms of how state funds are being used. (3) will provide information necessary for program and fiscal decision making and/or cost/benefit analysis in individual school districts. (4) will provide better cost accounting - management information.

Question #2 (re: Implementation of the U.S.A.S.)

At what level of commitment are districts in terms of utilizing the potential of the U.S.A.S.? (Are districts "minimally committed" -- have implemented or intend to implement only those accounting categories of the U.S.A.S. as required by the State Auditor? Are districts "modestly committed" -- have implemented or intend to implement slightly more than those required accounting categories? Are districts "deeply committed" -- have implemented or intend to implement the U.S.A.S. in near its entirety?)

In this regard, it was discovered that a slight majority of districts (55%) fell into the "minimally committed" category. The
remaining districts were relatively evenly divided between having a "modest commitment" (24%) or a "deep commitment" (21%). Based on the data generated relative to this concern, the researcher expects some districts to increase commitment as more experience with the U.S.A.S. is gained. It was discovered that those districts are moving slowly and cautiously in implementing additional dimensions but fully intend to do so as a clear fit between internal management information needs and additional U.S.A.S. dimensions develop.

Question #3 (re: U.S.A.S. Objective #2)

To what extent is the U.S.A.S. used in school districts re: generating data (of a fiscal transactions nature) at specified levels of detail? (Has there been a change in fiscal data generation in districts since the inception of the U.S.A.S.? If so, what is the nature of that effected change?)

While districts with lower levels of commitment and utility maintained that the Form 84 system provided them with more opportunity to generate data at various specified levels of detail, districts with higher levels of commitment and utility contended that the U.S.A.S. had much more potential in this regard. The U.S.A.S. yielded data which was seen as necessary and needed to address the accountability issue facing schools today. It further provided data which yielded more internal management control. For example, one district's experience in discovering the per pupil costs of its driver education program
and subsequently making a more economic and equally effective
decision to let a private contract for that service. It was found that the
greatest change in fiscal data generation relative to these districts is that
more program/subject area costs are now being ascertained.

**Question #4 (re: U.S.A.S. Objective #2)**

Has the U.S.A.S. impacted on districts in ways that moved
them in considering, developing, or utilizing program oriented budgeting
as a management tool? (Since the inception of the U.S.A.S. . . . has a
change to a more program-oriented budgeting approach begun in
districts? . . . have districts with program oriented budgeting already
in effect expanded their efforts?)

Generally speaking, the existence of the U.S.A.S. has
not directly prompted districts to consider, develop, or utilize program
oriented budgeting as a management tool. While all districts are
continuing whatever budgeting practices they employed prior to the
inception of the U.S.A.S., some districts are anticipating certain budgeting
changes as more historical data is accumulated. It is further interesting
to note a unique contrast in two districts which had been employing a
program oriented budgeting approach prior to the existence of the U.S.A.S.
In one district the U.S.A.S. is seen as interfering with their program
oriented budgeting efforts; while in the other district it is seen as
greatly enhancing and expanding their efforts. Inherent in the program
oriented budgeting approach is the involvement of other referent groups in the budgeting process, as well as producing a budget document which is more understandable to those groups. In this regard, it should be noted that since the inception of the U.S.A.S. no changes have occurred in districts regarding the involvement of other referent groups in the budgeting process. On the other hand, while some districts saw the U.S.A.S. as yielding less understandable budgets; most districts saw the U.S.A.S. as providing budgets which will make more sense to referent groups. The majority view was that the new dimensions and expenditure categories of the U.S.A.S. (i.e., cost of instruction, cost of administration, cost of maintenance, etc.) will make more sense to referent groups than did the Form 84-oriented budget.

Question #5 (re: U.S.A.S. objective #3)

Do "school district budget officials" and appropriate State Auditor's Office personnel perceive the U.S.A.S. to have provided a mechanism (s) by which local school districts have been able to more effectively and efficiently manage their limited resources?

Generally, it was discovered that "school district budget officials" and staff at the State Auditor's Office saw the U.S.A.S. as a mechanism by which local school districts have been able to more effectively and efficiently manage their limited resources. Specifically, the U.S.A.S., according to the perceptions of these persons, has proven to be:
(1) an effective cost-control management tool. Districts can now discover the true costs of various programs and subject areas and determine the detailed status of various accounts quickly and easily. The U.S.A.S. has yielded good comparative data relative to exercising cost-control in a district;

(2) an effective management tool for allocating dollars within a district. Though more historical data is needed relative to this concern, the U.S.A.S. has broken down fiscal data in such a diverse and detailed manner that districts are better able to monitor various appropriation categories; and

(3) an effective management tool for program planning and evaluation. Districts can now discover the direct and indirect costs of various programs, compare spending patterns and determine priorities across programs, and fulfill half of the cost-benefit formula in terms of accuracy and detail.

Question #6 (re: factors affecting use of the U.S.A.S.)

What seem to be some factors (other than the U.S.A.S. itself) which contribute to or restrain districts from accomplishing the concerns addressed in the above questions? (e.g., To what extent does hand posting, machine capability, or computer capability as the accounting
tool make a difference in utilizing the U.S.A.S.? To what extent do the attitudes of "school district budget officials" make a difference in utilizing the U.S.A.S.?)

Most districts agree that if one chooses to go beyond the mandated dimensions of the U.S.A.S., one needs to utilize computer technology. Further, there exists general agreement that a district's accounting technology will dictate how much data is generated from the U.S.A.S. and the kinds of questions to be answered. Other kinds of restraining factors are as follows:

(1) An attitude on the part of district personnel regarding only doing what is mandated and generally implementing slowly in the hopes that the U.S.A.S. will cease and be replaced by the old Form 84 system.

(2) An attitude on the part of district personnel regarding not seeing any value in analyzing costs beyond the depth provided by the Form 84 system.

(3) The perceived need to expend a tremendous amount of limited personnel time in implementing the U.S.A.S., as well as causing personnel to spend an inordinate amount of time on the account function under the U.S.A.S.

(4) The perceived lack of training expertise of State Auditor's Office personnel regarding the day-to-day operations of school districts.
Among the contributing or facilitating factors are the following:

(1) An attitude on the part of school district personnel that the
data generated by the U.S.A.S. is useful in dealing with
the felt accountability press on schools

(2) An attitude on the part of school district personnel that
ascertaining costs by program (as provided by the U.S.A.S.)
is an important component of the internal management function.

(3) An attitude on the part of school district personnel that the
U.S.A.S.'s capacity to store and retrieve fiscal manage-
ment data is extremely useful in decision making.

(4) The perceived responsiveness of State Auditor's Office staff
in terms of lending assistance to individual districts in
implementing and operationalizing the U.S.A.S.

Generic Criteria

In discussing and summarizing the findings in terms of the
genetic criteria illustrated in Chapter II, the researcher sought to inte-
grate a "theory based evaluation of a program" approach (Fitz-Gibbon,
Morris, and Bank, 1975). That is to say, the selection of program
features to evaluate was determined by an explicit conceptualization of
the program (U.S.A.S.) in terms of a theory(s). In this sense, the
literature on school accounting was used to develop such a theory(s).

A discussion and summarization of the findings in terms of the
genetic criteria illustrated in Chapter II is as follows:
Criterion #1: Full Disclosure—Comprehensive

In this regard, the accounting system should assure that all
costs are accounted for, and that there is a comprehensive view of all
services (Johns and Morphet, 1975). There exists general agreement
that the U.S.A.S. greatly increased the comprehensiveness of a district's
information base. One specific benefit of this comprehensiveness is
worth citing again. The comprehensiveness of data provided by the
U.S.A.S. was seen as working to strengthen the administrative team
in that data generation, sharing and utility was best accomplished
employing a team approach. Even though one district cited the nature
of data produced by the U.S.A.S. as being generally erroneous, it is
the researcher's judgment that it does provide full disclosure.

Criterion #2: Flexibility

While Wilson (1959) defines this criterion as "the system should
be built with an eye for accommodating future changes with as little
disturbance as possible to the basic plan," another way to consider the
importance of flexibility is to consider the system's capability in
providing for "alternative aggregation -- disaggregation routes" (Craig,
1977). With this later definition, the researcher sought to discover
whether or not the U.S.A.S. is capable of extracting and compiling
data in a variety of ways which would appropriately meet varied
information needs. It was clearly discovered that the U.S.A.S. is in
fact designed in such a way as to allow for future changes and modifications without having to change the basic system. The U.S.A.S. has, to date, undergone five to six rather smooth revisions. As areas and concerns arise which were not planned for in the original system, modifications can be made. Further, the U.S.A.S. has proven to be a system whereby a district can decide to either expand or contract data generation depending on the fiscal questions to be answered. While two districts saw the U.S.A.S. as being rigid in so far as certain categories are rigidly and narrowly defined, the system does allow districts the discretion to use its dimensions independently or interdependently to aggregate data in a variety of ways.

Criterion #3: Accuracy

As stated in Chapter II, the record keeping system of any organization must contribute to accuracy. Therefore, the U.S.A.S. needs be judged in terms of whether or not it is "designed to demand accuracy and a reasonable degree of internal control" (Candoli, et al, 1973).

Here again, it must be noted that one district saw the U.S.A.S. as producing data which are erroneous in nature. Specifically, this district was expecting the U.S.A.S. to provide data which would speak to evaluating a program in terms of its effectiveness. This is an unrealistic expectation in the researcher's opinion. Furthermore, evidence gathered from all other districts clearly indicates that the
U.S.A.S. indeed provides fiscal information which contributes to the accuracy of a district's financial records.

**Criterion #4: Adequacy**

As defined by Candoli, et al (1973), "the system should be adequate to provide financial related operational information for all interested parties." Specifically, the need for a single data system that provides for the information needs at different levels of the organization is critical.

The U.S.A.S. can provide data which are more than adequate as it relates to the operational information needs of a school district. While some districts contended that the old Form 84 system could be used to provide for this, it was discovered that the U.S.A.S. is a system readily designed to track costs by program, goals, and objectives. Specifically, data provided by the U.S.A.S. are useful to various levels of decision makers in a school district. By providing data which can be tailored to any level of decision making, fiscal decisions can be made with a more appropriate data base than provided in the Form 84 system.

**Criterion #5: Simplicity**

The consideration under this criterion relates to "the system should be useful in terms of not becoming frustrating busy work, but should truly assist in improving the educational process" (Candoli, et al, 1973). The extent to which the U.S.A.S. is perceived to be
complex, cumbersome or "frustrating busy work" depended in a large part on the attitudes of district personnel. Said another way, the U.S.A.S. provides a tremendous amount of additional fiscal data. In those instances where district personnel believed that this additional information was useful, they reviewed the U.S.A.S. as "truly assisting in improving the educational process." On the other hand, in those instances where district personnel believed that this additional information was not useful, they saw the U.S.A.S. as nothing but "frustrating busy work."

Criterion #6: Contribute to Efficient Administration

Relative to this criterion, the researcher sought to discover whether or not the U.S.A.S. reduced delays and red tape in servicing the operational needs of the school district.

Most district personnel have experienced an increase in delays and red tape in servicing its operational needs. The researcher discovered that this phenomenon is largely attributable to the fact that the U.S.A.S. is being evaluated shortly after initial implementation. It was discovered that some district personnel have already experienced the U.S.A.S. in a way that has reduced delays and red tape in servicing its operational needs. As more districts work with the U.S.A.S. over a period of time, it is believed that the system will indeed contribute to more efficient administrative concerns.
Evaluation Standards

Finally, in discussing and summarizing the findings, the researcher sought to consider some of the general evaluation standards as developed by Dror (1968) and outlined in Chapter III. They are as follows:

Standard #1: Does the Achieved Quality Meet the Needs of the Addressed Population?

Generally speaking, the researcher would have to respond in the affirmative here. Evidence seems to indicate that the U.S.A.S. has provided school districts with a fiscal management tool that delineates operating/program costs in an efficient and effective manner. It has proven to be a management tool which has high utility in assisting districts in dealing with various accountability issues. The only perceived flaw in this regard is that of not affording districts access to a computer technology and therefore business administrative personnel are not able to use the U.S.A.S. to its fullest potential.

Standard #2: Does the Achieved Quality meet the Standards of the Profession?

In so far as the population of "school district budget officials" surveyed here are representative of a sub-set of educational administrators, they constitute a profession that strives toward achieving certain standards. Professional standards relative to school accounting can be delineated from the various expectations inherent in the data
generated from questionnaires and interviews as part of the evaluative study. Among those standards/expectations are the following two major concerns:

(1) The accounting system should break down costs as detailed as necessary in order to provide data which is useful in decision making. In this sense, the U.S.A.S. has provided a tool which generally accomplishes this. However, it should be noted that the U.S.A.S. does demand some tracking of specific costs (i.e., fringe benefits) which are perceived to be useless in terms of decision making.

(2) The accounting system should be operable in any district regardless of accounting technology constraints. While the U.S.A.S. successfully addresses this concern, districts with hand posting technology in particular, seem to be limited in terms of the extent to which they can use the U.S.A.S.

Standard #3: Is the Achieved Quality as High as the Quality Planned for?

It was discovered that generally the quality planned for (or illustrated in the U.S.A.S. Objectives) was achieved. While in some instances (i.e., facilitating districts moving toward more of a program oriented budgeting approach) the U.S.A.S. has fallen short of the plan, the researcher believes that this will be accomplished as districts gain
additional experience with the system and as the State Auditor's Office continues to be responsive to their needs.

**Standard #4: Is the Achieved Quality Good Enough to Compare to some Optimal Model?**

When one considers the generic criteria used in the evaluation to represent a kind of optimal model, the evidence seems to support the notion that the U.S.A.S. is indeed "good enough to compare to some optimal model." The researcher has taken this position primarily due to the fact that after only one and half years experience with the U.S.A.S., it has proven to be generally effective in terms of meeting the major concerns outlined in the literature (as that represents a kind of integrated, optimal model).

**Recommendations**

As mentioned in Chapter III, the main thrust of the evaluation was "formative" (Alkin and Fitz-Gibbon, 1975) in intent. In this context, formative evaluation simply means that the information generated by the study would be fed back into the system, during the on-going development of the U.S.A.S., to help improve it essentially from the school district's perspective. Formative evaluation, then, is most concerned with the evaluation of "implementation" and "progress" (Alkin and Fitz-Gibbon, 1975). In this regard, the researcher's
recommendations which follow are intended to constitute the feedback/formative evaluation information.

(1) The purposes and objectives of the U.S.A.S. should be reviewed in light of the field experience thus far. This activity should be conducted by the State Auditor's Office with the assistance of representatives from the State Department of Education, the Ohio Association of School Business Officials, and the Buckeye Association of School Administrators. Attention should be paid to further specifying how the U.S.A.S. serves local school districts, particularly taking into consideration the various accounting technologies and sizes of school districts. Also, attention must be paid to further specifying those purposes and objectives of the U.S.A.S. that serve the State Auditor's Office. A more elaborate, detailed, measurable set of U.S.A.S. objectives will serve to relieve some anxiety on the part of districts and further provide all concerned parties with a more reasonable set of expectations for the system.

(2) The State Auditor's Office in concert with the State Department of Education should aggressively pursue the resources necessary to provide computer access to all school districts for utilization of the U.S.A.S. Accomplishing
such a task will give all districts the necessary tool for utilizing the U.S.A.S. to its fullest potential. In the same regard, a careful and coordinated search should be made to discover various computer software that would appropriately meet the information needs of the State and local districts.

(3) Once the U.S.A.S. has been implemented state-wide, additional dimensions ought to be mandated on a phase-in basis according to dimension and implementation phase regions. Though this researcher believes this to be necessary to assure a true response to the spirit of the law (in terms of being able to ascertain all direct and indirect costs for all aspects of the school system), caution must be exercised to not impose too much of a burden on smaller, hand posting technology districts. It is only through the use of more than the fund, function, and object dimensions that open disclosure fiscal accountability can be achieved.

(4) Concurrently, the State Auditor's Office should reconsider whether or not breaking down the costs of various fringe benefits (i.e., retirement, hospitalization) is useful in terms of decision making data needs at both the state and local level. It is the researcher's opinion that the utility
of such a detailed breakdown in costs is highly questionable.

