



**Wisconsin  
Association  
of  
School  
Business  
Officials**



# Taking Care of Business

A Bimonthly Publication of the Wisconsin Association of School Business Officials - Volume 17, Number 5 - October 2013

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## Leadership and Culture: Closing the Gaps Between What Sounds Good and What Gets Done

By Jim Bearden, CSP, Keynote Speaker,  
2013 Midwest Facility Masters Conference



Jim Bearden

### The Ultimate Classroom

After a relatively short ride from the airport, the bus pulled up to our destination. As it rolled to a stop, two men boarded; one through the front and the other through the rear doors. In tones that could only be described as LOUD, and using language that was colorful (understatement), they told us to get off the bus and to line up using yellow footprints painted on the pavement as our guides for where to stand. It was September 16, 1966, and I had just received my welcome to the Marine Corps Recruit Depot.

Beginning that evening and continuing for the ensuing 10 weeks of boot camp, followed by 12 weeks of Officer Candidate School and 13 months as a Marine infantry officer in Vietnam, I learned, and was given plenty of opportunities to adapt and apply war-fighting skills. I was also able to witness, firsthand, the power of organizational cultures and the role leaders play in creating them.

### What Sounds Good

Many organizational leaders take a very passive (unconscious) approach to creating culture. They develop and occasionally update foundational documents, things like mission statements, core values and guiding principles. These documents find their way into new employee orientation materials and may even be prominently displayed in lobbies and other common areas.

One of the things that such documents have in common is that they all sound good. Unfortunately, most of them share another characteristic: little effort is made to convert the nice-sounding words and phrases into behavior. And since the true measure of an organization's culture is the behavior of the people working in that organization, the real culture may bear little resemblance to all those nice-sounding words and phrases.

### A Short List Long on Meaning

Like many other organizations, the Marine Corps has a set of core values. They are: Honor, Courage & Commitment. The list is short, and the words are certainly not flowery; but for Marines, it isn't about the words, it's all about the behavior. The rich history of the Marine Corps, the epic battles fought and won, are evidence of the Marine Culture. And that culture has been created and sustained by leaders who

Continued on page 31



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Editor: Woody Wiedenhoef

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# President's Message

## A Word From Your President

### The Virtue of Patience

By Lynn Knight, Business Manager, School District of Nekoosa

**P**atience is a virtue. Patience is quiet hope and trust that things will turn out right. You wait without complaining. You are tolerant and accepting of difficulties and mistakes. You picture the end in the beginning and persevere to meet your goals. Patience is a commitment to the future. Patience is a virtue.

As I reflect on the patience virtue, I find that at this time of year my patience is lacking. It's hard to believe that "things will turn out right" when the work plate is overflowing: 3rd Friday count, budget, annual meeting, short-term borrowing, summer school reports, Medicaid reports (including a Medicaid audit), and daily responsibilities. Every year I know that this is coming, and every year I know that "things will turn out right." It's the in between time that is difficult and overwhelming, but extremely satisfying when everything is complete.

The Board of Directors continues to work on the Strategic Plan and SMART goals (specific, measurable, attainable, relevant, time-bound), realizing that benchmarks and measurability play a key role. There are four areas that are developing into goals:

- **Policy Governance** – exploration of policy governance is continuing with the help of knowledgeable WASBO members. Thanks to Tom Wohlleber and Betty Zimdars for their guidance and help in this endeavor.
- **Advocacy** – researching ideas on how to build relationships with our elected officials. Woody Wiedenhoef and John Forester will be key contributors to this goal. Thanks to you both.
- **Payroll/HR Certification** – develop a robust program to assist business offices to navigate the complex procedures in the payroll/human resources area. Thanks to Bob Avery for his diligence in the discovery phase.



Lynn Knight  
WASBO  
President

- **Peer to Peer** – with the change of software in the WASBO office, investigate the feasibility of the existing program as well as researching new programs to meet the needs of the membership. Thanks to Tina Hafeman for her expertise in this area.

Typically goals in a strategic plan are multi-year projects that are continuously monitored and updated. We are in the early stages of the strategic plan, but hope to have draft available to the membership by early 2014.

This brings me back to the virtue of patience. We have a picture of where we want to be in the end. We know that it will be difficult and we will probably make some mistakes along the way. But we have hope and trust that things will turn out right. We are committed to the future.

If you have any questions or comments, please do not hesitate to give any board member or the WASBO office a call. We are here to help and listen. Thanks for all you do for our kids every day. 🍎

“Patience is not the ability to wait, but the ability to keep a good attitude while waiting.”

~ Joyce Meyer  
(from *Battlefield of the Mind: Winning the Battle in Your Mind*)



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# Executive Director's Report

## "It Ain't Over 'Til It's Over"

By Woody Wiedenhoef, Executive Director, WASBO

It's playoff time, which always leads me to think about baseball. My earliest and most significant memory was the 1957 World Series. The Milwaukee Braves beat the New York Yankees in seven games. I was a Braves fan and was thrilled. But I best remember Yogi Berra later in his career. He gave us great advice that can be used in our School Business Management lives; especially our lives that deal with the legislative issues and educating students. Bear with me.

The Governor has proposed to reduce tax bills in December 2013 and 2014. The money will flow through the school aid formula but will not be available for schools to spend. We have new proposed legislation on charter school authorization. The legislature is reviewing the Common Core Standards. The hearings by the Rural Schools Task Force will be held in the next few months. These are a few examples of this fall's legislative work. All of these issues were discussed this spring as part of finalizing the 2013-15 budget.

So why are we coming back to topics and issues that were just discussed and voted on a few months ago? The budget bill that was passed is not a finished piece of work. It was only a stepping stone toward the end game that is hoped for by the majority party. What is that end game? Here is the Wisconsin Republican Party platform for education, copied from their website.

**"THEREFORE, BE IT RESOLVED** that the Republican Party of Wisconsin, in convention assembled: Urges that parents of school-age children be given vouchers or tax credits designed to give all parents equal freedom of choice in education without regard to their financial means; and Urges that religiously oriented schools



not be discriminated against for exercising their freedom of religion; and Strongly urges that the right to home school shall not be abridged; and Urges our state legislators and local school boards to push for curriculum changes that place greater emphasis on the basics, and eliminate all programs whose objectives are social engineering or advocacy of special interests; and Calls for the state legislature to eliminate funding of 4-year-old kindergarten; and Urges Congress to pass legislation that prohibits schools from forcing or coercing parents to put their children on drugs and eliminates all funding for government-mandated mental health screening of all children; and Supports academic efforts that ensure that the presentation of our history and founding Judeo-Christian principles in our educational institutions, including those of higher learning, is objective, truthful and complete; and Urges legislation adopting alternative standards for teacher licensing that do not require a degree in education or student-teaching experience; and Urges that if political issues are discussed,

that multiple opinions be presented to represent a more fair discussion and to allow for debate; and Opposes the adoption and implementation of Common Core Standards as well as the International Baccalaureate Curriculum in the Wisconsin school system; and Supports allowing properly trained adult staff to be armed in public schools."

See more at: [www.wisgop.org/our-party/republican-party-of-wisconsin-2013-state-convention-resolutions-as-adopted/#sthash.qNXgKN3I.dpuf](http://www.wisgop.org/our-party/republican-party-of-wisconsin-2013-state-convention-resolutions-as-adopted/#sthash.qNXgKN3I.dpuf)

These goals are taken seriously by the controlling party and legislators and will continue to be revisited until they have finished their work.

I find Yogi Berra's comments quite accurate when describing today's legislative environment.

- "It's déjà vu all over again."
- "It ain't over 'til it's over."
- "I didn't really say everything I said."
- "The future ain't what it used to be."

- Yogi Berra

May the best team win. 🍷



Woody Wiedenhoef



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# How We ACHIEVE

By Jeanne Stahl, WASBO Board Treasurer

Business Manager, Hayward Community School District



Jeanne Stahl

Our district's mission statement is "ACHIEVE." It is an acronym for seven phrases that contain expectations for our district. After looking at our district statement, I wanted to come up with segments of the acronym for my own mission to ACHIEVE. I molded definitions I found for each of the words to fit how I would define each of my segments. These will be some of the methods that I utilize to ACHIEVE.

**Adapt:** to adjust my behavior or viewpoints if necessary in order to work within the ever-changing aspects in the world of education; to watch for policies or practices that should change so that they function better or are better suited for the district and our employees;

**Collaborate:** to work jointly with others to achieve the best possible outcomes;

**Help:** to do things which make it easier for others to do their job or deal with problems;

**Inspire:** to exert an animating or enlivening influence on those around me;

**Envision:** to picture to how things could be better and then take steps to facilitate improvements;

**Value:** to remember the importance of those around me;

**Encourage:** to help others be more successful; to make outcomes more appealing or more likely to happen;

Our superintendent expects all of us in our district to be team-oriented, flexible and enthusiastic. A positive outlook and cheerful attitude every day creates the atmosphere in which this can be accomplished. Maintaining that positive attitude is the first step I utilize as I strive to **ACHIEVE** each of my segments. 🍷



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Association of School Business Officials International

“Trust yourself. Create the kind of self that you will be happy to live with all your life. Make the most of yourself by fanning the tiny, inner sparks of possibility into flames of achievement.”

~ Golda Meir

“Without continual growth and progress, such words as improvement, achievement, and success have no meaning.”

~ Benjamin Franklin

# WASBO Transportation Committee Update

By Rob Nelson, President, Dousman Transport Co.  
Submitted on behalf of the WASBO Transportation Committee



Rob Nelson

With every new school year come new challenges, new concerns and sometimes new laws and rules for the school transportation industry. The WASBO Transportation Committee would like to share some of the changes that are coming in the next few months. This year we will see changes to the State Patrol's annual school bus inspections, changes to the commercial driver's license (cdl) testing and a proposed bill from a State Senator that that would require lap and shoulder belts be installed on all new school buses.

## School Bus Annual Inspection Changes

### 1. Why is the State Patrol going to an electronic school bus inspection form?

Executive Order #66 signed by Governor Walker requires state agencies to implement a lean government initiative. The Division of State Patrol identified the school bus inspection process as one that could be made more lean or efficient. The existing school bus inspection process involved inspectors completing a paper school bus inspection form that required later entry into a central database. The original paper copy was filed at the State Patrol along with the inspection forms that were mailed back from the service provider. This process was followed for the nearly 10,000 school bus inspections that were completed each year. The creation of an electronic school bus form eliminates the requirement for inspectors to perform duplicate data entry and filing of paper forms. The use of an electronic school bus form by an onsite inspector provides for a 2500-hour reduction of school bus inspection-related employee hours.

### 2. How is the electronic school bus form going to affect the service provider?

The only change that may be expected on the service provider's end is the way the inspection reports are received and subsequently returned. Your inspector may ask for an email address to allow for the electronic delivery of reports rather than providing a paper copy. When repairs have been completed, an electronic signature may be added to the electronic copy of the inspection report for return to the inspector via email.

### 3. Does the service provider need any special computer software to view or sign the electronic reports?

The reports will be made available in Microsoft Word 2003 and later as well as Adobe from your inspector. Both versions of the inspection report will be able to have an electronic signature added. Your version of Adobe will need to have sign and certify functionality to complete a signature.

### 4. Are there any additional benefits regarding the conversion to the electronic form?

The use of an electronic school bus inspection form is expected to have benefits beyond the time savings it provides for the inspector. The electronic reports will be clear and easy to read. Any violations listed on the report will be taken from a uniform violation table utilized across the entire state. Listed violations will display the associated statute and will clearly indicate whether the vehicle has been placed out of service for a particular violation.

The move to the electronic school bus inspection form has been accompanied by an updated central database where the completed reports are stored. The new database will have enhanced report-generation abilities. This will allow for school bus inspection-related data to be more easily queried and distributed. A given carrier will now be able to be provided with a snapshot report on topics such as how their fleet is performing with regards to safety violations as well as a report looking at a particular bus on a certain day.

### 5. What will the report look like?

See the illustration below.

School Bus Annual Inspection Report										
 Wisconsin State Patrol Southwest Region Deforest Post 911 W North St. DeForest, WI 53532					Report Number: SB2344000031					
					RD Number: 13-999999			Inspection Date: 6/20/2013		
			Start Time: 02:57 PM			End Time: 02:57 PM			Reporting Officer: Lauer, Travis	
Carrier Information										
Carrier Name: 1234 Bus				WI Account #: US DOT #:						
Carrier Address: First Street				MC #:				County: DANE		
City: Edgerton		State: WI		Zip: 53534						
School District Information										
Algoma										
Alma Center										
Vehicle Information										
Bus Type	Chassi Make	Chassi Year	Body Make	VIN	License Plate	EXP Date	GVWR	Capacity	W / C capacity	Odometer
A1	AAWD	2001	AAWD	1HVBBAAP6VH463235	11234B	6/2013		66	0	123
Vehicle Notes:										
Defect Section										
(OOS = Out of Service, RDI = Repaired During Inspection)										
Section	OOS	RDI	Violation Description						Citation Number	
TR300.60(3)	N	N	Service door opening dimensions not as required							
TR300.28(1)	N	N	Bus battery is loose							
TR300.62(4)	Y	N	Power steering system leaks							
Corrective Action Disposition										
This vehicle has been DISAPPROVED for service. All defects marked "OOS" above must be corrected prior to any use of this vehicle. All other defects must also be corrected and the certification copy mailed or emailed to the appropriate State Patrol Headquarters/Reporting Inspector within 5 days.										
								Travis Lauer		2344
								(State Patrol Officer Completing Report)		(WSP #)
I certify that the vehicle defects noted during this safety inspection have been repaired and corrected.										
				State Patrol Inspector				Title of Official whose Signature appears below.		
				Repair Person						
				Owner or School Official				(Official)		(Date)
Certified reports can be mailed to the address at the top of the report or sent as an email attachment to: Travis.Lauer@dot.wi.gov										

Continued on next page

# WASBO Transportation Committee Update

From previous page

## Changes to Wisconsin's CDL Exam

By now many of you are aware there are changes coming to Wisconsin's CDL exam. You may not know what those specific changes are to the exam process and how those changes will affect the training of new employees being prepared to take the test. As of this writing, the testing process is fairly well defined. There are some administrative rules examiners have to live by that are still under review by state officials to make sure they conform to the standards set forth in the Federal rulemaking process.

Some of the major changes to the test include a different pre-trip process. Through a random process, candidates may be asked to do one of three different pre-trips. They may include only parts of the vehicle being inspected or the entire vehicle. Backing will become a separate test. It will no longer be part of the skills test but will be recognized as a stand-alone test. Additionally, we will see a third backing exercise added (an offset backing maneuver) and a change from the 45-degree back to a 90-degree back with more restrictive space requirements. The straight line back remains the same. All lane widths for all of the backing exercises will go from 14 feet to a 12-foot spacing. The skills test remains virtually the same. The one big change is the elimination of the mountain grade exercise. All tests must be completed in the order of pre-trip, backing, and road skills. Each test must be passed before being allowed to proceed with the next. Presently a candidate may take the road test if the pre-trip is failed. Under the new system the driver will not be allowed to proceed with the next test until the one failed is passed. Waiting times for a failed pre-trip will go to 2 days while a failed backing test will be a seven-day wait. There will be new restrictions that apply to licenses as well.

