

SCOMM

#3:1

FACT SHEET

"A STUDY OF THE QUALITY, COST AND FINANCING OF PRE-HIGHER EDUCATION IN ALASKA"

BACKGROUND

Alaska's changing economic, political and social scenes all point to the need for a comprehensive review of how the State intends to meet its obligations for elementary and secondary public education. Agencies which have called for such a study include the State Board of Education; the Alaska Federation of Natives; and, the 1973-74 Legislative Interim Committee on Pre-Higher Education in the Unorganized Borough. In addition, the Alaska Association of School Boards; the Alaska Association of School Administrators; Alaska-NEA; and, Alaska Association of Secondary School Principals have asked for studies of selected aspects of school costs closely related to the school finance study.

REASONS FOR THE STUDY

The current study, which began in November 1974, has been made necessary for the following reasons:

1. The need to analyze the many views regarding State and local responsibilities for education.
2. The general lack of understanding about what constitutes basic education costs and full education costs; and,
3. The need for a periodic review of the Public School Foundation Act and other methods of financing education.

These needs as well as others identified during the next 18 months will be addressed in the process of study.

FORMAT AND ANTICIPATED RESULTS OF THE STUDY

During the remaining study period (through December 1977), the school finance study will include and focus on the following items.

1. The investigation and analysis of eight major topic areas reflecting the significant issues of school finance;
2. The involvement of citizens throughout the State in discussions to determine the kind of education programs they want for Alaska's children and to obtain the opinions of "consumers" about the financing of education in the State.
3. A process whereby suggestions regarding school finance issues are obtained from educational agency personnel; teacher groups; school board members; school administrators; legislators; business and civic representatives; and, other organized bodies.
4. A review of Federal, State and local responsibilities for elementary and secondary education;
5. An exploration of curriculum alternatives;
6. Identification of basic and full education program costs with consideration given to regional differentials, capital outlay and local discretionary programs;

7. Recommendations about the means and methods of financing schools in Alaska; and,
8. Suggested legislation as may be necessary and appropriate to implement the plan for financing Alaskan education which has resulted from this study.

ROLE OF CENTER FOR NORTHERN EDUCATIONAL RESEARCH

CNER is serving as the coordinating agency for the study. In this capacity, the Center:

1. Provides a central base of operations for the study;
2. provides direct professional assistance;
3. analyzes and factors the data obtained in the study,
4. manages project resources (financial support and contributed staff from the BIA and the U.S. Office of Education and of Community and Regional Affairs; from the Alaska Federation of Natives; from Rural CAP; and, from other interested groups); and,
5. prepares and issues the interim and final study reports.

FOR MORE INFORMATION about the study or to offer suggestions about issues to be addressed, write or phone the following:

In Fairbanks:

E. Dean Coon, Asst. Director (479-7143)
or
Jerry Waddell, Research Associate (479-7145)
Center for Northern Educational Research
University of Alaska
Fairbanks, Alaska 99701

In Anchorage:

Anne Just, Research Affiliate (272-5522, ext. 151)
Center for Northern Educational Research
University of Alaska Sr. College
2651 Providence Avenue
Office #305, Sr. College Academic Bldg.
Anchorage, Alaska 99504

In Juneau:

Nathaniel Cole, Deputy Commissioner (465-2800)
or
William Thompson, Director of Administration & Finance
Alaska State Department of Education
Pouch F
Juneau, Alaska 99811

January 26, 1976

ALASKA EDUCATION COSTS
FOR FISCAL YEAR 1974

Analysis of
Current Operating Expenses
of Elementary and Secondary Education
in the Alaska State Operated
Schools, Bureau of Indian
Affairs Schools and District Schools

Prepared as a part of
The Study on the Quality, Cost and
Financing of Elementary and Secondary
Education in Alaska

Center for Northern Educational Research
University of Alaska
Fairbanks, Alaska

January 1976

EXPLANATION OF TABLES

As a part of the study on the Quality, Cost and Financing of Elementary and Secondary Education in Alaska, the attached tables are a first attempt to test the uniformity of data available for fiscal year 1974 by arranging the data in a comparable format.

Table 1, Alaska Education Costs for Current Operating Expense for Fiscal Year 1974. This depicts a crosswalk of expenditure categories for the Alaska State Operated School System and the schools operated by the Bureau of Indian Affairs as they relate to the expenditure categories of the District Schools of Alaska. Footnotes are provided to explain any major differences in expenditure classification.

Cost categories for Current Operating Expense (excluding capital outlay and debt service) are shown for each "school system" along with the associated cost per average daily membership. The "bottom line" totals each expenditure category and computes the costs for the combined average daily membership for all Alaska public and federal schools.

Table 2, Alaska Education Costs for Current Operating Expense Per Average Daily Membership for Fiscal Year 1974. This summarizes the expenditures and average daily membership costs from the previously described table.

