Wisconsin Association of School Business Officials

Taking Care of Business

A Bimonthly Publication of the Wisconsin Association of School Business Officials - Volume 16, Number 2 - April 2012

The Evolution of Cooperative Purchasing

By Jesse Harness, Commissioner of the CESA Statewide Network

Jesse Harness

Beginning last school year, the CESA administrators decided to offer a cooperative purchasing program to all Wisconsin school districts that would provide high-quality products in a cost-effective manner through the CESA Statewide Network. The program, called CESA Purchasing (www.cesapurchasing.org), is sponsored by CESA 2, but serves all of Wisconsin with valuable purchasing contracts and services.

CESA Purchasing works with local and national vendors to provide contracts to K-12 schools, technical colleges, universities and municipalities. State contracts and agreements created for Wisconsin schools include whiteboards, paper and janitorial supplies, software and classroom audio equipment. The CESA Nutrition Program combines the buying power of over 45 school districts. The prime vendor agreement provides schools with food, meat, USDA food processing, delivery of food and milk, small kitchen equipment, staff training, Internet ordering, and professional assistance in menu planning.

CESA Purchasing has also partnered with the Association of Educational Purchasing Agencies (AEPA), a nationwide group of educational service agencies working collaboratively to save school districts time and money. Currently, AEPA has 25 member states serving more than 25 million students. AEPA contracts are competitively bid and tailored to meet each member state's specific legal requirements. Products offered include athletic equipment, athletic surfaces, copiers, school supplies, office furniture and supplies, roofing, vehicles and more.

In the July 2011 Interim Report, the chairman of the Governor's Commission on Waste, Fraud and Abuse wrote: "Wisconsin spends almost 45% of its general purpose revenue on education. The state has a financial interest and obligation to ensure that school districts are spending money in the most efficient manner possible."

In response, a group was formed to investigate collective purchasing and procurement on an even larger scale. That group was initially represented by the following:

- Woody Wiedenhoeft, Executive Director of the Wisconsin Association of School Business Officials (WASBO)
- Gary Albrecht, Administrator, Lisa Stahl, Purchasing Director, Bill Barrow, Business Manager, CESA #2
- Jesse Harness,Commissioner of the CESA Statewide Network
- Dave Van Spankeren, Executive Director of Business Services, CESA #6 and WASBO Board Member
- Tom Owens, Assistant Superintendent for Operations, Stevens Point Area Public School District
- Tom Wohlleber, Assistant Superintendent of Business Services, Middleton-Cross Plains Area School District

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Inside This Issue

WASBO Vision - To be the most influential Wisconsin organization for state and national school business management and leadership.

WASBO Mission – To provide professional development, to foster a network of support and to advocate for funding that ensures outstanding educational opportunities for all children in Wisconsin.

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Taking Care of Business c/o WASBO
4797 Hayes Road, Suite 101
Madison, WI 53704
P 608.249.8588 F 608.249.3163
wasbo@wasbo.com
www.wasbo.com

Editor: Woody Wiedenhoeft

President's Message

A Word From Your President

Collaborating for Success

By Wendy Brockert, Business Manager, Lake Mills School District

Wendy Brockert
WASBO President

At the February Board of Directors meeting, we spent time reviewing the Certified School Risk Management (CSRM) program. The program began about 16 months ago, and is now truly a reality. What is difficult about being President for only one year is that you may start the process of an initiative but often do not get to see it through. The School Risk Management Certification program began as a dream under Keith Lucius's leadership. I am fortunate to be President when WASBO issues the first certificates to individuals earning the CSRM designation at the May Business Meeting. We have 27 graduates as of the February meeting and may have more by the time we meet in May. WASBO is currently working out an agreement so we could be the licensee for the program in Wisconsin. Thanks to Keith and his leadership for creating the dream and Chad Trowbridge and his leadership for starting the process with the work of the Safety and Risk Management Committee. It is a great feeling to be part of this accomplishment. The consistency of the Safety and Risk Management Committee leadership and our Executive Director is what was key to this program's success.

A new committee which began its work this year is the Wisconsin K12 Collaborative Procurement Network (WCPN). WASBO appreciates the leadership brought forward from Erin Green, Tom Owens, Dave Van Spankeren, Bill Barrow and Tom Wohlleber. The Board formally recognized this new committee as part of WASBO's mission, vision and goals and as a WASBO committee at its February Meeting. The mission of the Wisconsin K12 Collaborative Procurement Network is to provide all Wisconsin school districts with resources and user-friendly tools necessary to secure high-quality and cost-effective collaborative procurement. The goals and action steps established by the committee are:

Goal: Develop mechanisms to share information and gather input from districts.

- ***Action Step:*** Serve as a resource to State Agencies to provide K12 enhancements and input related to statewide procurement systems, including the VenderNet System.
- ***Action Step:*** Create a communication plan.
- ***Action Step:*** Conduct outreach to various groups.
  - Develop website
  - Print articles in WASB, WASBO and WASDA newsletters

Goal: Provide professional development on procurement

- ***Action Step:*** Presentation at WASBO Accounting Conference.
- ***Action Step:*** Presentation at WASBO Spring Conference

The committee made presentations at the January State Education Convention and Accounting Conference and plans to present at the Spring and Fall Conferences.

It is so great that we have members who are willing to step up when a need is identified. Two examples are the Risk Management Certification Program and the Collaborative Procurement Network Program. This is what makes WASBO such a strong organization and an excellent resource for our members. Thanks again to those who have contributed.

Another way our members have shown eagerness to contribute is running for the WASBO Board of Directors. I would like to thank Phil Frei and Jeanne Stahl for their willingness to run for WASBO Treasurer and Alayna Burger, John Stellmacher,

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Woody Wiedenhoeft

Exec's Reflections

Investing in Wisconsin Public Schools

By Woody Wiedenhoeft, Executive Director, WASBO

"People will tolerate the conclusions of others. They will only act on their own conclusions."
Randy Root

All WASBO members have explained public school finances. We hope the information is used for responsible decision making. Many times this uses a "sit and get" process. We are the "sage on the stage."

What if we had a better way to do this? Wouldn't it be wonderful if everyone in the school district understood the big picture? What if the community comprehended the forces of change? What if all the stakeholders, from the State Capitol to our local communities, understood the impact of their actions on the future of public schools? What if we understood how our decisions can affect our children? What if we understood what we most value? What if we understood the processes, systems and subsystems within which we work?

The Wisconsin Association of School Business Officials (WASBO), Wisconsin School Public Relations Association (WSPRA) and the Wisconsin Association of School Boards (WASB) have come together to develop an exciting new tool to comprehend the variables, stakeholders and nuances of financing Wisconsin's public schools. This highly interactive, hands on activity, will take you through a process of self discovery to lay a foundation for understanding Wisconsin school finance.

The tool, ***Investing in Wisconsin Public Schools,*** utilizes a blended learning and engagement methodology suited for stakeholders at all levels. The learning objectives examine the basic revenue and expense elements of education's financial scorecard, allowing participants to explore the measures of success and how all stakeholders can affect the financial well-being of schools. The key themes include:

1. Who are our stakeholders? What do they contribute to schools and what do they expect of schools?
2. What are the various sources of public school funding (revenues)?
3. What are the various expenses of public schools?
4. What are the ramifications of not having sufficient revenues? What are the methods for dealing with these ramifications?
5. How are stakeholders affected by the effectiveness of public education?
6. What are the common outcomes of education and how are they impacted by the school funding mechanism?
7. How would you approach balancing a budget?
8. What actions or support can you provide to help ensure our schools provide a quality education amidst balancing a budget?

WASBO, WSPRA and WASB have developed the ***Investing in Wisconsin Public Schools*** map process with the help of Edventures in Learning, Inc. 2012 trademarked, copyrighted

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The Evolution of Cooperative Purchasing
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- Erin Green, Past President, Association of School Business Officials International (ASBO) and Director of Business Services, Greendale School District
- Helen McCain, Administrator, State of Wisconsin, Department of Administration, Division of Enterprise Operations
- Casey Himebauch, Policy Assistant, Office of the Governor

Last fall, WASBO sent out a survey designed by the group to all school districts in Wisconsin. The group collected and analyzed the results, and shared those results with the Governor's Office and the Department of Administration.

The majority of the 305 survey respondents indicated that over half of their school districts are purchasing supplies through collective purchasing contracts or state contracts (such as CESA Purchasing, State of Wisconsin/ VendorNet, US Communities Government Purchasing Alliance, Shared Purchasing Solutions, and E&I Cooperative), and most of those are spending 20% or less of their annual purchases through collective purchasing. Most districts are interested in learning more about the opportunities available through collective purchasing contracts or state contracts, and they are willing to commit in advance so collective purchasing power can be leveraged. However, there was no single place to go to see all of the opportunities available, so many school districts were unaware of the cost-saving contracts that are available. The group also learned that 3 out of 5 school districts did not have a specific person in charge of procurement and, if they did, the individual had other duties assigned to them, so ease of access was also an issue.

