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ABSTRACT
               The 11 items in this annotated bibliography on
school-based management provide information on the pros and cons of
the decentralization of budgeting, the administrative role, site
management, and decision-making. Also discussed are the autonomy of
schools, principals as educators with managerial skills, and
education vouchers. The publications reviewed support the concept of
school-based management because it encourages greater flexibility and
faculty commitment, more effective communication, improved
decision-making, and increased community involvement in public
education. (WD)

THE BEST OF ERIC

ON EDUCATIONAL MANAGEMENT

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School-Based Management

1. Caldwell, Brian J. "Implementation of Decentralized School Budgeting." Paper presented at Canadian School Trustees' Association Congress on Education, Toronto, June 1978. 24 pages. ED 161 148.

Although truly participative budgeting processes have long been advocated, only recently have some small and medium-sized districts actually implemented decentralized budgeting. Caldwell here reviews the implementation of school-based budgeting to date, discusses the problems encountered by districts implementing and operating such systems, and offers advice for districts contemplating school-based budgeting plans.

In a 1977 study of decentralization in Alberta, Caldwell found that principals' primary difficulties during implementation concerned their conceptions of their own roles and technical difficulties in the administration of the budgeting process. Of particular concern were problems caused by a lack of information on costs, expenditures, and budget classifications. The difficulties encountered appeared to support "the often-expressed view that school-based budgeting results in burdensome bookkeeping for school personnel."

After implementation, principals still reported that a lack of accurate and timely information from the central office was a major problem. Most schools reported "inadequate allocations in decentralized accounts," prompting principals to remark that the achievement of flexibility—a major goal of school-based budgeting—was being severely hampered by inadequate funding. However, Caldwell also reports research from both the United States and Canada that "has consistently shown that schools do take advantage of the flexibility offered by school-based budgeting."

Districts contemplating school-based budgeting will probably find that decentralization "has important and frequently unantici-pated consequences for almost every aspect of school system operations." Caldwell advises districts to develop adequate cost accounting and management information systems before implementation, to avoid a situation in which principals become bookkeepers instead of instructional leaders. Included is an excellent bibliography.

2. Cross, Ray. "The Administrative Team or Decentral-ization?" National Elementary Principal, 54, 2 (November-December 1974), pp. 80-82. EJ 107 277.

The principalship, states Cross, has arrived at an important crossroads. A decision must now be made between two sharply differing administrative roles, characterized by the terms "admini-strative team" and "decentralization." Cross here clearly differen-tiates the two ideas by examining their histories, characteristics, and underlying assumptions.

The idea of the administrative team developed in response to the rise of collective bargaining between teacher unions and adminis-tration. Superintendents "reached out to enlist all of the allies that they could get—particularly principals," who occupy a strategic middle ground. Although participative in style, Cross continues, the administrative team idea "is closely linked to a centralized view of administration" in which principals are simply extensions of a unified management. The concept further assumes that "educa-tional needs and values vary little from one attendance area to another," and that centralized decisions are better than the independent and individualized decisions of principals.

The two major forces behind the drive toward decentralization, states Cross, are "the increasing acceptance of pluralism in American education," and the failure of various "externally engin-eered" educational reform programs. Confidence in "the program" is fading as educators realize that "school improvement results from each school faculty's study of the unique needs of its students and the most effective use of the talents of its faculty."

The decentralization concept assumes that since schools are innately so variable in needs and available skills, they are best administered by a flexible, decentralized organization. It further assumes that faculty will be more committed to program decisions they help make, and that communications will be more effective in a decentralized organization. Cross advocates the concept of decentralization, for its underlying assumptions "are more consis-tent with what we know about the education enterprise and the findings of social science."

3. Decker, Erwin A., and others. Site Management. An Analysis of the Concepts and Fundamental Opera-tional Components Associated with the Delegation of Decision-Making Authority and Control of Resources to the School-Site Level in the California Public School System. Sacramento, California: California State Department of Education, 1977. 37 pages. ED 150 736.