(5) More in-service training and/or an addendum to the U.S.A.S. User Manual is necessary relative to the area of budgeting. Providing technical assistance in linking the U.S.A.S. with current program oriented budgeting practices seems to be a logical step forward in further refining the implementation and use of the U.S.A.S. in school districts.

(6) The State Auditor's Office should strive to secure the services of experienced school district business administration personnel or their staff relative to the ongoing training and technical assistance provided to districts. Such persons are necessary to secure the best possible service to districts in terms of U.S.A.S. implementation and utilization.

(7) The State Auditor's Office should make a conscious and concerted effort toward gathering specific, detailed examples of how districts are using (have used) the U.S.A.S. to effect more economical, efficient operating practices. This information can then be shared with all districts and could serve as user guidelines regarding effective U.S.A.S. utilization.
In this regard, the State Auditor's Office should particularly pay attention to noting how the U.S.A.S. has helped districts to reduce delays and red tape in servicing their operational needs. Again, this would be valuable information to share state-wide in terms of a major benefit accruing to districts and subsequently to the state (in terms of economizing), specifically pointing to the utility of the U.S.A.S.

Implications for Further Research

Based on the variables generated through the experiences and perceptions of school district personnel, the avenues for further research based on the study conducted here are numerous. Among those avenues are the following:

1. The evaluation design and instrumentation developed here can be used to replicate the study. Such replications could be pursued in terms of evaluating the U.S.A.S. after state-wide implementation has occurred or in terms of evaluating other state cost accounting systems.

2. There will be a need to discover how many districts in the phase I implementation region subsequently decide to incorporate additional U.S.A.S. dimensions (other
than those which are mandated). In this regard, it would be important to identify those factors which either contribute to or restrain this from occurring.

(3) An in-depth analysis is needed relative to comparing the Form 84 accounting system to the U.S.A.S. Such an analysis should be conducted to discover the nature of data produced under each system and specifically who benefits from the different data generating tools.

(4) To contribute to the knowledge base regarding program oriented budgeting and cost accounting in schools, a case study involving two districts which were utilizing a PPBS approach to budgeting prior to the existence of the U.S.A.S. would be useful. Specifically the districts studied would represent one district when the U.S.A.S. was seen as an obstacle to their program oriented budgeting efforts, while the other district saw the U.S.A.S. as a facilitating mechanism in this regard.

(5) There exists a need for a correlational study regarding the accounting technology of a district and the extent to which a district can use the U.S.A.S. in terms of its various dimensions and sub-categories. While this study has surfaced an expressed emphasis of this concern, such
a correlational study will serve to better explain the relationship (or lack thereof) that exists.

(6) To contribute to the knowledge base of cost accounting systems in schools, a survey study is needed to discover the various kinds of state programs currently in operation. Such a study would specifically seek to discover the commonalities and discrepancies relative to the general purposes of and need for such cost accounting systems in education.

(7) There exists a need to provide additional knowledge relative to the administrative team concept in schools. Such knowledge could be provided through a study which seeks to explain the various ways in which the U.S.A.S. (or similar cost accounting systems) can serve as a tool for strengthening the administrative team in school districts.

(8) Finally, there exists a need for a study which explains the relationships among the variables accounting technology, level of commitment, and level of utility.
Appendix A

Operationally, the Uniform School Accounting System constitutes a series of dimensions which serve to link school financial transactions properly with curriculum, school staff, facilities, types of pupils, etc. This series of dimensions basically breaks down as follows:

1) Transaction Indicators

Sorts out the various types of transactions that occur within a school district and should be used by all districts to gain proper transaction alignment for reporting purposes.

i.e., appropriations and estimated receipts
   encumbrances
   expenditures

2) Funds

Helps assure that money is spent for purposes specified in appropriations.

i.e., Local
   (general, rotary)
   State
   Federal

3) Function

A broad area of programs, sub-programs and activities into which expenditures are classified to provide the capability of comparing costs to assist managers in setting up ratios or measures for estimates in their demand for quick decisions.

i.e., regular instruction
   (elementary)
   special instruction
   (gifted)
   adult continuing education

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4) **Object**

Defined as goods and services, or "what" the school district paid for.

i.e., salaries
supplies

5) **Special Cost Center**

Provided in recognition that school districts must track some costs to satisfy temporary needs or requirements, or costs unique to a school district for which there is no category requirement.

6) **Subject**

Used to identify specific educational costs

i.e., Math
(geometry)
(algebra)
Agricultural Education

7) **Operational Unit**

Used to identify costs by unit or facility

i.e., High School
Central Administration Office

8) **Instructional Level**

Used to differentiate between various grades or educational levels within the district.

i.e., 2nd grade
open classroom
elementary K-6

9) **Job Assignment**

Used to identify staff costs

i.e., linking specific staff costs to activities assigned.
Appendix B

"Phase I Implementation County Region" - January 1, 1977

Delaware
Fairfield
Fayette
Franklin
Licking
Madison
Pickaway
Union
# Appendix C

"Phase II Implementation County Region" - January 1, 1978

<table>
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<tr>
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<td>Athens</td>
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# Appendix D

"Phase III Implementation County Region" - January 1, 1979

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<td>Mahoning</td>
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Appendix E

Agenda for School District Personnel Training

A. Introduction

1) relationship between the Auditor of State, Department of Education, the school district, professional organizations (i.e., OSBA, OASBO, etc.) and interested citizen groups.

2) the role of the clerk-treasurer, school administrator, and related personnel.

3) PPBS - theory: accounting, budgeting and reporting and their theoretical relationship and expected benefits.

4) PPBS - application: the new school accounting system - what it does now (i.e., accounting) and what it will do later (i.e., reporting and budgeting) in relation to PPBS.

B. User Manual Orientation

1) basis for development

2) reasons why required - i.e., uniformity between districts, provides greater detail regarding transaction, expandable, flexible, etc.

3) overview of contents by section

4) content of chart of accounts
   a) dimensions - definitions of dimensions
   b) required dimensions
   c) optional dimensions
      1) required optional dimensions
      2) optional optional dimensions

5) use of chart of accounts in "defining" a transaction
   a) format of coding structure
   b) varying level of detail
   c) capabilities of school district required to utilize greater level of detail
C. Forms

1) names and purposes of forms

2) content specifications of forms in relation to modifications required as a result of implementation of new accounting system

3) vendor forms to be discussed in greater detail by vendor

D. Conversion Table

1) purpose of conversion table

2) how to use - to convert from Form 84 to new chart of accounts

reprinted with permission of Mr. Richard Cairney, Project Director of U.S.A.S., February, 1978.
<table>
<thead>
<tr>
<th>Criteria/Source</th>
<th>Full disclosure/Comprehensive</th>
<th>Flexible</th>
<th>Accuracy</th>
<th>Adequacy</th>
<th>Simplicity</th>
<th>Contribute to Efficient Administration</th>
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<td>X</td>
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<td>Specific notes taken from a University expert in program budgeting - accounting</td>
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Note: "X" indicates the areas in which there is a relationship between the criteria generated and a respective source.
### Table 13

Data Requirements for Accountability that can be met by the CIPP Evaluation Model

<table>
<thead>
<tr>
<th>Data Requirements for Accountability</th>
<th>Evaluation Types</th>
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<td>Context</td>
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<tr>
<td>What objectives were chosen?</td>
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<tr>
<td>Why?</td>
<td>✓</td>
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<tr>
<td>Were they adopted?</td>
<td>✓</td>
</tr>
<tr>
<td>Were they achieved?</td>
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</tr>
<tr>
<td>What designs were chosen?</td>
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</tr>
<tr>
<td>Why?</td>
<td></td>
</tr>
<tr>
<td>Were they implemented?</td>
<td></td>
</tr>
<tr>
<td>What were their effects?</td>
<td></td>
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</table>
Appendix H

Survey Questionnaire
in regard to the
Uniform School Accounting System

for the

(District Name)

I. Official title of person completing this form: __________________________

II. Please complete the following by placing an "X" in the appropriate space(s):

1. The accounting function is performed in our district through the use of . . .
   ______ hand posting
   ______ machine accounting
   ______ computer utilization

2. During the year beginning January 1, 1977 to December 31, 1978, our district used the following "Uniform School Accounting System" dimensions . . .
   ______ Transaction Indicators
   ______ Funds
   ______ Function
   ______ Object
   ______ Special Cost Center
   ______ Subject
   ______ Operational Unit
   ______ Instructional Level
   ______ Job Assignment

3. Within the next 3 years, our district intends to use the following "Uniform School Accounting System" dimensions . . .
   ______ Transaction Indicators
   ______ Funds
   ______ Function
   ______ Object
   ______ Special Cost Center
   ______ Subject
   ______ Operational Unit
   ______ Instructional Level
   ______ Job Assignment
4. Our district has identified an individual or group to consider future expanded use of the Uniform School Accounting System.

____ yes
____ no
____ being considered

5. The Uniform School Accounting System is being used as a basis for modifying our district's Budgeting/Financial Management procedures.

____ yes
____ no
____ being considered

6. Data generated from the Uniform School Accounting System is being used in our district to evaluate a particular program.

____ yes
____ no
____ being considered

7. Data generated from the Uniform School Accounting System has caused our district to plan or modify plans for a particular program.

____ yes
____ no
____ being considered

8. The existence of the Uniform School Accounting System has increased our efficiency in servicing the operational needs of the district.

____ yes
____ no
____ being considered

9. Long-range planning (10 years into the future) is being attempted in our district based on information generated by the Uniform School Accounting System.

____ yes
____ no
____ being considered

THANK YOU FOR COMPLETING THIS FORM.
Appendix I

Interview Schedule

1. (a) Why have you chosen to incorporate ___ dimensions of the U.S.A.S. at this time? and
   
   (b) What kinds of factors (restraining or facilitating) influenced this decision?

2. Do you plan to incorporate any of the other dimensions of the U.S.A.S. within the next few years? Why? Why not? When?

3. What do you perceive to be the primary purposes of the U.S.A.S.?

4. Does the U.S.A.S. provide you with information superior to other accounting systems you're familiar with? How? In what ways (range, depth, accuracy)?

5. Is the U.S.A.S. designed to be flexible enough to accommodate future changes without disturbing the basic U.S.A.S. system?

6. (a) Has the existence of the U.S.A.S. led to increased costs for the district? In what ways? (Has it forced a change in hardware?) and/or
   
   (b) Do you anticipate the existence of the U.S.A.S. leading to increased costs for the district? In what ways? (Has it forced a change in hardware?)

7. Is the U.S.A.S. too cumbersome (complex) to work with? Explain.

8. Have adequate training (in-service) opportunities been provided for you regarding utilizing the U.S.A.S. effectively?

9. (a) Has the U.S.A.S. been an effective tool for devising more effective cost control procedures in the district? If so, how? and/or
   
   (b) Do you anticipate the U.S.A.S. being an effective tool for devising more effective cost control procedures in the district within the next few years? If so, how? When?

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10. (a) Has the U.S.A.S. facilitated analysis which provided for better allocation of the district's resources? If so, how? and/or

(b) Do you anticipate the U.S.A.S. facilitating analysis which provides for better allocation of the district's resources within the next few years? If so, how? When?

11. Has the U.S.A.S. led you to involve any of the following referent groups in the district's budgeting/financial management procedures?
   (a) principals
   (b) teachers
   (c) other administrators
   (d) board members
   (e) others
   Why? What is the nature of their involvement?

12. Does the U.S.A.S. facilitate your aggregating data in a variety of ways at your discretion (re: district planning, evaluating, reporting activities)?

13. (a) Has information produced by the U.S.A.S. been used in the district to plan for a particular program? Explain, and/or

(b) Do you anticipate information produced by the U.S.A.S. being used in the district to plan for a particular program within the next few years? When? Explain.

14. (a) Has information produced by the U.S.A.S. been used in the district to evaluate a particular program? Explain, and/or

(b) Do you anticipate information produced by the U.S.A.S. being used in the district to evaluate a particular program within the next few years? When? Explain.

15. (a) Has the U.S.A.S. prompted any changes in the district's budgeting practices? If so, how? and/or

(b) Since the inception of the U.S.A.S. are plans for changing the district's budgeting practices within the next few years being considered? When? If so, what are the nature of those changes?

16. Does the U.S.A.S. increase the comprehensiveness (and flexibility) of the district's information systems? If so, how?
17. (a) Has the information produced by the U.S.A.S. been used by various levels of decision makers in the district? By whom? How? and/or

(b) Do you anticipate the information produced by the U.S.A.S. being used by various levels of decision makers in the district within the next few years? By whom? How? When?

18. (a) Has the U.S.A.S. made the district's budget more understandable to the district's various referent groups? If so, how? and/or

(b) Do you anticipate the U.S.A.S. helping you devise budgets which are more understandable to the district's various referent groups within the next few years? If so, how? When?

19. (a) To what extent does the U.S.A.S. limit the type of reports your district is capable of producing? and

(b) To what extent does the U.S.A.S. expand the possibilities of the type of reports your district is capable of producing?

20. Are the initial and ongoing costs of the U.S.A.S. too high in relation to the benefits of such a system?

Is there anything else you would like to say in general about the U.S.A.S.?
March 17, 1978

Dear

Ohio's new Uniform School Accounting System continues to be implemented state-wide. In order to evaluate the effects of the system on various school districts, I am conducting a study. The study, though being done in cooperation with the State Auditor's Office (see attached letter), will also complete the dissertation requirement for my doctoral degree.

Since your district is an early participant in the Uniform School Accounting System Implementation Process, it is most important that I have your input.

No more than five to ten minutes of your time will be required in completing the enclosed questionnaire. I have also enclosed a self-addressed stamped envelope for your convenience and to aid in expediting the evaluation process.

Please return the questionnaire by Friday, March 31st.

Thank you in advance for your time and assistance.

Sincerely,

Guy M. Sconzo
Graduate Research Assistant

Enclosure
PLEASE NOTE:

Dissertation contains small and indistinct print. Filmed as received.

UNIVERSITY MICROFILMS.
Appendix K

To Whom It May Concern:

I have reviewed the research proposal presented to this office by Mr. Guy Sconzo which, as indicated, is being done to satisfy the requirements for his doctoral dissertation.

While it is understood that the research being proposed will not be done specifically for the Auditor’s Office, the results of this intended outside evaluation of Ohio’s Uniform School Accounting System could be most helpful in our future attempts, insofar as implementing and utilizing the system to its utmost adequacy and efficiency.

I anxiously await the results of this research project.

Sincerely yours,

[Signature]

Richard H. Cairney
Project Director
School Accounting Project

RNC/pcm
Dear

Thank you for returning your questionnaire relative to the evaluation of Ohio's new Uniform School Accounting System. Since your district is an early participant in the Uniform School Accounting System Implementation Process, your input has already proven to be most valuable.

In order to better evaluate the effects of the system on various school districts, I would very much like to arrange a time to interview you, at your convenience.

The intent of the interview is to gather more in-depth information on your perceptions of the successes and/or failures of the Uniform School Accounting System thus far. For your information, interviewees and school districts will remain anonymous in the evaluation report.

I will call you within the next couple of days to ask for a time convenient to you so that we might meet.

Thank you in advance for your time, assistance, and cooperation.

Sincerely,

Guy M. Sconzo
Graduate Research Assistant
Appendix M

Comments Taken From Questionnaires

"The district has really just begun to really use the system -- '78 appropriations were put on for the first time -- . . . machine limits us in how far we can carry out the coding. I do like the system, and can see how it can help in evaluations of programs, etc. Board is not pushing for this, though."

"As more up-to-date accounting equipment is implemented in our office, the new system of accounting can be utilized further. The vast amount of additional time required to implement the new system limits considerably the extent of implementation."

"The accounting system has generated an added work load on the office of the clerk-treasurer, and personally, I feel the benefits do not warrant the increased cost for personnel (for the size of our district).

"Although you did not ask for additional comments let me provide some. The new accounting system has some serious flaws: It was designed by non-educators for application in education. Some costs will be reported for a particular function or object which will reflect an erroneous expenditure. Our.
district has invested in a new computer to be able to adopt the new system. This expenditure together with new forms, procedures, re-education of people, etc., etc. will cost our district an additional $25,000 to $35,000 per year all in the name of accountability!