The survey results were later incorporated into the final Commission Report, which concluded: "The primary role of government procurement is to obtain quality goods and services in an efficient manner at the most cost-effective price available. Collective procurement is being utilized throughout the country as a tool to ensure all units of government are getting the most out of taxpayer dollars. Cooperative contracts can reduce paperwork, administration and leverage the buying power for both state and local units of government."

Soon thereafter, others were included in the conversation - such as Sue Hayman and Joan Hauser, Shared Purchasing Solutions; Todd Raeder and Sue Peters, E&I Cooperative; and Jennifer Sulentic, US Communities Government Purchasing Alliance - to serve as cooperative purchasing advisors to the planning committee. Robert Anderson, Director of the Wisconsin Technical College System Purchasing Consortium, also joined the committee.

The group then formed what they refer to as the Wisconsin K-12 Collaborative Procurement Network (WCPN). The purpose of the group's work is to provide all Wisconsin school districts with resources and user-friendly tools necessary to secure high-quality and cost-effective goods and services through collaborative procurement. The group intends to develop a communication plan to conduct outreach to various groups, gather input from school districts (e.g., through discussions at PAC Meetings and WASBO regional meetings) and provide mechanisms to share information about available opportunities (e.g., one-stop website, news articles, presentations and trainings). In fact, some action plans are already in progress. Presentations at the State Education Convention and WASBO conferences have already occurred and others are being planned. A website has recently been created and launched at http://www.wix.com/lstah1/wcpn#!, so school districts have options for procurement at their fingertips.

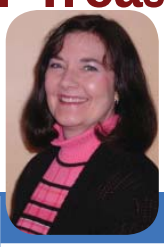
The WCPN is committed to interagency collaboration to improve the state of collective purchasing and procurement for school districts in Wisconsin. Eventually, the effort could be expanded to state and other governmental agencies.

Jesse Harness, Commissioner, CESA Statewide Network
jyharness@gmail.com

You received an email on April 1st with the link to vote for 2 Directors and a Treasurer for the WASBO Board of Directors. Director and Treasurer positions are 3-year terms. Check out candidate resumes in this issue or see their resumes and articles from the February 2012 issue of Taking Care of Business at www.WASBO.com

Meet WASBO's Candidates for Treasurer

Philip Frei
Deputy District Administrator
(Business & Operations)
Sun Prairie Area School District



Jeanne Stahl
Business Manager
Hayward Community Schools

Work Experience

1998-present	Sun Prairie Area School District	Deputy District Administrator (Business & Operations)
1993-1998	River Valley School District	Business Manager
1991-1993	Auburndale School District	Business Manager

Educational Experience

1990-1991	University of Wisconsin - Whitewater	MSE - School Business Management
1985-1990	University of Wisconsin - Oshkosh	BBA

Professional Activities

Madison Area School Business Officials - Chair, Member for 19 years
WASBO - Board Member, Member for 21 years
ASBO - Member for 20 years

Community Activities

School of Hope - Classroom Tutor
Our Saviors Church - Sunday School Teacher

Interests & Hobbies

Family, Reading, Hunting, Fishing

Work Experience

2006-present	Hayward Community Schools	Business Manager
2000-2005	Eau Claire Area Schools	Executive Director of Business Services
1998-2000	Mt. Pleasant Public Schools, Michigan	Business Manager
1994-1998	Bangor Township Schools, Michigan	Asst Superintendent for Business & Personnel; Interim Superintendent
1987-1994	Bridgeport-Spaulding Schools, Michigan	Director of Business

Educational Experience

2011	WASBO - The National Alliance	Certified School Risk Manager (CSRM)
1991-1993	Saginaw Valley State University, Saginaw MI	Masters of Education for Chief School Business Offiicial
1983-1984	Buena Vista College, Storm Lake, IA	Bachelor of Arts in Accounting
1972-1975	UW - Superior	Elementary Education, Accounting
1971	UW - Eau Claire	Elementary Education

Professional Activities

NW WASBO - Secretary, Treasurer
WASBO - Board Member, Fall Conference & Safety Committees
ASBO - Member
Wisconsin Educators Risk Management Cooperative - Treasurer
State & Regional Michigan ASBO - Regional Secretary
Computer Users Groups - All Districts

Community Activities

Eau Claire City County Shared Services Committee
Church - Task Force, Sunday School Teacher
Scholarship Commission, Bridgeport Schools - Treasurer
Athletic Associations - Michigan School Districts
Exchange Club - Treasurer
Spider Lake Condo Association - Secretary, President

Interests & Hobbies

Reading, Showshoeing, Kayaking, Water Skiing, Spending Time with Grandchildren

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Meet WASBO's Candidates for Director

Alayna Burger
District Accountant
School District of Superior

Work Experience		
2008-present	School District of Superior	District Accountant - State Reporting, Grants Claims, HRA, Health & Dental Benefits, Month End Closings, Budgets, Journal Entries, Cash Flow, Responsible for Annual Audits
1997-2008	Northland Foods Distribution	Payroll, Accounts Payable/Receivable, Inventory Control, Purchasing, Sales and Customer Services

Educational Experience		
2008-2011	University of Wisconsin - Superior	Masters - School Business Administration
2004-2008	College of St. Scholastica	Bachelors - Accounting
1995-1997	WITC - Superior	Associates - Administrative Assistant

Professional Activities

WASBO - Member since 2008

Community Activities

Interests & Hobbies

Volleyball, Watching my kids play sports, Football, Photography, Bowling, Continue my Education, Challenges

John Stellmacher
Director of Business Services
School District of Hartford Jt. #1

Work Experience		
2011-present	School District of Hartford Jt. #1	Director of Business Services
2010-2011	Waupun Area School District	Director of Business Services
2007-2010	Barron Area School District	Business Manager

Educational Experience		
2005-2006	University of Wisconsin - Whitewater	Masters in School Business Management
2002-2005	University of Wisconsin - Whitewater	BBA - Finance/Actuarial Science

Professional Activities

WASBO - Joint Convention Committee Co-Chair,
2010 New School Business Manager of the Year
School Finance Puzzle (Joint Convention Committee) - Presenter/Facilitator
School Administrators Alliance - WASBO Delegate
Waukesha Area Schools Insurance Cooperative - Board Member
ASBO International - 2010 Bridges to the Future Scholarship Recipient

Community Activities

Kiwanis International - Vice President (Barron)
Leadership Barron County - 2010 Class
Wisconsin Basketball Coaches Association (WBCA) - Barron HS Freshmen Coach/Associate Varsity Coach
Hartford Rotary - Member

Interests & Hobbies

Training for Ironman 2012 (Madison, WI)
Tri-Wisconsin/Tri-Faster Triathlon Clubs
Racers Against Childhood Cancer (RACC)

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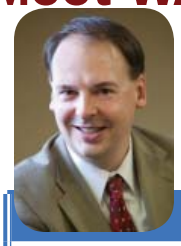
Meet WASBO's Candidates for Treasurer



Andy Weiland
Business Manager
Oregon School District

Work Experience

1999-present	Oregon School District	Business Manager
1994-1999	DeKalb Community Unit School District #428	Assistant Superintendent for Administrative Services
1993-1994	Butler #53 School District, Oak Brook, Illinois	Business Manager
1992-1993	Monroe School District	Administrative Intern

Educational Experience

1991-1993	University of Wisconsin - Whitewater	MSED - School Business Management
1987-1991	University of Wisconsin - Whitewater	BBA - General Management

Professional Activities

Madison Area School Business Officials (MASBO) - Member
Wisconsin Association of School Business Officials (WASBO) - Member, School Finance Puzzle Planning Committee Member
Association of School Business Officials International (ASBO) - Member

Community Activities

Oregon Rotary Club - President, Past President, Secretary
Village of Oregon Park Board - Vice President
Oregon Youth Basketball League - Member, School District Representative

Interests & Hobbies

Biking, Running, Basketball, Swimming

Dale Zabel
Director of Facility Services
School District of Kettle Moraine

Work Experience

2008-present	School District of Kettle Moraine	Director of Facility Services, Oversee all facility operations
1998-2008	Watertown Unified School District	Supervisor of Buildings & Grounds - Manage the facilities
1994-1998	Watertown Unified School District	Maintenance Technician
1982-1994	Self Employed	Owned a farm and industrial equipment repair facility

Educational Experience

1998-present	WSSCA Training Sessions	WSSCA Safety Coordinator Certification Program
1998-present	WASBO Training Sessions	WASBO Facility Manager Certification Program
1994-present	Seminars and Conferences	Training sessions for facility management
1982-1994	Technical Colleges	Numerous training sessions for business and mechanics
1981-1982	AMI Florida	Mechanic's and Business Operation Certification

Professional Activities

WASBO - Member 1998-present
WASBO Facilities Committee Co-chair 2006-present
Wisconsin School Safety Coordinators Association (WSSCA) - Member 1998-present
Milwaukee Metro Buildings and Grounds Association - Member 1998-present, Past Secretary and Past President

Community Activities

Watertown Youth Football - Board Member, President 1999-2006
Watertown High School "Fitness Training Center" Committee - Fund raising committee member, successful $600,000 goal
Kettle Moraine "Share the Field & Soccer LIghts" Committee - Fund raising committee member, reached $650,000 goal

Interests & Hobbies

Active in Motorsports - Tractor and Truck Pulling, Working with youth sports programs - developing facilities, Traveling the country on my Harley

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and U.S. patented by Edventures in Learning, Inc. Licensed for use by WASBO). The methodology creates conditions in which participants can easily learn from each other. We know people learn more comprehensively when they are engaged and enjoying themselves in a discussion without being told the answers. Participants can come to their own conclusions guided by a questioning process and information provided on the map. The process requires participants to summarize key societal issues from their own beliefs and opinions, encourages embracing change and connects the changes to the school districts' goals and direction.