If there is enough demand for it, Fox Valley Technical College (FVTC) will offer a training session to bring your trainers up to speed on this process prior to mid-December. The new CDL testing procedures will be implemented on January 1, 2014. All CDL examiners will be going through a one-day session at FVTC prior to these changes. Contact Brad Plamann at FVTC if you are interested in knowing more. Brad's number is 920-735-4784 or contact via e-mail at [plamann@fvtc.edu](mailto:plamann@fvtc.edu)

## Proposal in the State Senate

Wisconsin State Senator Tim Cullen (Janesville) is circulating a proposed bill and looking for co-sponsors requiring 3 point lap and shoulder seat belts be installed on all new school buses. This bill would establish a grant program to defray the costs to a school district that provides pupil transportation on school buses equipped with safety belts. Under the grant program, a school district

may apply to receive a grant equal to 50 percent of the difference between the cost to the school district to provide pupil transportation on a school bus equipped with safety belts and the cost to the school district to provide pupil transportation on a school bus without safety belts.

## WASBO Transportation & Bus Safety Conference

If you are looking for more information about these or other transportation issues, the WASBO Transportation Committee would like to invite you to attend our Annual Transportation and Bus Safety Conference on Thursday, March 13, 2014. Look for more details about the conference in the next WASBO newsletter. 📧

WASBO Transportation and Bus Safety Conference  
Thursday, March 13, 2014  
Kalahari Resort and Conference Center  
Wisconsin Dells, Wisconsin

### ASBO International Milestones September 2013

- Julie Ann Lankey-Smallwood, Mauston SD, Mauston, WI (5 years)
- Karen Moore, Winneconne Community SD, Winneconne, WI (5 years)
- Jerrud Rossing, Monona Grove SD, Monona, WI (5 years)

### ASBO International New Members August 2013

- Janice Lewicki, West Allis, WI
- Dan Storch, SD of Manawa, Manawa, WI

## ASBO MEETING DATES

### 2013 Annual Meeting & Expo

Oct. 25-28, 2013 - Hynes Convention Center - Boston, MA  
If you plan to attend, email Tina at [hafeman@wasbo.com](mailto:hafeman@wasbo.com).

### 2014 Annual Meeting & Expo

Sept. 19-22, 2014 - Gaylord Palms Resort & Convention Center - Kissimmee, FL

### 2015 Annual Meeting & Expo

October 23-26, 2015 - Grapevine, TX

### 2016 Annual Meeting & Expo

September 23-26, 2016 - Phoenix, AZ

### 2017 Annual Meeting & Expo

September 22-25, 2017 - Denver, CO

### 2018 Annual Meeting & Expo

September 21-24, 2018 - Orlando, FL



# Introduction to Ergonomics

By Luke Krumenauer, CESA 10 EHS Consultant

Submitted on behalf of the WASBO Safety & Risk Management Committee

**A**re employees within your district or place of business filing complaints of wrist, shoulder, elbow or back pains? If so, your place of employment may benefit by taking an in depth look at the ergonomic factors affecting employees. The following series of articles will describe the details of implementing and monitoring a sound ergonomic system, as well as its benefits, at your place of business.

## What is Ergonomics?

Ergonomics in the workplace is commonly comprised of an entire system which complements the overall safety management system. However, ergonomics is known for being the study of the work that employees are performing. Thus, ergonomics affects everyone within any place of business. From a school janitor to a principal, from a line worker to a CEO, ergonomics can be tied into all employees at all levels.

This type of ergonomic-based study performed by management, with the involvement of employees, helps to identify and quantify any area of ergonomic-based risk any employee is exposed to. Most importantly, the system will identify ergonomic-based risk that is above standard for your district or organization. This elevated risk requires

controls to reduce or eliminate the risks. In return for identifying and quantifying risk, in time the organization will be capable of matching the work required to be completed by the employee to the employee completing the work. By correlating the environment to the employee, employers can match workstations to meet ever-changing demands of the workforce. This can help any organization meet its ergonomic-based goals.



## What are the Goals of Ergonomics?

While ergonomics has many goals, reducing the potential for employee injury or disease is the main goal of ergonomics. If this can be achieved, a number of difficult but beneficial ergonomic factors can be attained. Additional ergonomic goals include, increasing employee comfort and job satisfaction, increasing productivity and efficiency of work, as well as decreasing ergonomic-based financial losses for the place of employment. In summary, the goal of ergonomics is to lower organizational costs of business through an increase in the employee safety culture, employee job satisfaction, and a reduction in employee ergonomic-based risk.

## How Ergonomics Affects You

As mentioned above, ergonomics is the study of the work the employees are performing. In essence, the work being performed by the employee is somehow always physical. The human body physical experience is what ergonomics attempts to identify and quantify. Additionally, each and every individual has a different tolerance for ergonomic-based risks. No scientifically proven data has ever been published to state that a person can endure XYZ amount of physical experience and develop or fail to develop an injury or illness. Hypothetically, if five employees are shoveling snow all day, no one can say with utmost confidence that Person XYZ will indeed be injured or vice versa. So it's important to look at each worker and each work situation uniquely. Ergonomics will help to identify and quantify the ergonomic-based risk factors associated with your place of employment and your employees. For more information on ergonomics in the workplace, contact the WASBO Safety and Risk Management Committee. Committee information is available at [wasbo.com/displaycommon.cfm?an=1&subarticlenbr=111](http://wasbo.com/displaycommon.cfm?an=1&subarticlenbr=111). 🇺🇸



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# Electrical Demand and Fall Operations Planning

By Richard Walker, LEED AP, Trane



Richard Walker

Unlike our electric bills at home, many larger non-residential building customers are on what are known as **Time Of Use (TOU) rates**. As implied by the name of the rate, how much the customer pays depends on when they use it and how much they use at any given time.

Customers' total bills are made up of multiple components. Some things are able to be affected. Some are not.

Things like the Facilities Charge, the Fuel Cost Adjustment (FCA) and minimum charge hit the customer no matter what the consumption is.

However, there are many other components that make up the larger customers' bills.

- 1. On Peak Demand:** The greatest amount of electricity supplied to you for any 15-minute interval during this On Peak billing period. This 12 hour period is usually selectable by the customer as 8 am – 8 pm or from 10 am – 10 pm, Monday through Friday excluding New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 2. Customer Demand:** The greatest amount of electricity supplied to you for any 15-minute interval during the last 12 months. So no matter what the demand was the month of the bill, there is a charge that looks at demand over the last year and uses the highest value.
- 3. On Peak Energy:** Electric usage is billed at a higher rate when demand for electricity is high — during the day (on-peak),
- 4. Off Peak Energy:** Electric usage is billed at a lower rate when demand is low — evenings, weekends and holidays (off-peak).

Large customers will usually be on a Time of Use schedule. For example

purposes we will assume the current charges associated with each of the components of the bill are currently as follows:

1. On Peak Demand: \$12.84 per kW
2. Customer Demand: \$1.33 per kW
3. On Peak Energy: \$0.0777 per kWh
4. Off Peak Energy: \$0.0532 per kWh

So what can a school customer do to save money?

First is to try and avoid unnecessary on-peak and customer demand charges

## Fall utility bill strategy

It's very important to know the start and end date of your utility bill. They are rarely, if ever, the calendar month.

The reason you need to know the start/end dates is that understanding those dates and planning around them can often save you a decent amount of money without sacrificing comfort.

Take a look below. In this graph we see a month's worth of interval data running through the billing period (in this case) of Sept. 16 – Oct. 15.

These are really tough times of the year for facilities people in general. Cool temperatures in the morning and warm afternoons could conceivably

have you running boilers in the morning and running air conditioning in the afternoon. Executing a good set of "shoulder season" strategies can help avoid that.

In our graph, we see that consumption in the billing month peaked on a single day 400kW higher than any other day in the month. In this case the cause of the spike has to be turning on a chiller and associated pumps and towers for cooling. Temperatures on that day were still 60 degrees at 11:00 a.m. but went to 79 at 3:15...after school had ended. The next day the temperature never got above 51.

Could the building have coasted for a couple hours to avoid turning the chiller on? Probably.

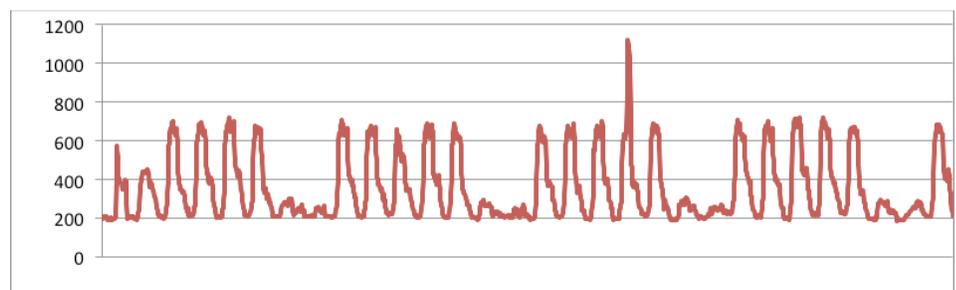
And how much did running that chiller for a couple of hours cost the district?

Difference between the peak on the one day and the next highest peak is 400 kW.

That one day cost  $\$12.84 \times 400$  or \$5,136.

Shoulder season planning and administration support pays! 🍷

If you have any questions, you can reach Richard Walker at 414.266.5204 or [richard.walker@trane.com](mailto:richard.walker@trane.com).



# Summary of School Finance Related Changes included in 2013 Act 20 (the 2013-15 State Budget)

By Erin Fath, Assistant Director, School Financial Services Team, DPI

Below are talking points provided by the DPI's School Financial Services Team for addressing the education budget.

**1. General Aid Appropriation** – increases of 1.1% (2013-14) and 1.7% (2014-15) over prior year

## **2. Categorical Aids**

### **a. Per Pupil Aid – Categorical Aid outside the Revenue Limits** [[sfs.dpi.wi.gov/perpupil](http://sfs.dpi.wi.gov/perpupil)]

- \$75 per revenue limit member in 2013-14 and \$150 “in each year thereafter” (the “additional \$75” for 2014-15). Act 20 does not sunset this aid program – presumed to be law going forward unless otherwise modified by the Legislature.
- A district’s eligibility for aid under this program will NOT be affected if the district chooses to under-levy (for 2012-13, the “Per Pupil Adjustment Aid” was directly affected by a district’s utilization of its levy authority).
- The Per Pupil Aid information will not be included on district’s Revenue Limit Worksheet
- Per Pupil Aid will be paid to districts on the 4th Monday in March.
- This is a sum-sufficient appropriation (aid will not be pro-rated).

### **b. High Cost Transportation Aid**

Eligible districts will include those with a prior year per-pupil transportation cost (general fund) that is 150% or more of the prior year statewide average per-pupil transportation cost.

- Districts will be reimbursed on those prior year costs in excess of the 150% threshold.
- \$5 million is provided annually for this program; if eligible costs exceed the appropriation, aid will be prorated. (LFB estimated that approximately 32% of excess costs would have been aided, using 2011-12 transportation expense data).

**c. Regular Transportation Aid** – the reimbursement rate for the mileage category 12 miles + was increased from \$220 to \$275.

**d. STEM Education** – provided \$250,000 on a one-time basis, for the 2013-14 fiscal year, for a grant program for school districts to enhance science, technology, engineering and mathematics (STEM) course offerings; requires the school district (or 2R charter school) receiving the grant to provide a 25% match to the grant. More information at: [stem.dpi.wi.gov/stem\\_resources](http://stem.dpi.wi.gov/stem_resources)

**e. Educator Effectiveness (EE) Aid** – provided \$5.7

million annually for grants to districts to implement EE evaluation systems. More information at: [ee.dpi.wi.gov](http://ee.dpi.wi.gov)

## **3. Revenue Limits**

**a. Per Pupil Adjustment** – Line 4a of the worksheet:

- \$75 in 2013-14 (builds base for 2014-15)
- \$75 in 2014-15 (builds base for 2015-16)
- No increase specified after 2014-15 (to be set by Legislature in 2015-17 State Budget process)

**b. Energy Efficiency Exemptions** – changes to provisions under s. 121.91(4)(o) [[docs.legis.wi.gov/statutes/statutes/121/VII/91/4/o](http://docs.legis.wi.gov/statutes/statutes/121/VII/91/4/o)]:

- Districts can now utilize the State Trust Fund to borrow for an Energy Efficiency project and claim the exemption to the revenue limit.
- When the EE Exemption is claimed for the purpose of making debt service payments, the exemption amount is to be equal to the calendar year debt service payment (match the levy)
- If a district claims the EE exemption to for the purpose of making debt service payments, state law now directs the district to use the measurable cost savings to reduce the debt service:

s.121.91 (4) (o) 3. : “If a school district issues a bond or note or obtains a state trust fund loan to finance a project described in subd. 1. [[docs.legis.wi.gov/statutes/statutes/121/VII/91/4/o/1](http://docs.legis.wi.gov/statutes/statutes/121/VII/91/4/o/1)] and the school district’s utility costs are measurably reduced as a result of the project, the school board shall use the savings to retire the bond, note, or state trust fund loan.”

- DPI staff is currently revising the Administrative Rules pertaining to the Energy Efficiency Exemption to reflect these changes included in Act 20, as well as changes included in the 2011-13 State Budget (2011 Act 32)

**c. Community Programs and Services (Fund 80)** – new limits on levy and reporting requirements:

- Levy limit for 2013-14 and 2014-15: no more than the amount the district levied into Fund 80 in the most recent year in which the district levied into Fund 80; the same limit applies to both 2013-14 and 2014-15.
- It is DPI’s understanding that legislative intent was clear that a referendum would be required of a district seeking to exceed the Fund 80 limit imposed by Act 20

*Continued on next page*

# Summary of School Finance Related Changes included in 2013 Act 20 (the 2013-15 State Budget)

From previous page

- Inclusion of report at board meeting: districts are required to include information regarding planned Fund 80 levy and expenditure information in the budget summary prepared for the Annual Meeting (Common School Districts) or in the written agenda for the meeting at which the levy is set by the board (Unified School Districts).
- Reporting to DPI: districts are also required to report the planned Fund 80 levy and expenditure information (above) to the DPI within 10 days of the meeting specified (above). DPI is required to report the information on its website within 10 days of receipt from the district.
- The School Financial Services Fund 80 Survey is available to districts to use for reporting purposes and can be found on our website, on the Community Service information page: [dpi.wi.gov](http://dpi.wi.gov)
- Report on District Website: districts are also required to publish the Fund 80 levy and expenditure information on their district website by August 31, 2013 (for 2013-14).

#### 4. Part-time Enrollment by non-public school pupils

- Home-schooled pupils: may take up to 2 courses per semester at a public school in their resident or non-resident district, in any grade (formerly just high school grades in the resident district).
- “Private” (includes non-parochial-, parochial- and tribal-school pupils): no change in law. These pupils may take up to 2 courses at a public school in their resident district, just the high school grades.
- Districts are required to admit home-schooled and private-schooled pupils, provided the pupils meet the course requirements and there is space available in the public school.

*Counting part-time pupils for General Aid Membership (PI-1563 Report/Pupil Count Wizard):*

- For resident home-school and private-school pupils attending part-time, counting will be as it was prior to the passage of Act 20: districts will report the number part-time pupils by grade level (K-12), the number of hours attended by resident part-time pupils at each grade level (K-12) and the number of hours that constitutes “full-time attendance” (K-12). The wizard will calculate the part-time FTE based on hours of attendance and full-time hours. This part-time FTE count is added to membership for General

Aid purposes (not Revenue Limit purposes).