Table 3, Alaska Education Revenue for Current Operating Expense for Fiscal Year 1974. This lists the revenues by source, Federal, State, and Local for the Alaska State Operated School System, the District Schools, and the Bureau of Indian Affairs Schools. Additionally, the revenues in these categories are reflected by Average Daily Membership and the percentage of each source to the total for the respective school system is shown. Revenue for current operating expense was derived by reducing total District School revenue by \$7,452,000 for State Sources and \$5,840,696 for Local Sources, the amounts reported for revenue for capital outlay and debt service by the Alaska Department of Education.

* * * * *

Fiscal Year 1974 data was used for this analysis, because actual cost information was not yet available for FY 1975. The data shown in these tables were derived from the following:

1. Report of Audit, Alaska State Operated School System by Main LaFrentz and Company, Certified Public Accountants, Anchorage, Alaska, dated 7 December 1974.
2. Annual Report 74-75, Department of Education, Juneau, Alaska.
3. Report of Operating Budget, Bureau of Indian Affairs, as of 30 June 1974.

Private and parochial schools have not been included.

Table 1

ALASKA EDUCATION COSTS FOR CURRENT OPERATING EXPENSE FOR FISCAL YEAR 1974

ALASKA STATE OPERATED SCHOOL SYSTEM	Adminis- tration	Instruc- tion	Auxiliary Services	Pupil Transpor- tation	Plant Opera- tion	Plant Mainte- nance	Fixed Charges	Food Service	Current Operating Expense	Average Daily Membership
District Office										
Instructional Services		180,943							180,943	
Instructional Media		304,140							304,140	
Board of Directors	46,469								46,469	
Superintendent	65,442								65,442	
Administrative Services	1,545,210								1,545,210	
Planning & Evaluation	53,195								53,195	
Rural Schools										
Early Childhood Development		145,402							145,402	
Basic Instruction		10,465,923							10,465,923	
Food Services								1,723,136	1,723,136	
Building Maintenance						1,258,712			1,258,712	
Building Operations					3,890,726				3,890,726	
Administrative Support	597,448								597,448	
Bilingual Education		733,406							733,406	
Pupil Transportation				435,156					435,156	
Exceptional Students		386,322							386,322	
Base Schools										
Early Childhood Development		294,863							294,863	
Basic Instruction		7,800,702							7,800,702	
Food Services								107,008	107,008	
Building Maintenance						443,862			443,862	
Building Operations					1,045,143				1,045,143	
Administrative Support	310,929								310,929	
Pupil Transportation				375,091					375,091	
Exceptional Students		296,480							296,480	
Other Programs [1										
Supplemental Programs		198,313							198,313	
Community Liaison	73,580								73,580	
School Board Development	10,200								10,200	
Vocational Education		58,587							58,587	
Adult Education		45,838							45,838	
Title I - ESEA		724,534							724,534	
Title II - ESEA		23,567							23,567	
Title III - ESEA		82,385							82,385	
Title VI - ESEA		13,444							13,444	
Title VII - Bilingual		156,305							156,305	
PL 89-313 Exceptional Students		850,154							850,154	
Title IV - Indian Education		540,718							540,718	
Total ASOSS Costs	\$ 2,702,473	\$ 23,302,026	[2	\$ 810,247	\$ 4,935,869	\$ 1,702,574	[2	\$ 1,830,144	\$ 35,283,333	14,680
Costs Per ADM	184	1,587		55	336	116		125	2,403	

Table 1 Cont.

	Adminis- tration	Instruc- tion	Auxiliary Services	Pupil Transpor- tation	Plant Opera- tion	Plant Mainte- nance	Fixed Charges	Food Service	Current Operating Expense	Average Daily Membership
DISTRICT SCHOOLS	\$ 4,368,111	\$ 76,677,246	\$ 6,299,873	\$ 6,137,164	\$ 7,448,330	\$ 4,595,715	\$ 7,011,510	\$ 1,374,354	\$ 113,912,303	68,440
Costs Per ADM	64	1,120	92	89	109	67	102	21	1,664	
BUREAU OF INDIAN AFFAIRS										
School Operations									205,309	
Juneau Area Office	205,309								292,267	
Agency Offices	292,267								488,546	
Administrative Support	488,546								237,771	
School Unit Supervision		237,771							5,272,902	
Instruction		5,272,902							276,362	
Pupil Transportation				276,362					3,993,879	
Plant Operations					3,993,879 [4]				17,592	
Indian Advisory School Boards	17,592								249,056	
Library & Material Centers		249,056							66,096	
School Social Work			66,096						1,373,209	
Food Services								1,373,209	2,141,338	
Plant Maintenance						2,141,338 [5]			33,708	
Research Develop. & Training	33,708								269,797	
Transportation of Things		269,797								
Title I										
Parent Counseling			22,054						22,054	
Dissemination	2,743								2,743	
Professional Staff		213,260							890,791	
Para-Professional		890,791							58,006	
In-Service Training		58,006							179,029	
Supplies		179,029							120,801	
Administration	120,801								22,275	
Title II - ESEA		22,275							82,061	
Title III - ESEA		82,061							25,000	
Title VI - ESEA		25,000							12,260	
Title III - NDEA		12,260								
Total BIA Costs	\$ 1,160,966 [6]	\$ 7,512,208	\$ 88,150	\$ 276,362	\$ 3,993,879	\$ 2,141,338		\$ 1,373,209	\$ 16,546,112	5,478
Costs Per ADM	212	1,371	16	50	729	391		251	3,020 [7]	
TOTAL ALL SCHOOLS [8]	\$ 8,231,550	\$ 107,491,480	\$ 6,388,023	\$ 7,223,773	\$ 16,378,078	\$ 8,439,627	\$ 7,011,510	\$ 4,577,707	\$ 165,741,748	88,598
Costs Per ADM	92	1,213	72	82	185	95	79	52	1,871	