The ***Investing in Wisconsin Public Schools*** Map involves six components.

1. **Visualization or Storyboarding of the Wisconsin Educational System and Complex Systems**
   The map creates a visual framework which helps participants to discuss the same issues at the same time with the same words. "It has been said that if a picture is worth a thousand words, a metaphor is worth a thousand pictures." This allows group members to link issues to graphic images and forms common language and understanding.

2. **Data Connections**
   Key pieces of data and information are linked within the map which allows dialogue to occur around facts, not just opinions. Specific Wisconsin school data supports the storyboard metaphors.

3. **Socratic Dialogue and Discovery**
   The use of the correct questions at the correct time help lead groups of people through the process and creates a synergy for exploring issues with all people. Titles and status mean nothing. Learning is a matter of asking the right questions, not simply having the right answers. This allows the group members to offer opinions, comments and insights in a nonthreatening atmosphere.

4. **Learning Peripherals, Exercises and Simulations**
   Exercises and game pieces provide information into the learning process and increasingly encourage the interactive process. The learning peripherals harness one of the most effective ways people learn, by making mistakes. Group members are put into different scenarios to enhance understanding and recognition through sharing.

5. **Group Interaction in Small Group Settings**
   The map is ideally used with 6 to 10 people. Optimally, the process takes two hours. This allows for everyone to be engaged and ensures that everyone gets to introduce their ideas. Participants hear and learn from one another.

6. **Trained Facilitation**
   Excellent facilitation is the key to the map methodology and process. The facilitator does not have to be an expert on the topic, but is a person who encourages understanding through thought provoking questions, listens carefully and empathetically. The facilitator must avoid providing answers. The facilitator's role is to keep the process moving proactively, using of group discovery methods. When the coach is not talking, the group is working. The expectation is for participants to be actively engaged and be explorers, not "sit and get" learners.

The process provides no answers, Instead, ***Investing in Wisconsin Public Schools*** presents very targeted and provocative questions on core organization issues, challenging participants to think…often driving each person to address unpleasant but nonetheless vital systemic and environmental realities.

Successful implementation of the ***Investing in Wisconsin Public Schools*** map process requires well trained facilitators. WASBO will provide training as a part of purchasing the map and process.

Investing in Wisconsin Public Schools was developed by the collaborative efforts of WASBO, WSPRA, WASB and Edventures in
Learning, Inc. This article is made possible with help and input of all these organizations. I specifically wish to thank Scot Ecker, Andy Weiland, Bob Avery, David Carlson, Bob Borch, Kit Dailey and Dan Romano. This tool will be made available to school districts, universities, CESAs and professional organizations within the next several months through the WASBO office as the licensee.

Please stay tuned for more details!

"People will tolerate the conclusions of others. They will only act on their own conclusions." Randy Root

Are They Employees or Independent Contractors?

By Kathy Johnson, CSRM, Risk Managment Strategies, LLC

Kathy Johnson

In an effort to save on costs, a district may choose an independent contractor (IC) relationship with someone who does work for the district. In this article, we are referring to the "regular Joe" kind of IC that could fulfill a limited capacity job and is not part of a larger company that would likely meet the criteria described below; e.g., a guy who paints, mows lawn, removes snow, or installs carpet; a compensated event judge; a coach or intermittent instructor. Business managers are familiar with the IRS rules* regarding independent contractors and when they achieve those criteria, believe that they are in compliance with applicable laws and rules. However, the Workers' Compensation rules must be considered, as well.

The Department of Workforce Development's (DWD) Workers Compensation Act 102.07(8)(a) states that *"any independent contractor is, for the purpose of this chapter, an employee of (the district) under this chapter for whom he or she is performing service in the courts of the trade, business, profession or occupation of such employer at the time of injury."*

So the State defaults to the position that an IC is an employee, for which the district (or its carrier) would be responsible for typical benefits, including Workers' Compensation benefits in the event of an injury, *unless all of the following 9 conditions are met (except for statutory employees):*

1. Maintains a separate business with his or her own office, equipment, materials, and other facilities.
2. Holds or has applied for a federal employer ID number with the IRS or has filed business or self-employment income tax returns with the IRS based on that work or service in the previous year.
3. Operates under contracts to perform specific services or work for specific amounts of money and under which the independent contractor controls the means of performing the services or work.
4. Incurs the main expenses related to the service or work that he or she performs under contract.
5. Is responsible for the satisfactory completion of work or services that he or she contracts to perform and is liable for a failure to complete the work or service.
6. Receives compensation for work or service performed under a contract on a commission or per job or competitive bid basis and not on any other basis.
7. May realize a profit or suffer a loss under contracts to perform work or service.
8. Has continuing or recurring business liabilities or obligations.
9. The success or failure of the independent contractor's business depends on the relationship of business receipts to expenditures.

Again, all 9 answers must be "yes" for the IC status to meet Workers' Compensation rules. What happens if the State determines that an "IC" is really an employee, and he/she suffers a work-related injury? According to DWD, a judge would rule that your insurance carrier should pay the claim. When your Workers' Compensation policies are audited, you would be charged for back premium for however long this "independent contractor" worked in this position. There is no penalty.

However, a good reason to prefer the employee status over the independent contractor status is that if the district's negligence is what led to the IC's injury, an IC may sue the district under tort law for its negligence and collect pain & suffering, wage loss, and perhaps, punitive damages, all of which are limited either by policy limits or the WI statutory tort limitations of $50,000 for General Liability and $250,000 for Auto Liability (each, per cause of action).

On the other hand, Workers' Compensation benefits are statutorily prescribed, thus limiting the amounts paid and where there are no pain & suffering or punitive damages allowed. Even attorney fees are limited.

To maintain accurate coverage to protect employees and the District, and to maintain a status of compliance with your insurance carrier and the State, we recommend that you review the IRS* and Workers' Compensation tests before making decisions regarding Independent Contractor status.

*Learn more about the critical determination of a worker's status as an Independent Contractor or Employee at IRS.gov by selecting the Small Business link. Additional resources include IRS Publication 15-A, Employer's Supplemental Tax Guide, Publication 1779, Independent Contractor or Employee, and Publication 1976.

Kathy Johnson, Principal Consultant, Risk Management Strategies, LLC
kjohnson@rmstrategies.net

"April hath put a spirit of youth in everything."

- William Shakespeare

Jeffery A. Schultz

How School Districts Can Leverage Health Care Reform to Their Advantage

By Jeffery A. Schultz, Vice President, BeneCo of Wisconsin, Inc.

Health care reform under the Patient Protection and Affordable Care Act (PPACA) is a harsh reality. Regardless of the political winds, many of its underpinnings are here to stay. It will require action, energy, and resources by all plan sponsors, forcing them into rapid strategy development the likes of which hasn't been seen for years.

I spent most of the summer of 2010 hoping and praying that PPACA would go away. However, it hasn't. So, as a firm, we spent the fall of 2010 analyzing it to determine how clients could leverage PPACA to their advantage.

Most organizations are grappling with the post-reform question, "Will we continue to offer health insurance benefits?" Unfortunately, getting to the answer first involves answering numerous other questions which will drive the decision to "pay or play." Answers to questions such as:

- How many employees will be eligible for Medicaid or premium subsidies?
- What will the extra penalties and taxes cost?
- What will the exchanges look like and will my employees be enticed to move to them?
- How will plan design and contribution strategy need to change in order to comply?
- How will retiree coverage be affected? Should we change strategy?
- How could PPACA assist our wellness effort?
- Will my health risk pool worsen and could my total spending increase?
- Do we need a transition plan? When do we start?

All hope is not lost. The guidelines of PPACA present a very unique opportunity for plan sponsors to reevaluate their total rewards program. This may or may not include the decision to continue to offer health benefits.

The state exchanges being implemented in 2014 will be game changers. Employees will have another health insurance option never previously available. Until now, employers/ school districts have been the source for guaranteed issue health benefits coverage. In 2014, that will no longer be true.

