

Illinois Licensure Testing System

STUDY GUIDE

Chief School
Business Official (185)

**This test is now delivered
as a computer-based test.**

**See www.il.nesinc.com for
current program information.**

Illinois State Board of Education

An Equal Opportunity/Affirmative Action Employer
Printed by the Authority of the State of Illinois

TABLE OF CONTENTS

GENERAL INFORMATION ABOUT THE ILLINOIS LICENSURE TESTING SYSTEM

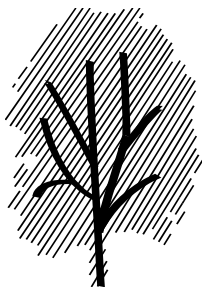
PROGRAM OVERVIEW	1-1
For Further Information	1-2
Description of the Tests	1-3
Test Administration	1-4
Score Reports	1-4
HOW TO PREPARE FOR THE TEST	1-5
Assess Your Knowledge and Test Skills	1-5
Practice Your Test-Taking Skills	1-5
THE DAY OF THE TEST: HELPFUL HINTS	1-5
Preparation	1-5
Test-Taking Tips	1-5
TEST DIRECTIONS	1-7

FIELD-SPECIFIC INFORMATION

INTRODUCTION	2-1
Test Subareas and Objectives	2-1
Practice Test Questions	2-2
TEST OBJECTIVES	2-3
PRACTICE TEST QUESTIONS	2-11
ANSWER KEY	2-16
EXPLANATION OF THE TEST SCORE REPORT	2-17
Overview	2-17
Reading Your Report: A Sample	2-18

Readers should be advised that this study guide, including many of the excerpts used herein, is protected by federal copyright law.

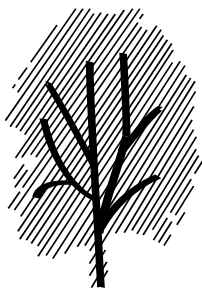
Copyright © 2012 by the Illinois State Board of Education
Pearson and its logo are trademarks, in the U.S. and/or other countries, of Pearson Education, Inc. or its affiliate(s).



General Information About the Illinois Licensure Testing System

The first section of the study guide is available in a separate PDF file. Click the link below to view or print this section.

[General Information About the Illinois Licensure Testing System](#)



Field-Specific Information

- **Test Subareas and Objectives**
- **Practice Test Questions**
- **Explanation of the Test Score Report**

INTRODUCTION

The content tests are designed to assess a candidate's knowledge of content in the specific teaching, school service personnel, or administrative field in which licensure is sought. The tests are based on current and relevant expectations for teacher preparation students and for teachers in Illinois as defined by the Illinois Content Area Standards for Educators. This study guide is designed to focus your preparation by helping you become familiar with the format and content to be covered on the tests.

This section includes a list of the test subareas and objectives, practice test questions for the field covered by this study guide, an answer key, and an explanation of the test score report.

TEST SUBAREAS AND OBJECTIVES

The content covered by the test is organized into subareas. You will find a list of subareas at the beginning of the list of test objectives. Within each subarea, the content is further defined by a set of objectives. Each objective comprises two major parts:

1. the *objective statement*, which broadly defines the knowledge and skills that an entry-level educator needs to know; and
2. the *descriptive statements*, which describe in greater detail the types of knowledge and skills covered by the test objective.

The test objectives are broad, conceptual, and meaningful statements, written in language that reflects the skills, knowledge, and understanding that an entry-level teacher needs in order to teach effectively in an Illinois classroom. A test consists of test questions that measure an examinee's mastery of these test objectives.

Below is an example of a test objective statement and its accompanying descriptive statements for the Elementary/Middle Grades test.

Objective Statement

Understand word analysis strategies and vocabulary development and how to use effective, developmentally appropriate approaches to promote students' word analysis and vocabulary skills.

Descriptive Statements

- Demonstrate knowledge of phonics and its role in decoding; of ways to assess students' phonic skills; and of effective instructional strategies, activities, and materials for promoting students' phonetic analysis skills.
- Demonstrate knowledge of word analysis strategies, including syllabication, morphology (e.g., use of affixes and roots), and context clues; of ways to assess students' use of word analysis strategies; and of effective instructional strategies, activities, and materials for promoting students' word analysis and contextual analysis skills.
- Demonstrate knowledge of the role of vocabulary development in reading; of ways to assess students' vocabulary development; and of effective instructional strategies, activities, and materials for promoting students' vocabulary development.