Footnotes:

- [1] All ESEA program costs are reported under Instruction, Administration and other categories could amount to approximately 10 per cent.
- [2] Auxiliary Services and Fixed Charges not identifiable in ASOSS chart of accounts. These costs are included in the other categories shown.
- [3] Food Service expenditures for District Schools reflect the Districts' net costs (total operational expenses less revenue from sale of lunches and other reimbursements).
- [4] Adjusted to exclude non-educational costs charged to Plant Operations.
- [5] Adjusted to exclude non-educational costs charged to Plant Maintenance.
- [6] BIA administrative costs have been adjusted to eliminate BIA education programs not applicable to current operating expense for BIA schools such as Johnson O'Malley, Higher Education Scholarships, etc.
- [7] Costs for Home Living (Dormitory Operations) have been excluded for comparability and uniformity of data. These expenditures amounted to \$895,458 or \$164 per ADM.
- [8] Represents total expenditures for public and federally operated schools in Alaska, excluding capital outlay and debt service.

Table 2

ALASKA EDUCATION COSTS FOR CURRENT OPERATING EXPENSE
PER AVERAGE DAILY MEMBERSHIP
FOR FISCAL YEAR 1974

	State Operated Schools	District Schools	BIA	Total [1]
Administration	\$ 2,702,473 184	\$ 4,368,111 64	\$ 1,160,966 212	\$ 8,231,550 92
Instruction	23,302,026 1,587	76,677,246 1,120	7,512,708 1,371	107,491,480 1,213
Auxiliary Services	-----	6,299,873 92	88,150 16	6,388,023 72
Pupil Transportation	810,247 55	6,137,164 89	276,362 50	7,223,773 82
Operation of Plant	4,935,869 336	7,448,330 109	3,993,879 729	16,378,078 185
Maintenance of Plant	1,702,574 116	4,595,715 67	2,141,338 391	8,439,627 95
Fixed Charges	-----	7,011,510 102	-----	7,011,510 79
Food Services	1,830,144 125	1,374,354 21	1,373,209 251	4,577,707 52
Current Operating Expense	<u>35,283,333</u> 2,403	<u>113,912,303</u> 1,664	<u>16,546,112</u> 3,020	<u>165,741,748</u> 1,871

[1] Total Costs per Total ADM All Alaska Schools Excluding Private Schools.

Table 3

ALASKA EDUCATION REVENUE FOR CURRENT OPERATING EXPENSE
FOR FISCAL YEAR 1974

	State Operated Schools	District Schools	BIA	Total
Federal	\$28,146,493	\$ 7,135,251	\$17,441,570	\$52,723,314
Per ADM	1,917	104	3,184	595
Per Cent	74	6	100	31
State	9,686,319	81,714,249	-----	91,400,568
Per ADM	660	1,194	-----	1,032
Per Cent	25	71	-----	53
Local	453,312	26,025,556	-----	26,478,868
Per ADM	31	380	-----	299
Per Cent	1	23	-----	16
Total	38,286,124	114,875,056	17,441,570	170,602,750
Per ADM	2,608	1,678	3,184	1,926
Per Cent	100	100	100	100

IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 88 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

Relating to the public school foundation
program.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the public school foundation program was initially implemented
in 1962; and

WHEREAS many alterations to the program have been made since then to
address the changing educational needs in the state; and

WHEREAS educational structure in the state has undergone rapid change
with the emergencies of the rural educational attendance areas; and

WHEREAS inflationary pressures and the increasing requirements of more
sophisticated utility support have placed severe strain upon education
budgets;

BE IT RESOLVED by the Alaska State Legislature that it directs the
Legislative Council ^{in cooperation with the U of A Center for Northern Educational Research} to undertake a thorough study and evaluation of the
public school foundation program (AS 14.17). The objectives of the study
shall include but are not limited to: The manageability of the present
program; applicability of the program to the needs of the rural educational
attendance areas; simplification of the funding formulas to enhance forecast-
ing; suitability of the funding formulas to address educational auxiliary
and support costs; ability of local school districts to raise revenue for
school support; and the acceptability of the program by all agencies
presently affected by it. The study shall be completed no later than the
first month of the Tenth Legislature, First Session, and submitted to the
presiding officers of the Senate and House of Representatives; and be it

FURTHER RESOLVED that the Governor is respectfully requested to urge

1 the Department of Education to lend all necessary assistance to the Legisla-
2 tive Affairs Agency to effect this study.