I have no argument with the fact that the Form 84 accounting system needed improvement, however, Federal Handbook II revised is not the answer. If you would care to hear any more details I would be happy to give you many more examples."

"One thing for certain, we have learned is that definite changes will have to be made in the Clerk's Office to meet the demands."

"Due to the time and work involved in the conversion of this new system there is a backlog of work at this point efficiency is decreased instead of increased. If the system does work as the State Department anticipates then I am sure the information will be used in budgeting and long-range planning."

"I think it has increased our work load without providing any equivalent efficiency -- in fact it has made it more difficult to monitor."
Appendix N

Transcripts of Interviewees

Introduction

Included in this appendix are the complete transcripts of interviews conducted with school district and State Auditor's Office personnel. The transcripts represent direct quotes of interviewees; however, responses are integrated under single organizational units (i.e., school districts, State Auditor's Office). Aside from this, the only major editorial changes made by the researcher were concerned with deleting names of individuals and organizations to protect anonymity.
Q. What are some of the factors involved in a district's deciding how many dimensions to use?

R. 1) A school district wants to use their accounting system and answer the questions they get asked.

2) District wants to be a leader so will do more than they have to because that's been their world in the area.

3) Because they will be a follower. Example, Northeastern Ohio, have county committees to help each other. In some big school districts, they go to the maximum so other school districts will go to the maximum because that is what everybody else is doing.

I think the most important factor is the district's capability and the desires of the board of ed. Quite often the clerk and the other administrators in the district are not communicating that well with the board, you're going to have some problems. Now we address the situation whereas, the system presented in the training session, you ask them the first years not to go beyond what they are doing today, they need to get to know the system and to figure out what the needs are in the district. With the facts that come into play, more often than not are equipment capabilities.

Q. What if a district will only do what is mandated, what are some of the factors going into a district taking that kind of approach?
general assembly required it. I think the reason that the general assembly
brought this about is because of the pressure put on them by taxpayers
and school districts themselves because they need better management
information. This is consistent with the cry for accountability.

Q. Do you think this system provides data which is superior to that
provided by the form 84 system?

R. Sure do. Because each dimension stands by itself, and is not locked
in by anything on either side of it, you can get answers to questions i.e.,
how much do you spend on elem. ed., e.g. by use of the function dimension.
Same with receipts, how much did you get from property taxes. They usually
go into at least 3 funds, in the receipt dimension, where these 4 digits
are, tells you what you got. Another example would be if the district
has a certain program, federal sponsored, they can keep track of all of
the expenditures on it, no matter what's involved. No doubt about it.
In the old accounting system, we grouped things together. Say we'd
take a group of accounts and say that was instruction, another and say
that was administration, another and call that auxiliary agents. For
example in auxiliary agencies we had fixed charges. If you want to know
the costs of an instructional program, we'd take those things directly
related to instruction and that became your instructional costs. Those
charges never figured into that picture, those were always out there
on the side. The new accounting system, we take those fixed charges
R. They think it will be a lot of work to go further. Don't want to do more than they have to. By dragging feet, might get the thing killed.

Q. Do you think the auditor or legislature might mandate more dimensions?

R. Hard to say how it will be done. Will be done probably through a requirement on a financial report. Sure, I think its very likely. We have been working with the legislative budget office and they have a reporting requirement. They can collect some information from school districts now by special ed. costs. It is not just that they can, they were required to collect this information. The information they had to have went beyond the minimum detail we required in initial implementation. That is some sort of evidence that more is going to be asked than what's in the minimum system.

Q. What do you think are the primary purposes of the U.S.A.S.?

R. In part because a key member in the general assembly (house ed. review committee) has a retarded child. Parents of retarded children recently found that they are a strong lobbying organization and either he got lobbied or was lobbied, couldn't find out how much his or any other district was spending on special ed. I believe that was one of the main reasons. He wrote the legislation. Its around because the
and spread them across those elements that I talked about. You can
develop true program costs through this system whereas with the old
system, you couldn't do it.

Q. Is the U.S.A.S. designed to be flexible enough so that some changes
can be made to it without having to change the whole system?

R. I think so. Our experience to date has been that the flexibility is
there because we've revised this system some 5 - 6 times to date. We've
added additional objects, expanded functions and explanations, etc.
We think the system is pretty well set in that we will not have to do
a major revamping for future change.

Q. Do you think the U.S.A.S. has led to increased costs for districts?

R. Yes. Several districts were making due with their bookkeeping
machines -- not what I consider good information but it was what they
needed. Now they need more so lots of them are buying machines. It's
too bad cause if they would wait and see what's going on with terminals
and that kind of stuff then maybe they could save some big chunks of money.
but there is extra expense. I'm sure some don't analyze it this way but
especially, at the beginning, it takes a lot of the clerk's time. The clerk
is on salary and doesn't make any more money. It's going to hurt somewhere.
It can. Here again we go back to factors involved in going beyond what are the minimum requirements. If a district wants more than what they are getting out of their system now, certainly that is going to cost money. Any time you want to do something extra -- that will cost more money. If you have an automated system now and you want more capability, that calls for more equipment. Even if you’re at a hand posting system and want more information (but not equipment) you will have to hire more people to cover the additional volume of the extra accounts.

Q. The other side of that is if the district does not want any more information then they were getting before, then implementing the new system wouldn't lead to any increased costs?

R. We don't think it will. Certainly the system will create some new accounts just because of the distribution of fixed charges. We think a school district can get by if they are just going to minimally implement the system without any additional expense.

Q. Do you think this accounting system is in any way too complex for districts to work with?

R. The only time we found the system to be too much for a district to handle was in a training session when we found they were trying to do much more than they had in the past. They tried to go too far beyond
the minimum in the first year -- quite often they will get lost in the myriad of accounts. It can be a problem if they try to do too much.

I must hedge. For some districts, yes and for some, no. For the district of 600 kids, may it is. In that situation you have a person who knows where every purchase order went, what they were about and doesn't need any kind of accounting system but for the larger ones (say 1,000 and up) or when you get two people in the business office or purchase orders being originated in more than one place, I don't think it's much more work.

Q. Do you think your office has provided adequate training for district personnel?

R. Yes. It has not always been timely in Central Ohio but I think it has always been adequate.

We certainly would like to do more in the area of training but there is a point of practicality there -- How long do you keep these people out of their districts? How long can we afford to be on the road per training session without sacrificing service to the other districts. I think the sessions are not adequate but I think we make them adequate with our back-up on-site program.

Q. Tell me a little about how the on-site works. Do you wait for the initiative to be taken by a school district to say they need help?
R. No, we work it two ways. At the close of a training session, we tell everyone to go on to work now. We assign areas of the state to people (field reps) and supply that person with all the school districts and joint vocational schools in their area of service. To simplify, we say start with district #1 and go right down the list. Make an appointment to see them. Tell the districts that that's the way we're operating. A district may be at the end of a list and we'll tell them we may not see them for a few months -- if they need us sooner, we'll tell them to call our office in Columbus and then your representative will rearrange the schedule to come to your district sooner. In most cases we can get out there in a couple of days.

Q. Do you think this accounting system is an effective tool in aiding districts to exercise more cost control procedures?

R. If they want to. The only thing we can insure out of the accounting system is that what they're doing is auditable. We know that our of the system we can get that. The rest of the system is all management information until general assembly or legislature requires more information. When they request other information, we can go into the school and tell them what they have to do to get that information. We stress that someone has to define the needs, the information needs ahead of time -- you can't go in a year later and say I want to know this cost when they haven't maintained it at all. You're not going to get good information.
Too often things happen like across-the-board cuts and they are ridiculous and painful. That happened in lots of places. The first think you must do is to identify what things are costing -- at least at first and then you can make those kinds of decisions.

Q. Do you think the Uniform School Accounting system is an effective tool in terms of allocating dollars? Is it better than the one we had before?

R. I believe so. It goes back to the management aspect of the whole thing. If you know what you are spending, then you can figure out where to make future expenditures. Almost every school district, every year, when they do their budget make decisions today as to where they are going to cut. How can you make cuts under the old system when you want to eliminate a program and didn't know what that program cost? Nothing else but from the standpoint that if you wanted to cut out an educational program and knew you were going to remove a teacher, and that teacher was costing you "x" number of dollars, you could figure out what the supply figure was and where to fix charges. They were out there in one lump some before for the whole district. You couldn't distribute the cost and didn't know what the program was costing. So by having true costs now, I think it will enable them to allocate their dollars better.

As far down as the Cincinnati board -- He's got some federal money to work on a manual for school districts on how to do cost benefit analysis.
Not the most complicated method, but from some methods he thinks will work for non-financial people and I think the accounting system is an integral part of his plan and I think special cost center is a reason and the alignment -- fact that each dimension stands alone. Plus there are different kinds of breakdowns allowed for the -- the actual account code can be seen as the delineation of the responsibility. So if a person is responsible for the 22,000 series of accounts, and can see it in a financial report, that person is a little more likely to be a little cost-effective.

Q. Does the accounting system help districts plan for programs?

R. It can. It probably won't, but it can.

Q. How do you think it could?

R. By -- showing maybe a cost benefit analysis that a certain way of doing something is better for the dollar spent than another way is.

Example: There are so many alternative ways of teaching now and so many different ways of getting it funded, that you could have a regular reading class and an alternative reading class to keep track of the dollars for each one and then measure the results.
Q. So, in kind of the same regard, you would also think it could be used to help evaluate programs?

R. Yes. Well sure cause now we can take a similar educational program in a district (similar to the one we are planning), define the elements in that program through the accounting system, and relate that information.

Q. Do you think the system provides discretion for local districts to aggregate financial data in a variety of ways depending on the questions they want answered?

R. Well, that's the reason the system is designed the way it is. In fact, we tell the districts that if they have sophisticated equipment, that they can arrange the dimensions in the accounting system in any manner they see fit for local needs so long as they come back to the configuration that we have for requirements (the sequence that we use). They can put their information into whatever sequence they prefer and when we get it, we put it back into our sequence. Certainly the idea is to be able to use different dimensions to tell you different things. Maybe you want to know how much you spend for secretaries in a school district. You should be able just to go to the dimension that says "job assignment" and there you find the cost of secretaries. If you want to know "principal's secretaries", then you can break that kind of data out also.
Q. Do you think this new system has prompted changes in district's budgeting procedures? and how so?

R. Yes. I know of some districts where the clerk has said, okay, if you tell me what's involved where, I can put dollars with it, but I can't go from the old form, add 10% and come up on a new form. Now I could go from column to column, year to year, add 10% and be in good shape. Now things have changed; principals want one thing in one pocket and the other in another. So now I need help. Now whether that is long range or not -- I don't know.

Not speaking for the entire state but I can guarantee that there are school districts out there that take the budget documents from year to year and they just add a little bit to it without any planning. That's probably not anyone's fault -- just depends on who's responsible for doing what in a school district. By law no one is responsible to do budget -- just a statutory requirement. It can be assigned to a building principal, superintendent, business manager, etc. -- most districts prefer a clerk be responsible for posting but shouldn't be responsible for planning what kind of dollars are spent; that's what the board of education is for.

Q. Will this system lead a district to involve different kinds of people in their budgeting processes? (principals, teachers, etc.)
R. Sure. The budget form itself is laid out that way. There is a section for support services. Business, well it would seem to me that that would fall right to the business manager to fill that area out and support services: pupils -- I would think that those kinds of areas, because of the way the budget form is set up, I think that it lends itself to them. The system lends itself to that. The more people involved, we feel, the better budget you're going to have -- the more aware you can make them as to where the dollars are going. If you give a guy $1,000 and tell him to spend it, he will. If you tell him you want to know where he spends it, it makes a bit of difference.

Q. Do you think this accounting system helps a district's budget to be more understandable to various people in the community?

R. We are from the standpoint that the financial report that we're about to wrap up here is written a little bit better in laymen's terms. The accounting system was probably pretty explanatory, it's just that the kinds of things that we're allowed to go into these accounts took away the definition of the account, i.e., if you want to define instruction in a district and want to know what was in there -- principals were in there -- we don't look at principals as instructors. They support the instructional process -- so we have them over in support services now. We've broken things down into a finer line of detail and taken a very fine line on
what instruction is. It is a direct relationship to the teacher process in the classroom.

Q. Do you think this system lends itself to a situation where the data it produces can be useful to different levels of decision makers in a district?

R. Yes, I sure do. Depending on the scope or the person's position in the district, a parent can come to the district and say he's spending ten times as much on football as you are on the marching band. Why? Well, first of all, you don't know if you are or not so you look and if you are, then you can make the decisions based on those kinds of things. It is an extracurricular activity but there is tax money involved. Lots of school districts now having building budgets and the principal or chief custodian or perhaps both of them are responsible for certain costs at the building level but are not responsible for district-wide costs. That is the chief administration's department.

Q. Does this system increase the comprehensiveness of district's information systems?

Yes, even to the minimum level (or mandated dimensions). If you're using 200 objects (which they should be in their second year -- retirement, health insurance, etc.) and you add those to the obvious direct costs, you
come up with a much clearer picture. The old reports had something called other auxiliary agencies, and included in that was retirement -- for everybody. At first I said I don't know what other auxiliary agencies are; I think it's the Red Cross but I don't know. And the second case, now that I've got a bunch of dollars there, what did I buy for it, what benefits did I get. Now if I divide those up by the unit that benefited and the function -- now I can see how much things cost.

Q. To what extent do you think this new accounting system limits the types of reports that districts can produce?

R. This system places no limit on the types of reports a school district can do. No limit whatsoever. So long as we're talking about dollars and cents. Now there is a point of practicality coming in here. If you have a sophisticated system and you have a vendor that charges you every time you want a special program, then certainly you are going to consider your needs first. Some of the systems we've seen designed have "report writers" -- where you can go into the system, program your own report based on whatever information you want out of that system and the system will produce it for you -- call it random access (any information you want, in any configuration).

Q. To what extent does this system expand the types of reports school districts can produce?
R. It is virtually unlimited (talking dollars and cents). We've never been hampered by that at all. A district will call us and say, I want my system to tell me this kind of information and we've never been stymied on that -- always been able to tell them the kind of data they need to capture to get that information out of your system.

It helps make them more certifiable. As financial people, we speak through reports. We can have a whole desk full of purchase orders, but that doesn't make any sense. And I usually ask, in our training session, to tell me why we have accounting at all. We usually settle on some kind of logic or understanding of that great volume of dollars -- the transactions that have flown through our district. We can get our financial statements to be more accurate. So there are better reports even for that reason even if the format hasn't changed.

Q. Do you think the initial and on-going costs for districts operating this accounting system are too high in relation to the kinds of benefits they can accrue?

R. No. Unless a school district goes overboard. And there are some that do that. Southwestern city schools -- they are great friends to us; they help us in lots of different ways. I can't possibly envision the kind of benefit they are going to get from all the dollars it has cost them. Maybe there is some, but if a district goes overboard, it's not going to help them. If you have a small district
that pays $30,000 for a bookkeeping machine or small computer and they didn't need it, it would be tough to recoup that. But in a medium district (1,500 - 2,000) time saved in the business office alone, if they do it right (plan ahead, etc.) they can save a lot of time. I think that by showing the financial reports and the budget especially, they really pinpoint where the dollars are going to go and if we put a bunch of money in someplace, where before you could hid it, and now if you have $3,000 in capital equipment, budget for support services, general administration, now someone is going to ask you what is that? So maybe you won't but it (it's another thing if you really need it) but just to tuck something away, maybe a school has to be on its guard more because things are clearer I think.

I don't think, that if a district follows our guidelines, that they will spend too much money. Certainly if they want to sophisticate beyond current sophistication they'll spend more money but if the district takes the guidelines we give them for minimum implementation and they don't do anything in the way of equipment acquisition in the first year, then they can make a pretty darn good management decision about what they want to get out of the system, what kind of accountability, and what their future needs are going to be. When they see what the system can do for them, then they can make that kind of expenditure and with a little more confidence. Districts sure can overspend but we think with proper planning and proper decision making, they can handle it.
Some districts rush out and buy equipment that just doesn't do what they thought it was going to do.