- For non-resident home-school pupils attending part-time, counting will be different: districts will be asked to enter the number of pupils taking 1 course and the number taking 2 courses at each grade level. Those counts will be converted to FTE in the amount of 0.25 FTE per course, up to 0.50 FTE per pupil (per semester). This part-time FTE count is added to membership for General Aid purposes (not Revenue Limit purposes). This is a departure from the general pupil count process in that the pupil is counted in the district of attendance rather than district of residence.
5. “Course Options” – replaces part-time open enrollment: the new language included in Act 20 expands options for pupils attending public schools
- Allows public school pupils to take up to 2 courses in an educational institution,” defined in state law to include a non-resident public school, UW System, Technical College, non-profit institution of higher learning, tribal college, charter school and a non-profit organization that has been approved by DPI.
  - The resident school district must pay the educational institution (amount to be determined by DPI).
6. **Open Enrollment Payment Amount:** formula for calculating the full-time OE amount was changed by Act 20
- Formerly, the OE amount was equal to the statewide average per-pupil cost for regular instruction, co-curricular activities, instructional support services and pupil support services (prior year actual cost data). **The 2012-13 full-time OE amount was \$6,335.**
  - Act 20 changed the methodology for calculating the OE amount:
    - o For 2013-14, add \$150 to the prior year amount = \$6,485
    - o For 2014-15, add \$150 to the prior year amount = \$6,635
    - o For 2015-16 and beyond, add to the prior year amount the per pupil adjustment for revenue limit purposes (if positive) and the dollar change in statewide categorical aid per pupil\* between the previous and current year (if positive). DPI can not estimate the OE amount for 2015-16 at this time. (\*For this calculation, “pupil” is defined as the average of statewide enrollment for the 3 prior years (including 40% summer school pupils), as used in the Revenue Limit calculation). 🍷

Erin Fath can be contacted at 608.267.9209 or [erin.fath@dpi.wi.gov](mailto:erin.fath@dpi.wi.gov).

# Fall Conference Highlights

## Staying Professionally Healthy and Getting Blue Ribbon Results

By Jill M. Collins, Director of Business Services, School District of Black River Falls  
Co-Chair – Fall Conference Planning Committee



Jill Collins

We have all been inundated with personal wellness programs, initiatives, speakers, meetings, acronyms, etc., enough to know that it is important to stay not only physically fit, but financially and emotionally fit too. It is equally important for us to stay professionally healthy in our various positions at our school districts in order to provide the best leadership and educational opportunities for the children we serve. We live and work in the age of ever-changing policies, regulations, mandates, etc. and how does one keep up with it all? By staying professionally healthy and attending the conferences that WASBO has to offer!

We were pleased to see so many in attendance again this year at the WASBO Fall Conference in Elkhart Lake at the beautiful Osthoff Resort. The committee worked hard to develop a program that we felt best met the needs and interests of our members. It addressed the current issues in our world of school business and provided updates of what is yet to come. We believe that it is important for you to stay “professionally healthy” and make a commitment to your professional development by getting away from work and its distractions. The Fall Conference provided an opportunity to do just that!

Attendees were privileged to hear from our keynote speaker, Jones Loflin, who is an internationally acclaimed author and speaker with an energetic, humorous style. Jones used his life experiences in horticulture to relate to just about everyone. The keynote, “Getting the Blue Ribbon,” was a positive start to the conference. The theme was that “award-winning results don’t come naturally.” Jones compared our work life to cultivating apples on an apple tree and provided

the audience with these points from his book *Getting the Blue Ribbon*:

- **Growing** – You are growing something every day. What grows and how it grows is up to you.
- **Grafting** – Changing something that is established is rarely easy, but is necessary if you want to get something better.
- **Pruning** – You sometimes have to say “no” to things of lesser importance so you can say “yes” to things of greater importance.
- **Harvest** – An award-winning effort doesn’t always result in a blue ribbon.

Jones also emphasized that celebrating your successes along the way is equally important in obtaining the blue ribbon. All those that attended the conference received a copy of his book *Getting the Blue Ribbon*.

The educational sessions were also designed to keep attendees professionally healthy by reviewing the requirements of the Affordable Care Act, learning more about controlling costs for worker’s compensation, budget reduction strategies, learning

more about TIF Districts, tips and tricks of Excel and demonstrating efficiencies in approval processes by using Skyward’s Task Manager. The facility certification sessions were again offered, plus many, many more educational sessions. The team building activity was a hit and brought out the best competitors and collaborators in us. The conference theme carried through to the team building event as teams competed by playing county fair carnival games and collaborated by creating livestock from clay for the judging competition.



Networking is what makes WASBO strong and the Fall Conference provides a great opportunity to exercise it. Quite often information that you’ve shared with others through networking affirms what someone else already knew or offers another lens to view the challenge through. It is the committee’s hope that those that attended came away from the Fall Conference feeling energized and motivated to use one or many of the new concepts that they learned and that they will be able to achieve “blue ribbon award-winning results.” If you weren’t able to join us this year, please plan to join us next year! 🍎

See more photos on page 18.

**Save the Date!**  
**2014 Fall Conference**  
**October 1-3, 2014**



**Keynotes**  
(clockwise from left):  
Jim Froemming,  
Don Mrdjenovich, and  
Jones Loflin

# WASBO Thanks the Sponsors of the 2013 Fall Conference for Their Generous Support

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# More Fall Conference Highlights



**WASBO Scholarship Foundation Golf Outing**



**Team Building:** The theme was County Fair, with contests ranging from Food Service Frenzy to Budget Ringer. Even a chance to work together to sculpt a barnyard animal – and win a blue ribbon!



## WASBO Career Center

Connecting school business professionals with the leading employers in Wisconsin.

The WASBO Career Center is a dedicated search and recruitment resource for school business professionals and employers in Wisconsin. We offer simple and easy-to-use tools to make searching for career opportunities and finding qualified professionals fast, more efficient, and more successful than ever before.



### Tools for Job Seekers

The WASBO Career Center gives job seekers access to inside opportunities available only through the association and provides the tools needed to quickly find and apply for jobs.

#### Advanced Job Search

Find the most relevant jobs from top school districts throughout Wisconsin.

#### Customized Job Alerts

Stay up-to-date on the latest opportunities by receiving automated notifications.

#### Apply for Jobs

Create an anonymous profile and resume to quickly apply for jobs and have employers come to you.

### Advantages for Employers

Employers can fill positions faster and at a lower cost than other job websites by reaching a highly qualified and targeted audience of school administration professionals.

#### Recruit Top Talent

Target WASBO members and job seekers committed to the advancement of school administration and support professions.

#### Low-Cost Posting Packages

Reduce recruitment costs with flexible, affordable posting options.

#### Proactive and Direct Recruitment

Take advantage of search, email and online advertising options to recruit candidates.

### Visit the WASBO Career Center

Discover the difference the WASBO Career Center can make for you.

To search jobs, post jobs or learn more, visit:

[www.wasbo.com/jobs](http://www.wasbo.com/jobs)



# The Danger of Trying to Do it All

By Jones Loflin

I haven't even taken down my stuff from last year," the frazzled teacher said to me during a break at one of my Juggling Elephants training programs. "Susan," as we will call her, wanted to know how she was supposed to be a great teacher when her life seemed so out of control. Her plight seemed all too common as she continued to talk about her stress related to work until her voice softened and she said, "...And my husband has terminal cancer."

While my heart was broken for Susan, her two boys, and her husband, I was also perplexed as to her guilt about not being able to excel as an educator when she had something so much more important going on in her life. I could sense that she felt like she was letting her students and her school down because she couldn't perform at the level she had in the past.

Don't get me wrong. There are countless "Susans" working in all facets of our society, and we need to emulate their passion, attitude of service, and penchant toward excellence. I worry though, when people like Susan can't let go of their desire to "do it all," and potentially jeopardize making the most of a moment in their lives they will never have the chance to experience again. I've had conversations with the "Susans" after such experiences are over, and the weight of regret is often overwhelming to them.

If you are currently like Susan, and feeling guilty because you can't bring your best to work due to some unique life event, here are some thoughts borne out of my conversation with her:

**Trying to give 100% to both will result in doing neither well.** There's an old proverb that says, "If you chase two rabbits, both will escape." We have to decide which will get our full attention, and how we can go into more of a

*"Most life events are sprints... our career and relationships are marathons."*

maintenance mode (see below) with our other responsibilities. I've written in the past about how my business suffered while I focused on caring for my dad. It wasn't easy to let go of my desire for excellence in all areas, but looking back now I have a sense of peace that allows me to focus more strongly and clearly on my business than ever.

**Decide what "maintenance mode" looks like at work.** Instead of lying to yourself and others that work will not be affected by this life event, be honest. Start by determining what you can realistically accomplish each day at work and not bring home so much stress that it diminishes the quality of time with others. Focus on your strengths and those areas where you can have the strongest impact. Talk with your supervisor and coworkers about what you are shifting, delaying, or changing in your work activities. Ask for their help (see "Stop stealing the joy from others" below) in keeping things going at an acceptable level. Also look at other elements of your life and decide what can wait until later.

**Most life events are sprints... our career and relationships are marathons.** As painful as it was, Susan and I talked about how in a year or so her husband would probably not be with her any more. After his passing she could once again seek to further excel as an educator, and give more time to her two boys. In the past few weeks I have found myself spending more time with my older daughter Alex since she will soon be leaving for college. Once she leaves in mid-August I can more fully focus on my other relationships and work responsibilities.



Jones Loflin

## Stop stealing the joy from others.

When talking with Susan I asked, "Have other people offered to help?"

Her reply was, "Yes." I then asked, "Do you let them?" Her response was all too common: "I want to, but they have busy lives too." I gently reminded her of the joy she had gotten from helping someone in the past, and how she was robbing them of the same joy by not allowing them to support her during this difficult time. If you're going through a tough time in your life, let people take care of other things so you can focus on what you know is most important. Your chance to return the favor will come.

Lastly, **don't stop taking care of yourself.** One of Susan's other stress points was that she had no time for herself (Of course, she didn't tell me-it became obvious in the conversation). We looked at ways she could set aside just 15-30 minutes per day to read, walk, or engage in something that would boost her physical, mental, and/or emotional energy. This moment calls for nothing less than her very best.

**The pain of discipline and commitment is measured in ounces. The pain of disappointment and regret is measured in tons.**

*What life event needs your full attention right now? 🍷*

**Jones Loflin was the opening keynote speaker at the WASBO Fall Conference. See pages 16-18 for more on the conference.**

# Greening Wisconsin Schools, Without Spending More Green

By Victoria Rydberg, Environmental Educational Consultant, Wisconsin Department of Public Instruction



Victoria Rydberg

There is a lot of talk about “going green” these days and, often times, people think that means investing in new high-tech equipment such as solar panels or purchasing electric vehicles. This is often difficult to do without grants or a budget surplus, so what is the alternative? Green & Healthy Schools Wisconsin knows that being green doesn’t mean you have to spend green; in fact, it can help schools save green! To help schools get started and learn more, Green & Healthy Schools Wisconsin is offering seven free workshops around the state in October and November.

Green & Healthy Schools Wisconsin (GHS Wisconsin) is a partnership program administered by the Wisconsin Department of Public Instruction, Wisconsin Department of Natural Resources, and the Wisconsin Center for Environmental Education. GHS Wisconsin helps schools implement changes to improve facilities, health and wellness, and education to develop a green and healthy school culture. Schools document their actions and GHS Wisconsin recognizes and celebrates these achievements

along the way through 4 levels of certification. In addition, GHS Wisconsin has partnerships with several other programs, including the US Department of Education’s Green Ribbon Schools award and Project Learning Tree’s Greenschools! program. This means that schools will only have to complete one application to be eligible for a number of different recognitions.

Schools can register a team of four to attend one of the free workshops. The workshops will connect GHS program staff with area schools and bring local resources and school personnel together. Training will provide an in-depth introduction to the program and guided work time to receive recognition for demonstrated achievement specifically focusing on: energy; water; recycling & waste management; transportation; school site (including school forests); environmental health; health & wellness; environmental & sustainability education; and community involvement.

Workshop participants will have the opportunity to learn how to connect with area businesses, nature centers, non-profit organizations and local governments and will leave with a plan for making their individual schools green and healthy.

- October 10 – Ashland
- October 11 – Turtle Lake
- October 15 – Platteville
- October 24 – Whitewater
- October 29 – Gillett
- November 7 – Neenah
- November 14 – Pewaukee

All workshops are held from 9 am-3 pm. Lunch will be provided as part of the workshop and schools will be provided an expense stipend after the workshop of \$100 per attendee (up to 4 individuals from each school) to be used to cover expenses of attending the workshop – substitute fees, mileage, etc. – or expenses related to Green & Healthy Schools efforts thanks to a grant from the US Environmental Protection Agency.

Visit [GHSWisconsin.org](http://GHSWisconsin.org) to learn more. Registration is available at: [bit.ly/fall13ghs](http://bit.ly/fall13ghs). Space is limited, so sign up early!

For more information, contact Victoria Rydberg, 608.266.0419. 📞

**GREEN & HEALTHY SCHOOLS · WISCONSIN**  
**FREE WORKSHOPS**

October 10th – Ashland  
October 11th – Turtle Lake  
October 15th – Platteville  
October 24th – Whitewater  
October 29th – Gillett  
November 7th – Neenah  
November 14th – Pewaukee

Workshops from  
**9:00 am – 3:00 pm**  
with lunch provided.

**\$100 expense stipend**  
per team member

10 school teams  
of 4 people each

**Register Today!**  
[bit.ly/fall13ghs](http://bit.ly/fall13ghs)

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To learn more, please contact Kim Hurtz, Aegis Corporation,  
1.800.236.6885 or kim@aegis-wi.com

## Upcoming WASBO Events

### Professional Development

#### ASBO International Annual Meeting & Expo

October 25-28, 2013 - Hynes Convention Center, Boston, MA (Viterbo Credit)

Save with  
Professional  
Development Coupons  
[WASBO.com/coupons](http://WASBO.com/coupons)

#### Midwest Facility Masters Conference & Exhibits

November 14-15, 2013 - Kalahari, Wisconsin Dells (Viterbo Credit)

#### Winter at a Glance (Year of Success)

December 3, 2013, Marriott Madison West, Middleton

#### WASBO/WASPA School Personnel Academy

December 4-5, 2013, Marriott Madison West, Middleton (Viterbo Credit)

#### WASB-WASDA-WASBO State Education Convention

January 22-24, 2014, Wisconsin Center, Milwaukee (Viterbo Credit)

#### DPI-WASBO-WCASS Federal Funding Conference

February 24-25, 2014, Kalahari, Wisconsin Dells (Viterbo Credit)

#### WASBO Facilities Management Conference

March 13-14, 2014, Kalahari, Wisconsin Dells (Viterbo Credit)

#### WASBO Transportation & Bus Safety Conference

March 13, 2014, Kalahari, Wisconsin Dells (Viterbo Credit with Facilities Management Conference)

#### p-Card User Group

March 18, 2014, Marriott Madison West, Middleton

#### WASBO Accounting Conference

March 19-20, 2014, Marriott Madison West, Middleton (Viterbo Credit)

#### WASBO Spring Conference

May 20-23, 2014, Kalahari, Wisconsin Dells (Viterbo Credit)

### Scholarship Fundraisers

#### Spring Golf Outing

May 21, 2014 - Trappers Turn Golf Course, Wisconsin Dells

### Certified School Risk Managers (CSRM)

#### Courses (Viterbo Credit)

#### Measuring School Risks

November 4, 2013 - Holiday Inn, Stevens Point

#### Funding School Risks

November 5, 2013 - Holiday Inn, Stevens Point

#### Administering School Risks

December 3, 2013 - Holiday Inn, Stevens Point

Visit [WASBO.com](http://WASBO.com) for future WASBO Professional Development & Networking opportunities!

Invest in yourself and your district by attending WASBO professional development.