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UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

April 2, 1976

Representative Charles Parr
Pouch V
Juneau, Alaska 99801

Dear Representative Parr:

Thank you for calling us about Senate Concurrent Resolution No. 88. Our interpretation of the relationship of SCR 88 and the School Finance Study being coordinated by the Center for Northern Educational Research is explained below.

A study and evaluation of the Public School Foundation Program is one of the important aspects of the School Finance Study. The resources of the Legislative Council that would be available to examine the Foundation Program should SCR 88 be enacted would be a welcome and needed addition to the efforts under way now. The work to be done under the authority of SCR 88 could be coordinated quite easily with all other aspects of the School Finance Study which are noted on the attached Fact Sheet.

A January 1976 Status Report on the study is attached. Note on page 2 the tentative schedule of major events. Conduct of the Foundation Program Review during calendar year '76 would enable this aspect to be included in Report No. 2 at the end of the year.

Also included with this letter is a copy of the Analysis of Fiscal '74 Education Costs in Alaska. As I told you, we are now working on Fiscal '75 and Fiscal '76. The intent here is to provide a base of comparable information necessary for specific analysis and projections. The Public School Foundation Program is, of course, one important element of this analysis.

Just recently we were notified that the Governor's Office intends to provide some financial resources to the study in FY'77. Use of these funds will be coordinated with the Department of Education and will not conflict with or duplicate the work called for under SCR 88. Should you have additional questions about this, please do not hesitate to contact me or Marshall Lind.

Sincerely,

E. Dean Coon
Assistant Director
Center for Northern
Educational Research

Enc.

cc: Marshall Lind
Sue Greene

EDC/rg

PLEASE REPLY BY AIRMAIL

Back up
to go into
Charlie's

folder

ECR
98



CENTER FOR NORTHERN EDUCATIONAL RESEARCH

UNIVERSITY OF ALASKA -- FAIRBANKS

January, 1976

A STATUS REPORT ON
A STUDY OF THE QUALITY, COST AND FINANCING
OF ELEMENTARY AND SECONDARY EDUCATION
IN ALASKA

This is a report on major activities concerning the study which have occurred during the past six months. These activities fall under five major headings: (1) Resource Acquisition; (2) Planning and Development; (3) Data Collection and Analysis; (4) Presentations; and (5) Related Activities.

RESOURCE ACQUISITION. CNER, in cooperation with the Department of Education, has made or is making efforts to obtain funds and personnel with the following results:

1. The U. S. Office of Education has assigned Ms. Anne Just from its Bureau of School Systems to CNER for a two-year period which began September 1, 1975. Under provision of this Intergovernmental Personnel Act assignment, the USOE and CNER are each paying half of Ms. Just's salary.
2. In October, a request for \$11,650 for travel and per diem expenses for the contributed staff members and other related needs during the current year was submitted to the State Department of Education. The Department was unable to provide these funds from its FY '76 budget.
3. A request for a legislative appropriation of \$93,000 to support the study in Fiscal Year '77 has been developed and submitted to the Department of Education. The requested funds would be used to obtain the services of regional representatives, advisory specialists, and a staff assistant, as well as travel and support expenses of these persons and the contributed staff members already assigned.
4. Investigation of other sources of support continues. The most promising on a long-term basis is a proposed federal program of assistance to states for state equalization plans. This program, authorized in Section 842 of Title VIII of the Elementary and Secondary Education Act (as amended in 1974) would reimburse states for costs of developing state equalization plans which met specified criteria. Although no funds have been appropriated yet for Section 842, Alaska would be eligible for reimbursement of \$100,000. State applications of intent to develop such plans are due no later than July 1, 1977.

PLANNING AND DEVELOPMENT. A number of activities dealt with revision of the study calendar and in the development of preliminary materials as follows:

1. A comprehensive list of major questions was developed for each of the 9 study topics and analyzed according to (1) type of questions (informational, empirical, or conceptual); (2) source of information; (3) work days re-

quired; (4) agencies or groups involved, and (5) probable completion times.

2. A preliminary survey instrument with 35 questions was prepared, and limited field testing was conducted. The questions in this survey are being designed for use in the community participation phase of the study.
3. A Fact Sheet briefly describing the study was developed. Copies are available from CNER.
4. Proposed time schedules for events of the study were modified to reflect the available resources, information availability, and possible legislative involvement. The current tentative schedule of major events:

<u>Year</u>	<u>Event</u>
1975	Obtain Resources Begin Data/Information Collection Preliminary Analysis FY'74 Costs
1976	Report No. 1 Issued Data Collection--Analysis Involvement--Community, Agency, Regions, Forums Report No. 2 Issued
1977	More Involvement Activities Interim Legislative Committee Forums Report No. 3 Issued
1978	Legislative Alternatives Considered

DATA COLLECTION AND ANALYSIS. A continuing activity has been to collect base data and reports concerning the schools. Major tasks initiated or completed include:

1. An Analysis of FY '74 Education Costs in Alaska has been completed. This report examines comparable operating expenses for education programs operated by the Alaska State Operated Schools, Bureau of Indian Affairs, and District Schools. It was developed as a base for examining costs in subsequent fiscal years.
2. An analysis of revenues and expenses for elementary and secondary education in FY '75 and FY '76 is being prepared.