Q. Almost everyone I talk to makes a point to emphasize the fact that depending on the kind of accounting technology you have in a district that will almost dictate how much you can do with this system. I can understand that to a certain extent, however, I come up with districts at two different ends of the spectrum, i.e., district "A" on one hand who has data processing capability yet sees absolutely no utility in such a system and their commitment couldn't be any lower. Yet at the other hand, I come up with a district who hand-posts and you won't find a district that has a deeper commitment or sees more utility in this kind of system. Do you have any thoughts on what might account for that?

R. Well, there's politics involved because not only do school districts run into the auditor from our point of view, but we do the auditing. If the audit has left a nasty taste in that district, then it is possible that it could spread over into this thing. So no matter what the auditor says, too bad. On the other hand, where a school district has gotten help from the people that they have talked to, they don't think that the auditors are so bad. And so they are willing to accept things face value and have a clearer perspective on it and maybe see that there is some worth to it. On the other hand, you have people in a hand-posting
district where maybe this person feels like he/she is leader and so there is some ego involved and I don't knock that at all.

When we address this system to groups of people, we talk about management and we sum it all up by saying, this system is not going to make managers out of anybody. It is there to help him manage.

We've been to many school districts where they don't see any value in this accounting system. A point in fact: We go to a school district and they tell us there is no point in having this accounting system because we know that anywhere from 85-90% of our money goes to teachers (anyone on our staff here can tell you that this is what they've heard).

When we do a budget analysis on these districts, we're finding closer to 60% is being spent on teachers. You run into a lot of districts where, for some reason, they don't want the type of financial disclosure that this system allows. A comparison: We go into a school district and because of the system, we break down services (instruction and support) and some administrators in the system say that's great because now we can tell people where all this money is going -- not all to teach their kids, for sure. We can now tell them where it is going -- pupil transportation, food service costs, guidance, principals, etc.

Some other districts don't want that cost broken down -- especially if they have a lot of assistant-type jobs (assistant superintendent, assistant for career education, etc.). In a school district we saw four or five assistant supers at about $30,000 a piece plus the super was over $30,000. This district has the audacity to say, "We can't make our
cuts." You may be talking $200,000 without even thinking about it.

Another district had asked for a financial closing -- last couple of days in August they asked for this. That board of education voted paid dental insurance for the employees of the board effective September 15 knowing they were going to close.

All we can do is go to the school district and ask if they know what certain costs of theirs are. We can show them many benefits to this system -- show them how they can get better management information out of them and they'll say it isn't any good.

Another problem you run into is control in districts. Who is in charge of what? The clerk and super are hired by the board and in many cases, the clerk answers to the superintendent. In some cases, clerk and super have no confidence in each other. There still is control there.

Q. Suppose this system provides more comprehensive information, etc., and what I hear from some people is that if we get to a situation where we can break out costs by building and grade level (i.e., a reading program in grade 1 in school "A" and a reading program in grade 1 in school "B" -- and indeed it comes up that we're spending more in school "A" for that than we are in "B", it will cause me some problems unnecessarily because that kind of financial data is erroneous because I have one or two teachers in school "A" who have masters degrees and get paid more, so it is a fact that I'm paying more for reading here than there -- doesn't
tell anyone if the reading program is superior. Could you comment on that?

R. Certainly the financial system is not designed to test the educational quality of any school district but at least now they'll know they are spending more money at one school building which is something they did not know in the past. If you know that you are spending more money, (in one place vs. another) then you can go in and find out why.

Educators, and I don't mean this derogatorily, don't like to talk to me about dollars. There are standardized tests and those kinds of things that measure, maybe, achievement. The reason one school district or one building does better than another may not have anything to do with dollars but it may. Theoretically, by having a teacher with a masters degree, you get more from them so if you have some measure of which of the reading programs is better, then maybe you'll want to channel more dollars to hire more people with masters degrees. Dick's right, in a cost benefit situation, we can only talk about the cost end of it but that is one of the two parts that was missing before so now we at least have a tool for providing the denominator for that fraction.

People are forever going to be able to come up with situations to discount the accounting system, but let's say you had a teacher with a masters degree and all those kids were passing and you had a teacher without a masters degree and they were all flunking. Instead of more money where you have the masters degree maybe that's an answer —
maybe you need to put a masters degree in the other end of the school.

Let me give the other situation. Let's say we have a school with a masters degree in it and we're not spending as much money as the district who does have the masters degree. Where all the money is being spent; the kids are flunking. Sure we could justify we spend more money cause we have someone higher on the salary schedule but what about when we spend more money and don't have any results? And there is no explanation. I don't say that the accounting system is a tool to fire teachers or anybody else. The cost design does tell you where you spend your dollars -- you have to make the management decisions -- we can't think for the manaters -- but can give them the accounting to tell them where they are spending their dollars.

Q. Is there anything else that you would like to say about the U.S.A.S. that perhaps I haven't gotten to?

I did expect a question like -- Do you think school districts are using what they've got right not to get any benefits? I would say in some cases, yes. Because more school districts are instituting building budgets and areas of responsibility financially as well through the business of educating kids. And while dollars are secondary it is still what it runs on. Lots of school districts that I see now are taking the opportunity to be more efficient with their dollars. They didn't think they were inefficient before but things are laid out for them now where
they can see it a little easier. It's not just the definition -- they have no idea what it costs to have guidance counselors yet they have to have them -- to be a certificated operation, they must have so many counselors. But if the school district had them lumped in with teachers in salary accounts, they wouldn't know how much they are costing them. So they couldn't speak back to the general assembly from an authoritative point. Okay, we have them, maybe they are doing some good, but look how much it costs. They couldn't influence things before and they can now. They have some basis.

We certainly have run into some systems in the State of Ohio that were very sophisticated and offered excellent accountability. I think I've had a hands on view of the thing in Toledo -- had one of the best systems in the country. The problem with this system is that it is unique to Toledo. It just couldn't be applied throughout Ohio -- it just fits the piece of equipment they have (or the attitude they carry there about management or fiscal accountability). You can run into a negative attitude in that respect and I appreciate that.

Thus, there are some systems that may even be better but they are not uniform.

Q. Anything else?

R. As we do more and more, we get stronger and stronger (better attitudes) and find the schools more receptive, responsive -- which
makes us more responsive to them. I think we offer one of the best accounting systems in the country if not the best. This office has offered pretty good staff, money and time to get the job done right. We do something that no other state does -- we follow the thing up.
Q. What were some of the factors that influenced your decision to implement five out of the nine U.S.A.S. dimensions?

R. The first four because they were mandated and the fifth we used to break down some of the different departmental supplies and, also, instead of lumping together all of the supplies and equipment it helps break a few things down.

Q. Do you think anytime in the future you will incorporate any more of the U.S.A.S. dimensions?

R. Yes, I feel our next step will probably be of doing it all on an operating unit basis. (high school, junior high, elementary schools)

Q. What do you think are the primary purposes of the U.S.A.S.?

R. Probably several-fold purpose. My own feeling is that the basic reason it was changed is that I think the legislature is going to want more data on how monies are spent. This will give them a little better handle with this accounting system and I foresee that in the future there might be more than the first four dimensions as being mandatory.
Q. Is this accounting system designed to flexible enough so that in the future changes could be made within the accounting system without changing the whole system?

R. I think so, for a reasonable number of years. Things will change so rapidly I'm almost afraid to predict. The last one I think was in effect for about 40 years before they changed it; but I think with this system in the foreseeable future, it provides for flexibility.

Q. Since the inception of the U.S.A.S., has it led to increased costs for the district?

R. No, I don't really think so. Takes a little more effort to initially get on it, but I think it saves time in other areas, probably balances itself out.

Q. Do you think it will lead to any increased costs as you go further with it?

R. No, I don't think so because even though we're moving onto data processing, we were already thinking along those lines. This system gives us a better handle on financing than the old system. I don't see where it will increase our costs anymore than it would have otherwise.
Q. In terms of the system in general, would you say it is too complex or cumbersome to work with?

R. Depends on the way in which you handled the old system. If you did everything by hand posting or unsophisticated methods it certainly would be quite a change. But if you were using a machine, it would certainly not be a radical change. I think all districts had been forced to slowly get into data processing anyway. I think we would have been into it even if the state and its new accounting never mandated it.

Q. Has the state auditor's office provided adequate in service training for school district personnel in implementing the new accounting system?

R. I think they made efforts at it. Frankly, I don't feel most of them understand it that well themselves.

Q. Is the new accounting system an effective tool for exercising more effective cost control procedures over the district?

R. The new system coupled with the fact that you are going into data processing (and most districts are going to have to go into that) - (and I don't think that's so bad) In our system, teaching aids are in the buildings through specific allocations that are provided. However, it was up to
principals in terms of how they spent those allocations. We had basically one account for all teaching aids before. With the new system and the flexibility it provides, coupled with the data processing, we've now set up separate line items so when a principal calls up and says we don't have anything left, you can pretty much look rather quickly and see just where they stand. That was difficult to do under the old system. Not just because of the codes in the old system but also the way in which it was handled in the old system. You must look at both the new system and data processing.

Q. Has the existence of the new accounting system led the district to involve any additional people in the budgeting process i.e. principals, teachers, etc.?

R. We do get some figures from principals for some things and go over it together, but we did that under the old system also.

Q. Does the U.S.A.S. allow you the discretion to aggregate data in a variety of ways depending on the questions you want to have answered?

R. I think the answer to that would be a definite yes, again as long as you couple both items together, the new accounting system and data processing. The new system itself would do it, but it would take a good
deal of effort if you were still on unsophisticated accounting machinery.

Q. Is data provided by the U.S.A.S. useful in terms of planning for a particular program?

R. I would anticipate using data to discover costs of a program, for jr. high school science. With a knowledge of this kind, we could then plan similar programs ie. innovations.

Q. Is data provided by the U.S.A.S. useful in terms of evaluating a particular program?

R. I think probably it could. I don't foresee alot of procedures right now where it could lend itself. When you get right down to cost figures, so much of it depends on the quality of your staff. If you spend $4 per pupil on teaching math, in high school you could have an excellent program whereas you could spend $7 per pupil and yet have a lousy program. I'm not sure it relates that much to costs. I think the key to successful programs is people.

Q. Has the U.S.A.S. caused you to change your budgeting practices?

R. If you follow some of the full breakdowns, variables that you want to
take financial data on, it would be extremely difficult to do that with hand posting. I think it has basically forced us into data processing. It just prompted us to finally take the plunge. That's probably the biggest effect it has had over any. This then of course changes our budgeting somewhat.

Q. Do you think this new accounting system has increased the comprehensiveness of data that is available to the district?

R. It causes you to really look at how you organize data, maybe see things that may be possible now that were not possible before. It causes you to evaluate your own accounting.

Q. Is information produced by the U.S.A.S. useful to other levels of decision makers in the district?

R. Yes, I see that. Not only in the district, but outside.

Q. Does the U.S.A.S. make the district's budget more understandable to others in the district?

R. I see it doing that in the future, but it's not doing that now. It's a radical change from the categories we had been keeping before. I think eventually that it is going to help.
Q. To what extent does the new accounting system limit the types of reports your district is capable of producing?

R. I don't think it does limit. It will enable us to get more management data than before. There will be things in that system that will enable us to project salaries, which will help even in negotiations. The data processing is your key to the new accounting system. It will enable us to print out our costs, our staff will already be implemented as far as the degrees that they have, the step on the scale they are as per salary, just plug in the costs of the program and we will have a projection of what it will cost. It saves a lot of time.

Q. Are the initial and ongoing costs of running this accounting system too high in relation to the benefits you can accrue from it?

R. I think that if you take the two together (data processing and the new accounting system) it will cost us less.

Q. How would it cost you less?

R. We will be doing payroll and all of our accounts payable on the new accounting system with the data processing. We're doing that at a cost of about $7,000 a year. If you hired a second person to assist the clerk,
it would cost you more than that. And you will get much more management
data out of this., and you don't have to make a heavy investment in
equipment, and equipment goes out of style so fast. Over 5 to 6 years
you might have $40,000 , but at least you have the flexibility to change
without having to throw the machine out. I don't see it costing much.
I think it will save on staff.

Q. Is there anything else you would like to say about the new accounting
system that we haven't covered in the questions I've asked?

R. I think it was sorely needed. I guess that's the first step in wanting to
work with it. I know its been a problem for some clerks throughout the
state and I have some reasons as to why I think that's so, but basically
it was a slow change I think. It is because there isn't a high level of
sophistication among clerks throughout the state. Some have much more
training than others. Within the last few years, there has been a
tremendous changeover in clerks throughout Ohio and I'll bet most has been
in the last 18 months and I think the new accounting system has forced
some of that. I don't think that is bad. You need to keep some kind of
sophisticated records, so I think it was a much needed change.
Q. What factors influenced your decision to incorporate only the fund, function, and object dimensions of the U.S.A.S.?

R. We didn't see any great value in analyzing it in any further depth. Our system is so small and we have had a good handle on costs anyway. For example, it just takes us a few minutes if you'd be interested in this district, for example in finding out what was the cost of a given program, subdivided, it would take us just a few minutes to gather that information. We don't see that the system would speed us up. As a matter of fact, it would - by having to break down all the information, it would actually would take longer to account for it, a lot of that information we wouldn't necessarily want to retrieve.

Q. From your point of view, does this accounting system provide superior data as compared with the previous accounting system?

R. Not at all.

Q. Do you anticipate incorporating any of the other dimensions of the new accounting system in the future?
R. At this point, no. If there was some way we could back out of the system entirely, legally, we would do so. We would abandon it entirely.

Q. What do you think are the primary purposes of the new accounting system?

R. I think it was an honest effort to track down to the nth degree the costs of school programs. But I believe it was a misapplication of a system of accounting that would apply elsewhere and not here. Not in the school business. We tried to adapt too many times, military models to school functions, I think. I talked with Dr. Paul Galagher, the man who headed up the experiment on this when it was being explored in the Cleveland area. I talked with him about a year ago and mentioned to him that we were kind of into this and he was appalled. He said that when he finished with it, the conclusion was that it was absolutely not ready for use. And I really think that Mr. Ferguson pushed it in order to gain something for himself, I'm not exactly sure what he was after.

Q. Do you think the way the system is designed that its flexible enough to be changed without disturbing the basic concept and having to change the entire system?

R. Oh, no. It's a very very rigid system. And this is one of the objections that we have found. At first we looked at it and said, gee this isn't going
to be bad, this is flexible. And then we tried to find a slot to assign the rental of our postage meter to. We'd already put it in with postage, we kind of figured it was a charge to be made against communication - postage. It's kind of logical, rental postage meter. But in this system, you can't do that. It comes under a completely different object. It comes under a rental object and under a specific rental object. I have a feeling that the auditor might let you tinker with that but I believe, eventually, there will be findings made against school districts using the U.S.A.S. where that school district does not put the object item in the category mandated by the state auditor. I believe that's his object. That will make it possible to compare the number of sheets of paper that we use in this district per child in our elementary schools and the number that are used in another district, and if we use too much, the auditor will charge us with waste. That's what I think will eventually happen with the thing. I regret that because I don't think you can make educational decisions on that kind of basis.

Q. Is the U.S.A.S. too cumbersome or complex to work with?

R. Absolutely. Absolutely fierce. The system has already cost us the addition of another half-time person, and I had a conference with the clerk just yesterday and sat there with tears in her eyes because she is not able to do all of the posting and keep everything in balance and make
all the necessary entries and comply with all the state requirements of the system. Previously she handled the form 84 system in its entirety without error. I am inclined now to go to the Board and requesting an additional full-time person to work in the clerk's office. We've used this system a year and a half now and still have difficulty locating information and coding information.

Q. Do you think it's going to lead you to incur any more costs?

R. Yes it will. If there is any insistence at the state level, as I am anticipating, to expand the system to more depths, I believe we will have to purchase more programs for our computer.

Q. Has the state auditor's office provided adequate in service training for school district personnel in implementing the new accounting system?

R. No. And I don't think that its necessarily their fault. I don't think they know. The system was just not ready to be thrust on the people. The auditor's office just ignored recommendations of people who made the original experimentation.