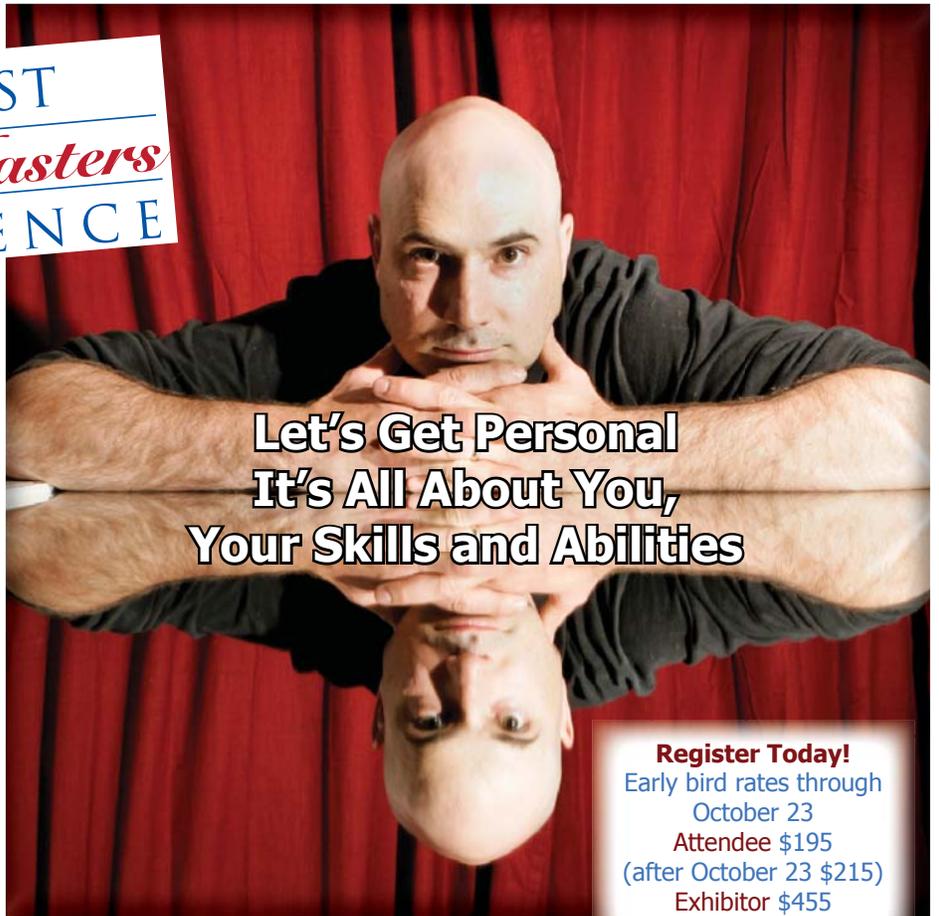


# 6th Annual MIDWEST Facility Masters CONFERENCE

November 14-15, 2013  
Kalahari Resort &  
Conference Center  
Wisconsin Dells, WI

Register at  
[WASBO.com/FacilityMasters](http://WASBO.com/FacilityMasters)

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October 23  
Attendee \$195  
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## Personal Accountability

Individual accountability, the alternative to victimhood, is the first requirement for individual and organizational success. Accountable people recognize the impact of outside factors on them and their situations. They also understand that the choices they make about those outside factors are often more powerful and have more impact on them than the factors themselves.

*When it comes to leadership & personal accountability, Jim Bearden, CSP, speaks from experience. From College Class President to Marine Officer to President of the Bearden Resource Group, Jim has been leading people for over 40 years.*



**Jim Bearden**

**Now, more than ever, you are being called upon to be a leader in your school district. Attend this conference to enhance your leadership skills with Knowledge & Networking.**

### General Sessions

- Personal Accountability, Jim Bearden, CSP
- Idea Exchange: Sharing Challenges and Solutions

### Learn from Peers and Industry Experts about

- Auxiliary Services
- Best Practices in School Facilities
- Leadership
- Learning Environment
- Operations
- Safety, Security & Risk Management
- SchoolDude User Training & Lab
- Technology, Social Media & Communication
- Unfunded Mandates

- **Connect** with vendors who specialize in flooring, management software, grounds equipment, maintenance, cleaning, roofing, energy, security and more, all in one place.
- **Network** with facilities, operations, safety, risk management and school finance professionals.
- **Credit** offered for Wisconsin ASBO Facility Manager Core (Modules 4 & 5) and Continuing Education Certifications and Illinois ASBO Facility Manager Certification. Certification approval requested for CPMM & CPS. Earn graduate credit through Viterbo University.

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# Update on Wisconsin Unemployment Compensation Law

By Jennifer Mirus and JoAnn Hart, Boardman & Clark LLP

The 2013-2015 biennial budget bill, which was enacted as 2013 Wisconsin Act 20 (“Act 20”) makes significant changes to Wisconsin’s unemployment insurance law. The Act 20 provisions relevant to unemployment compensation substantially tighten employee eligibility for unemployment insurance benefits (UI benefits) by revising misconduct standards and voluntary quit exceptions, as well as modifying the “reasonable” search for work requirements.

These changes are expected to result in an overall reduction in UI benefit payments made by Wisconsin employers, including school districts. It is important to note that the revised misconduct standards and changes to the voluntary quit exceptions will not be used to determine benefit eligibility until the week of January 5, 2014. This FYI provides a brief overview of the key changes.

## Misconduct and Substantial Fault Disqualifications

Currently, a terminated employee is ineligible for UI benefits for a specified period of time and until certain conditions are met if the employee was terminated for “misconduct.” The misconduct standard has historically been a source of confusion and frustration for employers due to inconsistent benefit eligibility rulings and the high threshold required to prove misconduct. Act 20 clarifies the definition of misconduct.

The statute defines “misconduct as:

[O]ne or more actions or conduct evincing such a willful or wanton disregard of an employer’s interests as is found in deliberate violations or disregard of standards of behavior which an employer has a right to expect of his or her employees, or in carelessness or negligence of

such degree or recurrence as to manifest culpability, wrongful intent, or evil design of equal severity to such disregard, or to show an intentional and substantial disregard of an employer’s interests, or of an employee’s duties and obligations to his or her employer.

In addition, Act 20 for the first time provides specific examples of misconduct which will disqualify an employee from eligibility for UI benefits. An employee will be found to have engaged in misconduct if he or she commits the following acts:

- Violation of an employer’s reasonable substance abuse policy concerning the use of alcohol beverages; use of a controlled substance; or use of a controlled substance analog if the employee (1) had knowledge of the alcohol beverage or controlled substance policy and (2) admitted to the use of alcohol beverages, a controlled substance, or controlled substance analog, refused to take a test, or tested positive for the use of such substances in a test used by the employer in accordance with a DWD-approved testing methodology;
- Theft of an employer’s property, services, money (of any value), felonious conduct connected with the employment, or intentional or negligent conduct by an employee that causes substantial damage to the employer’s property;
- Conviction of a crime or other offense, while on or off duty, that precludes the employee from performing his or her duties for the employer;
- One or more threats or acts of harassment, assault, or other physical violence instigated by an employee at the employer’s workplace;



Jennifer Mirus



JoAnn Hart

- Absenteeism on more than two (2) occasions within the 120 days before the date of termination (unless permitted by the employer’s employment manual of which the employee acknowledged receipt) or excessive tardiness in violation of the employer’s policy if the employee does not provide notice and one or more valid reasons for the absenteeism or tardiness (this provision replaces the existing absenteeism/tardiness misconduct provision at Wis. Stat. § 108.04(5g));
- Falsifying the employer’s business records, unless directed by the employer; or,
- For employers certified or licensed by a governmental agency, a willful and deliberate violation of a written and uniformly applied standard or regulation of the federal, state, or tribal government, which standard has been communicated by the employer to the employee and which violation would cause the employer to be sanctioned or to have its license or certification suspended by the agency, unless directed by the employer.

Act 20 also introduces a new “substantial fault” disqualification standard. Employees can now be disqualified for UI benefit eligibility if they are terminated for “substantial fault” in connection with their work. Substantial fault is defined to include acts or omissions of an employee over which the employee exercised reasonable control and which violate reasonable requirements of the employer. Substantial fault does not include the following:

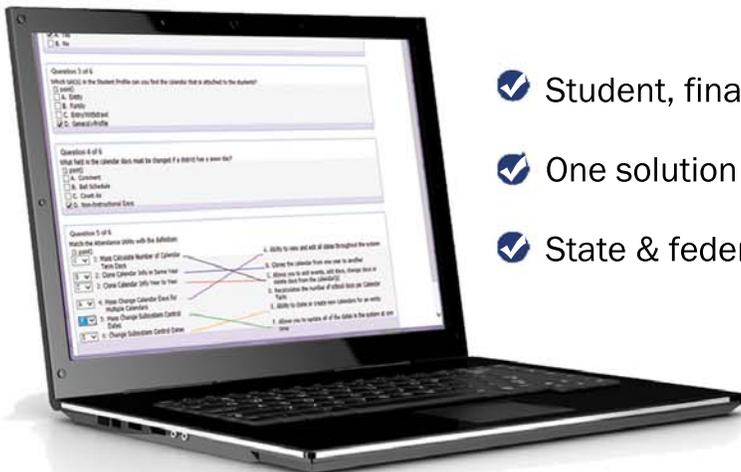
- One or more minor infractions

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# Update on Wisconsin Unemployment Compensation Law

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of rules unless an infraction is repeated after the employer warns the employee about the infraction;

- One or more inadvertent errors made by the employee; or
- Any failure by the employee to perform work because of insufficient skill, ability, or equipment.

Do note that even employees who are terminated for misconduct can re-qualify for UI benefits after certain time periods and conditions are met.

## “Voluntary Quit” Exceptions

Generally speaking, employees are not eligible for UI benefits if they voluntarily resign from employment. However, the law includes numerous exceptions to that general rule which permit employees to qualify for UI benefits. Act 20 eliminates several of those “voluntary quit” exceptions, thus narrowing the circumstances under which employees may qualify for benefits following a resignation. Based on the elimination of the exceptions that affect school districts, an employee who quits for any of the following reasons will not be eligible for UI benefits:

- Recall: If the employee quits to accept a recall to work for a former employer within 52 weeks after having last worked for such employer;
- Residence: If the employee maintained a temporary residence near work, maintained a permanent residence elsewhere, and quit work to return to his or her permanent residence because his or her hours were reduced to less than 20 hours in at least two consecutive weeks;
- Part-time Work: If the employee quit part-time work because the employee lost his or her full-time work and can no longer economically continue the part-time work;

- Other Employment: If an employee quit work to accept employment or other work covered by any UI state or federal law (while claiming benefits for partial unemployment) and that work offered an average weekly wage greater than the average weekly wage for the terminated work;
- Notice of Termination: If an employee has two or more concurrently held positions, at least one of which is full-time work, and quits one before receiving notice of termination from a position which is full-time work; or
- Governmental Work: If an employee, serving as a part-time elected or appointed member of a governmental body or representative of employees, quits work while being engaged in work for a different employer and was paid wages in the work quit by the employee constituting not more than 5% of the employee’s base period wages for purposes of benefit entitlement.

Do note that even employees who voluntarily resign can re-qualify for UI benefits after certain time periods and conditions are met.

Other changes to the voluntary quit standard were enacted, including an amendment to the standard for quitting to relocate with a spouse whose employment location has changed. Also, the standards applicable to failing to accept work with “good cause” were modified.

## Work Search Requirements

Act 20 also imposes greater requirements on the number of work search actions an employee must complete each week in order to maintain unemployment benefits. A “reasonable” search for work now consists of at least four (4) work search actions each week, which replaces the two (2) actions per week that were required prior to Act 20. In

addition, the Department may, by rule, require an individual to take more than 4 reasonable work search actions in any week so long as the Department requires a uniform number of reasonable work search actions for similar types of claimants. These increased work search requirements went into effect for claims filed the week of July 7, 2013.

## No Changes To The Law Regarding School Year Employees

There were no changes to the statutory provisions making school year employees of school districts ineligible for benefits during summer and holiday breaks as long as “reasonable assurance” of reasonably similar work in the subsequent school term or year is given. “Reasonably similar work” means work for which the employee will earn more than 80% of the current gross weekly wage earned, and will work more than 80% of the average number of hours worked per week in the current school year, and where the job involves substantially the same skill level and knowledge as in the current school year.

## Conclusion

Act 20 makes significant revisions to the unemployment insurance eligibility and related laws, and school districts should become familiar with the new standards. Determining whether to challenge an employee’s eligibility for UI benefits requires an analysis of legal issues, as well as consideration of the time and resources required to challenge the employee’s eligibility. Act 20 can generally be seen as giving districts more leverage to challenge UI benefit eligibility. However, in order for districts to benefit from these changes in the law, they will need to maintain and communicate written workplace policies and standards. To this end, policies and handbooks may need to be revised to take full advantage of statutory changes. District officials

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# Federal Courts Once Again Find Act 10 Enforceable

By Kyle J. Gulya and James R. Korom, von Briesen & Roper, S.C.

On Wednesday, September 11, 2013, a Wisconsin Federal District Court Judge dismissed another lawsuit challenging the constitutionality of Act 10 filed by general municipal employee unions. The Federal District Court opinion found Act 10's differential treatment of general municipal employee unions from the treatment of nonrepresented employees did not violate the equal protection clause of the Fourteenth Amendment to the U.S. Constitution. The Seventh Circuit Court of Appeals previously held that Act 10's differential treatment of general municipal employee unions from the treatment of public safety unions did not violate the Fourteenth Amendment.

The Court also rejected the unions' claim that the First Amendment gives general municipal employee unions the unfettered right to collectively bargain on any subjects and that Act 10 violates that First Amendment right. The Court found that no such right exists under the First Amendment and identified 22 states that already prohibit collective bargaining. The Court also found that Act 10 does not violate the First Amendment, because "Act 10 does not silence general employees and their unions from engaging in collective bargaining; rather, it limits municipal employers from engaging in collective bargaining." Quoting the U.S. Supreme Court, the District Court found:

*Whatever rights public employees have to associate and petition their public employers on wages and conditions of employment, this right certainly does not compel the employer to listen. As the United States Supreme Court explained . . . , "the First Amendment does not impose an affirmative obligation on the government to listen, to respond or, in this context, to recognize the association and bargain with it."*

*"Just like past decisions involving Act 10, there will be uncertainty fueled by misinformation. The Federal District Court opinion used strong language indicating employers may not even 'listen' to the general municipal employee union on issues unrelated to total base wages."*

Another lawsuit pending in Dane County Circuit Court makes similar arguments raised by the unions in this Federal District Court decision. The Wisconsin Supreme Court also is preparing to receive arguments in the decision decided by Dane County Circuit Judge Juan Colas. The Dane County Circuit Court decision issued in September 2012 found only a few parts of Act 10 were unconstitutional. The primary substantive elements of Act 10 remain intact, most notably the limitations on bargaining over only "wages" with a general municipal employee union. Additionally, an employer is free to implement its last, best offer since no interest arbitration process exists to force settlements with a general municipal employee union. The employer must still bargain with public safety and transit unions regarding the broader issues of wages as well as hours and working conditions. This most-recent Federal District Court decision has no effect on public safety and transit unions.