Government premium subsidies to employees earning less than $88,000 annually for a family of four and paying 9.5 percent or more of household income toward health insurance premiums present challenges and opportunities. School districts could realize migration to the exchanges as a result of subsidies, leaving a smaller pool to insure and at the same time, incurring a $3,000 penalty for each employee that leaves. Is this positive or negative? How does it affect the overall risk pool? How long will the penalty remain at $3,000?

Employees earning below 138 percent of the federal poverty level will be Medicaid-eligible. Migration to Medicaid may occur but with what consequences? Lowest wage earners may be the youngest and lowest risk of those currently insured. Shouldn't the plan want to retain that risk segment for a more desirable spread of risk? How does a school district create strategy to combat the outflow of good risk and retention of the poorer risk?

PPACA mandates that in 2014 insurance carriers and exchanges must provide coverage to all, regardless of health status. Conversely, PPACA codifies that plan sponsors can create up to a 30 percent cost differential, not just for wellness plan participation, but based on wellness outcomes. This means school districts have greater flexibility in the way they determine employee premiums. School districts could begin to shift more cost to those individuals choosing not to participate in wellness plans or to those who don't score at a predetermined acceptable level of outcome. This offers school districts an opportunity to reduce costs and improve risk. How can a school district structure these incentives to attract and retain desirable risk?

Subsidies, exchanges, wellness pricing, and other fine print present a tremendous opportunity for all school districts to reassess their offerings in light of PPACA. Although PPACA will cause a lot of headaches, it is possible that school districts could leverage PPACA to their advantage and still provide quality health care coverage to their employees.

Most employers want to know, "Is this a top 5 business issue or a top 50 business issue?" In order to determine the answer, school districts must quantify each PPACA provision into a finite dollar amount to understand the financial implications and its impact on their health plan and employees. There is no better time than the present to get started on this evaluation in order to begin to answer the question, "Should we pay or play?"

Jeff Schultz, Vice President, BeneCo of Wisconsin, Inc., 250 N. Patrick Blvd., Suite 100, Brookfield, WI 53045-5876, (262) 207-1999 x112, jschultz@beneco.co , a member of The Benefit Companies, Inc., www.benefitsinc.com

Legislative Update

2011-12 Legislative Session Recap

By John Forester, Director of Government Relations, School Administrators Alliance

John Forester
SAA Director of Government Relations

We have just lived through the most extraordinary legislative session I have ever seen in my 25 years in and around Wisconsin state government. Through the entire session, public education was under assault, constantly fending off attacks by critics of public schools and privatization advocates. Quite frankly, from my perspective inside the Capitol, it felt like we were losing more than we were winning. Fortunately, as we recap the session, I believe a different picture emerges. Clearly, we won much more than we lost.

State Budget & Act 10 – Unprecedented Change

It is extremely difficult to overstate the impact of the 2011-13 State Budget and 2011 Wisconsin Act 10 on Wisconsin public schools. Public schools experienced unprecedented cuts in state aid ($700 million) and revenue cap reductions ($1.6 billion). Essentially, the cuts to public schools were used to fill the huge budget hole in the Medicaid program. With the elimination of collective bargaining, school management gained unprecedented authority and flexibility in personnel matters. Finally, the unprecedented expansion of the Milwaukee Parental Choice Program in the budget signaled the rise of a powerful and well-funded adversary for public education – the advocates for expanded private school vouchers.

Fall 2011 Floor Period – Very Productive for SAA

The Fall 2011 Floor Period was the single most productive floor period the SAA has had during my tenure as your lobbyist. By the end of this period, five SAA bills had been signed into law. Of these, Senate Bill 95 was actually 10 bills in one. Among other things, SB 95 required state government to finally distribute the entire school transportation appropriation to school districts; allowed districts to use federal aid to pay for certain contracted special education services; provided additional flexibility in how SAGE schools could operate and school districts could spend Common School Fund library aid; and, allowed districts to use student assessment data for purposes of teacher discharge.

Senate Bill 45 injected a healthy dose of realism into the requirements for administering medication to students which had been adopted in the 2009 legislative session. In the area of DPI license revocation, Senate Bill 49 added the downloading, viewing, and distribution of pornography on school equipment to the definition of "immoral conduct." Senate Bill 86 allowed school districts to fire or refuse to employ convicted felons. And, Senate Bill 196 fixed some language from the budget bill that had inadvertently discouraged purchasing collaboration between school districts and municipalities. Please note that the SAA had worked for eight years or more to pass several of the items adopted in the Fall Floor Period.

Spring 2012 Floor Period – The 11th Hour Assault

Three spectacular SAA victories highlighted the end of the Spring 2012 Floor Period. The Assembly finally passed Senate Bill 174 to close the voucher school expansion loophole. Also, the SAA's effective grassroots lobbying played a key role in killing Assembly Bill 110 (special education vouchers) and Assembly Bill 318 (double-dipping) in the Senate.

Governor Walker signed Senate Bill 2 into law on February 1st with the SAA's support. The bill expanded the open enrollment application period from three weeks to three months. Most importantly, it also moved the teacher non-renewal date from March 15th to May 15th.

Senate Bill 22, designed to dramatically expand independent charter schools in Wisconsin, ultimately died in the Senate. It was widely believed that this bill would pass both houses before the end of the budget session. Therefore, the SAA worked to amend the bill and limit the downside for K-12 education. Following the 2011 Senate recall elections however, the bill could never muster the necessary support to pass in the Senate.

Senate Bill 461 incorporated the work of the State Superintendent's Educator Effectiveness Design Team and the Governor's Read-to-Lead Task Force, both of which drew from the expertise of a broad range of education stakeholders. The bill passed both houses and, as of this writing, awaits the Governor's expected signature. The SAA supported the bill and worked with the DPI, the Governor's office

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and key legislators in the development and passage of this legislation. The SAA's presence at the table was vitally important to achieving a balanced piece of legislation.

Following last session's "battle royal" with the special education parent advocacy groups over seclusion and restraint legislation, the SAA worked very closely with the DPI and others to craft consensus seclusion and restraint legislation. Senate Bill 353 encountered no opposition in the legislature and was signed into law on March 19th. It identifies when seclusion and restraint techniques can and cannot be used in public schools, requires notification of the student's parents following use of seclusion or restraint techniques and provides minimum training requirements.

As we expected, Assembly Bill 473 / Senate Bill 375, which would extend the time by which WiscNet must end its relationship with the UW System by one year, to July 1, 2014, failed to get the traction necessary to pass the Legislature. In short, the telecoms had the Assembly Republican leadership sewed up from the beginning on this issue. However, we had a great opportunity to educate legislators on the importance of reliable, affordable bandwidth and other Internet services for Wisconsin school districts. The good news is many understand that we have a policy problem that must be addressed.

Where Do We Go From Here?

While recall mania and preparations for the 2012 general elections dominate the thinking of legislators and political parties in Madison, on April 16th the SAA Legislative Committee will hold its first of four meetings between now and December 2012 devoted to the crafting of a new legislative agenda for the 2013-14 legislative session. Putting together an effective and representative agenda in this sea of change will be challenging. The SAA Legislative Committee encourages all SAA members to share their ideas for inclusion in the agenda development process. Please contact me at 608-242-1370 or john.forester@wsaa.org with your ideas.

Thanks for listening and, as always, thank you for all your efforts on behalf of Wisconsin school children.

John Forester, Director of Government Relations, School Administrators Alliance
john.forester@wsaa.org

Wisconsin
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Register at
www.WASBO.com/spring

Celebrating the Past, Present and Future of Education in Wisconsin

WASBO 65th Annual Spring Conference & Exhibits

May 22-25, 2012
Kalahari Resort & Conference Center
Wisconsin Dells, WI

Who Should Attend?
Business Managers, Bookkeepers, Facility Directors, Transportation Directors, Finance Directors, Human Resource Directors, District Administrators

Professional Development to Use Today and Plan for Tomorrow

Over 45 Concurrent Sessions in these Tracks!