The school district has traditionally been the basic decision-making unit in the public school system. But proponents of school-site management—among them California's Governor Brown—argue that the school is a more reasonable unit of managerial
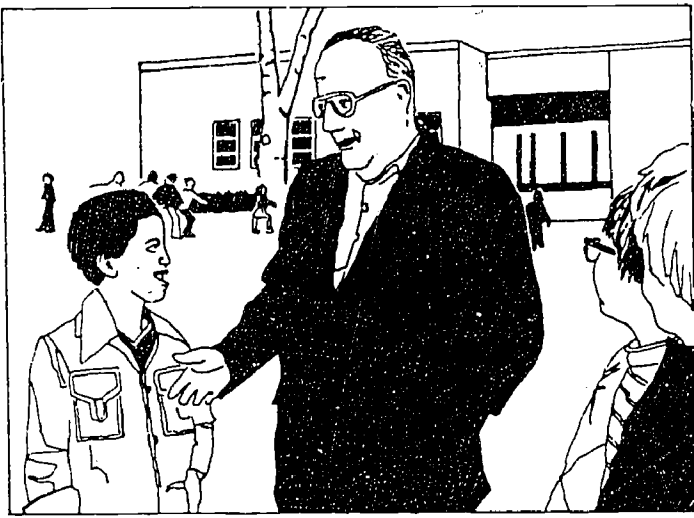
function and responsibility. This report—prepared by the Educational Management and Evaluation Commission, an advisory body to the California State Board of Education—is intended as "a compendium of thoughts and ideas related to site management as a form of decentralized decision making in public school administration."

Various definitions have been proposed for decentralization, site management, and participatory management. Participatory management, this report points out, does not necessarily denote decentralization, though it can be a part of any management system. The extent of decentralization can best be determined by identifying the levels at which decisions are made.

However, as indicated by most of the testimony and literature the commission collected, "an effective management system may be centralized in some aspects and decentralized in others." The important considerations are, of course, which aspects should be centralized and which should be decentralized, and to what extents. Several models of organizational structure are discussed in examining this issue.

One section of this diverse publication is a summary of comments on decentralization from the various committees of the California Association of School Business Officials. Other sections discuss—usually in very general terms—some potential obstacles and legal considerations involved in site management, the pros and cons of site management, and various other "factors for consideration" when contemplating decentralization plans. Appendices list decentralized or partially decentralized school districts in California, practitioners who participated in the study and are available as consultants, and literature reviewed by the commission.

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4 Duncan, D. J., and Peach, J. W. "School-Based Budgeting: Implications for the Principal." *Education Canada*, 17, 3 (Fall 1977), pp. 39-41. EJ 170 994.

The implementation of school-based management can have many profound effects on a school system's operation. Yet, say Duncan and Peach, even "the single organizational change of transferring discretionary budget control to the school has many far-reaching implications for the principal." In this article, the authors discuss one such transfer of discretionary budget control to the principal and staff of an urban Canadian high school.

Previous to the change, the school requisitioned supplies and equipment in the usual manner from the central office. Under the new system, the school was given full freedom and responsibility for the spending of the $121,000 budget for supplies and equipment. Each academic department developed its own budget and forwarded it for approval to the school's finance committee, ch consisted of the department heads. The principal simply onitored the whole budgeting process and acted as a 'buffer'

between the central authorities' attempts to retain some control and the school's attempts to exercise the power allocated to it."

An important issue discussed by Duncan and Peach is the extent to which budgetary decision-making should be decentralized within the school. The decision made by the principal on this matter is quite important, since it will "set the whole climate for decision-making in the school." If the principal shares budgetary decisions with staff members, power struggles may develop among groups. However, "if the principal retains 'residual' power," the authors state, "then for disputed issues the staff has a 'court of appeal'."

The involvement of staff members in budgetary decisions usually demands an improvement in their decision-making and communication skills, which could be achieved through inservice programs. Staff involvement would have the added benefit of broadening staff members' awareness of the total school program.

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5 Fowler, Charles W. "School-Site Budgeting and Why It Could Be THE Answer to Your Problems." *Executive Educator*, Premier Issue (October 1978), pp. 37-39. EJ 194 000.

"As nothing else I know of," states Fowler, "school-site budgeting creates opportunities for authentic leadership at the building level and brings parents, students and staff members together." Fowler, the superintendent of Fairfield (Connecticut) schools, here delineates nine steps essential for implementing a school-site budgeting program, and discusses the pros, cons, and assumptions underlying school-site budgeting.

The first step is for the superintendent and school board to estimate the total revenue they will be working with. Next, the "basic costs that cannot or should not be charged directly to individual schools" should be subtracted from total revenue. Fowler includes such items as maintenance, utilities, transportation, intensive special education, and central office expenses as "basic costs." The remaining funds should then be distributed among the individual schools according to a weighted-pupil formula. Fowler suggests one such weighting scheme and gives an example of its use.

Next, the central office should ask each school's principal to develop a budget. The principal is expected to elicit input by a variety of means from staff members, parents, and possibly students. Fowler stresses, however, that "the principal ulitmately is responsible for the school's recommended budget"; faculty and parents should know that they are not "voting" on the school budget—the final say is the principal's.