As many employers are in the process of implementing and updating employee handbooks, modifying health insurance plans, and implementing wage studies, many issues will continue to arise for each community related to this



Kyle Gulya James Korom

decision and the other pending cases. We anticipate there will still be challenges by unions, but they will choose their local test cases wisely. Employers can still achieve their desired results, but should act cautiously at this time and engage in well-calculated and thoughtful decisions. As this process unfolds and more information becomes available, following are some helpful thoughts and reminders as employers await the end of Act 10 litigation:

- **Develop Your Organization's Strategy.** The complex issues associated with ongoing litigation of Act 10 at the state and federal level, a possible appeal of this District Court decision, and the Wisconsin Supreme Court's pending decision necessitate that each community carefully prepare its strategy for responding to a demand to bargain and possible outcomes of these decisions. After reviewing this decision and the Seventh Circuit Court of Appeals Opinion upholding Act 10 that was issued earlier this year, we believe there is a good chance this District Court decision will be upheld if appealed. When contacted by the union to discuss issues unrelated to total base wages, the smartest approach the employer can take is to listen and then inform the union that the supervisor will confer with management and decide on an appropriate course of action.
- **Once Again, Don't Overreact.** Just like past decisions involving Act 10, there will be uncertainty fueled by misinformation. The Federal District Court opinion used strong language indicating employers may not even "listen" to the

*Continued on next page*

# Federal Courts Once Again Find Act 10 Enforceable

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general municipal employee union on issues unrelated to total base wages. Because of the information reported about this decision, there may be concern and excitement among represented general municipal employees and their unions that the employer cannot even “listen” to them. We anticipate unions will grasp this comment from the District Court opinion and try to use it as political leverage to attempt to encourage local elected leaders to engage them and influence employer decisions over issues other than “total base wages.”

We believe an employer may receive information from a general municipal employee union, just as it may receive information

from any other interested nonrepresented employee, citizen or group. What the employer may not do is engage in collective bargaining or reach an agreement with the general municipal employee union on issues unrelated to total base wages. The employer remains free to make its own decisions and consider or ignore the information provided by these interested parties. As the Seventh Circuit Court of Appeals has said, the First Amendment “provides no guarantee that a speech will persuade or that advocacy will be effective.”

- **Don’t Be Afraid to “Listen.”** Supervisors and elected officials should avoid the potential problems created by the “listening” conundrum. We anticipate a supervisor or elected

official who refuses to listen to a represented general municipal employee or union based solely on this court decision may unnecessarily generate litigation or a public relations predicament for the employer. Supervisors and elected officials should also be equally mindful of other stray comments including making agreements with the union or other promises or assurances to modify policies, to bargain over the employee handbook, or to extend or reinstate an expired collective bargaining agreement. Those statements may also result in litigation and public relations debacles, particularly since those decisions continue to rest exclusively with the discretion of the employer. 🍷



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# Wisconsin Education Data Tools Continue Rolling Out

By Kurt Kiefer, Assistant State Superintendent, Division for Libraries and Technology



Kurt Kiefer

The Wisconsin Department of Public Instruction (DPI) continues to improve the new data tools system available to all school districts known as WISEdash. WISEdash has both a “secure” and “public” version. The secure site is available only to authorized school district staff because the data is viewable down to the individual student level. Districts are responsible for authorizing access to the secure site. The public site will go live this fall. That site contains summary data, meaning no individual level data are displayed. It even uses a “redaction” process to protect all data so that inferences about individual students is not even possible.

## WISEdash: Data for Educators and the Public

Today, districts have access to the following types of data within the secure WISEdash web site:

- Enrollments
- Attendance
- WKCE tests
- ACT tests
- Advanced Placement exams
- High school completion
- Postsecondary enrollment

WISEdash development is always a work in progress as more data become available. This coming school year DPI plans to unveil a new “early warning system” to help districts identify students potentially at risk for dropping out of school. DPI also plans to add more data that helps with classroom level decision-making like the new Phonological Awareness Literacy Screening (PALS) assessment. DPI also hopes to include other assessments commonly used by school districts in the WISEdash system such the Measures of Academic Progress (MAP).

DPI’s goal is to put data in one place

for educators to help save them time and to make it easier to recall how to use the software system. Experience shows that this strategy leads to more use of data for decision making.

DPI plans to release WISEdash in a “public” version this fall. Using the same software system for both the secure and public versions saves time for DPI staff to manage the data and it gets data onto district dashboards more quickly. Using the same system for both the secure and public versions is also more user friendly, making it easier to remember where to look for data, what buttons to click, and how to find out what the data means.

The public version went through an extensive feedback process to arrive in its final form. User practice sessions, focus groups, and feedback surveys that included educators, parents, school board members, researchers, journalists, elected officials, and DPI staff were all part of the review. Their insights led to many changes to the software to make it more intuitive to use and helpful in answering the questions they had.

Eventually, the WISEdash public version will replace the commonly used WINSS system. WINSS has been a valuable tool for many years, but technical improvements in data systems software allow for more features which WISEdash includes. DPI plans a gradual transition from WINSS to WISEdash. This fall, in the first release of the public version, enrollment, attendance, state assessments, ACT scores, and Advanced Placement (AP) exam data are to be included. To help make the transition smooth, the WISEdash screens will have direct links to high school completion, discipline, staff, courses, and finance data which remain in WINSS for now. See more at [wise.dpi.wi.gov/wise\\_dashhome](http://wise.dpi.wi.gov/wise_dashhome)

## WISEExplore Project: Using Data Meaningfully

Using data effectively can be a challenge! All of the number crunching in the world won’t make a bit of difference to instruction if educators don’t actively discuss the data they have and design and implement a thoughtful action based on their analysis. To address this challenge, DPI partnered with the CESA Statewide Network (CSN) in the fall of 2012, to assemble a work team with the charge of developing a common data inquiry process to disseminate to teachers and school leaders statewide.

This team became known as the WISEExplore Work Team.

The purpose of the WISEExplore Work Team is to design, develop, pilot and disseminate a consistent data inquiry process for use by school boards, administrators and classroom educators to improve student achievement in Wisconsin. The WISEExplore inquiry process utilizes DPI data tools, such as WISEdash, as they evolve and are connected to the accountability system, school improvement planning, and classroom decision making. DPI plans to use this inquiry across every type of data being used within the agency so inquiry is done in the same rigorous and meaningful manner. Just like the rationale in using a common software system for data display and reporting, using a common inquiry method will make it easier for educators across the state to dig into the data for analysis and action planning.

The WISEExplore Work Team is in the exciting process of piloting and receiving feedback on the WISEExplore inquiry process. The process includes elearning modules and valuable data inquiry methods and is free to use by

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# Wisconsin Education Data Tools Continue Rolling Out

Continued from previous page

Wisconsin educators through the DPI.

In addition to DPI and VersiFit, the company in Appleton that created the WISEdash software, the WISExplore Team is collaborating with key educational programs including Title I, Special Education, English Language Learning, RtI Center, and the University of Wisconsin-Madison Value Added Research Center.

A trove of online training resources around the data inquiry method are being created by the team. They are stored in an accessible digital folder for any school district to access as they plan and conduct their data retreats. Training the “trainers” began this spring with a focus on the CESA personnel who will assist school district staff to gain secure access to the WISEdash tool. Two sessions were offered and a total of 32 CESA staff were trained. Each CESA then offered six days of WISExplore data retreats in their region during the past summer.

Feedback from CESA Retreat Facilitators, Data Retreat participant survey data and work documents gathered from districts is being used to evaluate the effectiveness of the process, leading to refinement of future training and data inquiry process tools. DPI also has the benefit of assistance from the professionals at Regional Education Lab (REL) Midwest on the evaluation efforts, using a grant from the US Department of Education.

See more at [wise.dpi.wi.gov/wise\\_explorehome](http://wise.dpi.wi.gov/wise_explorehome)

## Update on Wisconsin Unemployment Compensation Law

Continued from page 25

should also continue to document misconduct, absenteeism, and other issues in order to make their case. 📌

Inquiries about the article can be made to Jennifer at 608.283.1799 ([jmirus@boardmanclark.com](mailto:jmirus@boardmanclark.com)) or JoAnn at 608.286.7162 ([jhart@boardmanclark.com](mailto:jhart@boardmanclark.com)). Reprinted with the permission of Boardman & Clark LLP.



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# FICA Tax Reminder for WRS Contributions

By Matt Flannery and Alana Leffler, Buelow Vetter Buikema Olson & Vliet, LLC

2011 Wisconsin Act 10 ("Act 10") created a new requirement that all state and local government employees directly contribute one-half of the cost of their pension benefits under the Wisconsin Retirement System ("WRS"). The Act 10 changes raised a number of complicated tax questions that we addressed in our April 2011 Legal Update.[1]

While many employers followed the recommendations outlined in that earlier Legal Update in order to make sure that the employee WRS contributions could be processed on a pre-tax basis for income tax purposes, it seems as though some payroll processors have failed to recognize that the contributions are still subject to FICA taxation and withholding. We would strongly recommend that those

employers again review this issue with their payroll providers before the end of the year.

At the time of Act 10's enactment, there was considerable debate about whether the mandatory employee contributions could be made on a pre-tax basis for income tax purposes. The short answer was that employers would very likely need to take additional action in 2011 in order to make sure that the mandatory employee contributions would be made prior to being subject to income taxes and income tax withholding. In compliance with state law, most of our governmental clients ultimately passed resolutions allowing the employee WRS contributions to be made on a pre-tax basis, via a mandatory wage reduction intended to be an employer



Alana Leffler



Matt Flannery

pick-up contribution under Section 414(h)(2) of the Internal Revenue Code.

As noted in our 2011 Legal Update, the IRS has said that mandatory employee contributions are usually subject to FICA taxation and FICA tax withholding. If a governmental employer allows its employees to make their WRS contributions on a pre-tax basis via a mandatory wage reduction, the contributions are not subject to state or federal income tax, but they are still subject to FICA (Social Security and Medicare) taxes. The employer should withhold the employee portion and pay the employer portion of the

*Continued on page 34*

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# Leadership and Culture: Closing the Gaps Between What Sounds Good and What Gets Done

*Continued from page 1*

know that unless they're brought to life, foundational documents, even ones containing words like honor, courage and commitment, have no real power.

*With that as our background, here are several things effective leaders do to bring words and phrases to life, to consciously create cultures that reinforce & support behavior essential to organizational success.*

## **Ensure that your employees understand what you expect from them.**

There are three possible explanations for why people fail to meet your expectations:

- They know what you expect, but they're unable to meet your expectations
- They know what you expect, but they're unwilling to meet your expectations
- They don't know what you expect

While the first and second explanations are sometimes accurate, the third is more accurate more often. That being the case, I want you to identify 3-5 situations in which employee behavior is especially important to your organization's success. Next I want you to define the specific behaviors you expect in each of those situations and then tell employees what you expect. Before your employees can possibly meet your expectations, they must know what those expectations are.

## **Model that behavior for them.**

As leaders you have two primary tools for influencing the choices others make: your words and your actions. Your words are obviously important, they're the tools you used to inform your employees about the behavior you expect. Your actions are even more important. If telling people the behavior you expect is how you

inform them; showing them what that behavior looks like is how you lead them.

## **Measure their performance using your expectations as the standard.**

Here's something most of us have heard, and based on my experiences, it is the truth: "What gets measured gets done." After defining and describing the behavior you expect and modeling that behavior for employees, you must reinforce the importance you place on their meeting your expectations. One of the best ways to do that is by observing their performance and providing them with feedback based on what you've seen. In the absence of follow-up, some employees will conclude that meeting your expectations is discretionary.

## **Honor efforts and progress made toward meeting your expectations.**

The operative words here are "efforts" and "progress". If you expect employees to do things they haven't done before, or to do things differently than they're accustomed to doing them, then their early performances will probably reflect their inexperience. What you should be looking for here are good-faith efforts and any signs of progress; and when you detect those, you should acknowledge them. Here's a caution: "Don't blow smoke." Don't tell employees that they're doing "a good job" when they're not. Simply acknowledge and honor (praise) their effort. If the quality of their performance is shaky, they know it. If you tell them that they're doing a good job when they know they're not, your credibility takes a hit.

## **Confront unwillingness/bad faith.**

In the previous step you responded favorably to good-faith efforts. In this step you must respond appropriately

to the alternative, people who are unwilling to try and meet your expectations. Here are some points to remember about this uncomfortable, but absolutely essential step in consciously creating culture: Most people will make good-faith effort to meet your reasonable expectations; some won't. You do a disservice to those who will by tolerating those who won't; so don't.

## **Summary**

Regardless of the words and phrases found in your foundational documents, your organization's real culture is revealed by the behavior of the people working there. The words and phrases may sound good, but it's the behavior that really matters. Effective leaders consciously create cultures that reinforce & support behavior essential to their organizational success. The steps I've listed are things you can do to close the gaps between what sounds good and what gets done. 🍷

Jim Bearden, CSP is a leadership expert, speaker and author of *The Relentless Search For Better Ways*. He will be presenting the keynote address at the Midwest Facility Masters Conference on Thursday, Nov. 14 at 8:15 am. For more information: [www.jimnbearden.com](http://www.jimnbearden.com)



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# Interest Rates Moderate as Federal Reserve Stays the Course

Reprinted with permission from Springsted Market Update, Oct. 3, 2013

The interest rate increases seen for longer-dated US Treasury bonds from June through August began to decline in September after the Federal Reserve Open Market Committee (“FOMC”) met and decided not to reduce their \$85 billion a month purchases of US Treasury and Mortgage debt. The market expected that the FOMC would begin to reduce or “taper” their purchases of securities, as economic conditions overall appeared to be improving. The FOMC declined to change current policy, citing the need to see additional data to discern a clear trend of improving economic conditions. Subsequent to the decision of the FOMC, a number of commentators speculated that another reason was that the FOMC didn’t want to be blamed for disturbing the economic landscape, with the lack of agreement on a US Budget and a debt ceiling issue looming in October.

Regardless of the reason for the “no change decision,” the bond market rallied immediately on the news. Both US Treasury and municipal bond interest rates reversed trend and declined sharply within a week of the FOMC decision. The BBI graph below uses data reported in the Bond Buyer and shows the change in the tax exempt BBI for the past year. This clearly shows the rise since May and the decline since the FOMC announced they would not reduce security purchases.

Municipal bond fund withdrawals and redemptions that have occurred since May have moderated, but not ceased. This has resulted in decreased liquidity and reduced the ability of institutional buyers to acquire new municipal securities.

August and September bond sales produced overall favorable results for issuers. Advance refundings are challenged by market conditions,

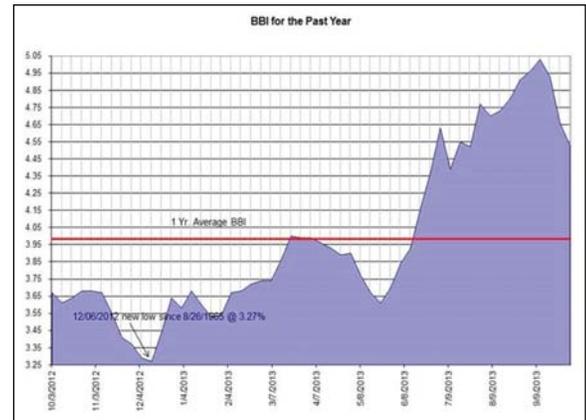
but most competitive sales generally continued to attract multiple bids with both tax-exempt and taxable public finance bonds receiving strong demand. Negotiated sales also showed positive results, with rates at or lower than most estimates from just a few weeks earlier. This improvement is largely attributable to the FOMC continuing current policy on debt purchases.

The overall market uncertainty has rewarded higher credit rated securities. In general, we see higher credit rated issues perform better than lower credit rated issues, as investors move to quality for the long term.

## Budget Standoff and Debt Ceiling Overshadow Everything

The House and Senate were unable to agree on a budget for the US by the Sept. 30 close of the fiscal year deadline, resulting in a partial shutdown of the federal government on Oct. 1. Looming larger in the background is the projected Oct. 17 date when the US reaches the current debt ceiling. The US Treasury projects the government will be out of money to make payments on debt and other government obligations unless the debt ceiling is raised. With the budget impasse coming so close to the date the debt ceiling will be reached, there appears to be little incentive for Congress to agree on a budget until the decision on raising the debt ceiling is made.