Q. Is the U.S.A.S. an effective tool for exercising more effective cost
control procedures over the district?

R. No way. Not in any way is it helpful in cost control.

Q. How about in terms of allocating dollars in the district?

R. I don't see that in any way it will help me to allocate money.

Q. Any ideas why?

R. I've been a superintendent now for 25 years and one of my long suits has been fiscal management. Our district has always paid well, always had good breadth of programs, could always buy new things, I feel this is so because I am a good fiscal manager. With the old accounting system I knew precisely where I was, I had command of it. With the new accounting system, I must say that at this moment I am quite unsure of myself. I'm blaming that partly on myself. Perhaps if I studied it harder, but I don't have that time. Our district is one without a lot of personnel at the top management level and I must do a great many things myself.

Q. Is data generated by the new accounting system useful in terms of program planning or evaluation?
R. No, not local planning or evaluation. The state auditor may have some purposes like this along the line, we do not. We are maintaining a dual accounting system and are able to maintain whatever integrity we have in financial management because we are clinging to the old system. If and when that disappears, I may disappear with it.

Q. How about in terms of involving other levels of decision makers in the budgeting/financial management process? Will this system help you to do that?

R. Not in any way. It makes it much more difficult. Mostly because the system demands a refinement in accounting which relates to the point of being ridiculous. It's completely uncalled for. For example, we permit our middle school to send home what we call "happy notes." These are occasions when faculty feel they can commend a student through the U.S. mail. This system would demand that we charge back to that program the cost of the postage, the cost of the paper, printing, postage meter, etc. If you had to account for all that, you'd say bag the program. We are stifling creativity, programs, etc. with this system.

Q. Has the U.S.A.S. caused you to change any of your budgeting procedures?
R. Yes it will. I've taken great pride in my accuracy in allocating funds. My transfers you'd find are miniscule. Over the years we could appropriate so accurately that we would keep our funds in good control that we almost never had to make any internal transfers or allocations until along about the calendar year in order to bring back all of our funds into balance. Can't do that now. Making transfers virtually every month now because funds get away from us. Example, the fund for in service training of personnel. Now it must be divided according to what that person is, counselor, speech pathologist, etc. We want our teachers to attend in service. Two counselors wanted to go to DC for a national meeting. By taking that trip they have spent all of the money allocated for counselor in service and then some. Thus, this fund is now in the red. Now we must go to the school board to find money elsewhere to transfer over to bring it back into the black. Now for ten months no other counselor may spend any money for in service, no matter what it is. In the past, if we had that problem, we could limit those two from future workshops and find money for the others. We've had to develop a new form for request for personal leave, travel, etc., so that when a person makes such a request it must go through their principal, then it comes here and then the funds must be encumbered ahead of time. We didn't have to do this before. Now from the beginning of the year every account is tight. To me this involves alot of horsing around. This is idiocy. It is robbing people of the flexibility they need to operate in good healthy working conditions.
Q. Does this accounting system help you to devise budgets which are more understandable to various people in the community, ie., the board, PTA, community groups, etc.?

R. No way. You now have separated instruction into at least three categories in the school district: regular class instruction, special education and vocational education. What you have done with this system, besides making it more difficult to understand, is that you have drawn battle lines which are already evident in this school system. I've given each principal money for library, equipment, etc. We broadened their budgetary control and we used the old accounting system to do that. If we buy paper out of the old supply account fund, principals question how will be assured that it will be used in our building? You develop a selfishness. Under the new accounting system a department is charged for cost of paper. If a member from another department runs off a few copies from that paper, we then have a fight between the two departments. The system is going to destroy morale, increase competition between departments, etc. Teachers should not be forced to battle over such areas. It is happening in this system.

Q. To what extent does the U.S.A.S. limit the kinds of reports your district is capable of producing?
R. We haven't set any limit. We have formed a cost cutters cabinet to
dig into the accounting, looking at costs of various programs. Of the 50
some districts that got themselves into financial trouble, 15 of the
superintendents were quizzed by Bennet Rose, rep. from Lima. Someone
told me his first question was, when did you first realize that your district
was in financial trouble? The second question was, what did you do
about it? I'm told that all 15 answered in effect, nothing. If I get
hauled up there, I'll be able to say that I knew my district was in trouble
as per such and such a date and I have a list with me of 101 things that
I did in response to that knowledge. However, this new accounting
system is not helping me in this matter. I'm doing it because we're using
the dual system of accounts, clinging to form 84.

Q. Are the initial and ongoing costs of implementing the U.S.A.S. too
high in relation to the benefits you can accrue from the system?

R. Yes.

Q. Are there any benefits at all?

R. No.
Q. Is there anything else you'd like to say about the U.S.A.S. that we haven't covered in the questions I've asked?

R. Well, we have received confusing advise about the system. Galagher said the system was not ready and in service training was not prepared. Example, we left a meeting with representatives from the state auditor's office with the impression that we could effect certain transfers without board approval/action. The only thing that we had to have board action on would be when the board had adopted a specific amount in a specific category. Example, Guidance services. The board adopted $200. That means its money inclusive of all things. $600 over that means the board must first motion to get money in before we could reimburse the counselors. On the other hand, internally, we thought that Ferguson wanted to know how we were spending that money in greater detail. We felt we must split the $200 down even further. We took the $200 and broke it down. It was our understanding that within these broken down amounts that we didn't have to do any official transfering. The bottom line is you just don't know where you stand. Believe me if the clerk walks out, we'll have to close down. All over this darn system.
Q. What were some of the factors that influenced your decision to use 5 out of the 9 U.S.A.S. dimensions?

R. This district, when on the old accounting system, had building level budgets. It was decided that when we made the transition to the new system we would begin by going as far as we needed to in order to maintain what we were doing before i.e. building level budgeting. In our eyes, by going with just the fund, function and object dimensions we would have lost the accountability we had already built up.

Q. What do you think are the primary purposes of the U.S.A.S.?

R. To give better cost accounting capabilities to all school districts. It will allow administrators to see much more clearly the cost for educational units, buildings, subject areas, etc. This kind of information was extremely difficult to come by with the old system.
Q. Does this accounting system provide data which is superior to that provided by the previous system?

R. Oh yes. There's just no question about that. The first example that pops into my mind is the area of salaries. This of course comprises a great deal of school district's expenditures. You get a much clearer picture in terms of salary costs like retirement, fringe benefits, life insurance, sick leave, personal leave, hospitalization, etc. If you want to give the board a clear picture on what it costs to buy personnel, you have to have all of these figures clearly spelled out. With the different levels provided by the new system, we'll be able to pull that all together. This is very important in the area of negotiations as well. We'll also now be able to see the costs of various subjects being taught in the schools. This was near prohibitive under the old system.

Q. Is the U.S.A.S. designed to be flexible enough so that changes and modifications can be made to it without having to change the entire system?

R. Yes, I really think so. It's the kind of system that's like a telescope, you can collapse it or expand it depending on what it is you want.
Q. Has the existence of the U.S.A.S. led to increased costs for the district?

R. I believe it has led to our needing to get into the computer business. It will also require additional personnel. I'm not convinced that computer records eliminate personnel at all. Of course so much of this depends on the extent to which a district wants to use the accounting system. For what we want to do, those additional costs will be incurred.

Q. Is the U.S.A.S. too cumbersome or complex to work with?

R. I think it can become that way. I think a district can begin to gather alot of useless knowledge in requiring a computer to spit out data that no one will look at. We have to be frugal and careful to plan for the system to give only that data that are appropriate to our needs and wants.

Q. Has the auditor's office provided adequate in service training for district personnel in implementing the U.S.A.S.?

R. I think it is difficult for them to do so because, they have a great turnover in staff. I think you almost need someone to work with you continuously to properly implement the system and I'm not sure that they can provide that much service. I think they have done more in so far as
the user manual they are providing, I think it is excellent. I think a great burden was placed on the pilot region because during that initial time they (auditor's staff) were still in the learning stages with the new accounting system. Now, anytime we've called them, they always gave us all the help they could. Nevertheless, I really think more consultant services are needed.

Q. Is the U.S.A.S. an effective tool for exercising more effective cost control procedures over the district?

R. Yes, I do. I don't think it will be as effective in this district as in a district where they never did any kind of cost accounting, but rather just went with and by the form 84 system. As I mentioned, we were already into building level cost accounting/budgeting, but the new accounting system will be effective to us in terms of looking at programs and subject areas.

Q. Is the U.S.A.S. an effective tool for better allocating dollars in the district?

R. It will be, as soon as we can begin to build up some kind of historical
data based on the new accounting system. This historical data, of the
kind produced by the various levels of the new accounting system, will
be very valuable in terms of allocating dollars.

Q. Does the new accounting system allow you the discretion to
aggregate data in a variety of ways depending on the questions you
want to have answered?

R. Yes. There is a tremendous amount of flexibility in the system that
allows you to do just that. It's like the telescope analogy I alluded to
before.

Q. Is information produced by the U.S.A.S useful in terms of helping you
and others to plan or modify plans for programs?

R. Absolutely, we needed this kind of information for a long time now.
I think this is where this accounting system, that is the idea began.

Q. Is information produced by the U.S.A.S useful in terms of helping
you and others to evaluate programs?
Q. Is data generated by the U.S.A.S. useful to various levels of decision makers in the district?

R. I think it will in planning programs, I think it will if this district finds a need to ask for additional operating millage and in this regard now we will be able to say why with sound details. This is a district with older buildings. If we get to a point where we think for better educational programming, we're going to need new facilities, we now have all the information at our fingertips i.e. here is what it costs to renovate and maintain this facility, as opposed to this is what it will cost to build a new facility.

Q. Does the new accounting system help to make the district's budget more understandable to various people i.e. the community, board of education?

R. Yes, because they will be able to see the various new categories that will make much more sense to them, the cost of instruction, the cost of administration, the cost of maintenance, which will mean much more to them than the cost of salaries; salaries for what?
R. Yes indeed. Now evaluations of a type can be made with some additional clear in depth knowledge of costs.

Q. Has the U.S.A.S. caused a change in the district's budgeting practices?

R. Perhaps some. You see we still need some more time to collect and store data so that we can begin to build some kind of an historical data base. Costs per pupil broken out now in terms of various programs will affect our budgeting some.

Q. Does the U.S.A.S. increase the comprehensiveness of the district's information systems?

R. Yes. It will do it in such a way that it will unify the administrative team. It will be done by sharing information, becoming more aware of various fiscal impacts on different components in the district, etc. Furthermore, generating the kind of data we're seeing as being important to generate is a task that must be shared by all administrative staff. I believe this is a built in, though perhaps unexpected, byproduct of the new accounting system.
Q. To what extent does the new accounting system limit the type of reports your district is capable of producing?

R. I don't think it does. I believe the sky's the limit on the kind of reports that you can provide.

Q. Are the initial and ongoing costs of implementing the U.S.A.S. too high in relation to the benefits you can accrue from it?

R. No, I don't. The accounting system is well worth the expenditures you have to make in order to work it properly. Accountability is what its all about. Educational accountability is crucial today. The new accounting system is a most useful tool in regard to this.

Q. Is there anything else you'd like to say about the U.S.A.S. that we haven't covered in the questions I've asked?

R. The conversion has been difficult. It's impossible to stop the works to work on a transition in the proper fashion. There's no way to call the district off so that adequate time and attention can be given to converting to the new accounting system. It's too bad the auditor's office couldn't
offer more personal help in this matter. There's no real answer to this
problem. In the end, this is worth it though, particularly, maybe
exclusively, in the long run. The new accounting system was desperately
needed, and I'm really excited about the new system.
Q. What were some of the factors that influenced your decision to use only the first three dimensions of the U.S.A.S. right off?

R. Well in the beginning we were on hand posting and it seemed like the chore of going to more digits was impractical. However, we do plan on obtaining a computer.

Q. Would you anticipate going to more dimensions of the accounting system once you have the computer capability?

R. Yes, we will go all the way with the system.

Q. Why?

R. By doing so, we will be able to store and retrieve a tremendous amount of management data - data that can aid us in decision making. The key here is to use the system only so far as it will provide information that will be useful to us.
Q. What are the primary purposes of the U.S.A.S.?

R. There are two distinct levels here. The state has its own reasons why the system is around. Basically for us it's a matter of getting information that will enable us to do some cost analysis district wide so that we can make better, more effective and economical decisions. At the state level, since it was a legislative mandate, I think the legislature is looking for more detailed information than they could get under the form 84 system, so that they can see the operational costs of various school districts. This will give them information that will provide them with answers to the questions they have that fall into the realm of educational accountability.

Q. Does the U.S.A.S. provide information that is superior in nature compared to the form 84 system?

R. The data you're going to get from the new system is going to be more diversified; it's going to be more detailed. Yes, it is going to be better.

Q. Do you think this system is designed to be flexible enough so that in the future changes can be made to it as well as modifications without
having to change the entire system?

R. Flexibility, speaking locally, is going to be controlled, as I see it, by organizations outside of the educational system. By that I mean the auditor's office, etc. He has already set certain kinds of limitations on what districts can do i.e. you must classify this expenditure in this way. In terms of a direct answer to your question, I believe so. Several revisions have been made so far, and I suspect several more are yet to come.

Q. Has the existence of the U.S.A.S. led to increased costs for the district?

R. Yes, it has increased our costs in terms of machinery i.e. going to data processing; we had to employ an additional person to gather all this data, like payroll, and program it into a computer. It's obviously caused our clerk much additional work at least at this point. Now as we find more uses for the data, you have to make additional expenditures. However, we don't know exactly what this will be yet.

Q. Is this new accounting system too cumbersome or complex to work with?
R. No. I don't think it's too complex or cumbersome. I think the problem is you go from a very simple method in the form 84 system to a system that provides additional data and that complicates things in people's minds. Basically, we have found it relatively easy to change from one designation to another. For example, we always talked about B-6s or B-9s, now we talk about numbers that reflect particular functions.

Q. Has the auditor's office provided adequate in service training for school district personnel in terms of implementing the U.S.A.S.?  

R. Well in our particular district we seem to be getting on the track while other people are complaining and saying they're having a lot of difficulty making the transition. I think this is a reflection of the intelligence level of our staff in that we're accepting it and trying to work with it to our benefit and not trying to fight it. We haven't had that much contact with the auditor's office other than a two day training seminar and one visitation to help us with the new appropriations budget. Now, if we have any questions, we just call and feel assured that we will at least get a reasonable answer.
Q. Is the new accounting system an effective tool for devising more effective cost control procedures over the district?

R. In terms of cost control in your context, I would have to say yes. Now whether it will lead to efficiency or economy remains to be seen. I guess it depends on what each district gives priority to in terms of spending functions.

Q. Is the new accounting system an effective tool in terms of helping you to better allocate dollars in the district?

R. Yes, I think so. We haven't had it long enough to see exactly what the system is going to produce in terms of appropriations historical data. If the data they say it will produce does in fact come true, and I expect it will, then yes, it can't help but be useful.

Q. Has the U.S.A.S. caused the district to change it's budgeting practices?

R. No. It's just giving us a better cost breakdown than we had before.
Q. Do you anticipate this accounting system causing you to involve other people in the district's budgeting process?

R. No more than in the past. That is at the present time. Again we will evaluate our use of the accounting system in a year or two. At that time we might see an area where we might want to involve people. Another factor here is that we are a small district. I have face to face contact with principals, teachers, custodians, students, on a daily basis. I see this as involvement because I'm aware of their concerns and thoughts. This provides me with valuable input and feedback. In other words, collecting that kind of input and feedback does not take a highly structured, planned out effort.

Q. Does the new accounting system allow you the discretion to aggregate data in a variety of ways depending on the questions you want to have answered?

R. I think so. There is surely flexibility in the system to do that kind of thing.

Q. Does the new accounting system provide data that is useful in terms
of helping you to plan or modify plans for programs?

R. Yes, particularly more so in the area of evaluation. The cost data that is available to us now is detailed enough so that various kinds of analyses can be attempted.

Q. Does the U.S.A.S. increase the comprehensiveness of the district's information systems?

R. Yes, it has great potential in that regard.

Q. Does the U.S.A.S. provide data that is useful to various levels of decision makers in the district?

R. Well again let's take into consideration the size of this particular district. Probably would not be as effective in this size district as compared to larger ones where there are first off more levels of decision makers, and that being the case communication and the flow of information is much more difficult. Of course, on the other hand, by the mere fact that this system provides better data, in my opinion, than the old system, I can't help but seeing it as being useful to anyone.
Q. Does the U.S.A.S. help you to devise budgets which are more understandable to various people ie. the community, board of education?