- **Efficiency/Money Saving/Best Practices** - Investing In Wisconsin's Public Schools, Understanding the Dodd-Frank Law, How Healthy is Your District, Taking a Closer Look at Your School District TRAN, Surviving Your Annual Meeting, Using Historical Design Tools to Help Solve HRA Nondiscrimination Riddle
- **Human Resources/OPEB/Employee Handbooks** - Wellness Initiatives that Work, National Healthcare Reform, Workers Compensation, Who is Packing Heat in Your District?, Creating a Culture of Well-Being, Navigating the Health Care System, Employee Handbooks
- **Technology Sessions:** Excel Latest Tips & Tricks, Social Media & the Law, Technology in Wisconsin's Schools, District Comprehensive Technology Assessment, 1 to 1 Initiative, Let's Go Mobile - Apps
- **New Business Manager/Bookkeeper:** Summer at a Glance - Reviewing Reports, Closing out the Fiscal Year, Fiscal Audit, Transfer of Service, OPEB & Fund 73, Learning from the Experiences of a New School Business Official

- **Auxiliary Services:** Controlling Transportation Costs, Transportation Insurance Coverage, Collaborative Purchasing, p-Card Best Practices for Implementation, ERM and ISO: The New Language of Risk
- **Facilities Manager Core Certification Modules 4 & 5**: Exterior Building Envelope Maintenance, Roof Maintenance, Preventative Maintenance, Building Automation, Long Range Capital Projects Planning, Comprehensive Facility Planning, Budgeting for School Facilities, Budget Tracking Tools for Operating Budgets
- **Facilities Manager Continuing Education Certification:** Recovering from Disasters, Bomb Threats: A Terrifying Challenge for Schools, Customer Service, Energy Efficiency Projects, Innovative Solutions for Financing Capital Improvements

See www.WASBO.com/spring for

Session Details	Networking Activities
Kalahari Accommodations	Scholarship Golf Outing or Bike Ride
Conference Fees	p-Card User Group Pre Conference
Online Registration	

- **Network with Colleagues**
- **Learn about New Products & Services with 138 Vendor Exhibits**
- **Recognize Facilities Manager and School Risk Manager Certification Recipients**
- **Honor Colleagues Receiving Professional Recognition Awards**
- **Earn Graduate Credit through Viterbo University**

VITERBO UNIVERSITY

WASBO 2012 Spring Conference & Exhibits

More Learning, More Networking, More Exhibits

If you have not been to the WASBO Spring Conference in a few years, join us in Wisconsin Dells May 22-25th to find out out what you have been missing. The planning committee has worked hard to provide more of what matters at this year's conference.

More Learning

Last year the decision was made to forgo a keynote speaker to allow more time for concurrent sessions on timely, relevant topics that are meaningful to the job you do every day in your district. This year, an additional timeslot was added for concurrent sessions. There are now seven timeslots with seven offerings at each time. Sessions are scheduled in the areas of

- Efficiency/Money Saving/Best Practices
- HR/OPEB/Employee Handbooks
- Technology
- New Business Manager/ Bookkeeper
- Auxiliary Services
- Facilities Manager Core Certification
- Facilities Manager Continuing Education

There is something for everyone!

More Networking

Unique to the Spring Conference is the opportunity to exchange ideas with WASBO members with varous and different job responsiblities. There are many occasions for professional interaction through session discussion, over breakfast or lunch or in the hallway during a break.

WASBO recognizes the value of networking. We know that while you may be golfing with colleagues and Service Affiliates with the purpose of raising money for student scholarships, you most likely are discussing what is happening in your district - sharing problems and solutions. If you are not a golfer, consider biking to support student scholarships or volunteering at either event. Both Wednesday and Thursday conclude the day with a chance to make contacts. The Silent Auction and Casino Night on Wednesday evening supports our efforts at ASBO International and most recently, Tom Wohlleber's bid for the ASBO International Board of Directors in the Fall of 2012. There will also be a networking reception following concurrent sessions on Thursday.

More Exhibits

The Exhibit Hall isn't just for District Professional with purchasing responsibilities. Take advantage of this opporutnity to learn about product advancements and system enhancements with Service Affiliate Members you and your district already make use of. Be sure you're getting the most out of the products and services you're already using by visiting with your vendors.

Service Affiliate Members providing a wide range of products and services will fill the exhibit hall. We expect 138 vendors to join us, sharing their expertise and innovative solutions for the future of Wisconsin's schools. We dedicate two and half hours on Thursday for the important task of learning about the options currently available for schools. Vendors respresent industries such as employee benefits, insurance, public finance, facilities management, software, technology, furniture, janitorial supplies and about every product and service utilized by Wisconsin's schools - all in one place at one time!

What's New

As you know, attendees at the Spring Conference can earn a graduate credit through Viterbo University. To fulfill the Viterbo reading requirement, read ***Crucial Conversations: Tools for Talking When Stakes are High*** by Kerry Patterson, Joseph Grenny, Ron McMillan and Al Switzler. Then discuss the book with your peers as Orvin R. Clark, EdD of University of Wisconsin - Superior leads a book study on Thursday, May 24th at 9:40-10:40 a.m.

If you are a current user of the WASBO Purchasing Card (p-Card) program or are thinking about implementing the program, then plan to attend the pre conference p-Card User Group on Wednesday, May 23rd from 2:00-5:00 p.m. This session will talk address growing your program, best practices, Details Online and the Skyward interface. If you have topics you would like to see covered at this session, email Tina Hafeman at hafeman@ wasbo.com.

This year we are excited to recognize Wisconsin's first recipients of the Certified School Risk Manager (CSRM) designation. We will continue the long tradition of recognizing our peers through our Professional Recognition Program at the conference as well as volunteers, WASBO leaders and recipients of the Facility Managers Certification.

Celebrating the Past, Present and Future of Education in Wisconsin

This conference theme was chosen very carefully and deliberately. The committee feels we have a lot to be proud of and we should celebrate our successes. There are many positive outcomes of Wisconsin education in the past and present. We believe there will be many more positive results of Wisconsin education in the future. To showcase our successes, the committee is putting together a museum

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Managing Pharmacy Benefits to Reduce Overall Health Care Costs

By Scott A. Greenwell, Pharm.D., Director of Pharmacy Professional Practice, RightSource - Humana Pharmacy Solutions

Scott A. Greenwell

Three years ago, health care expenditures represented 17.3 percent of the United States economy, or $2.5 trillion. By 2017, federal officials project health care spending will reach a staggering $4.3 trillion, or 19.5 percent of the nation's economy.

What are individuals spending so much money on? According to the Kaiser Family Foundation, the top three health care expenses are hospital care (31 percent), physician/clinical services (21 percent) and pharmaceuticals (10 percent). From 1990 to 2005, prescription drug spending has quintupled from $40.3 billion to $200.7 billion. Not only did the cost per prescription increase, but people also started taking more drugs – the average prescriptions per person increased from 7.9 to 12.4*.

Employers have seen prescription services become the fastest growing health care benefit they offer, and since the average individual is managing more than 12 medications, consumers are also seeking support to control their own out-of-pocket costs, while keeping themselves safe and healthy.

The first step in addressing escalating health care costs, particularly for school districts and their employees, is understanding prescription drug options. Patients can ask their doctor if a generic will provide the same treatment for a lower cost. They can also research alternatives through Consumer Reports (www.consumerreports.com). The publication found that many brand-name medications provide no clinical advantage over their generic, and much less expensive, counterparts.

School districts can work with their insurance provider to develop a prescription drug plan with varying tiered benefits. Instead of a traditional two- or three-option pharmacy benefit, some insurers, including Humana, offer four tier coverage levels. Generic drugs are on the first level, with the lowest cost. Preferred brand-name drugs are on the second level, and non-preferred are on the third tier. Specialty drugs are the final tier. Co-payments increase with each tier, and many plans provide maximum out-of-pocket limits, protecting members in the event highly expensive medications are needed.

In addition to providing tier-based coverage options, most insurers offer a mail-order pharmacy service as part of their benefit solutions. Humana's RightSourceRx is a prescription home delivery service that focuses on the individual pharmaceutical needs of Humana members. Through RightSource, they can speak directly with a pharmacist or technician on their own time without the distractions that can occur within a retail environment. RightSourceRx will also let members know the status of prescription orders and send refill reminders via phone or e-mail.

Mail-order pharmacies offer potential cost-savings to individuals by allowing them to receive a three-month supply of their medications. Depending on the benefit plan, RightSourceRx offers three-month supplies of generic medications for zero dollar co-pays and discounts off other brands when filled via home delivery.

Regardless of where employees purchase their prescriptions, it is important to find a reputable source for filling prescriptions. A foreign web site may offer a cheaper price, but these sites are not regulated and may provide medications that have been tampered with or even incorrectly formulated.

Mail-order pharmacies owned by insurance providers are also focused on developing specialized services for members that traditional pharmacies may not offer. For example, Humana's RightSourceRx developed a comprehensive program for diabetic patients, and all the company's pharmacists have received specialized certification in diabetes management. RightSourceRx will also be adding the ability to purchase common over-the-counter products, vitamins and nutraceuticals along with prescriptions on its web site.

Employers can play a vital role in reducing health care costs for the organization and its employees. Employers must engage their employees in making educated decisions about prescription drugs. Drug safety is critical, and it can help manage costs by potentially reducing care needed for adverse drug interactions or hospital admissions. Employers can also educate their employees about what their prescription drug benefits entail, especially if implementing a new tiered benefit plan.

Prescription drugs are only one part of the health care cost equation, but by managing pharmacy costs, both businesses and their employees can reduce the overall health care cost burden.

School districts can talk to insurance consultants or brokers about the pharmacy benefits available. Brokers or consultants can provide you with not only detailed information about different

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Managing Pharmacy Benefits to Reduce Overall Health Care Costs

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plans, but will be able to offer advice on how to implement successful benefits programs.

More information on Humana and RightSourceRX is available by calling 800-925-9900 or e-mailing milwaukeesales@humana.com.

*From 1994 to 2006 (Kaiser Family Foundation)

Is Your Section 125 Plan in Compliance?