PRESENTATIONS. Study staff members attended several meetings to explain the study, to test the survey questionnaire, and to solicit suggestions. Meetings or groups addressed or to be addressed for these purposes include:

1. The State Board of Education at its regular meeting in Anchorage December 4, 1975. State Board support of the study was reaffirmed and Commissioner of

Education Marshall Lind suggested that a similar presentation be made to Governor Hammond in the very near future.

2. The Community Participation Conference in Anchorage on December 5, 1975. Delegates subsequently gave a "high priority" to support enactment of House Bill 229, which would provide funds to the Department of Education to support the study.
3. The Human Resources Committee of the Alaska Federation of Natives in Anchorage January 8, 1976. The Committee reaffirmed its support of the study in a resolution which stated, in part, ". . . that the Legislature and the State Department of Education provide additional assistance and support for the study to insure its successful completion."

Arrangements have also been made for presentations to Governor Hammond and to the staff of the State Department of Education.

RELATED ACTIVITIES. Several activities which will provide important information for the study are underway and include:

1. An inventory of school facilities in rural Alaska has become a priority project of the State Department of Education and the Bureau of Indian Affairs. These agencies expect to finish the inventory by June, 1976. The results of this project will be an important contribution to the study.
2. An intensive examination of current State laws and regulations which affect education of Alaska Natives is underway now. Attorney David Getches, formerly associated with the Native American Rights Fund, is doing this work under a grant from the Ford Foundation.
3. Orientation and training activities being scheduled for Regional Education Attendance Area board members may provide opportunity for finance study involvement. Especially important will be REAA goals and objectives, educational programs desired, and resources available.

FOR FURTHER INFORMATION about the study or to offer suggestions about issues to be addressed, write or phone the following:

In Fairbanks:

E. Dean Coon, Asst. Director (479-7143)
or
Jerry Waddell, Research Associate (479-7145)
Center for Northern Educational Research
University of Alaska
Fairbanks, Alaska 99701

In Anchorage:

Anne Just, Research Affiliate (272-5522, ext. 151)
Center for Northern Educational Research
University of Alaska Sr. College
Office #305, Sr. College Academic Bldg.
2651 Providence Avenue
Anchorage, Alaska 99504

In Juneau:

Nathaniel Cole, Deputy Commissioner
or
William Thompson, Director of
Administration & Finance (465-2800)
Alaska State Dept. of Education
Pouch F
Juneau, Alaska 99811

*Copies of the previous progress report, dated July 28, 1975 are available from the Center for Northern Educational Research

COMMITTEE REPORT

HOUSE

3/19/76

FINANCE

Mr. Speaker:

Date April 13 1976

The Committee on SELECT COMMITTEE ON EDUCATION has had 000 00 00

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>

Members NOT concurring in the Majority report:

<u>[Signature]</u>	recommends: <u>DO NOT</u>
<u>[Signature]</u>	recommends: <u>" "</u>
<u> </u>	recommends: <u> </u>
<u> </u>	recommends: <u> </u>
<u> </u>	recommends: <u> </u>

[Signature] Chairman

A M E N D M E N T

OFFERED IN THE HOUSE:

By: Select Committee on Education

To: _____ HOUSE BILL No. _____

SENATE BILL No. SCR 84 am

PAGE: 2

LINE: 2

and

insert after the word "study" the following:

"and that the legislative study be coordinated with
the present on-going Center for Northern Educational
Research study"



UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

April 2, 1976

Representative Charles Parr
Pouch V
Juneau, Alaska 99801

Dear Representative Parr:

Thank you for calling us about Senate Concurrent Resolution No. 88. Our interpretation of the relationship of SCR 88 and the School Finance Study being coordinated by the Center for Northern Educational Research is explained below.

A study and evaluation of the Public School Foundation Program is one of the important aspects of the School Finance Study. The resources of the Legislative Council that would be available to examine the Foundation Program should SCR 88 be enacted would be a welcome and needed addition to the efforts under way now. The work to be done under the authority of SCR 88 could be coordinated quite easily with all other aspects of the School Finance Study which are noted on the attached Fact Sheet.

A January 1976 Status Report on the study is attached. Note on page 2 the tentative schedule of major events. Conduct of the Foundation Program Review during calendar year '76 would enable this aspect to be included in Report No. 2 at the end of the year.

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Sincerely,

E. Dean Coon
Assistant Director
Center for Northern
Educational Research

Enc.

cc: Marshall Lind
Sue Greene

EDC/rg

PLEASE REPLY BY AIRMAIL

Charlie —

HCR 88 file

Thought you might find this
of interest.
Warren Smith

THE ART OF PLANNING

Harold L. Encarson

Planning is definitely an art, but mostly a bad art. College and university administrators often become bogged down in the "techniques and tools" of planning systems, thereby losing sight of the real problems and goals. Encarson defines the errors that inhibit good planning and prefers to use a planning model for the future that he calls the "Lewis and Clark tour."