R. Well not immediately. No, you know the old accounting system was used for years and we just got people accustomed to use various codes and various kinds of divisions. I think they're going to have a lot of difficulty adjusting to the new number codes. However, the new system does breakdown things according to function and in that way might be more understandable to the public. But I really don't think it's going to be an eye opening kind of thing.

Q. To what extent does the U.S.A.S. limit the types of reports your district is capable of producing?

R. I'm not sure that it will limit us in any way. In fact it will greatly increase the possibilities of reports that can be generated. Now, in the new system is more available to us. You see the difference between the two systems is that under the old system you had to devise your own method of storing data that you wanted to keep, with this new system it eliminates that, and provides you with a canned way of doing that. I believe the key here is that you have to go to computer to get at that.
You can't retrieve the information very economically if you're going to do everything by hand.

If you are going to use the system to the full potential you are going to have to go to some kind of computer accounting.

Q. Are the initial and ongoing costs of implementing the U.S.A.S. too high in relation to the benefits you can accrue from it?

R. I don't think so. Yes there are some additional costs, but there will be significant time saved in terms of person hours and the data produced will be very useful to us if we continue to use the system properly.

Q. Is there anything else you'd like to say about the U.S.A.S. that we haven't covered in the questions I've asked?

R. I think this system was devised with large districts in mind. That is the Cleveland and the like; districts that were already on computer. But the more complex an organization, the more areas you have for possible breakdown in communication and data storage, and I think this system was devised to give such districts a tool by which they can do this kind of thing. Of course smaller districts like ours, which never thought
about computerized systems, must now think in those terms. This then is a disadvantage in my opinion. A disadvantage in terms of economizing. Now, we'll reap many benefits from the data generated but we will pay a high cost for that.
Q. What were some of the factors that influenced your decision to use three out of the nine dimensions of the U.S.A.S.?

R. Basically, it's a starting point for us. We're just not sure how sophisticated we will want to get. So what we're doing is starting to implement slowly. More than likely we will proceed further as we go along.

Q. What do you think are the primary purposes of this accounting system?

R. As I see it, it will be, as far as small districts are concerned, it will be more beneficial to the state auditor's office than to us because we are able to ascertain most of these things without this type of reporting system. So in fact, it's less revealing to us keeping our records this way than the old way. Example: If I may, textbooks. Previously, I was able to indicate that we spent $40,000 for textbooks, it was right there in front of me. Under this accounting system, it's much more difficult to find this information out. I was able to tell, this being a small district -- what the high school spent on textbooks, further more what the English Department spent on textbooks under the
old system. So speaking from a small district's point of view, I think the system is more beneficial to the auditor's office than to the district.

Q. Does this new accounting system provide data which is superior to that provided by the previous accounting system?

R. No. Because now it is more difficult to get at information. Textbooks for example. But again, this is from a small district's viewpoint. I can't even begin to respond how the system might benefit the Cleveland-type districts. I will get a call from a principal and he'll say I lost count of my records on purchase orders, etc., how much more do I have left in the textbook account or I've spent my allocation -- is there some surplus somewhere that I can use. It is much more difficult for me to find out this information now than it was previously.

Q. Do you think this new accounting system is designed to be flexible enough to accommodate future changes to it without having to change the entire system?

R. I would think so. It certainly allows for expansion.

Q. Has the existence of the new accounting system led to increased costs for the district?
R. Not in our case. We were on manual posting before, we're still on it. It has not required any additional personnel. Time-wise, it takes a little longer until we get accustomed to the process.

Q. Is the new accounting system too cumbersome or too complex to work with?

R. In response to that, alluding to what I said earlier, yes. But again, that response must be tempered with the fact that it's new to us. In two or three or five years, assuming that it's not changed, it might become easy for us.

Q. Has the state auditor's office provided adequate training for district personnel to implement and run the new accounting system?

R. Yes. I really think so. I was surprised, but, and I don't mean that sarcastically. We have gotten some help through them, and I assume some additional help through SMI, or BASA or what have you. Yeah, we feel satisfied with their efforts.

Q. Is this new accounting system an effective tool for exercising more cost control procedures over the district?

R. I think it could be. I question however some of the information you can obtain from this system. In other words, once you get some of this
information, what are you going to do with it again relating it to a small district, for instance, I would be able to find out if I wanted to what our language arts program is costing us. But because this is a small district, and I would say that it's going to be the same with a large district, 80 - 85% of the program costs are going to be based on the type of personnel that you have. Our language arts program -- everyone in it happens to have a masters degree and about 15 years of teaching experience, so that's going to be high compared to some other programs. So yeah, I think you can get the information but I don't know what it means once you get it.

Q. Is this accounting system an effective tool for better allocating the district's dollars?

R. I guess I would have to say no. Because again, when you budget -- it is tied up primarily in personnel and I don't know how we are going to better allocate funds if you're talking about equalizing funds, unless you switch personnel, eliminate personnel, etc. We do have a system now, built in, where each year we emphasize a different area as far as expenditures go, so we have that already, but this accounting system isn't going to help us do that, or hinder us for that matter.

Q. Has the new accounting system caused you to change your budgeting practices to involve various people in the budgeting process?
R. No. First of all, I guess because the accounting system is new; it's confusing. We're tied up in the process of learning the accounting system ourselves and training principals and others to use it. I can't see or begin to think of using the system to change our budgeting procedures.

Q. Does the new accounting system allow you the discretion to aggregate data in a variety of ways to answer whatever questions you have?

R. I guess that is true, but again I question the type of information that you can obtain. In other words, I guess my biggest gripe that I can think of off hand is the kind of information it generates, is the breakdown in the retirement system costs. Before, we used to have the lump sum, you know, we spent "x" amount of dollars for retirement. Now I don't know what good it does me to know what that is broken down by special education, or by the regular classroom teachers, the administrators, and so on. We can get that information with this new system, but there's no advantage to having it.

Q. Does this accounting system provide data which is useful in helping you plan or modify plans for a particular program?
R. I'm sure it does but, I thought that I could get the same type of information under the old system.

Q. Would the same hold true in terms of providing data to assist you in evaluating a particular program?

R. It could but again no different from the previous system and again, I'm not sure if the medium size districts or the large districts can answer in the same way. But, here we're talking about 88 professional staff and we're talking about four buildings so I don't have a big problem generating data.

Q. Does the new accounting system increase the comprehensiveness of the district's information systems?

R. As far as reporting the financial statement that we report to the Board of Education. Yeah, it's there. So you have more information at your fingertips; but again, a criticism of it is that I don't know if it means anything to the Board.

Q. So, it might be comprehensive but not very useful?

R. Right
Q. Has the new accounting system made the district's budget more understandable to various people, i.e., the community, the Board?

R. No, if anything I'd say it's made it less understandable. Again, because in districts of this size, the Board of Education and the community is not interested in what it costs us to operate the high school vs. the middle school vs. the elementary school. What people in this community really want to know is what are we paying for teachers, what are we paying for textbooks, what are we paying for educational supplies, etc. and this was spelled out under the Form 84. This way, it can almost be deceiving if the Board looks at, for instance, the cost of teachers, i.e., special education teachers vs. regular classroom teachers. I think that there is less information easily available to the Board of Education and to the community.

Q. To what extent does this new accounting system limit the type of reports your district is capable of producing?

R. None to my knowledge.

Q. To what extent does it expand the type of reports your district is capable of producing?

R. None. We've had the information that we needed before this new accounting system came around.
Q. Are the initial and ongoing costs of operating the U.S.A.S. too high in relation to the benefits you can accrue from it?

R. From our viewpoint there are very little costs for operating this new system other than the time involved in the transition process.

Q. How about the benefits side?

R. Right now I don't see any benefits, but again, it's new and maybe as we work with it we'll begin to discover some benefits that we don't see now.

Q. To what extent is the way in which a district can use this accounting, i.e., breaking out very detailed information for analysis purposes, aggregating data in a variety of ways, etc., to what extent is that dependent on the type of accounting technology the district has, i.e., computer, machine, hand-posting?

R. I would say yes, particularly for districts around 4,000 or more students. You would need some sophisticated machinery to do those kinds of things.

Q. Is there anything else you'd like to say about the U.S.A.S. that we haven't covered in the questions I've asked?
R. I think that you can tell from our conversation that I'm neither thrilled or happy with the system. I question in the back of my mind why it's really around -- for a political reason or just what. The whole idea of reporting in the area of school finance is so blinded by the fact that most school districts spend anywhere of 75 - 85% of their budget on personnel and all these sophisticated ways of determining how that other amount of money is spent to my way of thinking is useless. I just don't understand it.

Q. Do you think at anytime in the future that the auditor or legislature will mandate usage of more U.S.A.S dimensions?

R. If I were a betting man I would say yes. At that point it would be easier for the auditor to use and collect specific data when he indicates that school District "A" is in financial trouble because they are operating with 42 teachers above the state minimum. And if that's the way in which it's going to be used, I think it's wrong because what it's boiling down to is to use that kind of financial picture to make the state minimums the accepted norm for a school district.
Q. What were some of the factors that influenced your decision to use five out of the nine U.S.A.S. dimensions?

R. Basically, those dimensions corresponded with the program budget format that we have already designed and implemented in our district.

Q. Tell more about what program budgeting means to this district?

R. Expression of line item budget in terms of costs associated with various sub-programs within our education program and management support programs. That is illustrated or compared with 18 educational goals in the district and prioritized by the public and professional staff and students and so on. We have found that this is a way of keeping track of how we are placing our resources in terms of our top goals so that learning to read and write and speak effectively is number one goal and we have found that is where the bulk of our money is applied to that particular goal in terms of our educational program.

Q. Are the dimensions that you're using now enough to allow you to budget this way or at least to answer questions that way?
R. I already knew that before without this accounting system.

Q. You were able to do that with the Form 84?

R. Sure

Q. What are the primary purposes of the U.S.A.S.?

R. My personal opinion is that it has only one purpose and that is the desire on the part of someone, perhaps the legislature, perhaps the state department of education, maybe all three, to develop some kind of format which they can readily say or find out and ascertain what per pupil costs are in districts. Eventually, this is going to translate itself into a comparison of what kind of state funds go into a district and how much spending per pupil cost and so on in terms of state input. It is not rooted whatsoever in a desire for the public to know -- public interest is not an issue and never has been.

Q. Does new accounting system provide information which is superior to information provided from the Form 84 system?

R. It depends on what levels you to to and what dimensions you embrace from the old accounting system Form 84. I'm not an advocate of that system, because we went astray from that, we expanded upon that
for our own purposes. If you use that, its basic form and lets say, for example, cost per salary for principals in 814 account, all that gives you is what you're spending for your principals. That does not give information as to how many principals you have and neither does new accounting system. It can, but you don't know where the principals are located, which ones in particular that you're talking about and so forth. It has no expression of what cost for elementary school administration as compared to secondary school administration or junior high or senior high.

Q. Is the new accounting system designed to be flexible enough to accomodate future changes without having to change the entire system and come up with a new one?

R. Sure -- the new accounting system is one where you can get out of the system what you want, depending on how much you want to put in and how far you want to break down certain costs. It's that simple or can be that complicated.

Q. Has the new accounting system led to any increased costs for the district?

R. Yes, in anticipation of having to be expanded on what we have for this year we have purchased a new computer and employed one new
person and all in anticipation. This will cost us a great deal of time getting geared up for the system to implement it.

Q. Is the U.S.A.S. too cumbersome or complex to work with?

R. It's too complex and cumbersome. I would anticipate for example, we have a ledger card bookkeeping machine. Incidentally, we wanted to purchase a better computer, we were denied permission by state department, now three years later they're encouraging us to get into the computer business. We could have bought that for $27,000 and we $30,000 for a bookkeeping machine which, now three years later, is obsolete. We would have had things programmed and our machine would have been paid for. That's a sore point with this district because we were taking a forward step in our own program budget in a computerized operation and here we are after being refused -- three years later -- almost forced into it. Given our own situation and we feel obligated to continue the program budget format those costs are going to be with us. But as I started to say, we are going to go from approximately 600 ledger cards. We will probably go to approximately 5,000 accounts. These would be the accounts we would identify for our program budget, for example, if we wanted to know the instructional costs only of our career education instructional sub-program -- these are the accounts that would key into that not counting any support services, that will come later when I get into management support.
Q. Is what you're saying is that it's not really necessary to go that far?

R. Right. We did not, and let me tell you why we didn't. We have never broken out with sick leave costs to the instructional program, sabbatical leave, jury duty pay, calamity payment, termination benefits, we have never attempted to do that. That was included as part of the salary and that is something you incur while it may be a direct cost. Why break it out. Many of these things are mandated by state law. I assume the lawmakers took that into consideration when they gave 120 days of sick leave accumulation, and that they gave the opportunity for termination pay and so on. Why break it out?

Q. Did the state auditor's office offer adequate in-service training for school district personnel in implementing the U.S.A.S.?

R. I'm going to say this in its kindest form and it's going to turn out to be unkind. The people on the projects staff right now -- they have been very willing and very cooperative. But, they are not school people. They do not understand the problems of the day to day financial and fiscal operations of school districts. They do not understand the basic issues as you and I may have as a school administrator. For example, our cost per pupil in this school district is our-- what we end up with at the end of a calendar year divided by the number of pupils. That's per pupil what it costs to educate kids in this district. Now, my argument to that
is take away every kid out there and you don't spend a dime. So the idea of splitting out instructional costs vs. support costs and so on, that's interesting but final analysis last year this district spent $11,823,000 and educated 7,480 students. Whether we spend it for the computer or whether we spend it for text books or for salaries, it doesn't make a difference -- that's what it costs in this district given what we brought in that year. Going back to your purchase of text books as an instructional cost or whether they're a management support cost -- the buying of new classroom furniture, whether that is an instructional cost or whether you would include the purchase of text books as an instructional cost or whether they're a management support cost -- whatever you want to term it. That may be an over-simplification. There's a lot of people that would argue and say I want to get in there and see what you spend for support services and see what you are paying people to do this. That's fine but you don't need a very good system to do it -- to express those costs.

Q. Is the accounting system an effective tool for devising effective cost control procedures over the district?

R. No. Before you go, I'll give you a copy of the program budget to see what I'm saying. It's last years. This year we didn't get one completed because of this new accounting system.
Q. Does accounting system facilitate analysis which provides for better allocation of the district's resources?

R. No, because the level which we have developed our own line item of program budget enabled us to take a look at our system from the standpoint of our goals and our resources -- it is possible to do that with the system we have developed. The new accounting system gets in our way.

Q. Has the new accounting system led you to involve any additional people in the budgeting process?

R. No, we had additional people involved, like principals, long before this accounting system came about.

Q. Does the new accounting allow you the discretion to aggregate data in a variety of ways depending on the kinds of questions you want to have answered?

R. But I could have done that before.

Q. Is data produced by the U.S.A.S. useful in terms of planning for a particular program?
R. What I'm doing right now is taking our present program budget and putting those new accounts under the various sub-programs. So in that sense, it's not proving to be useful at all. It's creating some busy work to re-do in a sense what I've been doing before.

The only thing is, as I pointed at previously, we did not budget or appropriate separately by instructional sub-program, sick leave, dental insurance, sabbatical jury duty and all of that. Those were all assumed to be part of salaries. And so what if I come up with what these things cost us -- what's the difference whether they're broken out to that degree or not. What is the need to know how much money you pay for jury duty? Why do you need to know that? I don't know.

Q. Is data produced by the U.S.A.S useful in terms of evaluating a particular program?

R. I have to say yes, but I don't think that's because of the new accounting system. We would have done that and had the capabilities of doing that to whatever extent we wanted to under the Form 84 system.

Q. Has the U.S.A.S prompted any changes in the district's budgeting procedures?

R. Sure. Well, it's prompted more than that. We had to re-educate people on how to code expenditures. So that had to be set up and
put in motion. We had to revise -- have reprinted a new combination
requisition/purchase order. But in so far as budgeting, it is not
going to alter the process, it is going to alter the procedure only in
re-orienting people. Rather than telling me how many classroom
teachers at "x" number of dollars they have to teach first grade, they're
going to have to begin to break those costs down which they never had
to do before.