By Christina Van Skyock, American Fidelity Educational Services

Christina Van Skyock

A Section 125 Plan is a great program that allows employees to purchase certain eligible insurance benefits on a pre-tax basis. Regularly reviewing your plan to make sure it is compliant with IRS regulations will help it remain a valuable part of your employees' benefit package. Areas of your plan that should be reviewed are listed below.

Plan Document Requirements

To be legal, the plan must be in writing and must operate in accordance with its written plan terms. An employer should have an up-to-date copy of its plan document. The document should be reviewed periodically by the employer and any inaccurate information should be revised. In particular, the employer should verify the following items are correct on the plan document:

- plan year cycle,
- insurance benefits, carriers, and descriptions,
- eligibility of the insurance benefits offered under the plan,
- eligibility requirements for participation in the plan,
- flexible spending account minimum and maximum contributions (if offered),
- non-elective (employer) contributions and elective (employee) contributions.

Plan Design Requirements

A legal Section 125 Plan must offer a choice between at least one taxable benefit (such as salary) and one qualified benefit (such as health insurance). A plan that does not offer this choice is not a Section 125 and may be disqualified by the IRS in the event of an audit.

The plan must only offer eligible benefits as defined by the IRS. This includes health insurance (traditional plans, HMOs, PPOs, high deductible health plans, and self-insured plans), dental and/or vision insurance, cancer insurance, disability insurance (long and short-term), and certain term life insurance. It could also include Flexible Spending Accounts such as Dependent Day Care (Dependent Care FSA) and Unreimbursed Medical Accounts (also known as a Health FSA) as well as Health Savings Accounts (HSA). Offering benefits other than excepted benefits defined by the IRS that defer compensation is not allowable. The employer should have signed election forms for each employee that either shows the benefits elected under the plan or that the employee is waiving participation under the plan.

The plan must also follow specific terms included in the document such as those pertaining to the grace period (if offered) and eligible mid-plan year election changes.

Flexible Spending Account Requirements

A plan that offers one or more Flexible Spending Accounts must follow the rules established for those accounts. This includes the uniform coverage rule which states that a participant's full Health FSA annual election must be made available to him/her regardless of the amount of contributions made to the account, and the "use or lose rule" which states that any funds remaining in a participant's account at the end of the period of coverage are forfeited back to the employer. An employer is also restricted on the use of any FSA forfeitures. Using FSA forfeitures other than as expressly allowed in the Code Section 125 Regulations could cause the plan to be out of compliance.

The plan must also require that the FSA claims meet specific eligibility requirements and must be properly substantiated. The plan cannot allow for claims to be reimbursed that were incurred prior to the plan's period of coverage.

For questions regarding your Section 125 Plan, please contact Christina Van Skyock at (800) 638-4268, ext. 217 or via e-mail at christina.vanskyock@af-group.com.

President's Message

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Andy Weiland and Dale Zabel who are running for Director. Please read the information about each of our candidates in this issue as well as the February issue of ***Taking Care of Business.*** Please be sure to vote during the month of April.

It is hard to believe my year as president is almost over. At our April Board Meeting we will be reviewing our strategic plan to prepare for Janice DeMeuse's presidency. I look forward serving as Past President to help support Janice in carrying out her dreams for WASBO.

Wendy Brockert, Business Manager, Lake Mills School District
wendy.brockert@lakemills.k12.wi.us

14th Annual WASBO Facilities Management Conference

February 28-29, 2012 - Kalahari Conference Center, Wisconsin Dells

Sustainability, Safety/Security and Environmental Health and Safety provided the main session offerings at this year's WASBO Facilities Management Conference. The Green Team, (students from Purdy Elementary School in Fort Atkinson), joined Daniel Werner of the DNR for a session, demonstrating how they are leaders in their school as they help others to be environmentally responsible. Attendees enjoyed the ideas and enthusiasm these students provided.

Teachers were also invited to attend this year's conference. With three active WASBO members on the Wisconsin Sustainable Schools Coalition, it was important to offer this learning opportunity to assist teachers in bringing a sustainable curriculum to the classroom. What better teaching tool than your own district buildings. To learn more about one teacher's experience, see Nancy Laserstein's, comments on page 23.

The Vendor Resource Area with a record 115 exhibitors, provided information and solutions for attendees. Participating vendors donated over 20 drawing prizes which helped raise funds for student scholarships.

The School Facilities Committee is always looking for innovative ideas to help plan future conferences. If you are interested in helping, contact Erin Lynett at the WASBO Office to be added to the School Facilities Committee. Email her at lynett@wasbo.com.

Handouts from the conference are now available under Resources at www.WASBO.com. Plan to join us next year on February 26-27, 2013 at the Kalahari Resort and Conference Center.

We appreciate the support of these sponsors:

Focus on Energy
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Nancy Laserstein

A Teacher's Perspective on the Facilities Management Conference

By Nancy Laserstein, Special Education Teacher, Menomonee Falls School District

The planning committee felt it was important to include a track on sustainability topics as part of the Facilities Management Conference. Through the process of developing sessions, the committee worked with the Wisconsin K-12 Energy Education Program (KEEP) to develop sessions that would bring the sustainability message into the classroom. KEEP and WASBO offered a scholarship to a teacher to attend the conference. The letter below is what the scholarship recipient, Nancy Laserstein, took away from the conference. We thank Nancy for sharing her observations.

March 7, 2012

Dear KEEP & WASBO Staff,

Thank you for the opportunity to attend the 14th Annual WASBO Facilities Management Conference. I found this experience to be eye-opening, interesting and engaging.

Eye-opening

Jason McKellips, from Ingersoll Rand gave an excellent talk on school safety and security. Some of the most basic safety measures are overlooked and taken for granted. For example, keeping doors locked, charging radio and phone batteries, hall presence and daily ground checks are some inexpensive and doable ways of preventing campus crime. The high school campus that I teach at is spread out over two city blocks. That is a lot of ground to cover. Our campus would benefit from a technological update including, cameras, parking lot call boxes and two-way cell phones.

What else was eye-opening?

- The need for recycling
- The use and cost of energy to keep a school running
- The plethora of "green" products out there
- The amount of money districts could spend to update (WOW!$$$$)

Interesting

I spoke with several vendors about their products. It was very interesting to learn that a school's choice of cleaning and paper products makes a difference in how well the septic system runs. This would include odor and backed-up drains.

The man (or lady) power needed to keep a school open is amazing. There are so many "cool" things going on behind the scenes of a school, which we often take for granted. Since the conference, I have zoned in on the utility rooms, boiler room, electric panels and natural light (not much of that around here).

What else was interesting?

- The amount of money that can be saved
- The available grants and funds
- AED machines MUST be serviced
- Kids WANT to be involved in caring for our schools

Engaging

The students from Purdy Elementary blew me away with their enthusiasm and dedication to having a Green Team. What a great group of presenters with a passion for learning. (My high school students could learn a thing or two from them!) The process for becoming a green school seems simple. I love how the entire school is involved and learning…even the teachers! I would like to see if my classes would take on the challenge of helping our school become green. We have all of the bins around school. I just do not see them properly managed and often dumped in to the trash at the end of the day. This program could also be incorporated into using your building as a learning tool. It would make sense to mesh the two programs together to really get the high school students involved. Now, how can I incorporate technology into this to make our 21st century learners, learn?!

What else was engaging?

- Having lunch with people I didn't know
- Session choices
- Walking around and talking to vendors
- LEARNING!

Steve Craker

Focus on Energy Update:

Updated Business Programs Began April 1, 2012

By Steve Craker, CEM Manager, Focus on Energy

For the past 11 years, CESA 10 has brought Focus on Energy programs and savings to schools throughout Wisconsin. CESA 10 is pleased to report that we will continue to be your Focus on Energy resource. We will continue to provide Focus on Energy services to schools under the new Business Incentives Program.

The new Focus on Energy business programs are organized by energy use and facility type. Prescriptive and custom incentives will continue to be available for Wisconsin businesses through the new programs. Since 2001, the Focus on Energy business programs have saved Wisconsin organizations more than $212 million in annual energy costs. Updated Focus on Energy programs began rolling out on April 1, 2012.

Key points to remember as you move forward with energy efficiency programs in your schools:

- Focus on Energy will continue to support energy efficiency through technical support and incentives, though offerings may change with the rollout of new programs. Customers should not experience an interruption to service and offerings.

- Focus on Energy customer contacts may change. Additional contact information will be provided in the spring. In the meantime, continue to work with your current point of contact. Please call 888.947.4703 with questions regarding contacts for schools.

New programs relevant to K-12 schools include:

Available now:

Business Incentive Program—serving customers in the agricultural, commercial, education, industrial, and local and non-local governmental sectors.

Coming later this Spring:

New Construction (Non-Residential) Program—serving customers with new or substantially renovated non-residential buildings that will achieve savings beyond what is required in current building codes.

Retro-Commissioning Program—serving customers with building retro-commissioning services and incentives for energy savings opportunities identified during the retro-commissioning process.