The positions taken publically by both parties do not portend a quick budget agreement. While it is not possible to predict how the situation will be resolved, some members of Congress are taking a very hard line that without receiving concessions on other legislation, they will not agree on any



budget or agree to increase the debt ceiling.

From the perspective of all sides, there is little incentive to resolve the budget issue without also resolving the debt ceiling. Resolving the budget issue before the debt ceiling date simply means that the same fight on the same issues will be held again almost immediately, with both sides making stronger efforts to both undo any budget compromise and gain an advantage for their position in the debt ceiling debate.

## Where Do We Go From Here?

The uncertainty surrounding the US Budget and the debt ceiling can be expected to have both short-term and long-term effects on the economy. How significant those effects are will depend on how long the two issues go unresolved.

Even before these most recent issues, Bloomberg News reported on Oct. 1 that public finance debt issuance in 2013 from January to September was \$229.7 billion, which is approximately 87% of 2012 volume for the same time period. Much of this decline can be traced to reductions of refunding bonds, but it should not be overlooked that new issue volume is low as well. If interest rates rise in 2014, it may result in continued low volume, even though by historic standards, rates remain quite low. 🍷

# Your School Risk Management Program: Anticipating the Expected... and Unexpected

By Stacy Corluccio, CSRM, Academic Director, Risk Management Programs, The National Alliance for Insurance Education & Research



Stacy Corluccio

The truth is no one entity or school district can have a failsafe risk management program that protects against every risk. Every day we are learning of new potential threats to the safety of students, staff and the property! But, you can effectively mitigate most risks. How and who is responsible in the school district?

It all starts with ensuring a commitment from the top down to implement and continuously monitor a risk management program. The risk manager, alone, used to be the ring leader in this valiant effort. But now with dwindling school funds and budget cuts for various positions, the risk management function is spread throughout the district. The truth is ... that's not such a bad thing. Risk management, in order to be effective, must be everyone's job.

There are five simple steps you can take to ensure your schools are protected to the fullest extent possible. The Certified School Risk Managers program outlines each of these steps in more detail. However, this is a good cursory review of what you should be doing in your schools:

- 1. Identify your risks.** You cannot prevent loss, if you do not know what the risks are. Use various tools such as flowcharts and checklists. Involve all departments to determine what threats exists to people, property and other assets.
- 2. Analyze your risks.** How big and bad are the exposures you have identified? Decide how much your cost of risk is.
- 3. Control your risks.** Take action with pre-loss activities (i.e. back belts and non-slip shoes) and

post-loss actions (return to work).

- 4. Fund your risks adequately.** Make sure your district is risk savvy and risk solvent. Explore all funding options and find some experts to assist you. Some school pools provide great services and tend to give you a lot for your premium.
- 5. Administer and monitor the program.** This involves a lot of policies, procedures and training which is a complete commitment from everyone involved. But is an absolute necessity for success!

Want to know more about school risk management? Get your CSRM Designation through WASBO. WASBO is now administering the CSRM Program in Wisconsin. If you have questions, please feel free to contact me at 800-633-2165, ext. 6122. 🍷

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November 4, 2013, Stevens Point, Holiday Inn

Learn the mechanics of developing, forecasting, and trending losses to be used in determining insurance program retentions and deductibles.

### Funding School Risks

November 5, 2013, Stevens Point, Holiday Inn

Examine various loss funding techniques, including guaranteed cost programs, deductibles and retention programs, pools, and transferring risk through contracts.

### Administering School Risks

December 3, 2013, Stevens Point, Holiday Inn

This course covers how a school risk manager implements and monitors the school risk management program, the risk management team, information technology, allocating costs, ethics in school risk management, and requests for proposals.

## FICA Tax Reminder for WRS Contributions

Continued from page 30

FICA taxes on those amounts.

It has come to our attention that since Act 10 was enacted, a number of governmental employers have discovered that FICA tax has not been correctly withheld from employee WRS contributions. In these cases, the error was not immediately detected by auditors, payroll software providers, or employees. Even if properly structured in 2011, we recommend that all governmental employers revisit the issue with their payroll providers to make sure that the tax treatment wasn't subsequently changed due to changes in software or changes in payroll providers.

If a governmental employer determines that it has failed to properly withhold, pay or report FICA taxes, it will need to take immediate corrective measures, including payment of the under-withheld FICA tax.

[1] To access the 2011 Legal Update, go to this web address: [www.buelowvetter.com/legalupdates/2011/legalupdate-04-18-2011.html](http://www.buelowvetter.com/legalupdates/2011/legalupdate-04-18-2011.html)

You may contact Matt J. Flanary at 262.364.0253 or [mflanary@buelowvetter.com](mailto:mflanary@buelowvetter.com), or Alana M. Leffler at 262.364.0267 or [aleffler@buelowvetter.com](mailto:aleffler@buelowvetter.com). This Legal Update is intended to provide information only on general compliance issues and should not be construed as legal advice. Please consult an attorney if you have any questions concerning the information discussed in this Legal Update. Any advice that we provide in this Legal Update concerning federal tax issues is not intended or written to be used, and cannot be used, to avoid federal tax penalties, or to promote, market, or recommend to another person any tax advice addressed herein.

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# Cutting Popular U.S. Tax Programs Could Harm Tax-Exempt Bond Issuers

By Gabriel Petak, CFA, and Steven Murphy, Standard & Poor's

Three of the pillars of U.S. personal income taxation—the exemption of municipal bond interest, the deductibility of property taxes, and the mortgage interest deduction—could be reduced or even eliminated by Washington policymakers as part of comprehensive tax reform. In Standard & Poor's Ratings Services' view, this would have negative credit implications for state and local governments and other tax-exempt issuers.

The White House's Office of Management and Budget estimates these tax expenditures account for a combined \$173.3 billion in foregone federal revenue in fiscal year 2014. At the same time, the Congressional Budget Office (CBO) projects deficit of \$560 billion in federal fiscal year 2014. Holding other factors constant, complete elimination of just these three tax expenditures, therefore, could resolve about 30% of the federal deficit. Reducing tax expenditures also holds potential political appeal for Congress since it allows for raising tax revenue without increasing marginal income tax rates.

Despite the falling federal fiscal deficit in recent years, the CBO has warned that demographic changes will result in more fiscal pressures over the longer term. Therefore, whether it's a discussion that happens soon or over the next several years, we anticipate that policymakers will take a hard look at these three tax expenditures. In our view, they should consider the critical role these tax provisions play in the municipal finance sector, the housing industry, and the overall economy.

In a letter dated June 27, 2013, the leaders of the U.S. Senate Committee on Finance, Max Baucus and Orrin Hatch, called for a "blank slate" approach to tax reform and asked their colleagues to help identify

which tax expenditures help grow the economy, make the tax code fairer, and effectively promote important policy objectives. We believe the exemption on municipal bond interest, the deductibility of mortgage interest, and the deductibility of property taxes encompass all three objectives. Significant reductions in them would have broad, and mostly negative consequences on the economy and on the credit quality of state and local governments and other tax-exempt issuers.

This is especially true of the exemption of municipal bond interest. Without the tax exemption, municipal borrowers would face higher interest rates with the inevitable result that many state and local governments would need to impose higher taxes, do less capital investment, or some combination of both. We also note that tax structures at the state and local level tend to be less progressive than the federal income tax schedule. If ending the federal tax exemption leads to higher state and local taxes, low-income taxpayers could see their tax bills go up. In our view, such an outcome would be at odds with any suggestion that the tax exemption should end because it unfairly benefits the wealthy. These effects, should such changes to the tax code be enacted anytime soon, would come at a time when municipal entities continue to struggle to recover from the Great Recession; when the real estate market is making a tenuous recovery; and when capital investment needs are at an all-time high.

But cutbacks to the mortgage interest deduction or the deductibility of state and local property taxes would also do more harm than good, in our view. We believe any such changes would undercut demand for housing and weaken the prospects for new housing development.

## Municipal Tax Exemption Is Critical To Public Services And Infrastructure

Proposals for modifications to the tax exemption on municipal bond interest include capping the exemption at 28% for those making \$200,000 or more per year, per President Obama's 2014 budget. Other suggestions limit tax-exempt issuance and replace it with direct federal subsidy instruments like Build America Bonds, qualified school construction bonds, or federal tax credit bonds. Finally, some proposals recommend complete elimination of the tax exemption.

We believe these proposals would cause a significant disruption to the market and increase the cost of borrowing for municipal entities. Investors can be expected to seek to be compensated for a reduced tax benefit, leading to an increase in the cost of debt issuance. If the change were retroactive, interest rates on outstanding variable rate debt would escalate. Refinancings, which continue to be an important fiscal tool, particularly as municipal entities try to recover, replenish balances, and invest in infrastructure, would become much less viable, if viable at all, in our opinion.

While certain proposals to alter the tax-exempt market could expand the potential universe of buyers by making municipal bonds more attractive to groups that are not currently big players in the market, such as big pension funds, we believe that most issuers could find themselves with reduced market access. Apart from the largest issuers, for most municipal debt issuers disclosure tends to be relatively infrequent and their management practices less familiar to new classes of investors who would thus, we believe, be hesitant to purchase their debt. The market for

*Continued on next page*

# Cutting Popular U.S. Tax Programs Could Harm Tax-Exempt Bond Issuers

Continued from previous page

large issuers is more established, and their bonds are relatively liquid, so they have better crossover appeal.

Debt burden is an important consideration in our analysis of credit quality, and higher borrowing costs could have negative rating implications. One of the key ratios we use to evaluate the debt of state and local governments is tax-supported debt service as a percent of general operating spending. According to a report by the National Assn. of Counties (NACO), National League of Cities, and The U.S. Conference of Mayors, interest rates on tax-exempt debt would be as much as 200 basis points higher with full repeal of the exemption. The table below shows the estimated effect of an increase of this magnitude for several standard & Poor's-rated states and local governments. For many issuers, the increase in debt service would be significant enough to push carrying charges into what we consider a higher category. While ratios do not tell the whole story, it is clear the impact could be quite meaningful. (See *chart below*.)

Increased debt service costs would force issuers to make difficult choices between capital investment, reserve maintenance, taxation and user fee levels, and key services. This, again, would be at a point where infrastructure needs are significant and growing, as the impact of projects deferred during the recession are combined with ongoing maintenance, upgrade and growth-oriented projects.

## Baltimore Illustrates the Potential Effects

According to the NACO report, Baltimore City, Md. would have paid over \$35 million more in interest in fiscal 2012 if its outstanding tax-exempt debt had been issued as fully taxable. Officials recently closed a \$30 million shortfall in the approved 2014 operating budget, but the city's recently published 10-year fiscal forecast projects a shortfall of approximately \$38 million for fiscal 2015 and, without corrective action, the gap would grow to nearly \$125 million by 2022. Further, the forecast estimates that Baltimore needs additional investment of well over \$100 million annually just to

maintain the current state of its basic infrastructure, which city officials already regard as suboptimal. An increase in the cost of capital would make balancing the city's budget and financing this investment that much more difficult.

States and local governments are not alone. Other tax-exempt bond issuers, who finance a large portion of infrastructure in this country—including public education facilities, nonprofit hospitals, and transportation and utility systems—would find themselves in a similar situation. Many of these issuers are in capital-intensive sectors. Regular, cost effective, reliable access to the tax-exempt market is a key component of their capital programs.

The American Society of Civil Engineers, which gave the nation's infrastructure a 'D+' in its 2013 report card, estimates a total of \$3.6 trillion of cumulative investment through 2020 is needed to achieve and maintain a state of good repair across a myriad of infrastructure systems. Further, it estimates only \$2 trillion of funding sources available to finance this investment – much of which would be through tax-exempt bond issuance – leaving a cumulative gap of \$1.6 trillion, or \$201 billion annually. This number stands in stark comparison to the current amount of new money debt issuance in the municipal market, which, according to Thomson Reuters, totaled \$144.8 billion in 2012. Therefore, using these assumptions, just to maintain a state of good repair of current infrastructure systems, the nation would need to more than double the amount of annual new money municipal bond issuance. Given these enormous needs, it is easy to see how a disruption to the municipal bond market would be quite detrimental to the achievement of adequate roads, bridges, schools, and other critical infrastructure.

How Repeal Of The Muni Bond Interest Deduction Might Raise Issuer Borrowing Costs				
Municipality	GO rating	FY 2012 debt service as % gov't funds spending	Estimated debt service as % gov't funds spending if all bonds had been taxable (200 bps borrowing rate increase)	Resulting ratio category change
Johnston County, NC	AA+/Stable	19.7	23.5	Elevated to High
Birmingham, AL	AA/Stable	13.7	16.0	Moderate to Elevated
San Antonio, TX	AAA/Stable	13.5	15.9	Moderate to Elevated
Duluth, MN	AA-/Stable	14.7	16.5	Moderate to Elevated
Crystal Lake, IL	AA+/Stable	6.8	9.2	Low to Moderate
Great Barrington, MA	AA+/Stable	7.7	8.7	Low to Moderate
El Monte, CA	A-/Stable	6.8	8.4	Low to Moderate
Westminster, CO	AA/Stable	17.8	21.6	Elevated to High
State	GO rating	FY 2012 debt service as % gen gov't spending	Debt service as % gov't funds spending (200 bps borrowing rate increase)	Resulting ratio category change
Connecticut	AA/Stable	9.6	11.1	Moderately High to High
Washington	AA+/Stable	5.7	7.0	Moderate to Moderately High
Maine	AA/Stable	5.3	6.3	Moderate to Moderately High

Source: issuer financial statements. Note: State debt service carrying charges presented here may not match numbers in our state debt report or rating reports. Debt service estimates in table above were taken from audited financial statements in order to isolate interest versus principal components. Presentations of state debt service in our other reports emphasize budgetary impact on state operating funds. Debt service from a budgetary standpoint may not match how it is allocated to a state's funds on an audited basis. Our debt service estimates assume all bonds were originally issued as tax exempt.

Continued on page 44

## Making Choices

By Don Mrdjjenovich, Retired WASBO  
Executive Director



Don  
Mrdjjenovich

If you are a parent or a student, pick one or more from the following partial list: charter schools, home schooling, on-line schools, magnet schools, school within a school, private or parochial schools, language immersion schools, public school choice, co-op athletic sport teams, advanced placement, or any of the many specialty schools or school programs now available. It appears that no matter where one lives you can make a choice to pick a school or program, or avoid a school or program. Wow, have we come a long way since I attended high school.

Many of the choices I have listed made their appearance within the last 25 years. During that same time span, many other developed nations have surpassed the United States in their performance on standardized tests. So much, in fact, that it has become a major national concern. In my thinking, it has raised a question. Is too much choice a good thing? I don't believe any of the countries to which we are compared by testing offer as many educational choices as do schools in the United States. For the most part, they offer a general education curriculum, with English as a mandatory second language, through eight grades followed by an academic track and vocational track. Selection is determined by aptitude and academic testing. Critics of that system claim that career choices are being made at too early an age with too much emphasis placed on testing.

It is interesting to note that our states are now taking a careful look at a common core curriculum with more emphasis on periodic testing. What effect it will have on the proliferation of choices students and parents now have remains to be seen, but it can be predicted that more core will lead to fewer choices, and those who use their choice options for the purpose of avoidance will be limited.