The next step of the budget process is for the principal to present the budget to the central office for review and possible revision. Next, each principal should present to the school board at a public hearing both the budget and a summary of the methods used to elicit faculty and parent input. In this way, says Fowler, "hundreds, perhaps thousands, of persons will have had an opportunity to express opinions about budget priorities—an asset in the budget approval process and an important means of uniting schools and the community."

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6 Gasson, John. "Autonomy, the Precursor to Change in Elementary Schools." *National Elementary Principal*, 52, 3 (November 1972), pp. 83-85. EJ 067 451.

The autonomy of individual schools, says Gasson, is the key to more humanistic education. Currently, decisions regarding curriculum and staffing are handed down from on high. Principals and teachers are essentially "cogs fixed into a large, impersonal machine that depends on the machinist (superintendent) to keep every cog uniformly lubricated." But this "stranglehold of the central office" on educational decision-making must be removed, Gasson argues, if quality education is to survive.

One area in which principal autonomy would have important

effects is in staffing. Information about specific vacancies would be available in the central office. Prospective applicants for teaching positions would visit the school directly to determine the school's educational philosophy, and hiring would be done by the principal. This "humanitarian method," which is currently practiced in England, contrasts sharply with "the pawnlike treatment received by most teachers in Canada and in the United States."

Curriculum, too, is an area in which principals and teachers should have major influence. Currently, curriculum decisions are made in the central office for the entire district and handed down the hierarchy to principal, teacher, and pupil. As a result, teachers are little more than "textbook technicians for publishers," maintains Gasson, dictated to by the "tribal fathers" who often select curriculum plans based on political, not educational, factors.

The "climate created by decentralization" would encourage teachers to become significant decision-makers, states Gasson, and eventually they would become "the major recognized determiners of the curriculum." New educational ideas, instead of being imported from the central office, "would stem naturally from the philosophy of each school."

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7   **Ingram, Ruben L.** "The Principal: Instructional Leader, Site Manager, EDUCATIONAL EXECUTIVE." *Thrust for Educational Leadership,* 8, 5 (May 1979), pp. 23-25. EJ 211 965.

In previous times, principals were often perceived as true educational leaders or "master teachers." With today's new problems of contract negotiations, court mandates, proficiency requirements, community demands, and increased media coverage of schools, principals are being forced away from their traditional instructional role and into the role of middle manager for the district.

What is needed today, states Ingram, "is a leader at the site who embodies the highest qualities of an educator first, and who has acquired the managerial skills to effect the purpose of a school; i.e., the instruction of students." To master these two roles simultaneously, Ingram argues, the principal "must obtain a reasonable amount of executive authority from the superintendent and board." In short, the principal must become the "educational executive" of his or her school.

Being an educational executive requires that the principal have sufficient tools to become an effective and authoritative site leader. For example, principals need increased authority over staffing "in order to assure commitment to the program." They also need discretionary power to organize personnel, funds, and support services to achieve the goals of their school.

Effective executive management also requires that principals have integrity in the eyes of the board and superintendent. As school boards become increasingly aware that neither they nor their central office staff can effectively manage schools from afar, they will gladly relinquish some of their authority to principals, but only "when they become confident that principals have executive ability."

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8   **Parker, Barbara.** "School Based Management: Improve Education by Giving Parents, Principals More Control of Your Schools." *American School Board Journal,* 166, 7 (July 1979), pp. 20-21, 24. EJ 204 749.

The basic philosophy of school based management (SBM), states Parker, is "a return of decision making to the local school level." Although this shift in decision-making power may seem threatening to some educators, several SBM experts interviewed by Parker contend that such a decentralization actually works to the advantage of school boards: when principals and teachers are given the freedom to make policy and budget decisions that affect their schools, they also inherit the responsibility and accountability that go along with that freedom. As a consequence, building-site personnel make high quality decisions regarding the running of their school, since those decisions affect them directly and since they are directly accountable.

The basic change that board members and central office personnel need to make, says Parker, is from the idea of bossing a district to that of managing a district. Instead of determining every detail of a school system's operation as they do now, the central office and board would lay down a framework of goals and guidelines, while the principal, faculty, parents, and students would determine the details of their school's operation.

Of course, Parker notes, "the most difficult decision a system faces is deciding which things are to be controlled at the local building level and which powers are to be retained by the central office staff." There are no pat formulas for such a redistribution, Parker continues, because "like most SBM challenges, those are decisions to be made by *everyone* involved in its implementation."

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9   **Pierce, Lawrence C.** "Emerging Policy Issues in Public Education." *Phi Delta Kappan,* 58, 2 (October 1976), pp. 173-76. EJ 146 454.

