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**COMPUTERIZED FINANCIAL PLANNING  
FOR SCHOOL DISTRICTS IN THE UNITED STATES**

**A thesis presented in partial fulfillment  
of the requirements for the degree of  
Doctor of Philosophy in Accountancy at  
Massey University, New Zealand**

**By**

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## DECLARATION

I declare that "Computerized Financial Planning for School Districts in the United States" is my own work, that the work on which the thesis is based has not been accepted in whole or in part for any other degree or diploma, and that all sources that I have used or quoted have been indicated and acknowledged by means of complete reference.

Signed at Massey University, Palmerston North, New Zealand on May 1, 1989.

A handwritten signature in cursive script that reads "Lois Marie Graff". The signature is written in black ink and is positioned above the printed name.

Lois Marie Graff

## ABSTRACT

This thesis presents the results of research to discover if and how computerized financial planning is conducted in United States school districts. The aim of the project was to assist school board members and administrators with financial planning and decision making. The methodology included a literature survey of long range business and academic planning, financial planning, financial models and modeling. It was concluded that long range financial planning has been successfully implemented in business and tertiary educational institutions and would be effective for school districts.

An integrated academic and financial planning model for school districts was normatively derived based on the literature. Primary planning variables reflecting academic policy decisions were identified, and tentative sub models for enrollments, staffing, and financial planning were described. Empirical work was conducted to fill "gaps" in the literature and gather descriptive evidence concerning the current state of financial planning and financial model design.

As part of the empirical work, questionnaires were sent to all school district treasurers (616) in the State of Ohio. More than forty percent (43.3%) replied. It was found that more than half of the respondents (54.5%) have long range financial plans, but few school districts (20.5%) conduct financial planning on computers. Of the districts operating computerized financial models, 68.5% use micro computers in preference to mainframes or minis. School district treasurers and superintendents take part in almost all financial planning and/or budgeting whereas school board members participate only occasionally. Most school districts (96.5%) recognize the need for long range financial planning and would consider using computerized financial planning models designed specifically for school districts. The research suggests that important barriers to computerized financial planning are lack of money and expertise to design models appropriate for school districts.

The integrated academic and financial planning model was computerized and tested by practitioners in the United States for completeness and usefulness. Changes were made to the model based on empirical work and field testing. The model is inexpensive, easy to use, and considered to be generic. It should prove helpful to school district decision makers.

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Lastly, and most importantly, I want to thank Richard, my beloved husband and best friend, who relieved me of all responsibilities at home so I could concentrate on this research. Together we have shared an exciting life and an extraordinary New Zealand experience.

## PREFACE

Although this thesis was written while the author was a visiting lecturer at Massey University in New Zealand, spelling herein is American style. The topic dictated the style since the thesis will most likely be read more often in the United States than elsewhere.

References are listed at the end of each chapter. In addition, a bibliography is included which lists additional material which influenced this research but is not referred to in the thesis.

Although the author was originally discouraged by education experts from starting a doctoral research program based on a study of New Zealand schools' financial planning, this has become a very important issue in New Zealand since August 1988 with the publication of *Tomorrow's Schools, The Reform of Education Administration in New Zealand*. This document, written by the Rt. Hon. David Lange, Prime Minister of New Zealand and Minister of Education, recommends changing from complete control of school financing by the central government to financial decision making as close as possible to the source of implementation - the individual schools. While there are differences between school districts in the United States and schools in New Zealand as to sources of funds and some expenditures, it may be possible to apply some of the conclusions reached in this thesis and, perhaps, the model developed herein to financial planning for schools in New Zealand.

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