PRACTICE TEST QUESTIONS

The practice test questions included in this section are designed to give the examinee an introduction to the nature of the test questions included on the ILTS test for each field. The practice test questions represent the various types of test questions you may expect to see on an actual test; however, they are **not** designed to provide diagnostic information to help you identify specific areas of individual strengths and weaknesses or predict your performance on the test as a whole. Use the answer key located after the practice test questions to check your answers.

To help you identify which test objective is being assessed, the objective statement to which the question corresponds is listed in the answer key. When you are finished with the practice test questions, you may wish to go back and review the entire list of test objectives and descriptive statements once again.

CHIEF SCHOOL BUSINESS OFFICIAL TEST OBJECTIVES

- I. School Business Management
- II. School Finance
- III. School Organization, Services, Operations, and Safety

SUBAREA I—SCHOOL BUSINESS MANAGEMENT

0001 Understand the educational foundations of schools.

For example:

- Demonstrate knowledge of the historical, social, and philosophical foundations of the U.S. public school system.
- Demonstrate understanding of the development and funding of public schools.
- Describe major legislative acts guaranteeing the right of an education to all people.
- Demonstrate understanding of the school's responsibility for supporting the cognitive, physical, emotional, and social development of students.

0002 Understand organizational leadership models and skills.

For example:

- Demonstrate understanding of major organization, management, and administrative theories.
- Describe strategies and procedures, including scheduling techniques, for effectively using personnel and resources to accomplish goals and coordinate tasks.
- Demonstrate knowledge of principles and procedures for identifying problems, recognizing possible causes of conflict, and evaluating possible consequences of actions.
- Demonstrate knowledge of procedures for collecting, analyzing, and evaluating various types of information to generate alternate solutions, make decisions, and formulate contingency plans.
- Demonstrate knowledge of skills and techniques for questioning, fact finding, categorizing information, and retaining relevant data.

0003 Understand legal aspects of educational administration and leadership.

For example:

- Recognize state and federal constitutional rights that apply to individuals within the public education system.
- Demonstrate understanding of statutory and constitutional authority governing the general administration of public schools.
- Demonstrate understanding of significant statutory and case law related to the management of a school's financial resources, human resources, facility and property, information, and ancillary and support services.

0004 Understand strategic planning procedures.

For example:

- Demonstrate knowledge of strategies and techniques for supporting administrative and employee teams in the identification of short- and long-term goals in all aspects of school district activities.
- Demonstrate knowledge of principles and procedures for developing strategic plans that will move the district toward achievement of its educational mission and goals.

0005 Understand evaluation procedures for noninstructional programs and services.

For example:

- Demonstrate understanding of principles, skills, and processes for evaluating noninstructional school programs and business services.
- Demonstrate knowledge of how to develop and implement procedures for the systematic evaluation of noninstructional programs.
- Describe economic and cost factors inherent in program evaluation.
- Demonstrate understanding of alternative methods of measuring program outcomes.

0006 Understand communications procedures.

For example:

- Demonstrate knowledge of the components of clear, concise, and effective communication.
- Demonstrate knowledge of effective communication strategies and techniques used in public or mass communications (e.g., districtwide communication).
- Demonstrate knowledge of effective oral, listening, written, and nonverbal communication strategies and techniques used in interpersonal communication.
- Describe strategies and techniques for establishing and maintaining a positive school-community relations program for the business office.

0007 Understand the management of information systems.

For example:

- Demonstrate understanding of current technologies related to the storage, analysis, and communication of data and information.
- Evaluate the benefits of producing information in relation to the costs of producing information.
- Recognize purposes and procedures for developing a records management system that complies with all legal requirements (e.g., maintaining an accurate database to facilitate management decisions).
- Identify principles, techniques, and criteria for evaluating computer hardware and software for use in all aspects of the school system, including the school business office.

SUBAREA II—SCHOOL FINANCE

0008 Understand the principles of school finance.

For example:

- Demonstrate knowledge of major sources of revenue for public schools at the local, state, and federal levels.
- Demonstrate understanding of the effect on a school district of significant increases or decreases in funding from state and local sources of revenue.
- Recognize the implications for school finances of social, demographic, and economic changes.

0009 Understand approaches to public school budgeting.

For example:

- Demonstrate knowledge of principles, steps, and procedures used in preparing a school district budget, including the preparation of a budget calendar.
- Demonstrate understanding of various approaches for projecting student enrollment, changes in enrollment, and personnel needs.
- Describe strategies and procedures for forecasting anticipated revenues and expenditures and preparing revenue projections and estimates of expenditures.
- Recognize the legal requirements for budget adoption.
- Demonstrate understanding of budget analysis and management procedures, including statistical process control techniques used for budgetary analysis.
- Evaluate internal and external influences on the school budget.