All of which takes me back to the 50s when I attended high school. We were given a few electives and the rest was required, regardless of whether or not we liked them. We were exposed to the hard sciences and higher level math and at least had an opportunity to decide if we might have an interest in them. Given a choice would many have avoided those courses? I think so. I am probably in the minority, but I am inclined to think that our schools have been put on overload with too much to teach and too many choices to accommodate. Perhaps they would do a better job if they could be more focused. Perhaps then our technical colleges would not find the average age of their students to be in the upper twenties, and all maintaining basic skills labs. Fortunately, our system of higher education accommodates students who select additional education at any age. It helps keep us in the international ball game. 🍷

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# Breakfast as Achievement Booster

From the Wisconsin Department of Public Instruction ConnectEd, Sept. 30, 2013

**D**PI ConnectEd addressed breakfast as an achievement booster after subscriber Michael Hilger wrote:



*"I'm a School Board member in the Altoona School District and I'm concerned about the rather large number of students who come to school without having a breakfast.... Many schools have breakfast programs, but I feel they need to be promoted more strongly.*

*And I would like some data on what percentage of students from elementary, middle and high schools eat or do not eat breakfast.*

*How can a student function well in the morning if he/she hasn't eaten since 6 PM the night before?"*

It's hard to learn when you're hungry, and hunger is increasing in Wisconsin – poverty expanded almost 50 percent over the past decade.

A 2011 survey of nearly 15,000 Americans found that only 77 percent of young children, 50 percent of middle-schoolers, and 36 percent of high school students eat breakfast every day. Among economically disadvantaged students at all grade levels, only a third have breakfast daily, another study found.

Abundant research has shown breakfast boosts cognition, mathematics achievement, and academic success in general.

## So How Can Schools Get More Kids to Eat it?

School breakfast programs may be a key answer for Wisconsin, where we have some of the lowest rates in

the nation for school breakfast participation – by either students or schools.

The good news is that as school breakfast participation increases, so does federal reimbursement – meaning that in high need areas, ramping up breakfast efforts can be affordable – maybe even a break-even proposition.

Universal Free Breakfast and Breakfast in the Classroom are effective ways to boost participation. They can be implemented together or individually.

A guide to Universal Free Breakfast, available on the DPI website at [fns.dpi.wi.gov/files/fns/pdf/sb\\_ufb.pdf](https://fns.dpi.wi.gov/files/fns/pdf/sb_ufb.pdf), includes spreadsheets to help schools predict the financial impact of this approach.

The University of Wisconsin-Extension (UWEX) recently released a guide to help schools implement Breakfast in the Classroom, the model which the agency says has been shown to have the highest participation rates. The guide is available at [fyi.uwex.edu/wischoolbreakfast/files/2009/10/BIC\\_FINAL-web.pdf](https://fyi.uwex.edu/wischoolbreakfast/files/2009/10/BIC_FINAL-web.pdf).

Amy Korth of UWEX, one of the state's foremost school breakfast specialists, suggests that a school might try either option temporarily and evaluate the impact. 🍌



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Missouri State Auditor

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# Risky Choices in Unused Sick Leave Benefit Plans

By Kelly S. Kuglitsch, Davis & Kuelthau, s.c.



Kelly  
Kuglitsch

Employers that convert or pay out certain leave benefits may be stuck with unexpected tax results or even commit violations of the tax code, according to a July 9, 2013 tax compliance newsletter for federal, state, and local government employers issued by the Internal Revenue Service (“IRS”). The newsletter’s lead article serves to remind governmental employers of its long-held position that certain leave conversion benefit plan features may result in unexpected tax treatment and violations. Specifically, if an employee is allowed the option of receiving the benefit in cash or as another form of benefit, an otherwise tax-free benefit could be inadvertently converted into a taxable benefit.

The recent IRS article highlights the issue of the form in which a sick leave benefit may be paid out. It is worth noting that this differs from the separate question of whether accrued sick leave must be paid out, once the benefit is promised. On that issue, the Wisconsin Supreme Court’s 2005 ruling in *Champine v. Milwaukee County*, and Wisconsin Court of Appeals’ June 18, 2013 determinations in *Pasko v. Milwaukee County*, *Porth v. Milwaukee County*, have made clear that, once accrued, sick leave payout benefits may not generally be reduced.

With respect to the risks inherent in offering an employee a choice regarding the form of sick leave payment, public sector employers who offer leave conversion benefits, or who are considering implementing or amending such programs, should carefully review the specific benefit design in order to ensure compliance with the tax rules recently highlighted by the IRS.

## Leave Payout Plans, Generally

A leave payout plan is a plan that allows an employee to receive the value of accrued but unused vacation

or a specified value for accumulated sick leave at a specified time or upon retirement.

## Cash Payment

When the payment for an unused leave benefit is made in cash, the amounts are taxable to the employee. A lump sum cash payment of the total accrued leave upon retirement is generally a straightforward benefit transaction with little risk of tax violations.

## Mandatory Benefit Conversion

In order to provide greater retirement savings or health benefits to retirees, many employers require the accrued but unused leave to be converted, upon retirement, into additional retirement benefits, such as a contribution to an employer-sponsored savings plan (for example, a 403(b) or 457(b) account), or to be applied toward the cost of various post-employment medical benefits.

## Option between Cash or Other Benefit Conversion

Still other employers allow the retiring employee to choose whether the payment for accrued, but unused leave will be provided in the form of cash or as an additional retirement benefit.

## IRS Income Recognition Rules

Because cash payment is always taxable and because retirement savings and health benefits are generally tax-free to the participant, when an employer offers a choice as to the form of unused leave payment, they are effectively offering a choice between a taxable and a non-taxable benefit. The choice creates an unintended tax consequence thereby converting the tax-free health benefit into a taxable benefit, just like the cash option.

The principle underlying the IRS’s position is the doctrine of “constructive receipt,” or the default

rule that any form of compensation is taxable to an employee from the moment that it is made available to the employee without substantial limitations. According to the IRS, the employee’s ability to elect to receive a benefit in cash demonstrates that the employee has full control over the benefit, and should, therefore, pay taxes on it immediately, regardless of whether the employee decides to defer actual receipt of the benefit until a later time.

The failure of the employer and the employee to withhold and report taxes with regard to the additional retirement benefit option exposes both the employer and the employee to an IRS enforcement action for payment of the proper taxes as well as for related penalties and interest.

The existence of a properly drafted and administered Section 125 Plan (or “Cafeteria Plan”) provides an exception to the constructive receipt rules, and generally allows an employee to make a choice between a cash payment and a non-taxable benefit. Under some circumstances, therefore, an employer may be able to process a leave conversion plan through a valid Cafeteria Plan. Given certain restrictions that apply under the Cafeteria Plan rules, it may be simpler, depending on all of the facts, to provide the benefit completely outside of a Cafeteria Plan.

In any event, tax law and IRS guidance is clear; where the value of accrued but unused leave benefit is either (1) converted on a mandatory basis (with no employee option) into another form of benefit; or (2) properly offered and administered through a Cafeteria Plan, the doctrine of constructive receipt will not cause the taxation of the benefit.

Separate and apart from the doctrine of constructive receipt, the opportunity

*Continued on next page*

# Risky Choices in Unused Sick Leave Benefit Plans

Continued from previous page

to choose a cash payment instead of a non-taxable benefit expressly violates the tax rules applicable to certain benefits. For example, a Health Reimbursement Arrangement ("HRA") will cease to be a tax-favored arrangement if an employee has the option to choose payment in cash at any time. Similarly, payment of accrued, but unused leave may generally not be converted to a 403(b) or Tax Sheltered Annuity ("TSA") benefit at the employee's option. In order to maintain the tax-deferred nature of these benefits, they may only be provided as a mandatory benefit and not as one option presented to the employee.

The IRS's selection of this topic for its recent governmental employer newsletter may indicate that the agency audits have revealed a relatively high rate of noncompliance, and that the structure of leave payout programs will be receiving increased examination scrutiny in the near term.

Whether or not employees may be offered a choice as to the form in which benefits are received varies according to the type of benefit involved, and in light of all of the specific circumstances. With respect to the payment of accrued, but unused sick leave, however, employers must understand that a choice between cash or another form of benefit will always be problematic, unless a Cafeteria Plan (or another exception) properly applies. 🍷



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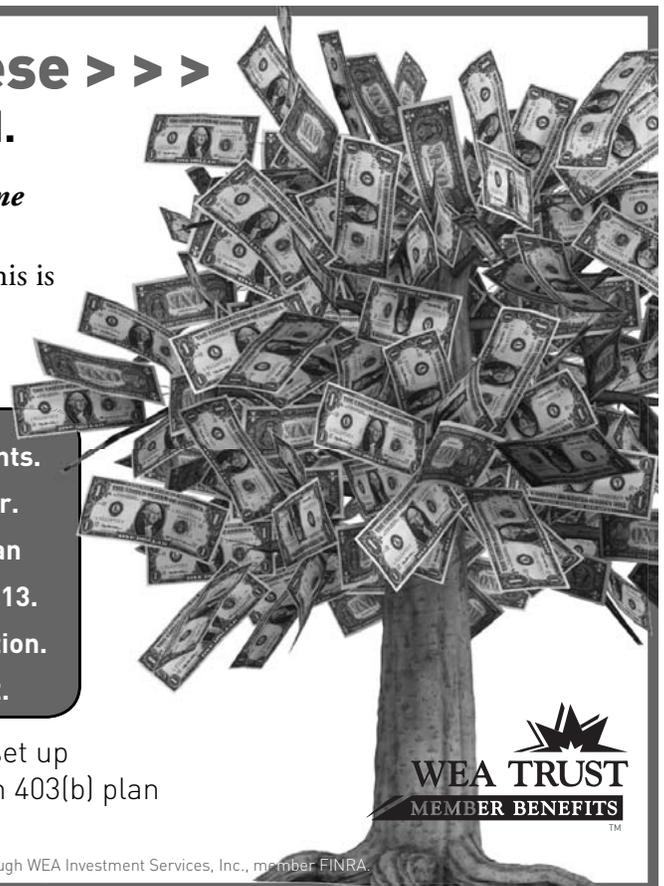
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# 'Tis the Season for Mice in Schools

Courtesy of School Integrated Pest Management 2015

After humans, house mice are said to be the most successful mammal in the world, according to *Integrated Pest Management of the House Mouse in Schools* a fact sheet written by Tim Stock, Integrated Plant Protection Center, Oregon State University; Robert Corrigan, RMC Pest Management Consulting; and Dawn Gouge, University of Arizona. Schools are the perfect place for house mice to take refuge; they are warm, easily accessible, and there is plenty of food. Keys to the success of mice include their ability to move along wires, run up vertical walls, survive an 8-foot fall and squeeze through extremely small openings.

Dr. Corrigan, a New York consultant specializing in rodent problems, says that "house mice are the number one urban pest in the majority of schools across the USA, and are among the top three pests for all urban buildings in general." A primary focus of Dr. Corrigan's work is the use of monitoring and tracking baits within a comprehensive IPM program to better control pests, specifically rodents. He advocates the use of non-toxic baits to monitor the channels that rodents use throughout a building in order to effectively combat them.



Non-toxic baits are placed in tamper-resistant bait containers and checked regularly for any sign of feeding. If feeding is detected, a closer inspection is necessary in order to identify rodent conducive conditions, such as sanitation and exclusion issues. Tracking baits will change the color of the rodent's droppings and is one way to check if the rodent is consuming the bait. Non-toxic fluorescent powder can also be used in tamper resistant bait containers to aid with tracking. When the rodent enters the container powdered fiber balls will coat the rodent's fur making their movements easier to track using a fluorescent light.

Preventing these pests from entering buildings is crucial to reducing potential allergens and rodent-borne diseases. By sealing all gaps and mouse-proofing, a school can effectively manage mice and other pests. Mice tend to enter buildings as temperatures decrease from mid-October to November in temperate climates. "Once their food supply of seeds, insects and other items decline with the autumn months, mice begin dispersing from building exteriors to interiors seeking food and warmth," says Dr. Corrigan.

As always, taking preventive measures to control mice infestation is the best management strategy. By taking small steps, such as ensuring the building is sealed and food is stored properly mice will have to work that much harder to make themselves at home.

Find the full report at: [ir.library.oregonstate.edu/xmlui/bitstream/handle/1957/38106/em9062.pdf](http://ir.library.oregonstate.edu/xmlui/bitstream/handle/1957/38106/em9062.pdf)

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“ Autumn, the year’s last, loveliest smile”

~ William Cullen Bryant

# Book Review: The Effective Executive

By Peter F. Drucker

Review by Orvin R. Clark, EdD, RSBA, Chair, Graduate Council,  
Educational Leadership Department, University of Wisconsin - Superior



Orvin R. Clark,  
EdD, RSBA

**T**he *Effective Executive* by Peter F. Drucker focuses on managing oneself for effectiveness. Dr. Peter Drucker is an author of more than 30 books on management, economics, politics, and society and his ideas have had an enormous impact on shaping the modern corporation. In 2002 he was awarded the Presidential Medal of Freedom. He is a teacher, philosopher, consultant and professor at the Graduate School of Management at Claremont Graduate University.

*The Effective Executive* is 174 pages in length and seven chapters on how effectiveness can be learned. It's the definitive guide to getting the right things done. This usually involves doing what other people have overlooked as well as avoiding what is unproductive.

Intelligence, imagination, and knowledge may all be wasted in an executive job without the acquired habits of mind that mold them into results. Dr. Drucker noted that in his world-wide travels and 45 years of consulting he had not come across a single natural executive who was born effective. Further, all of them had to practice effectiveness until it became a habit. He also said "Effectiveness can be learned—and it also has to be learned." Effectiveness is not a subject, but a self-discipline. He identifies five practices essential to effectiveness that can, and must, be learned.

**Time Management** – Effective executives know where their time goes. It is a three-step process:

1. Recording time,
2. Managing time, and
3. Consolidating time.

Time is a unique resource; the supply of time is inelastic, totally

irreplaceable and everything requires time. The effective executive therefore knows that to manage his time, he first has to know where it actually goes. This is particularly true with respect to time spent working with people, which is a central task of executives. People are time-consumers and most people are time-wasters which are simply not productive. One has to find the nonproductive, time-wasting activities and begin to get rid of them. Unless you manage your time, you will not be able to manage anything else, therefore the management of your time is the foundation for your effectiveness.

## **Contribute to the Organization**

– Effective executives focus on contribution which may require them to shift away from their own specialty, skills, and department and to do what constitutes performance for the entire organization. Effective executives focus on outward contributions: gear their efforts to results rather than work. Embrace change! One thing that is certain is that tomorrow's opportunities will not look like today's. They don't think or say "I", they think or say "We." Effective executives know they have the ultimate responsibility, but instead they think of the needs and opportunities of the organization first.

**Mobilize Strength** – Effective executives build on strengths: their own, supervisors', subordinates' and colleagues' for the good of the organization. The task of an executive is to multiply the performance capacity of individuals in the organization. This means staffing decisions should be based upon what a person can do and then demand that the person do it. There is one exception to the rule of building on strengths and covering weaknesses. Character and integrity do not accomplish anything

by themselves, but their absence faults everything else. The Organization takes the individuals knowledge and uses it as a resource, a motivation, and a vision for others. Making strengths productive is a moral imperative.

*"Effective executives concentrate on the few major areas where superior performance will produce outstanding results. They know to do first things first and second things not at all."*

**Set the Right Priorities** – Effective executives concentrate on the few major areas where superior performance will produce outstanding results. They know to do first things first and second things not at all. Abandoning what is no longer productive is a major aid to setting priorities and making time to get the highest priority things done. Don't attempt to multitask, but concentrate on one thing at a time and move deliberately through your priorities. If there is any one "secret" of effectiveness, it is concentration. The important rules for identifying priorities are:

- Pick the future as against the past;
- Focus on opportunity rather than problems;
- Choose your own direction-rather than climbing on the bandwagon; and
- Aim high, aim for something that will make a difference rather than for something that is "safe" and easy to do."