Q. Does this new accounting system increase the comprehensiveness
or flexibility of the district's information systems?

R. It increases the amount of data that we have. Now the logical
question -- you generate data -- that is not the purpose -- to generate
data as an exercise, it is to generate data to increase knowledge. We're
going to have a lot of data under this accounting system that we're
not going to use. I'd rather do it under circumstances where we
can decide on the kinds of data we want -- not what this new system
dictates.

Q. Does this accounting system lend itself to the situation whereas
the kind of data that it makes available -- that data would be used for
the various levels of decision-making individuals?
R. I would respond yes, but we have that same kind of capability with the system we had previously. It would provide more data but not necessarily more useful data.

Q. Has the accounting system made the district's budget more understandable to various people, i.e., the community?

R. Oh gosh, no. What are you going to do -- throw a 30-digit code number at somebody -- it's incredible. We have problems explaining to the ordinary person. Let me give you a personal experience. I'm in the process of preparing for an impass negotiations hearing where the impartial third party is waiting to hear the dispute between the teachers and the Board over salaries. It's easy to say to a person who doesn't understand school finance -- it's very complicated. It's even worse than that we have that problem getting people to understand just what really is and get them to accept the fact you're not giving them a snow-job. When you say this is the projected cost but it may change because you don't know what else is going to happen to the funding levels and look at your funding levels and draw them a picture, and you're going to throw an appropriation budget at them and it's composed of numbers. That is going to be difficult.
Q. To what extent does this accounting system limit the types of reports your district is capable of producing?

R. As comprehensive as it is. I wouldn't see it as being limiting except that it may be limiting in the amount of time that it would take to pull all of these costs, as the system demands, together.

For example, if someone wanted to know what the district spent on textbooks, you'd have to go back to all of your operational units, pull out textbook costs and add it up, because you have already broken them out. Now you have to go back and lump them all together.

Q. To what extent does the U.S.A.S. expand the types of reports your district is capable of producing?

R. I don't know that yet.

Q. Are the initial and on-going costs of implementing the U.S.A.S. too high in relation to the benefits you can accrue from the system?

R. It is right now, in terms of the number of man-hours it's taking to make the transition. I suspect once we get it computerized, it won't make one heck of a difference.
Q. Is there anything else you'd like to say about the U.S.A.S. that we haven't covered so far in the questions I've asked?

R. I think it's a very traumatic system and in theory, it's difficult to argue against. But the thing is, who does it benefit? I think it will enable the state to step into school districts more to gain whatever kind of cost data they want. What's wrong with that is that I'm afraid they'll use -- I should say misuse that information.
Q. What were some of the factors that influenced your decision to use seven of the nine accounting dimensions in the new system?

R. Well, basically, we started a lot of this before we made the transition to the new accounting system. We had taken the old Form 84 and divided many of the accounts (i.e., supply accounts, library accounts,) and coded them to the various buildings. If I had just gone with the mandated dimensions of the new accounting system, we would have had to drop all that and that would have been going three steps backwards.

I think probably the biggest reason is we were budgeting at the building level with our principals. We felt we were at the point where we wanted to get some management input as to what it's costing per subject. That is the primary reason we went to subject. We felt we had capabilities to do it as far as equipment and the biggest reason really is the management information.

Q. Do you plan to use the remaining two dimensions of the U.S.A.S. in the future?

R. I think that possibly. Well, if you look at our code of accounts we have already gone ahead and combined operational unit with special
cost center by using some additional digits. We are small enough so we can do this. This arrangement then of dimensions seems to make more sense to us, even though Dick Cairney doesn't agree with me. On the other hand, we are using the job assignment dimension to a certain extent by coding everyone with a job assignment code and including them in the object dimension. In this sense, we're for all intents and purposes using the entire system.

Q. What do you think are the primary purposes of the new school accounting system?

R. Probably for some term they call accountability. Why I think it is used is for management information. As we involve more people in the process, as we work as an administrative team, the information we get helps us make some good decisions in relation to programming. How they'll use it down there I really don't know.

Well, there's two reasons. First of all, it replaces the old accounting system which is an antiquated form and does not really tell us what we really want to know. The purpose is to know where funds are going and how they are used. This is the central purpose of the new accounting system. We were generally not able to go with the mandated minimum. Then they will not accomplish this purpose. The legislature in the law states that you shall be able to ascertain all direct and indirect costs for all aspects of the school system. When
the state auditor's office says they are only going to go with the bare minimum on down the road they're going to have to mandate more to be true to the spirit of the law.

Q. Does this new accounting system provide information which is superior to that produced under the old system.

R. Yes. If you go all the way. If you do not go the full way, you really don't get much more. That is to say, you need to go beyond the state minimum. If you don't go beyond the state minimum, in some cases you don't get as much as you did under Form 84.

We've been on this thing now for a few years. We took last year's report and thought we weren't really to the point we wanted to be so we re-did our whole structure. We found we could generate a lot of this stuff -- not just basically a financial report. We could now go in and do subject reports, operational reports, we can do comparison between buildings on different appropriations.

Q. Do you think this new accounting system is designed to be flexible enough so that changes can be made to it in the future without having to change the entire system?

R. Definitely. The only problem with that is that if you start ascertaining per pupil costs on certain assumptions and then change
Q. Has the U.S.A.S. led to any increased costs for this district?

R. No. Well, I won't say no. We have a bookkeeping machine and we have purchased a disc to attach to that at a cost of, well, with programming and everything -- it's about $11,000. The bookkeeping machine we had to have for Form 84 anyhow. We can't go all the way on a bookkeeping machine, we've got to have some sort of computer so we purchased this disc and we also purchased a faster printer. Other than that, there's been no basic increase in costs. In fact, we saved time on the personnel. We do much more in less time.

Q. Is this accounting system too cumbersome of too complex to work with?

R. No

Q. Not even as compared to Form 84?

R. The Form 84 was so bland and so is the bare minimum of the new accounting system. It just accounts for the money it doesn't tell you where it goes.
Q. Do you think adequate in-service training has been provided by the state auditor's office?

R. Definitely yes. They are better now than they were when they first started. They came off too apologetic in the beginning. Instead of telling people how to do it, they were apologizing for it. There's no need for them to apologize for it -- it's here -- they are not responsible for it. So they got more atune to it as they went along.

I think they tried. I think they are really putting themselves on a line. They've always answered any request we've had. I think I see a willingness on their part to really help.

Q. Has this accounting system been an effective tool for exercising more cost control procedures over the district.

R. I would say it has. We haven't had it long enough to really tell that. We have to build up some data, historical data and that's going to take some time. For example, this was the first year the Board got the appropriations without previous years' records, and that was sort of a frustrating affair. It will take a couple of years before they get comfortable with the system.

Yes. Used properly, I think it would give you good comparative data between the elementary schools on let's say different subject levels. It would give good comparative as to what they are spending.
Cost per student ratio would be given.

Q. Has the U.S.A.S. been an effective tool in terms of better allocating dollars in the district?

R. Definitely.

Q. Does this system allow you the discretion to aggregate data in various kinds of ways depending on the kinds of questions you want to have answered?

R. That's one of the strong points of it. It's so flexible and it's so designed that it will give the school system the freedom to do what it wants to do. There's enough flexibility to do that, yet there's enough rigidity to meet all the requirements that makes the reporting meaningful.

Q. Since the inception of the U.S.A.S., has the system led you to involve others in the budgeting process?

R. We were doing that kind of thing prior to this system. If we do not know what various programs are costing us in the school system, we are sticking our heads in the sand. Now let me give you a concrete example. We had to report to the State Department of Education our costs
for driver education. We discovered that our costs for driver education were escalating every year from $130 to $140 to $150 and when we got up to $156 per pupil, our Board of Education knew that we could contract out the program at $55 per pupil. We then took a year to study the effects of our driver education program vs. contracting out the program in terms of student satisfaction and achievement. We discovered that there was no significant difference. So we discontinued our program and contracted it out. This is the kind of thing you can do when you have the basic program cost information.

Q. How have you used data generated from the U.S.A.S. to plan or modify plans for a particular program, as well as to evaluate a particular program?

R. Using data for evaluation is at the primitive stage I would say. We've been able to look at this and compare spending patterns on our building allocation accounts. We can analyze these things and discover and decided on what are our priorities. It's quite primitive yet, we don't have it at a degree of sophistication yet. But it's coming. For example, we don't have any historical data at this point which makes it a little bit difficult.
Q. Does the system increase the comprehensiveness of the district's information system?

R. Oh, definitely.

Well, it's more comprehensive to be sure. It's voluminous. Our printout for all our accounts is 105 pages long and I'm not sure if this is completely useful for all people.

Q. Has any data produced from this accounting system been used by different levels of decision makers in the district?

R. Not at this time. Simply because the importance of this is when you get a comparison basis. We expect to go back to last year's data base and do some per pupil cost analysis. This makes the information we always had hidden, available.

Q. Has the U.S.A.S. made the district's budget more understandable to various people, i.e., the community?

R. Yes, it will be. It's going to take awhile for people to learn the language, but it's better than the old system. For example, who in the world knows what fixed charges were. And even on top of that, if you charged off insurance properly, for example, under the old system, it fell out under the maintenance category. In other words, we were
charging fringe benefits for people under our maintenance costs.

Q. Do you think this system limits the kinds of reports you can produce?

R. No, having had nothing before. It greatly expands that.

It doesn't, it shouldn't. In other words, I think it's flexible enough that it should be able to give us all the information we would ever need, and if you don't have it that way, you can design it that way without violating the spirit and regulations surrounding the accounting system.

Q. To what extent does the accounting system expand the types of reports your district is capable of producing?

R. Infinitely -- almost.

Q. Are the initial and on-going costs of implementing the U.S.A.S. too high in relation to the kinds of benefits you can accrue from the system?

R. No. There's an objective as well as subjective reason to that answer. We will be able to, for example, do more analysis of various programs just like we did with the driver training program. That's the objective part. The subjective part of it is that is you think what you're doing is right, you can make an evaluation of that to your own satisfaction.
For example, right now we have a tremendous art program in our schools. We do have some overlapping I think, and we have been working with the curriculum department on the scope and the sequence. I've always felt that we spend an inordinate amount of money on the art program, but we've been unable to pull those costs out. This is something that we can do before we get into the budget process for next year. You've got to be able to know those things, so that you can know whether or not you're on target. The important thing will be if the State Department can set up the framework for uniformly looking at per pupil costs across districts so that you can make some more meaningful analysis.

Q. To what extent does a district's ability to use the accounting system to its potential (re: breaking out various kinds of cost data) dependent on the district's accounting technology capability?

R. My contention is that if you go beyond the state minimum mandate regarding dimensions, then you have to have something beyond a bookkeeping machine. You can do the minimum on a bookkeeping machine or even when hand posting, but if you go beyond that, you're going to have to be tied into a computer someway. No way that you can do it without.

A great deal. The type of equipment dictates how much data you can generate and what kinds of questions you can have answered. Also,
without a kind of data processing capability, the data would be too
voluminous to handle. One reason why the state only mandated fund,
function, and object is because many districts don't have the capability
to handle much more.

Q. Is there anything else you would like to say about the new
accounting system that perhaps we haven't covered thus far? 

R. The system is a helluva lot of work to make the transition. It's
very frustrating to people when you change anything, I don't care what
it is. But I think that we haven't had any major problems, or major
concerns -- it's gone rather smoothly. A lot of it is the attitude
people take about it. You see the key is the superintendent. The
superintendent has to take the leadership in defining what kind of
information and data he wants to accumulate. He must know what
kind of managerial style he wants to have and how he wants to use
data. There's no damn reason to do it unless you want to use it.

I thought your questions were good, they covered, I think, the
whole area about -- is it working, will it work, how is it working
and all that. Reservations I have are the flexibility, how is it going
to be used state-wide. I feel good about the new accounting system.
It's going to provide us with a great deal of information to be more
responsive to the accountability push. We see it as being a good tool.
District Interviews: Commitment - Deep
Utility - High
Technology - Hand posting

Q. What were some of the factors that influenced your decision to implement 6 of the 9 U.S.A.S. dimensions?

R. That would give us more complete information. We are committed to this idea. We plan on purchasing a computer soon and this will enable us to implement all of the remaining dimensions of the system.

Q. If you were unable to get the computer do you think you will still add dimensions to your accounting operation?

R. No, there is no way we would be able to do much more than we're doing now. The posting alone by doing so is just overwhelming.

Q. What do you think are the primary purposes of the U.S.A.S.?

R. I think as it states, a uniform accounting system -- and I think it will be a much better system in auditing, i.e., uniformity across the state. This way, categories are better defined, there should be less room for error in that sense.

Q. Do you think this accounting system provides you with information which is superior to that under the form 84 system?
R. Oh, yes.

Q. In what ways?

R. It's more of a management tool. The board will be able to understand the fiscal operation better, they get more complete information broken down. I think that's great.

Q. Is this accounting system designed to be flexible enough to accommodate for future changes in it without having to change the entire system?

R. I do. We've had to make some revisions since it began. This is normal for something which is new. Areas come up which we never thought about, but we were able to make those modifications without having to change the basic system.

Q. Has this new accounting system led to increased costs for the district?

R. Not that much since we were on hand posting, of course when we go to computer we will have that expense, but I think eventually it will
really pay off.

Q. Do you think this accounting system is too cumbersome or complex to work with?

R. No. Even though we were on hand posting we did not experience it to be too cumbersome or complex. Besides when we get the computer it will not be complex at all.

Q. Has this system forced you to consider purchasing a computer?

R. No, we were looking at getting a computer 2 years before this accounting system ever came along.

Q. Do you think that the auditor's office has provided adequate in-service training for district personnel for implementing the U.S.A.S.? 

R. I would say so, yes. In addition to the training session we've had three on-site visits from the auditor's staff to help us with the transition.

Q. Do you think this accounting system is an effective tool for exercising more effective cost control procedures over the district?
R. Yes, I do.

Q. How so?

R. Well, it breaks it down per school building for example -- it gives a more detailed report.

Q. Do you think it is an effective tool in assisting you to allocate dollars within the district?

R. We have found that since we have implemented this system that our appropriations could have been made differently. Breaking down the data this way helps us to see a better fiscal picture of the district. We're learning more and more almost every day.

Q. Has this accounting caused you to change the district's budgeting practices?

R. Well, one thing it did was force us to prepare two budgets. One according to the Form 84 accounts and one in line with the new accounting system. Seeing it this way might cause us to make further changes in the procedure. I will be attending a seminar in May on new budgeting procedures and hope to gain some knowledge on new ideas in this area.
Q. Do you think this accounting system will lead you to change your budgeting procedures in terms of involving additional people, i.e., principals, teachers, etc.?

R. Now that's a possibility. As it stands now, pretty much the clerk, superintendent and board goes over the budget for preparation. Right now I can't see that changing much.

Q. Do you think this new accounting system allows you the discretion to aggregate data in a variety of ways to answer the particular questions you need to have answered?

R. Yes. Particularly in the area of curriculum programs. We need to do more work in this area, and we intend to pay a lot of attention to it. In this sense, we would use data from this accounting system to evaluate as well as plan for a variety of programs.

Q. Do you think this new accounting system has increased the comprehensiveness of the district's information base?

R. Yes

Q. Can this comprehensive information be useful to various levels of decision makers in the district?
R. Oh yes. Principals for example really like the idea. The information will help them in ascertaining what they are spending to operate the many components of their total school building program.

Q. Has the new accounting system helped to make the district's budget more understandable to a variety of people, i.e., the community?

R. I believe so. It will be easier for them to understand in terms of having questions answered like how much does this particular program cost? The information will be right there in front of them. It's very different from the old system in that everything was lumped together and it was hard to pick out certain things, but with this, the information is separated and you are able to say, there it is.

Q. To what extent does the new accounting system limit the kinds of reports your district is capable of producing?

R. Off hand, I can't think of any ways in which it limits the kinds of reports. It really expands greatly the kinds of reports we can produce. We've been able to generate a lot of information that we otherwise were unable to get at. When somebody asks a question now, we can answer it with some hard data.
Q. Do you think that the initial and ongoing costs of implementing the U.S.A.S. are too high in relation to the kinds of benefits you can accrue from it?