0010 Understand accounting, auditing, and financial reporting principles.

For example:

- Demonstrate understanding of business accounting principles and procedures (e.g., preparing revenues and expenditures by fund using the appropriate state chart of accounts).
- Demonstrate knowledge of how to present fairly and with full disclosure the financial position and results of financial operations of funds and account groups of the school district.
- Demonstrate knowledge of the appropriate uses of bases of accounting (i.e., modified accrual basis, accrual basis, or cash basis) in measuring financial position and operating results.
- Recognize principles and techniques for preparing interim, monthly, and annual statements of financial position and operating results, for analyzing monthly and annual financial statements, and for communicating how the budget and available resources support school or district programs.
- Demonstrate knowledge of procedures for establishing and verifying compliance with finance-related legal and contractual provisions.
- Recognize the duties, roles, and qualifications of internal auditors and independent auditors.

0011 Understand cash management, investment, and debt management procedures.

For example:

- Demonstrate understanding of the concept of compensating balances and how to develop specifications for the selection of banking services.
- Demonstrate the ability to evaluate the risks and to calculate the yields on various investment options available to a school district.
- Demonstrate knowledge of how to use various methods of cash forecasting and how to prepare a cash flow analysis for a school district.
- Recognize procedures and legal constraints related to cash collection and disbursements.
- Recognize types, limitations, and benefits of various short-term financing instruments available to school districts.
- Demonstrate understanding of processes, methods, and legal constraints related to issuing long-term general obligation bonds (e.g., bond rating process, role of rating services).
- Demonstrate understanding of the concept of appropriate fund balance management.

0012 Understand purchasing procedures.

For example:

- Demonstrate knowledge of appropriate purchasing procedures (e.g., requisitioning and approving equipment purchases).
- Demonstrate understanding of how to apply accounting principles and procedures to the bidding and purchasing processes.
- Demonstrate understanding of legal and ethical considerations related to bidding, purchasing, and working with vendors.
- Recognize procedures for using computerized management systems to generate and track requisitions, purchase orders, deliveries, invoices, and payments relative to the status of the budget.

0013 Understand supply and fixed asset management procedures.

For example:

- Demonstrate understanding of supply and fixed asset management procedures.
- Recognize principles and procedures for inventory management and control.
- Identify types and benefits of quality control methods.
- Identify techniques for producing, using, and interpreting financial analyses of life cycle costs.
- Demonstrate knowledge of how to plan and implement a program for the maintenance and repair of equipment.
- Recognize procedures related to the legal aspects of the disposal of surplus equipment.
- Demonstrate knowledge of amortization techniques pertaining to new and replacement capital equipment.

0014 Understand real estate management procedures.

For example:

- Demonstrate knowledge of legal principles and procedures for acquiring and disposing of school district land and buildings.
- Demonstrate understanding of how to collaborate with governmental agencies regarding zoning issues, long-range land use planning, and the effect of commercial and residential development on schools.
- Demonstrate knowledge of proper real estate management policies, procedures, and practices in the context of school-related business.
- Identify procedures for managing the fixed assets of an educational institution (e.g., using a computer program or service).

0015 Understand risk management procedures.

For example:

- Recognize characteristics, benefits, and limitations of common types of insurance protection, including insurance cooperatives.
- Demonstrate understanding of federal and state statutes related to liability limits and bond requirements.
- Describe procedures for assessing potential safety hazards in school buildings and on school grounds.
- Identify techniques for and benefits of providing education on risk management issues to school district personnel.
- Recognize methods and models for evaluating a risk management program of a school district.

SUBAREA III—SCHOOL ORGANIZATION, SERVICES, OPERATIONS, AND SAFETY

0016 Understand theories of public education policy and intergovernmental relations.

For example:

- Demonstrate understanding of the educational policies, functions, and roles of state boards of education, state legislatures, municipal governments, and the federal government.
- Identify the structure and functions of school governance at the district level (e.g., local boards of education).
- Demonstrate understanding of the relationship between the chief school business official and the local board of education.
- Demonstrate understanding of the role, including limitations, of special interest groups within a school district and their ability to influence those who approve district policy.