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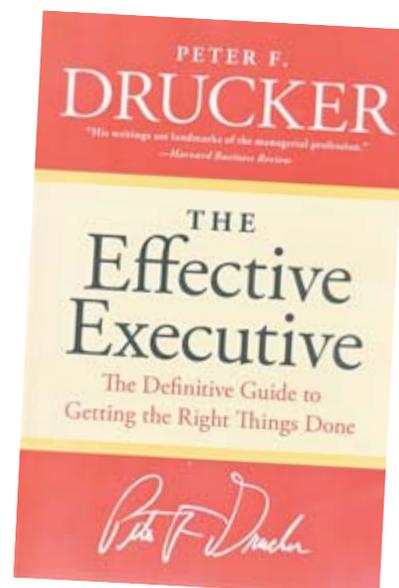
# Book Review: The Effective Executive

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**Make Effective Decisions** – Effective executives make effective decisions; it is all a matter of systems, following the right steps in the right sequence. The first step in the decision-making process is to determine if a decision is necessary. The next step is to classify the decision as either generic or unique. Many generic problems have been solved before and the solution should be sought and put into effect. Next, define the specifications for a solution to the problem. It is very important to fully understand a problem. These steps naturally lead to converting the decision into an action plan. Decide who is to take what action and who is accountable for the result of the decision. Once a course of action is chosen, the person who is most likely to implement the plan will be identified. The decision-

maker needs organized information for feedback which tests the validity and effectiveness of the decision against the actual course of events. A good example of this is a new technique – PERT (Program Evaluation and Review Technique) – which aims at producing a road map for the critical tasks in highly complex projects such as development and construction of school buildings. PERT gives control of such projects by advance planning of each phase of work, sequence, and deadlines to meet for the whole project to be ready on time.

These are the five practices and underlying action steps can take improve your executive performance. Dr. Peter Drucker's book will transform the way you think about getting things done right. *The Effective Executive* is highly recommended for those who desire to be an effective executive. 🐷





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# Cutting Popular U.S. Tax Programs Could Harm Tax-Exempt Bond Issuers

*Continued from page 36*

Standard & Poor's analysts consider an issuer's infrastructure needs and whether growth, age, or regulatory requirements will result in additional capital investments in the near term. We believe that issuers who fail to maintain and invest sufficiently in new infrastructure undermine their economic competitiveness, attractiveness for commercial, residential and non-profit investment, and, thus, their potential for growth. An inability to address capital needs poses credit risk similar to how increasing pension liabilities become a credit weakness if pension contributions are repeatedly deferred and the liability becomes increasingly underfunded.

For municipal housing issuers, the elimination or reduction of the municipal bond tax exemption would probably be more disruptive than would a change to the mortgage interest deduction. Tax exempt issuers rely on the tax exemption to finance loans at a lower effective rate than would otherwise be possible. Without this exemption, financiers of affordable single-family and multifamily loans would have a more difficult challenge meeting the needs of populations that need below-market housing.

## **Reducing The Mortgage Interest Deduction Or Deductibility Of Property Taxes Would Inflict Economic Damage**

Homeownership in the U.S. plays a special role in the economy. Regardless of political party, recent U.S. presidents have encouraged homeownership both in their rhetoric and through the policies they advanced. Arguably, some of this cheerleading may have contributed to overheating the housing market in the middle of the last decade. But now with federal policymakers increasingly focused on the federal

deficit, there has been talk of reducing the mortgage interest deduction. Alternatively, some policymakers have referenced reducing the deductibility of state and local property taxes. As a tax expenditure, these deductions cost federal coffers around \$127 billion annually in foregone tax revenue. But any analysis that stops after concluding that eliminating the tax exemption would result in a like amount of federal revenue increase is inadequate, in our view. At the very least, we believe that reducing or eliminating the deduction could undermine the housing market recovery. It would also undermine overall economic growth, in our opinion. Not only would this economic weakening result in less federal tax revenue, the ostensible purpose behind the change, it would also pose a threat to credit quality throughout the state and local government sector.

On the one hand, reducing the mortgage interest deduction would affect homeowners, municipalities or regions unequally. Not all households even claim the deduction. Those that do tend to have higher incomes, larger mortgages, and live in the larger metropolitan areas; in other words, taxpayers that are more likely to itemize their deductions in the first place. But, on the other hand—and, in our view, more importantly—we believe the fallout from reducing the mortgage interest deduction would extend well beyond the direct effects on those individuals who take the deduction. In our view, it's difficult to overstate the role of the U.S. housing market in the economy and to the psyche of the U.S. consumer.

Any drag on residential purchases—or on the housing market in general—would dampen the rate of economic expansion to some degree. The only debate is by how much. A recent study from the Federal Reserve Bank of St. Louis estimates that the downturn in the construction industry may have

resulted in 35% of the reduction in gross output and accounted for 52% of the jobs lost during the Great Recession. In our view, this helps demonstrate the sensitivity of the U.S. economy to conditions in the housing market. Therefore, even if the effects of reducing the tax deductibility of mortgage interest varied by taxpayer or jurisdiction, we believe that in aggregate, the contractionary consequences would hit the labor market and retail sales hard. These kinds of broader effects from a significant reduction or removal of the deduction are easy to imagine. Pent-up demand for new construction would weaken, reducing employment and creating other problems for the economy. Property taxes are the primary source of revenue for most local government operating budgets. If homeowners scale back on the size and cost of housing, this could lead to lower home values and decreases in property tax revenue. In addition, a weaker real estate market would reduce housing value as an asset which would likely lead to fewer home improvements and purchases of durable goods. Whenever this activity softens, we observe a downturn in permit fee and sales tax revenues for state and local governments.

Since late 2012, we have consistently pointed to the economy itself—perhaps more than usual—as influencing credit conditions for the state and local government sector in 2013. Having already embraced a wide array of management actions to balance their budgets, many state and local governments have little slack in their finances. Thus, the sector is likely to be more sensitive to a downturn than it would be following a period of stronger economic performance. Recent data indicating a strengthening housing market recovery are welcome relief for government officials because it should begin to translate into tax

*Continued on next page*

# Cutting Popular U.S. Tax Programs Could Harm Tax-Exempt Bond Issuers

*Continued from previous page*

base growth and replenish local coffers. To the extent that the housing market and overall economic recovery falters, pressure on ratings in the state and local government sector could re-emerge relatively quickly. We are quick to point out that the more immediate and larger of any reduction to the mortgage interest deduction is, the more detrimental we expect the consequences to be.

More specific to municipal housing, Standard & Poor's has ratings on state and local bond programs with support from pools of loans. However, homebuyers that receive financing through a municipal source usually have smaller mortgages than the general market and may not have sufficient income or deductions to itemize and use the mortgage interest deduction. Municipal issuers have

ceilings on the price of the house that would be eligible through their financing. Thus, even in the minority of cases in which a borrower benefitted from the mortgage interest deduction, the homeowner would not have the same gain as would an owner who had borrowed more toward a more expensive house. Assuming that the municipal borrower's home was in a less expensive area than a house with a larger mortgage, we expect that any market depreciation of a municipal borrower's house would be lower than that of a house in a wealthier neighborhood.

## **A Healthy Housing Market And Infrastructure Investment Support Economic Growth**

A healthy municipal market is critical as it is the primary means by which states and local governments and

other tax-exempt issuers finance capital investment. Modifications to the municipal bond interest exemption would be considerably disruptive while the ability of proposed replacement mechanisms to prevent a rise in borrowing costs and a reduction in market access are highly uncertain.

We believe that adjustments to the mortgage interest tax deduction would affect individuals, issuers, and investors to varying degrees. More broadly, however, a removal of or significant change in the deduction could unsettle the housing market and derail the burgeoning economic recovery.

We view the economy as a key determinant of credit quality, and a healthy housing market and steady infrastructure investment are important drivers of economic growth.

# Better Pay, Fairer Pensions: Reforming Teacher Compensation

*Reprinted from ASBO Accents Online Newsletter, Sept. 26, 2013*

**T**he crisis of underfunded pension programs in American education continues. If there was a way to allow teachers to enjoy higher salaries throughout their careers while providing more retirement security without increased spending, who wouldn't jump at the chance?

After an analysis of the nation's 10 largest school systems, a new report from the Manhattan Institute for Policy Research suggests two simple reforms that would do just that, and by extension make teaching a more viable option for those who are unsure about devoting an entire career in the same school district and provide teachers more control over when they retire. The report can be found at [www.manhattan-institute.org/html/cr\\_79.htm#.UIQu\\_mTXgVn](http://www.manhattan-institute.org/html/cr_79.htm#.UIQu_mTXgVn)

The first change involves a different approach to retirement benefits. Currently, teachers accrue benefits in paltry amounts through the majority of their careers, and as they approach retirement age, suddenly become eligible for much more. The suggestion is for a much more even accrual rate each year, allowing individuals to teach for part of their career or change districts without risking their retirement security. This practice would also put an end to the majority of teachers bearing the burden of an insecure retirement savings path that favors a small majority of teachers who begin and end their careers in a single district.

The second change suggests that districts increase the salary end of teacher compensation and reduce the

portion devoted to retirement benefits, mirroring private sector practices. For some districts this would result in a substantial increase in teacher take-home pay.

The report provides charts depicting retirement wealth over time under alternate systems and percent differences in cumulative total compensation for these 10 districts as well as equations for determining the present value of a retirement benefit, estimating the constant percentage of current wage accrued under a cost equivalent smooth accrual curve, and more.



## Welcome New Members

August 2013 - September 2013

### District Professional Members

- **Jeff Bloch**, Maintenance Mechanic, De Forest Area
- **Ryan Fornal**, Systems/Operations Supervisor, Racine
- **Cynthia Holt**, CESA Purchasing Coordinator, CESA #2
- **Amy Hopkins**, Bookkeeper, Tri-County Area
- **Caitlin Kaufman**, Operations Coordinator, Milwaukee Academy of Science
- **Leonard Lueck**, District Administrator, Brodhead
- **Lori Manion**, District Administrator, Rib Lake
- **Tammy Merth**, District Executive Secretary, Siren
- **Brian Potter**, Buildings and Grounds, Marinette
- **Michele Schoen**, Marinette
- **Kelly Schulz**, Belleville
- **Ralph Tolzmann**, Head Building Custodian, De Forest Area
- **Bill Witynski**, Building and Grounds Director, Florence

### Service Affiliate Members

- **Gary Benson**, Director of Project Planning & Development, Kraus-Anderson Construction Company
- **Joan Berlin**, Account Manager, Security Health Plan of Wisconsin, Inc.
- **Jim Buck**, Account Manager, Trane
- **Steve Conner**, Educational Shippers Association
- **Daryl Hastings**, Business Interiors Consultant, CJ & Associates, Inc.
- **Jill Huskisson**, Public Outreach Specialist, Eppstein Uhen Architects
- **Joe Kottwitz**, Energy Advisor, Focus on Energy
- **Alicia Ohnstad**, VP Software Services, Marcia Brenner Associates, LLC
- **David Rheineck**, Energy Advisor, Focus on Energy
- **Marty Richards**, Worksite Benefit Consultant, WEA Trust Member Benefits
- **Bonnie Vermiglio**, Vice President GNPH Banking, Chase
- **Caleb Wilson**, School Benefits Specialist, American Fidelity Assurance Company

### Student Members

- **Kurt Bohman**, Substitute Teacher, Stevens Point

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### On the Move

- **Lori Beland** from Payroll & Benefits Specialist, Marinette, to District Bookkeeper, Coleman
- **Bob Chady** from Business Manager, Merton Community, to Business Manager, Lake Mills
- **Wendy Corlett** from Business Official, Wisconsin Heights, to Accounting Specialist, DeForest
- **Kathy Davis** from Director of Business Services, Cambridge, to Director of Business Services, Neenah
- **Randy Freese** from District Administrator, Belleville, to Business Manager, Wisconsin Heights
- **Tessa Krentz** from District Accountant, Hartford UHS, to Comptroller, Germantown
- **Dan La Paz** from Sauk Prairie Hospital to Blackhawk Technical
- **Stephanie Ziegler** from Waunakee, Accounts Payable Specialist to Middleton-Cross Plains, Accounts Payable Specialist

### Retirements

- **Barb Krause-Klug**, District Bookkeeper, Coleman

### Keep us Posted!

**Retiring?** Contact us before you leave so we can update your member type to retired and get your contact information. We want to keep in touch! If you are interested in being added to our interim list, send an email to Woody Wiedenhoeft at [wwiedenhoeft@wasbo.com](mailto:wwiedenhoeft@wasbo.com).

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# Stay Connected



## Award Nominations

WASBO Professional Recognition Award application materials will be available this December and will be due March 3, 2014. Be thinking about who you may want to nominate as a top-notch professional in your district or regional. For more information on the WASBO Professional Recognition Program go to [WASBO.com/awards](http://WASBO.com/awards).

## WASBO Foundation Scholarship Applications

Each year the WASBO Foundation and our Service Affiliate Scholarship Sponsors give out thousands of dollars in scholarships to several deserving high school graduates and one to a student in the School Business Management Masters Program. Scholarship application materials will be available this December and will be due March 3, 2014.

## Seeking WASBO Board of Director Candidates

The WASBO Nominating Committee will be looking for nominees to run for the Board of Directors. This is an opportunity to grow your leadership skills, affect the future of WASBO and give back to your colleagues. If you know of someone or would like to be a nominee for a position on the Board, contact the Nominating Committee Co-Chairs Tom Wohlleber ([twohlleber@mcpsd.k12.wi.us](mailto:twohlleber@mcpsd.k12.wi.us)) or Mary Ellen Van Valin ([vanvalinm@milton.k12.wi.us](mailto:vanvalinm@milton.k12.wi.us)).

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## Coupons Let You Attend WASBO Conferences for Less

Professional development coupons allow you and your district colleagues to attend WASBO conferences at a 15-25% savings. Coupons are only transferrable between employees of the same school district, and must be used by June 30, 2014. Find out more at [WASBO.com/coupons](http://WASBO.com/coupons).

## Network by Participating on a WASBO Committee

Do you want to meet professional school colleagues and service affiliates, share ideas, enhance WASBO services and enrich your professional development and that of your peers? Serving on a WASBO committee can help you do all that, and more. We know it is great to meet in person, but we have options to participate by conference call as well. To sign up for one of the many WASBO committees, go to [WASBO.com/committees](http://WASBO.com/committees).

## Interim Assignments

As school business officials (business managers, bookkeepers, facility directors and other critical positions) take new positions or retire, the districts they depart are left with a void. In addition, many districts are in need of consulting help on project or oversight work. These districts are in need of assistance for interim school business officials until their openings are filled or specific projects are completed. If you would like to be considered, please send a one-page resume and other pertinent details to Woody at [wwiedenhoeft@wasbo.com](mailto:wwiedenhoeft@wasbo.com).

## p-Card User Group Opportunities

Would you like to see your p-Card usage increase? We have found that school districts on the WASBO p-Card program that use BMO's online management tool, even at the lowest level, increase their use and awareness of their p-Cards. In addition, BMO is going paperless and all user districts will have to use the website to download their statements. In conjunction with the ASBO International Meeting in Boston, Illinois ASBO and BMO Harris Bank are conducting a p-Card User Group Meeting that will go over the basic use and management of details online, BMO's online management tool. Participants do not need to be registered for ASBO! and it is free! It will be held at 10 am on Friday, Oct. 25 at the Sheraton Boston. It is FREE but participants need to register. For more information and registration: [iasbo.org/i4a/pages/index.cfm?pageID=4210](http://iasbo.org/i4a/pages/index.cfm?pageID=4210). Additionally, mark your calendar to attend the Wisconsin ASBO p-Card User Group Meeting on March 18, 2013. This is scheduled the afternoon before the WASBO Accounting Conference at the Marriott Madison West in Middleton. 🍷