Small Business Program—serving customers with an average monthly energy demand of 100 kW or less. This program provides customers with an on-site energy efficiency assessment, or audit, a limited list of direct install measures, and higher incentives for select measures.

- Current applications are available on the Focus on Energy website and are valid until the stated date. Continue to send applications to the addresses or fax number listed on the current forms. As new programs roll out, new applications will be available at focusonenergy.com.

- For up-to-date information on programs, check focusonenergy.com, contact Focus on Energy at 800.762.7077 or email focusinfo@focusonenergy.com.

Focus on Energy staff had significant success in bringing Focus on Energy programs and savings to schools statewide. Focus on Energy implemented projects in nearly every school district across the state in just the past four years (as pictured on page 25).

According to the recent Legislative Audit of Focus on Energy, the percentage of total incentives (in dollars) going to School and Government customers has increased in each of the past 3 years from 11.2 percent in 2008 to 21.5 percent in 2010. While local government (including schools) is a historically underserved group, this data shows that Focus on Energy has made consistent and significant strides in serving these customers.

CESA 10 looks forward to continuing to provide Focus on Energy services and savings to schools across the state. If you're tired of money leaving the education field, consider this: According to the Department of Energy, the nation's education institutions spend millions annually on energy, and nearly one-third of the energy used to run typical government buildings goes to waste.

Focus on Energy's new Business Incentive Program offers solutions that can help your school save energy and money. Call a Focus on Energy expert at 888.947.4703 and start saving today.

Lynn Knight
WASBO Treasurer

Director's Corner

Community Involvement - School Finance 101

By Lynn Knight, Business Manager, School District of Nekoosa

Believe it or not, business managers LOVE community involvement. Let me set up a scenario for you……it's a cold dark night in October. The wind is howling, the moon is full, and the school district has its monthly board meeting at 6:00 p.m. As people arrive, the board president calls the meeting to order. Housekeeping items are taken care of and then, the board president calls upon the business manager to present the annual budget. The business manager begins explaining revenue limits, state aid, enrollment, full-time equivalencies, equalized value, etc., etc., etc. The explaining continues as to how all of the components fit together to create the school district's budget. As the presentation is winding down, the business manager scans the audience to be sure his/her presentation was clear. To the business manager's horror, one audience member is texting, one is reading the paper, one left, and one looks very confused.

The above scenario could describe a board meeting for any school district in our state. For most community members, the explanation of school finance is out of their comfort zone so therefore, they tune out. It is up to the business managers of Wisconsin to get people excited about school finance. Now granted, they probably will never be as excited as we are, but we can at least try and pique their interest. So the next question is….how?

Create a presentation using layman's terms. Revenue limit and full-time equivalencies may be familiar terms for business managers, but for a community member that has a career in healthcare, it doesn't mean much. Use the same presentation to educate your new board members at an orientation meeting or use the presentation at a board workshop. Board members converse daily with the community. If they speak the same language, the message is much clearer.

Write about topics in your school district newsletter and again, use layman's terms. Pick one area to talk about (for example, open enrollment) and explain the areas that would concern the community members. The minute details that business managers must follow are not necessary to explain.

Take advantage of public television. Appear on public television and talk about a variable of school finance relevant at that time. For example, in January talk about the 2nd Friday count and how it affects the aid we receive from the state which in turn affects the tax levy.

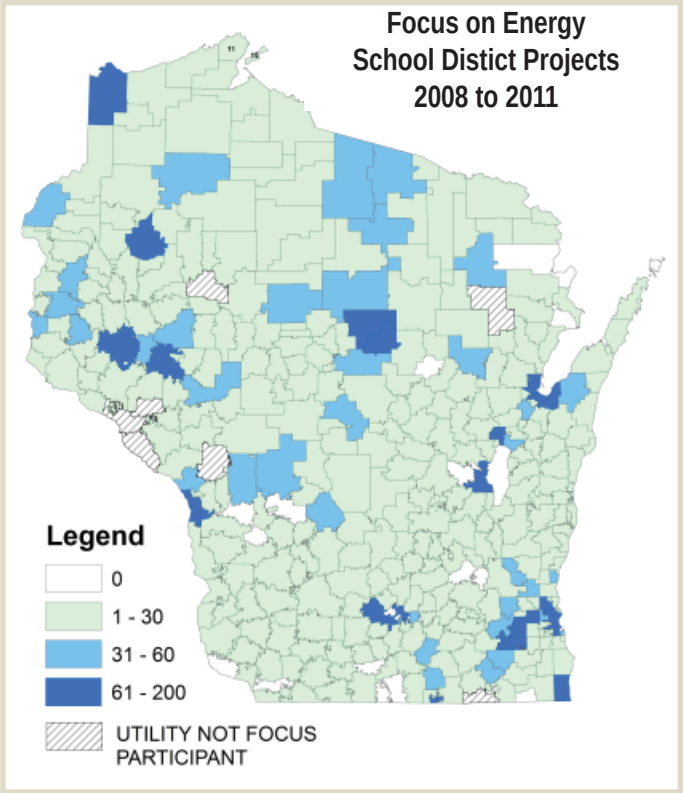
Most important, always keep your door open for questions. After every presentation, article, or television appearance, invite the community to stop into your office to ask questions or to just make a comment.

We are in the business of education. Why not educate our community on school finance. I cannot explain the joy I feel when I have finished a presentation explaining a component of school finance and I see the audience's heads nodding and questions being asked. What a sense of accomplishment.

As usual, if you have any questions, comments, or just want to talk; call/e-mail/or just stop in. I'll be happy to assist you.

Lynn Knight
Lynn_Knight@nekoosa.k12.wi.us

Focus on Energy Update
Continued from page 24



"Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover."

— Mark Twain

Erin Green

Member Spotlight - Erin Green

Reprinted with permssion from ASBO International Accents Online E-Newsletter, March 29, 2012

For Erin Green, director of business for Greendale School District in Greendale, Wisconsin, the path to school business was less than traditional. It began with 20 years of service in the Wisconsin Department of Corrections as human resources director and later as assistant superintendent for business for the juvenile residential school.

Because her roles there touched on administration aspects including safety, accounting, professional development, purchasing, facilities, and more, Erin made a natural transition to school business—but only after she had spent time as a member of both ASBO International and Wisconsin ASBO. Her experiences with both organizations helped finalize her decision to make the career move.

Erin became involved in ASBO in 1993 to network and to enhance her knowledge of a field new to her. "I grew my leadership potential by offering presentations at conferences and by joining an ASBO committee," she says. Realizing the appeal of ASBO International leadership, Erin served on the board of directors, including as president in 2010 for the Centennial Celebration.

Erin explains that Wisconsin, the birthplace of labor unions, has become the first in the nation among unionized states to depower unions with new laws. "This has created a whole new world for school administrators," she says. "For the first time in a generation we have the ability to operate schools to meet our needs, without contract restrictions." She adds that schools now have to compete for high quality teachers and offer decent benefits, but can structure them in a less costly way. "No longer can we operate 'by the contract'," Erin says. "We must manage actively and make sure all laws are obeyed. This new world allows creativity to transform our schools to meet the new global society in front of us."

ASBO International Bridges to the Future Scholarship Program

2012 BRIDGES TO THE FUTURE SCHOLARSHIP AWARD

Now Accepting Applications - Apply by June 1, 2012
http://www.asbointl.org/BridgestotheFutureProgram.htm.

ASBO's Bridges to the Future Scholarship welcomes new school business officials into the profession with guidance, a network of peers—and $2,000 to help cover the costs of attending the 2012 Annual Meeting, Oct. 12-15 in Phoenix, AZ.

Scholarship and Benefits

- 20 scholarships of $2,000 for attendance to the association's Annual Meeting & Expo
- Pre-conference workshop and networking luncheon at the annual meeting specifically for Bridges recipients
- Free access to ASBO's Live Learning Center that will capture more than 75 hours of professional development from the 2012 Annual Meeting.

Who's Eligible?

Applicants must be a school business official in the profession for five years or less and an ASBO International member at the time of application submission.

This scholarship program is made possible by MetLife's commitment to helping school districts meet the economic challenges of today and tomorrow.

Don Mrdjenovich

Before You Hire

By Don Mrdjenovich, Retired WASBO Executive Director

While opportunities to hire additional personnel in these dire economic times are limited, there will always be retirees and the need to replace staff who have moved on. Everyone has turnover which presents both challenges and opportunities. Such is the case in the National Football League, which prompted me to address this topic. I recently read an article about how various teams prepare for the annual draft of college football players. To even be considered for evaluation, a player must have established himself as having exceptional skills and the ability to perform at a high level. Those responsible for selecting players have a wealth of personal data as well as game films and scouting reports. For most teams that is all they need, but some go a bit further. The article I read emphasized the importance of looking beyond the physical attributes of a player.