0017 Understand human resource management procedures for noninstructional personnel.

For example:

- Demonstrate knowledge of principles, processes, legal factors, and interpersonal skills involved in recruiting, screening, hiring, orienting, assigning, and terminating noninstructional personnel.
- Demonstrate understanding of the ways in which school board policies and state and federal employment laws influence human resource management for noninstructional personnel.
- Demonstrate knowledge of staff development procedures for noninstructional personnel (e.g., identifying staff development priorities, incorporating components of adult learning into an effective sequential process of staff development).
- Recognize effective skills and procedures for administering and evaluating a comprehensive staff development program for noninstructional employees (e.g., identifying models of staff development, completing a cost analysis of the program).
- Demonstrate understanding of strategies and considerations involved in bidding, selecting, evaluating, and managing employee benefits programs for noninstructional personnel.
- Demonstrate understanding of the legal requirements and tax consequences of employee benefits programs for noninstructional personnel.
- Recognize the need for subordinates to understand the expectations included in board policy as well as in state and federal laws.

0018 Understand labor relations and collective bargaining issues.

For example:

- Demonstrate understanding of board of education policies and state statutes regarding collective negotiations.
- Recognize principles and procedures involved in establishing a board of education's negotiation team and developing strategies for conducting negotiating sessions.
- Demonstrate knowledge of principles, strategies, and skills for improving relations between management and district employees.
- Demonstrate knowledge of procedures and considerations involved in developing salary schedules and benefits packages.
- Demonstrate understanding of models for assessing the costs of salary and benefits proposals.

0019 Understand school facilities planning and construction procedures.

For example:

- Identify steps and procedures for developing a strategic plan for school facilities, including population projections and current building evaluations.
- Recognize funding sources and issues related to school construction (e.g., bond ratings, rating process, bond election process, amortization of bond issues).
- Demonstrate knowledge of procedures for selecting and using the services of architects, engineers, risk managers, construction managers, general contractors, and other professionals.
- Demonstrate understanding of the legal and administrative responsibilities of advertising, awarding, and managing construction contracts (e.g., contractor bankruptcy, product failure, poor workmanship).
- Demonstrate knowledge of protocols and procedures involved in developing and using educational specifications and selecting school sites.
- Demonstrate understanding of current research, practices, and issues related to the effects of energy, safety, and environmental factors on facility planning and construction.
- Demonstrate understanding of the legal contexts in which school facilities are planned, constructed, and operated, and the roles of the various governmental agencies involved in the process.

0020 Understand maintenance, operations, and security procedures for school buildings.

For example:

- Demonstrate knowledge of principles and procedures for keeping schools clean and safe for students, staff, and community through routine custodial services and preventive and remedial maintenance (e.g., asbestos abatement, radon gas, lead, mold, air quality and other contaminants).
- Demonstrate knowledge of skills and techniques involved in calculating custodial allocations, making resource allocation decisions based on maintenance and operation functions, and developing staffing plans for maintenance divisions of school districts.
- Recognize protocols and procedures for managing and financing energy consumption efficiently and effectively.
- Describe procedures for implementing a school disaster preparedness and recovery plan.

0021 Understand school transportation services, food services, and health and safety services.

For example:

- Recognize methods of providing transportation for students, criteria for developing transportation routes and schedules, and principles and techniques for selecting and training district transportation staff.
- Demonstrate knowledge of effective management strategies for the maintenance and operation of a safe district transportation program.
- Demonstrate knowledge of principles and procedures for developing an effective system of high-quality food services (e.g., interacting with nutritional and regulatory agencies in planning, conducting, and reporting on food service programs).
- Demonstrate understanding of the legal and financial aspects of school food services (e.g., state and federal guidelines for free and reduced-price meals, revenue and expenses, budgeting and reporting).
- Demonstrate knowledge of major components of a health and safety program and methods for establishing health and safety policies and administrative procedures for students, employees, and the community that comply with federal and state regulations.
- Recognize principles and techniques for developing and implementing district policies related to students and staff infected with contagious diseases.
- Identify training procedures designed to increase school employees' awareness of dangerous environmental factors.