R. No, not at all.

Q. Is there anything else you would like to say about the U.S.A.S. that we haven't yet covered?

R. Well, I might say that I was glad to be on hand-posting when we began this new system because I feel like that by the time we get on computer, then we will have the system pretty well down.
District Interviews:

Commitment: Deep
Utility: High
Technology: Computer

Q. What were some of the factors that influenced your decision to use all of the dimensions of the U.S.A.S.?

R. We're using all nine dimensions in effect before the new accounting came around. We were into PPBS five years before the new accounting system came around. We had already perfected the use of multiple fields of collecting data, had it implemented and had it in practice. I would say that the auditors perfected what we were already doing by developing this new accounting system.

We started back in 1973 on a PPBS concept and started by developing goals and objectives first with the math department at one of the high schools, then expanding it to the entire school system because we took this approach we tried to apply the dollars to a similar kind of breakdown, i.e., to the English program in one building, etc. That pretty much dictated our use of all of the dimensions.

Q. What are the primary purposes of the USAS?

R. The most noted is the fact that it presents information and data in a way that shows accountability in that certain programs, or any
program in fact, can be delineated into its separate costs. This was not true under the old chart of accounts in Ohio. For example, the old accounting system would have Bl, which was all consumable supplies, but didn't show English supplies or science supplies, etc. The new accounting system is planned that this will be taken care of. The separate costs for all resources for any given program can be accounted for much easier. That's the main reason. The other reasons is that it's easier to handle. I say that from experience. People beginning will not say that; they'll say it's harder to handle, but it's not. There are more numbers to deal with. I call them data processing numbers. Now that they don't have to be electronically data processed, they can be hand processed. It gives a long number with a lot of fields, and those fields can collect certain kinds of data very quickly and they are easily identifiable once you become used to the program and the process of this new accounting system. The information and data gained from this type of accounting system can be used for decision-making more readily for example for what the literature and noted speakers called cost-benefit analysis.

There's two basic concepts, and I suppose you can say purposes also that are more important than all the others and that is to provide a means of accountability. You know we heard recently that the state auditor felt that superintendents, clerk-treasurers, and boards of education should be removed from office if there's deficit financing in the
in the district. There's more emphasis on special education, vocational education -- these kinds of things can't be handled under the old accounting structure. There was no real accountability by program or by specific types of education so that this is one of the main components of the thing; to provide accountability from a fiscal standpoint. The other is to provide uniformity across the state in accounting concepts. The old Form 84 was twelve pages long, had a few codes that encompassed everything and with very few exceptions, every district created their own codes to supplement that which was developed in Form 84 to handle their needs internally and there was no uniformity. So those are the two main purposes of the U.S.A.S., to provide uniformity statewide and to provide fiscal accountability and educational accountability.

Q. Do you think this accounting system provides you with data that is superior than what was provided under the Form 84 system?

R. Yes, that's absolutely true. Most definitely. The multi-dimensional aspects of the new accounting structure allows us to complement our PPBS concept of goals and objectives and tries to evaluate their performance not only in relationship to the goals and objectives set but also in relationship to the financial support given, and to make some modest and hopefully reasonable assumptions and adjustments financially based upon performance. Again, because we are able to determine and track costs by program area.
Q. Do you think that this accounting system is designed in a way that it's flexible enough to make some changes to it as you go along without having to develop a new system?

R. I'm sure it is. However, people are still pretty much in the stage where people are still trying to understand it enough to implement it. Now, will this program survive the test of time? I believe it will for a long, long time. The other system preceding it lasted for hundreds of years, I suspect this one will too.

Q. Has the existence of the U.S.A.S. lead to any increased costs for the district?

R. It hasn't in this district, but it well could. Let me give you a little history here that might help. When we first became interested in the new accounting system from the old handbook from the federal government -- which is the basis for all state accounting systems and is the basis for the one we have in Ohio, we investigated what the hardware and the software and the implementation costs would be and they were astronomical to us -- something like $380,000.

We then become dedicated to the notion of implementing this idea without any additional costs. If we had additional costs, we would not implement it. So after much research, we finally got that down to where our computer was used in the instructional program. We simply opened
that one up in the night-time and got enough dedicated people to work on a program -- a program for implementing a new accounting program, along with in-service for the staff, etc. doing this over a period of three years, maybe we spent somewhere in the neighborhood of $60,000. Well, that might not have answered your question, but districts have to be careful to implement the new accounting system slowly and in conjunction with your needs, otherwise you might suffer increased costs that are unnecessary.

Q. Do you think that this accounting system is too cumbersome or too complex to work with?

R. No, I don't think it is. In fact, I think it is a very simple, easy-to-understand system. Let me give you some aspects of that. If you talk about the system and the nine fields of data that are collected, and there are so many different numbers, it looks to be overwhelming, but it really isn't because persons like myself and the clerk would be dealing with that everyday anyway and we'd get used to it like a second nature, but people out in the field would only have to deal with certain numbers. For instance, they're going to deal probably primarily with one fund, most cases it would be the general fund, and that digit would always remain in the same. That is true as you go along the fields. Their building number is always going to be the same. They don't have many
grade level numbers to learn. Their subjects are numerous, but it's the English teacher that would put in the English subject number for purchasing purposes, let's say. Well, the English teacher knows that number as well as he would his own social security number, so all they're dealing with is their particular number, and in many cases, it's only one number. In this sense then, it's an easy transition.

If anything, it's just right in that with the multi-dimensional concept there's nine defined dimensions but only three of those are required, so that each individual district can judge for themselves what's relevant and necessary and use any combination of dimensions from three to nine. I think that flexibility -- that's something that's built in. Now with our district at maximum utilization, the system is not cumbersome or complex to us.

Q. Do you think that the auditor's office has provided adequate in-service training for district personnel to implement the new accounting system?

R. Yes, I do. I've heard them speak and talked with them many times, and I think they have some good techniques and things to say and I think they are doing a marvelous job. They are facing some initial resistance, but there always will be that.
The U.S.A.S. project staff has been a pleasant exception to the perceptions I have of auditor's office people in that they really (during implementation) reached out and took constructive input and actually used it. As far as training, they're in a difficult position. They had dollars appropriated by the state legislature to train and implement this but they don't have the people with the actual experience in the day to day procedures and what's needed in the schools. I admire the fact that in their training sessions, they try to reach folks other than the treasurers -- they try to involve superintendents, business managers, teachers, anyone at all. So from that standpoint, they're serving a purpose and sincerely are trying very hard. With their resources, they're doing an excellent job, the only void or handicap that they suffer from is an expertise in the nuts and bolts of accounting practice in the school business.

Q. Do you think this new accounting system has facilitated any analysis within this district which provided for better allocation of dollars?

R. We're just now getting to that point. In 1976 -- that was our first attempt and that was before the blue manual was formalized and it was a program structure rather than a multi-dimensional structure at that time. '77 was our first full year on that system as it now stands and just this year we're hoping to get the point to look at school year costs and start
doing some analysis of programs. So it's the next step for us -- we have not done much yet.

Q. Does this accounting system increase the comprehensiveness and flexibility of the district's information system?

R. Yes. I think considerably. Before, and in our district I probably should explain this, we feel that principals should pretty much run their buildings with the exception of general staffing requirements -- we do the hiring centrally, we place the people in programs, and salaries are negotiated district-wide with our association. As far as any operational expenses for the building, the principal has wide discretion whether or not they buy textbooks, supplies, replacement equipment, or new equipment. It's pretty much at his decision working with these departments. So that always before we had one general account for all texts, one general account for all supplies, and the principals were set well. This slice of this we're going to give to you, and things just never panned out that way because they have their own separate account, and through the use of dimensions.

Q. Is this new accounting system an effective tool for devising better cost-control procedures over the district?
R. I think so. In this respect that when staff asks for funds they must justify more than ever what those funds are for and what outcome the use of those funds will bring back in benefits. If it is written down in clear concise language and the procedure is followed in the beginning, then you have a listing of the resources needed. You need three teachers, two rooms, etc. -- those types of things are clear cut, we color that the operational aspect of a program. That's the resources we have to have to operate a program. These are resources like space, time, staff, supplies, equipment, and that type of thing. The other side of the coin is the academic or the behavioral change -- which is the real meat of this. That is it's an accounting system that has this procedure that tells you how you spent the money, i.e., identifies what you've done in the classroom to induce a behavioral change in the students that is desirable. We have that kind of a look at a program to show that the fiscal part is sound. It's sound because the academic or behavioral change came about -- hopefully.

Q. Do you think this accounting is an effective tool in terms of involving different levels of decision makers in the budgeting process? In the fiscal management procedures?

R. Yes I do. There are two major ways to approach this. It's the top down or the bottom up. We started top-down because people had to
be taught, they had to get used to it; but now that we've been through it for a number of years, we say that we're doing it from the bottom-up. Every teacher has an obligation and an opportunity to make out a program -- in fact, they must or they don't get any funds to attain the objectives they are stating for that program. This is true in fact for every employee. We do this with the operational side, for instance the transportation hands kn a program request stating objectives, techniques, plans, expected behavioral change or accomplishments to justify their request for funds. So everybody has an opportunity for decision-making.

Q. Does this accounting system allow you the discretion to aggregate data in a variety of ways depending on the kinds of questions you want to have answered?

R. Yes, I think it does. We're on electronic data processing so it's easier for us. We can press certain buttons in a data processing program that will enable us to aggregate any program or program resource cost or funding to see where we are or to help us make a decision. For instance, we have team-teaching in a number of our elementary schools. In order to determine whether team-teaching for one thing and the assimilation of subjects for another is worthwhile, in the progress of children's learning, we have to aggregate the costs of two hours of math or twenty hours of English and match that up against measured behavioral
change to determine whether or not what we're doing is fiscally sound. We can do that. We have it broken down into percentages of time for teachers in the grade school, in the self-contained classroom where they spend 20% of their salary on math or what have you. We have it broken down that fine -- so we could aggregate at anytime anyone of those resource costs for a program either to plan a program or change a program or evaluate a program.

You see, people think that strictly speaking, the term accounting system leads people to think that you're dealing only with the manipulation of financial costs, which would be accounted for like a bank handles it. The broader term is PPBS, planning, programming, budgeting system. That's the broader term. The broader term takes in such things as goals and objectives, behavioral change and a final evaluation not only of fiscal soundness but also of academic soundness. You have to put both together to see if you have accomplished anything. So the term accounting system leads people to believe that we're only talking about money that is going to be manipulated in some way and that the evaluation will come out in a balance I suppose. But we cannot talk in those terms only, we must talk in terms of whether the behavioral objectives are accomplished. So we have to start in our planning with the behavioral change and then what does it take to make that behavioral change happen. There's where the accounting per se comes in -- helping to put costs on needed resources.
Q. Would it be fair to say that this accounting system has not prompted any changes in your budgeting practices, but rather you're doing what you were already doing?

R. Well, if you're talking about the state mandated accounting system now being implemented, we're now doing what we were doing prior to that time. But way back we were on the old chart of accounts with the alphanumerical number and we were not defining or detailing our request for funds or funding anywhere near what we are now. I'm talking about a time even before the federal government came out with Handbook II. Now we did pay some attention to what we accomplished, but not as fine or sophisticated an evaluation as we have now.

Q. Has this new accounting system helped the district's budget to be more understandable to people, i.e., the community and the board?

R. I have to say yes, but that's just my own personal reaction. Unfortunately, here as with most school districts, there is very little community interaction with the appropriations process or the spending process. The very few people that have inquired have been impressed and have been helpful but most times they have one specific concern, and through our use of the accounting system we can zero in on that and show dollar support and so forth. Unfortunately that's a rare case that someone comes in and actually asks. So, other than the Board members
getting a better understanding, I can say yes to all of it but there hasn't been much opportunity to demonstrate that to the public.

Q. If you get to a point where there's more opportunity to do that, and you have that kind of structure set up -- do you think the accounting system would be a helpful tool in doing that?

R. Definitely. As I say most times, in my experience the parents have a specific concern. One that happened a couple years ago here, there weren't enough textbooks in the system. And what was the problem. Then we tried to zero down on what grade the youngster's in and what building they're in, and we can deal with it and show where textbook allocations went for that building in relationship to the entire district and in relationship to the program. If someone's unhappy if their student is not doing well in reading, or in our case, we don't have phys ed teachers for each building, and they want to know why. Then we try to justify showing allocations of dollars for various programs and it's easier to support what the board feels proper priorities are for the educational process as a whole. So, it might help.

Q. To what extent does the way in which a district can use this accounting system to break out data in lots of different ways to see a clearer picture or a picture with more details depend on the district's
accounting technology capability, i.e., machine, computer, hand-posting?

R. I don't think it makes any difference except that it can be done quicker with electronic data processing than it can be on machine or quicker on machine than on hand-posting. But you're doing the same thing, only you're doing it slower. You're using a long data processing number to process data. The only difference then is the speed.

My answer to that now is different from what I would have answered six months ago. I am beginning to think that the type of equipment or procedures they follow -- whether they're hand-posting and own mechanical machine or computer -- I don't think that's as important as I did six months ago. In fact, in smaller districts that are now hand-posting, certainly you're going to create more accounts or more ledger sheets or ledger cards -- whatever you're using -- but the flexibility you can have on hand-posting I've never appreciated before. But talking with some of these people -- they can take an eraser and fix an error and we have to go through all sorts of weird gyrations -- they can just sort their sheets down and have a format in any way they want, so I'm not so sure that there are many restrictions just because of equipment limitations. It's more of just accepting the general philosophy of the accounting system and utilizing it in the way it was intended. Combining different dimensions.
Q. To what extent does this accounting system limit the types of reports you're capable of producing?

R. I think it's the other way around. It accelerates the types of reports that we're able to generate. Many, many reports can be generated. Our ability to generate reports in quantity and quality and variety has been enhanced a hundred fold.

Q. Are the initial and on-going costs of implementing this accounting system too high in relation to the kinds of benefits you can accrue from it?

R. Well, in our case no. We did not spend any noticable amount of money to get into it. But again, I think the cost is particularly minimal now because there are so many people into it who are perfecting it and can lend advice and help to others. In fact, I believe if you work at it and plan well, you'll save money.

As a financial response, definitely not. The key to it is whether or not you can give the information to the Board of Education and the educational managers in a format that will help them -- that it really does become a management tool. For every district to go out and utilize all nine dimensions as we have might be too much of a burden upon them both financially and timewise, if their district is not ready to utilize it or if their Board of Education has no desire to know what
grade level costs are, or if they don't care about a distinction between different buildings. So that's a question that each district really has to answer if proper analysis is done beforehand and the combination of dimensions are arrived at that are really meaningful then I'd say no, the costs aren't too high, and the effort isn't too much, but to just arbitrarily say we're going to use them all, and we're not going to use any more than the minimum -- then I think there could be a waste.

Q. Is there anything else you'd like to say about the new accounting system that perhaps we haven't touched on because of the questions I've asked?

R. Well, only that I always present myself as an enthusiastic supporter because I've experienced positive things with this new system. This system answers questions a lot better than the old system. It mates the academic with the fiscal better than ever before. It's made us more cognizant of so many things, and it is a lot of work but anyone who wants to accomplish anything has to work at it.

We are finding that by using the new accounting system we're getting rid of all the little subsidiary ledgers. We had a separate report for sick leave balances -- that's how taken care of in the accounting system. We had a separate set of books for vacation -- that's not being
taken care of in the accounting system. There were just so many little things that you had to keep independently that can all come together. But, it is becoming more and more important in light of what's happened in Cleveland and what the legislature is going through that we do our job well, and I think that this rule is very timely, allowing districts to become more accountable and as a result of this accountability issue and the development of the system has then put the focus on the whole financial needs of the schools. The annual report is being revised -- has been talked about for five years but it was the fact that we had a new accounting structure and if nothing else you had to change the numbers in them to finally motivate someone to sit down and say we need additional information -- this format that we have been using for 20 years maybe isn't the best. The same with special education. They want some special information -- a lot of things have started moving because of the new accounting system.

They're trying to address the accountability questions -- so that the whole financial aspects of schools, I think, will be included more. We're sold on it.
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