I BELIEVE IN PLANNING ALL THINGS, large and small. And what I prescribe for myself and for my family I also prescribe for the cosmos and all persons and institutions privileged to occupy it. From extensive personal experience I know the penalties of not thinking ahead and not planning for tomorrow.

Take this season's trip to our cabin in the Colorado mountains as a case study in how not to plan. My wife and I drove more than 1,000 miles to reach the gate to our mountain meadow—only to discover that she forgot the key to the lock. (My wife and I resolve this with the problem-solving technique standard in such marital situations—mutual recrimination followed by prolonged, grim silence as I rip down part of the fence to gain entry to our property.)

Our day proceeds to deteriorate. We buy \$40 worth of groceries—only to discover on our return that we failed to pick up the following necessities: matches, fly swatters, Coors beer, mantles for the lamp, mouse traps, and staples to fix the fence I just tore down. The marital silence deepens.

The second day of vacation is an ordeal of compounding folly—all for want of planning. I saddle my horse to go inspect the thinning of ten acres of timber. The Department of Agriculture lists me as a cooperating

landowner, since I agreed to pay—at a "bargain" rate—\$450 for some thinning. The profit from the sale of the logs is all mine. The logs are neatly stacked, ready for sale. But exactly how am I to sell 40 cords of fresh timber, some of it quarantined because of pine beetle?

I ponder the prospect of loading the Volvo station wagon and parking on the outskirts of Boulder. In Walter Mitty fashion, I even think of a sign: Reduced Rates for Friends of the Big Ten Conference. No, that won't do. I do not even need an adding machine to conclude that thinning trees doesn't pay off. No sir, there is nothing like cost-benefit analysis—even after the fact. Indeed, I become so enchanted with the exquisite symmetry of cost-benefit analysis that upon unsaddling I fail to unbuckle the flank cinch—and have another painful lesson in the necessity of thinking ahead.

By now I am thoroughly repentant. On the back of an old and still unread university financial report, I write ten times the words of the Burnham gospel: "Make no little plans." And underneath I write a note to myself: "Get a case of Coors." So I retreat to the fugitive materials hastily tucked in my briefcase. It is dreary stuff: an Ohio Board of Regents report on student

credit hour production, a cost analysis of the OSU motor pool, a Big Ten report on intercollegiate athletics, and another on library costs (How did it get there?), a NCFHEMS report, a paper on computer models with the engaging title "Counter-intuitive Behavior of Social Systems," and Kenneth Boulding's paper, "The Management of Decline." Surely somewhere in this clutter lie great insights into the nature of planning—planning as an art form, that is. And so I read by lamplight, and with mounting disquiet I reflect on what I read and remember planning in higher education.

What in the literature and developments in state, regional, and national planning for higher education makes some of us troubled and uneasy? Management planning, planning by objective, systems management, systems dynamics, integrated information systems, cost relative to benefit. It all sounds so cool, thoughtful, and rational. The very words soothe, reassure; we are about to enter the promised land of "rational decision making."

New data

And who can quarrel with the need for more data, for comparable data, for exact measurement of cost, for analysis of benefits as against costs? Who can quarrel with the need for planning (long range as well as short range) for individual institutions and for states? And how can one reject the exciting potential of models and of the application of computer technology to management decision making?

Not only is there a new frontier of data collection and analysis, but there are rapidly expanding systems of coordination and management—state coordinating agencies and regional planning agencies. In all this, there is the promise—sometimes implicit, occasionally prideful and boasting—that the great enterprise of postsecondary education is at last to become manageable. And with this bright promise is the image of the new

Harold L. Enarson is president of the Ohio State University, Columbus. This article is adapted from a speech given 9 July 1975 in Minneapolis, Minnesota, to the Society for College and University Planning Conference.

manager, flanked always by his computer terminal—Mr. Facts in full command. Suddenly there are echoes of the familiar—of McNamara's adoration of systems management and infatuation with the computer, of the Corps of Engineers' adventures in river politics masqueraded in the mystique of elaborate cost-benefit analysis, and of Taylor's "one best way" concept of factory management. These echoes provide reasons for one's sense of disquiet.

Too often our planning efforts display an obsessive preoccupation with whatever is fashionable. Only a few years ago institutional research was the "in" thing with its own professional literature and leaders and learned essays about the role and proper place of institutional research in the scheme of things. But early obsolescence is the fate of all fads, and now institutional research—as we knew it in the 1950s and early 1960s—has been eclipsed by other fashions of the day.

Computers

Now the word "systems" appears everywhere. How could one resist the "systems approach" or deny its purity and compelling logic? It is almost as if we warded off the sense of engulfing chaos by ritual incantation of magic words. Couple "system" with another strong, reassuring word such as "dynamics," and we have a new creed and a corporation to cry its praises and claim its profits. In all this, we risk the "triumph of technique over purpose"—a phrase made famous by Wallace Sayre in describing the defeat of sound personnel practices through the ritualism of "civil service."