CHIEF SCHOOL BUSINESS OFFICIAL PRACTICE TEST QUESTIONS

1. Management by Objectives (MBO) is likely to be most effective in workplace situations where:
 - A. successful task completion requires the frequent application of conceptual skills.
 - B. supervisory personnel work alongside other employees.
 - C. employees are willing to assume part of the responsibility for setting performance standards.
 - D. the nature of work performed by employees is constantly changing.
2. The First Amendment to the U.S. Constitution would protect which of the following types of speech by public school employees?
 - A. A student wants to print an offensive column in the school newsletter.
 - B. A teacher makes inappropriate comments in the classroom.
 - C. A teacher publicly criticizes a school board policy.
 - D. A student threatens another student with physical harm.
3. A school district is beginning strategic financial planning for potential future capital projects. Which of the following activities should be completed first in this process?
 - A. assigning a priority ranking to each possible project
 - B. determining the total costs of all projects
 - C. identifying potential sources of funding for each project
 - D. scheduling beginning and ending dates for each project
4. When setting up systematic evaluation procedures for noninstructional programs, it is important to include periodic reviews of internal programs that:
 - A. are open to the public.
 - B. make cash transactions.
 - C. use school facilities after hours.
 - D. receive funding from outside sources.

5. Which of the following business office communications policies is most likely to foster positive relations with the community?

- A. Prepare a monthly column for the school newsletter.
- B. Have open office hours at least once a week.
- C. Respond to all inquiries within a week.
- D. Have a single person deal with community issues.

6. Which of the following is the most important factor to consider when evaluating a new software application for use in a school business office?

- A. availability of technical support
- B. compatibility with the existing system and software
- C. ease of installation
- D. clarity of the user documentation and product specifications

7. Which of the following is the most likely consequence of an increasingly aging population in a school district?

- A. a greater reluctance to support property tax increases
- B. a greater interest in school outreach programs
- C. a declining demand for adult education services
- D. an overall decrease in the property tax base

8. Which of the following is the primary advantage of zero-based budgeting?

- A. It saves time by building upon previous budgets.
- B. It allows only a fixed increase to any budget category.
- C. It requires cost centers to justify their budgets each period.
- D. It allows a single manager to develop the entire budget.

9. Which of the following best describes a major duty of an auditor when evaluating a school district?
- A. to ensure that accounting processes are adaptable to changes in the school system
 - B. to provide financial information required by investors in school bonds
 - C. to ensure that adequate documentary evidence is available for all financial transactions
 - D. to provide financial information needed for the preparation of school budgets
10. School boards in Illinois are authorized to establish revolving imprest funds for school cafeterias, athletics, petty cash, or similar purposes. All sums of money advanced to operate these funds must be:
- A. carried on the treasurer's books as cash used in financing activities.
 - B. approved by the district superintendent of schools.
 - C. carried on the treasurer's books as cash obligations due to the district.
 - D. approved by the principal of the school drawing on the fund.
11. Chief school business officials can best ensure that a school district is prepared to handle a growing volume of purchasing transactions by observing which of the following principles of accounting systems design?
- A. the flexibility principle
 - B. the cost-benefit principle
 - C. the control principle
 - D. the compatibility principle
12. Life-cycle cost analyses would be most important prior to the purchase of which of the following?
- A. paper supplies
 - B. personal computers
 - C. sports flooring
 - D. nonperishable foods

13. An important difference between the building-cost-indices method and the cost-per-square-foot method of determining building replacement costs is that the cost-per-square-foot method:
- A. can be used to generate life-cycle cost estimates.
 - B. requires accurate historical data.
 - C. includes costs related to operations and maintenance.
 - D. reflects advances in building construction.
14. Which of the following is the most appropriate reason for conducting a risk audit?
- A. to determine the economic feasibility of insuring a specific risk
 - B. to identify the need for changes in the risk management plan
 - C. to make certain reserve funds are adequate to cover self-insured risks
 - D. to evaluate the effectiveness of various risk reduction techniques
15. Which of the following best illustrates the steps taken by the state of Illinois to limit the influence of special interest groups on school district policy?
- A. laws regulating the election and appointment of school board members
 - B. the law prohibiting school board members from simultaneously holding other specified public offices
 - C. laws prescribing the qualifications and compensation of school board members
 - D. the law requiring school board members to file an annual economic interest statement
16. A school business official who is preparing to create a staff development program would be best advised to do which of the following first?
- A. Develop an effective reporting procedure.
 - B. Conduct a staff-needs assessment.
 - C. Establish criteria for staff performance effectiveness.
 - D. Identify resources needed for the program.