Two possible means of improving the waning performance of public schools, says Pierce, are to improve the technical abilities of educational managers (through management-by-objectives or other systems) and to create free-market competition among schools with education vouchers. Neither proposal, however, has proved to be politically feasible. An "intermediate reform" with real potential for adoption, contends Pierce, is school-site management.

Both school-site management and education vouchers assume that better schooling will result "if consumers are given greater responsibility for deciding what educational services are provided." Both reforms would also encourage greater program flexibility, a

condition now largely prevented by centralized administration. Since vouchers are too radical a change for many educators to accept, school-site management may be a viable solution, offering "greater voice" instead of the voucher idea's "greater choice." An additional advantage of site management is that it would leave intact existing legal arrangements between the state and school district.

One source of opposition to school-site management would be the central office. Although the role and influence of the central office would be diminished, site management would not eliminate the need for a central administration. Instead, it "would free the central administration to spend more time on those things it does best," such as financial, monitoring, auditing, and testing activities. Program and personnel planning would, however, become the responsibility of school-site personnel.

Opposition might also come from union leaders, primarily because school-site management would greatly complicate their organizational task. But teacher support can be garnered if the plan gives teachers greater control in the classroom and greater say in school policy decisions.

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10 Pierce, Lawrence C. *School Site Management. An Occasional Paper.* Palo Alto, California: Aspen Institute for Humanistic Studies, 1977. 29 pages. ED 139 114.

Centralized district budgeting procedures contain many inherent deficiencies, says Pierce, most of which can be corrected by adopting a decentralized school-site management system. In this publication, Pierce describes in some detail centralized budgeting systems now in use, examines the problems such systems either create or compound, and proposes school-site management as the most effective remedy to these problems. In addition, Pierce discusses the theory of school-site management and possible routes to its implementation.

Contrary to what its proponents argue, contends Pierce, centralized budgeting actually increases education inequalities. As teachers accrue seniority, for example, they tend to "sift toward 'desirable' schools"—those with more middle-class, academically oriented white students—and carry their higher salaries with them. The result can be substantial educational disparities between races or income groups. Centralized budgeting may also impede true equal opportunity by dictating to schools what particular mix of personnel they must have; different student bodies may benefit most from quite different mixtures of personnel, Pierce points out.

Another deficiency of centralized budgeting is that it "contributes to inefficiencies." Standardized budget allocation procedures diminish opportunities for tailoring school programs to students. Also, there are few if any positive financial incentives for teachers or school administrators to be innovative or efficient. Finally, centralized budgeting "stifles citizen participation" because it is carried out on the district level, where individuals have little hope of being heard.

In a school-site management system, individual schools would be given a lump sum of money to work with, the amount depending on the number of students enrolled and the special needs of the students and school. When combined with open enrollment, the active participation of parent advisory councils, and other changes described by Pierce, school-site management could eliminate these and other problems caused by centralized school management.

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11 Wells, Barbara, and Carr, Larry. "With the Pursestrings, Comes the Power." *Thrust for Educational Leadership*, 8, 2 (November 1978), pp. 14-15. EJ 200 705.
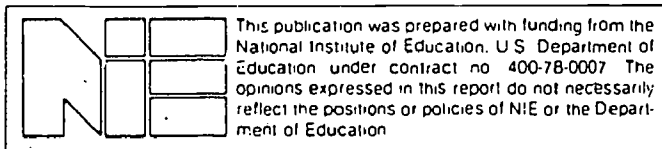

Decentralized school budgeting is based on the philosophy that school administrators become better educational leaders when they are given more responsibility for total school operation. What this boils down to in budgetary terms, say Wells and Carr, is that "they who have the money, have the power."

The authors, who are principals in the Fairfield-Suisun (California) Unified School District, report that the decentralization process begun in their district in 1973 has drastically changed the role of the site administrator. Before decentralization, administrators had two budgetary functions: they maintained records for a small amount of restricted money given them by the district, and they "learned and used persuasive techniques in obtaining 'special money' that a district administrator controlled to use for a local school project."

Under the decentralization plan, individual schools are given funds according to a formula that includes a per-pupil amount and a basic operating amount. As a result, "site administrators are broadened to be managers of change and given the substance to change priorities that affect the quality of education at the school site."

Decentralization of decision-making in this district has been extended to staff and parent levels as well, report the authors. The district also intends to make the service departments of maintenance, data processing, printing, food services, transportation, and personnel into independent budgeting units, with schools paying the service departments directly out of their budgets for services rendered.

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