Techniques and tools are important, and the fabled memory systems of computers are impressive until one learns of the even more impressive circuitry of the human brain. And the capacity of a computer to sort combinations of factors is even more impressive for the simple reason that the computer takes orders, while the human brain is quickly exhausted, even more quickly bored. Who wants to factor in one's own head the ideal combination of feed grain for cattle in a feed lot on the Great Plains? Let our patient computer do the drudgery. So plainly, the computer is a tool

to be used, just as the systems approach may represent a helpful grouping of problem-solving concepts.

The human factor

But let's take a very slow pause here, and note that techniques and tools tend *not* to be the neutral servants we describe them to be. Techniques and tools are used, always, by persons operating in time, place, circumstance, culture, and power relationships. The tools and techniques are, of course, neutral. But the persons who use them are never neutral, for, as human beings, we have as our burden and our pride the legacy of a congested bundle of ideas, faiths, opinions, preconceptions, goals, and aspirations. None of us is a disembodied soul, floating free in the cosmos, but we often pretend to be this neutral. Tools and techniques merge and meld with people and institutions. If we were truly curious about "system," we would explore the complex relationship which develops between the surgeon and his knives, the army general and his nuclear warheads, the manager and his operations management protocol, the agricultural extension agent and his chemical fertilizers, and the educational planner with his models, system, and advanced computer technology.

Our tools have a special allure for some of us, becoming part of our very identity. Horse and man combine to make the man different, more powerful. Motorcycle and adolescent combine to make the adolescent different, more powerful, something new under the sun. The computer, brilliant achievement and marvelous toy, has the same capacity to enthrall, captivate, and finally to imprison. And so it is that we witness an excess of faith in the tool and the technique. The temptation is to overkill. Overkill is understandable, since the tool and the technique exist to be used.

Some years ago, I visited the major university of a Central American country and observed an institution-building project. A massive exercise in institutional research was being undertaken under supervision of a major United States university. Masses of data were being accumulated. Presumably, the decision-makers would have all the information necessary to plan the future intel-

ligently. There was only one small flaw—the cost of the information gathering was roughly one-fourth of the entire budget. Here were sophisticated tools, sophisticated research, and sophisticated people—but a pathetic unawareness of absurd disproportion. I suspect that some of the research work currently being done suffers from a similar defect. I call this the "beagle fallacy." If you have never walked the woods with a beagle, you have missed a delightful experience. The beagle has a superb nose and follows the scent of the trail with total absorption. But the beagle has poor eyesight and seldom looks up to see the rabbit staring quietly (and I trust with amusement) at him.

Cost-benefit analysis

Some of our new tools may turn out to be more plausible than substantial—the cost-benefit analysis of the "inputs" and "outputs" of higher education, for example. What does one do with mountains of computer printouts on costs of instruction? I already know that physics costs more than poultry science (at least I think it does). I already know that the teacher-student ratio at a nearby private university is half that of Ohio State. So what. The teacher-student ratio is largely a function of resource availability. If a massive gift were made to a university doubling its resources, the ratio of faculty to students would soon double. And myth has it that quality would increase. But would it? You will search the literature in vain for evidence that the quality of learning varies proportionately with the teacher-student ratio.

No amount of cost-benefit analysis will help us decide whether to phase out a foreign language or whether to cut the library budget and increase the budget of the counseling service. And the value to society of a good plumber and a poor philosopher is truly beyond effective measure. Let the Corps of Engineers continue to play games with cost-benefit analysis, mesmerizing the Congress. But do not let the universities of this land fall into the trap of promising to show dollar value received for dollar spent.

The value of the truly educated person is

no more to be weighed and measured than is a sonnet or a smile. The true values we seek in higher education are, at bottom, matters of faith. Why pretend that the teaching-learning enterprise lends itself to simplistic analyses?

Planning—whether for a new academic program, a new university, or the “managed decline” of a conglomerate of universities captive in our new state systems—is definitely art, but mostly bad art. I think of at least five common errors in addition to the “beagle fallacy.”

Definition of problems

Defining the problem too narrowly. Health care requires nurses as well as doctors, ambulatory clinics as well as hospitals, dental hygienists as well as dentists. This diversity is commonly ignored. Everywhere we see the latest state study of “The Supply and Demand for Nurses” and “The Supply and Demand for Physicians.” The failure to define an appropriate framework of inquiry invites, even guarantees, enormous waste. In Ohio, the “doctor shortage” has generated a demand for a third new medical school in addition to the two new schools recently established. The predictably exorbitant costs of these new ventures will, in a few years, put these schools in direct, hurtful competition for the education dollar, and all higher education in Ohio will be poorer for it.