17. In preparation for collective bargaining, a chief school business official would most appropriately conduct a wage and salary survey to:
- A. develop a wage and salary structure based on the principle of comparable worth.
 - B. identify compensable factors that can be used to determine appropriate wage and salary scales.
 - C. examine wage and salary differentials among various groups of employees.
 - D. compare district wages and salaries with levels of employee compensation in other districts.
18. It is most important that the entire educational staff be included in which of the following steps of the planning process for the construction of a school building?
- A. determining the functional needs of the building
 - B. selecting the site for the building
 - C. gathering evidence to show the need for a new building
 - D. reviewing final specifications for the building
19. Before implementing a custodial workload formula based on standardized time-motion studies, chief school business officials would best be advised to:
- A. incorporate an explanation of the formula in the operations handbook for custodial employees.
 - B. examine other school districts where the formula is being used to calculate workload allocations.
 - C. review and revise the formula in light of work resources and building peculiarities.
 - D. determine whether the formula can be used to generate districtwide comparative workload data.
20. When reviewing the operation of health and safety programs, it is most important to ensure that they:
- A. emphasize methods and procedures.
 - B. provide opportunities for community involvement.
 - C. comply with federal and state regulations.
 - D. give special attention to emergency preparedness.

ANSWER KEY

This section contains the answers to the practice test questions in the previous section.

After you have worked through the practice test questions, check the answers given in this section to see which questions you answered correctly.

Question Number	Correct Response	Test Objective
1.	C	Understand organizational leadership models and skills.
2.	C	Understand legal aspects of educational administration and leadership.
3.	A	Understand strategic planning procedures.
4.	B	Understand evaluation procedures for noninstructional programs and services.
5.	D	Understand communications procedures.
6.	B	Understand the management of information systems.
7.	A	Understand the principles of school finance.
8.	C	Understand approaches to public school budgeting.
9.	C	Understand accounting, auditing, and financial reporting principles.
10.	C	Understand cash management, investment, and debt management procedures.
11.	A	Understand purchasing procedures.
12.	C	Understand supply and fixed asset management procedures.
13.	D	Understand real estate management procedures.
14.	B	Understand risk management procedures.
15.	D	Understand theories of public education policy and intergovernmental relations.
16.	B	Understand human resource management procedures for noninstructional personnel.
17.	D	Understand labor relations and collective bargaining issues.
18.	A	Understand school facilities planning and construction procedures.
19.	C	Understand maintenance, operations, and security procedures for school buildings.
20.	C	Understand school transportation services, food services, and health and safety services.

OVERVIEW

The score report indicates whether or not you passed the test and how you performed on each test subarea. The passing scores for the Illinois Licensure Testing System were established by the Illinois State Board of Education based on recommendations from panels of Illinois educators. The passing score for each content-area test is designed to reflect the level of content knowledge and skills required to perform the job of an educator receiving an initial license in Illinois.

Passing Score

To pass a content-area test you must obtain a scaled total test score of 240 or above.

Total Test Score

The total test score is based on your performance on the entire test, specifically the number of multiple-choice questions you answered correctly.

Subarea Scores

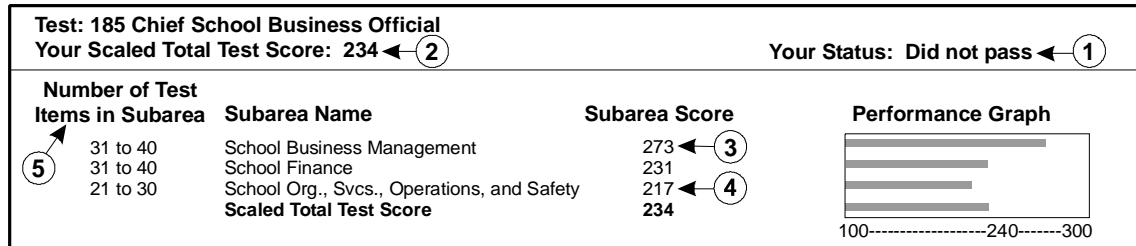
- Subarea scores are presented on the same scale as the total test score.
- Subarea scores contain different numbers of questions and are weighted differently in the computation of the total test score; therefore, the average of the subarea scaled scores generally will not equal the scaled total test score.
- Subarea scores will help you assess your areas of relative strength and weakness.

Reporting of Scores

Your results will be forwarded to the Illinois State Board of Education and to the Illinois institution(s) you indicate during the registration process. You should keep the score report you receive for your own records.

READING YOUR REPORT: A SAMPLE

A sample of a Chief School Business Official test score report is provided below.



According to the above sample, the examinee did not pass the Chief School Business Official test ①, because the examinee's total test score of 234 ② is below the passing score of 240.

The examinee did better on the School Business Management section ③ of the test than on the School Organization, Services, Operations, and Safety section ④. The examinee will need to retake the test and achieve a total test score of 240 or higher to pass the test. The score report indicates the number of items for each subarea on the test ⑤.