Defining the problem too widely. The computer model does splendidly when calculating how best to maximize the increase in the weight of feeder calves, but it groans and wheezes and spins out nonsense when it works on a problem involving almost endless variables, with assumption piled upon assumption—stacked dominoes reaching to the very heavens. Is it possible to identify all the variables that go into the demand for nurses nationwide twenty years from now? To begin, one is forced to make assumptions about population growth, income growth and distribution, spending habits, impact of new drugs, incidence of disease, efficiency of health care systems. The list of variables is literally endless. Such work is as insubstantial as skywriting. Yet there is just such a study now underway. The price tag

for the entire project is two and a half million federal dollars. The technique and tool were there, and the temptation to use both proved irresistible.

Counting the “countable.” It does not follow that because something can be counted it therefore should be counted. Student credit hour production can be counted; the cost of a student credit hour can be counted. All kinds of comparisons can be made from these data, but rarely are. No one knows how much money is spent on such counting. No one has counted that—which is curious. One might have expected a cost-benefit analysis . . .

In Ohio, and very likely in other states, we tabulate in painstaking detail the distribution of faculty time spent on a variety of activities. It’s all very impressive and mostly useless as a crude measure of academic imagination and puffery. (We have a tireless professor who regularly reports over 100 hours a week, and the computer dutifully accepts the figure.) Incidentally, the form provides no place to mark down hours spent staring at fireflies or standing transfixed under the shower. Yet it is just in such “idle times” that something occasionally clicks into place, and an idea is born. I think we call it creativity.

The counting game

Our love of counting the countable would be good clean fun were it not for the fact that it distracts from other tasks. A department chairman busy with such reports fails to find time for the common sense judgments which are his to make.

Collecting more facts. The researcher always hungers for more facts. He calls this “enlarging the data base.” Dr. Jay W. Forrester could have had education planners in mind when he wrote: “There seems to be a common attitude that the major difficulty is shortage of information and data. Once data is collected, people then feel confident in interpreting the implications. I differ on both of these attitudes. The problem is not shortage of data but rather our inability to perceive the consequences of the information we already possess.”¹

¹ “Counterintuitive Behavior of Social Systems,” *Technological Review*, January 1971.

In the fifteen years that I have served as an academic administrator, I have stared helplessly at more reports than I dare remember. But I can recall few reports that contributed directly or even indirectly to what is pompously called the "decision making process." Our problem is not the shortage of facts, but our general inability to grasp the significance of the facts. We are also reluctant to do what needs to be done. The absence of nerve in university administration is far more serious than the shortage of information.

Chasing rabbits. This bit of western colloquialism may need explaining. The untrained hound dog in hot pursuit of a bobcat will turn off the trail as a rabbit crosses his path. So it is with much of our planning.

Future planning

America is hardly a tidy place, and our universities and our people and our institutions are caught in the convulsions of change. Integrated data bases do not excite me, nor do "models," complete with software, compel my imagination. Too often these new tools and techniques create the illusion of planning and thus distract us from facing issues.

It is not our task to predict the future, but to shape our future to the greatest extent possible. If the "management of decline" is our new responsibility, then perhaps the new data bases will be useful in small ways. Trim a little here, trim a little there. Eliminate a few programs. Consolidate the enterprise. Point to small savings in huge budgets. But this is not enough, not nearly enough.

If we really embraced planning, we would be forced to define our ideal of the future. We would not be content with presiding over the status quo, with merely fronting for the entrenched vested interests of our institutions. Instead, we would turn, however reluctantly, to the long-neglected agenda.

Our head-in-the-sand view of the job market for our graduates won't do. If the Department of Labor studies are even partly correct, we face a growing glut of college graduates who will be unable to work at

jobs requiring college-level competencies. If the changing nature of the labor market is not explained to our students and our friends in the legislature, we risk flood tides of great resentment.

There are other compelling concerns: the revival of the liberal arts, the reconstitution of student counseling, the redefinition of institutional autonomy in the context of state systems, the development of remedial programs that really work. The agenda could be extended. Surely there is no want of major problems that we in education steadfastly ignore. And all the while the formal apparatus of planning grows.

Planning is inseparable from management, and both involve those elements we associate with art—intuition, creativity, discernment, command of the work tools and materials, an appreciation of the interaction of form and function.

There are planners and then there are planners—whether of mountain vacations or of state universities and state systems. There are at least two models: the Cook's tour model and the Lewis and Clark model. The Cook's tour defines a precise schedule on a well-defined route. "If it's Tuesday, this must be Belgium." The tour moves in orderly progression amid known landmarks. The name of the game is to so plan as to avoid contingencies. The unexpected is to be avoided. All is schedule, order, routine.

But I prefer the Lewis and Clark model with its sense of adventure as it explores new frontiers. Lewis and Clark envisioned their goal, assembled the minimum resources, and had the nerve and the courage to take the unexpected in stride. They knew in their bones that success depended upon painstaking completion of the smallest of plans—the building of the campfires, the fording of the stream, the delicate negotiations with the Indians. Their epic success was a triumph of small daily successes—all within the context of a goal and clear sense of direction.

The Cook's tour provides the illusion of planning in a world of imagined stability. The Lewis and Clark tour is an adventure into the unknown. Can there be any choice for us? □