The Director of Player Personnel in the article I read liked to invite players, three at a time, to have lunch with him, at which time he closely observed how they interacted and expressed themselves. He also tried to establish if they truly loved the game and wanted to play football. If he determined that a player's major motivation was money and fame, their character and commitment credentials were diminished, at least in his evaluation. He also watched the social interaction at lunch. He wrote of having lunch with three linebackers in which his team had an interest. Packer fans may be interested to know that one of them was Clay Matthews. Clay Matthews and another player where given high marks, while a third was quickly removed from consideration.

What was he looking for? The same things we all look for, or should be looking for, before we make an employment offer. Will this person be a good fit with existing staff? Does their character match their skills? As Badger football coach Bret Bielema once stated, "We don't want to recruit problems." In other words, put due diligence on the front end and give an extra measure of weight to character, personality and one's potential to be a good fit. If you think you are going to significantly change an adult's character or personality after the fact, good luck with that. My experience says, "It ain't gonna happen."

I bring this up because I've obviously had some bad experiences as many of you have as well. One of the most prevalent causes of bad hiring decisions is driven by the pressure exerted by those who are most affected by a vacancy. Understandably, they are the ones who must pick up the extra work load until a new replacement is on board. Another contributing factor is scarcity of qualified applicants. How long can you operate without an IT person or a head coach? There are always time and scarcity realities, but succumbing to pressure and hiring the wrong person will create a pressure of a different kind that can last as long as the person on board. Make the best of your opportunities to find the right fit for your staff and your entire organization. In closing, one last example to make my point. Do you know anyone who thought they could significantly change their spouse after they were married? My wife and I have been working at it for fifty-five years, with very little progress to date.

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WASBO 2012 Spring Conference

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at the conference and would like your help. Think about your school district's successes, highlights and firsts. These could be graduates, staff or educational programs. What makes your district unique? We are looking for pictures, artifacts and Internet links. If you have something to share, email hafeman@wasbo.com. If you have an artifact that you will be bringing to the conference, let us know that too so we can plan for it. Be sure to mark your items with your name and school district. You will be able to take all artifacts with you at the conclusion of the conference. So start digging, talk to your district historian, then share!

Member Spotlight - Bambi Statz

Reprinted with permission from ASBO International Accents Online E-Newsletter, February 2, 2012

Bambi Statz

Did you know there is a strong correlation between musicians and mathematicians? Those skilled in one area are often skilled in the other. Bambi Statz, Ph.D., professor emeritus of the University of Wisconsin-Whitewater (UW) Business Management Graduate Program, learned about this relationship as a college music major who moved into the field of school business, where she was equally talented.

Bambi explains that her introduction to the profession began in the 1970s, when she worked in a music store. She learned from a customer that the Madison (WI) School District had received a multimillion-dollar grant to pilot a program on mainstreaming special education students. Bambi applied and was accepted for the position of grant administrator and quickly discovered that she loved contributing to education in that way. Because Wisconsin requires certification for its school business officials, Bambi earned her master's in school business at UW after the grant administrator position came to an end.

She served as a business manager in four Wisconsin districts of varying sizes before heading to the Wisconsin Department of Public Instruction. For the majority of her 10 years there, Bambi was the assistant state superintendent of finance. Her responsibilities included distributing state and federal monies to school districts; providing consultant services to the general public and school districts; and advocating for school funding.

When she completed her doctoral work at UW in 1996, Bambi was invited to oversee the university's school business management graduate program. During her 14-year tenure, the program grew from just 5 advisees to more than 60. The program's purpose of preparing individuals for careers in school business went hand in hand with ASBO International's certification program. When Bambi learned that a commission was being formed to design and implement ASBO's Certified Administrator of School Finance and Operations (SFO®) program, she applied to join and was thrilled when she was chosen to chair the group. "It was so gratifying to be involved with such a dynamic group of people who were passionate about the field," Bambi says.

Bambi believes that one of the most challenging elements of any school business official's job is maintaining an ongoing commitment to help people—educators as well as the public—understand how public schools are funded.

"Because my career has spanned local school districts, state government, and academia, I have been able to step back to see how funding works across the state," Bambi says. "It's a different picture, and we have to think beyond the boundaries of individual school districts to do what's in the best interest of all children and taxpayers in the state."

Safeguarding District Assets: Fraud Prevention

By Margaret Smith, Business Manager, Northland Pines School District

Margo Smith

No organization is immune to fraud in its varying types, degrees, or consequences. Systems need to be put in place as much as possible and practical to protect persons (taxpayers, students, staff, and community users). A key part of prevention is understanding and recognizing red flags.

There are several types of fraud that internal controls are directed to:

- Internal fraud, or Occupational Fraud, which is defined by the ACFE (Association of Certified Fraud Examiners) as "The use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets."
- External fraud, in which persons or organizations with whom the district deals attempt to unlawfully acquire district assets. This type of fraud may display itself in the form of contract fraud, misrepresentation of costs billed, impersonation of district staff, or other falsifications.
- Collusion, which may manifest itself in the form of an outside party working with someone within the district, several people outside of the district collaborating to defraud, or several people inside the district working together to defraud.

All of these types of frauds have certain things in common. In studying the social psychology of fraud, three common factors which comprise the "fraud triangle" are opportunity, pressure, and rationalization.

Opportunity is generally provided through weaknesses in internal controls. It is the only element over which a district has significant control.

Pressure is defined very broadly, and may result from unrealistic deadlines or performance expectations by superiors, personal vices such as gambling, or a perceived pressure to "keep up with the Jones."

Rationalization is a method most people need to reconcile their consciences with commonly accepted definitions of decency, honesty, and trust. It is a crucial component of most frauds, as people convince themselves the fraud was necessary, justified, or warranted under the circumstances.

As mentioned above, a sub-element in the "fraud triangle" is justification. We oftentimes hear (or maybe have even felt at times) "They deserve it for what they did." It is when these thoughts are acted upon and a conscious decision is made in conjunction with one's rationalization that the intent completes itself.

What can a district do to prevent fraud? While it is next to impossible to define a totally "fraud-free" system, there are many procedures that may not always prevent every fraud, but which certainly make its occurrence difficult or acts as a deterrent. A good system also recognizes that while a red flag may be present, sometimes an error is just an error. Basic fraud prevention principles call for separation of duties in cash receipts, accounts payable, and payroll; documentation for all charges and expenses in conjunction with supervisor approval; regular cash reconciliations; and analytical methods that may be as simple as a several year comparison to identify transactions or amounts that appear to be out of normal parameters. Random sampling of transactions in an impromptu manner at irregular and unpredictable intervals is a strong deterrent and may be used in areas especially susceptible to fraud.

Communications can also be key in preventing fraud. The business office cannot prevent fraud alone. Business managers rely on management and staff to regularly review reports, follow procedures relating to internal control, and assist us in answering questions that come up relating to transactions. Other administrators need to be reminded at regular intervals that they are part of the fraud-prevention circle.

Here is some fraud trivia information from the ACFE Report to the Nation on Organizational Fraud and Abuse in 2006 of more than 1,100 occupational fraud cases:

- The average organization loses five percent of revenue to fraud and abuse.
- Forty-one percent of occupational fraud cases are committed by employees.
- The median loss for fraud by managers was $218,000; almost three times greater than the losses resulting from an employee scheme.
- Sixty-one percent of frauds were committed by men, with a median loss of $250,000, which is more than twice the median loss attributable to women.
- Most fraud perpetrators (87.9 percent) have never been convicted of a crime.
- Forty percent of all fraud cases are committed by two or more individuals. In these cases, the median loss was $485,000, almost five times greater than the median

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The Impact of Economic and Fiscal Pressures on Credit Quality: Using S&P's Proposed Criteria for Rating U.S. Local Governments to Estimate Rating Distributions

Reprinted with permission from Standard & Poor's Global Credit Portal® RatingsDirect®, March 6, 2012

Introduction

U.S. local governments could face two potential credit risks in the coming year: federal spending cuts and further economic decline. These uncertainties raise the question of how local government credit performance might fare in the future, and what impact potential economic or fiscal pressures may have on credit ratings. (Watch the related CreditMatters TV segment titled, "U.S. Local Governments: Estimating Potential Rating Distributions Under The Proposed Rating Methodology," dated March 7, 2012.)

While local governments receive very little direct federal funding, cuts to federal spending could affect them in several indirect ways. We have indentified some of the potential changes state and local governments could face stemming from the current federal budget situation (see the article, "A Look At U.S. State And Local Governments As Joint Committee Deadline Nears", published Nov. 21, 2011). First, cuts in federal aid to states could be passed through to local governments. More than 90% of counties and municipalities rated by Standard & Poor's receive some form of state aid, which represents, on average, 15% of general fund revenues. Second, removing the tax exemptions of mortgage interest or property taxes would decrease the affordability of homes, potentially leading to declining valuations that could pressure property tax revenue. Lastly, a repeal of the federal tax exemption for municipal bond interest income would increase the cost of debt for local governments by raising investors' required rate of interest.

Economic decline would have both direct and indirect impacts on local governments. Direct impacts at the local level include increases in the unemployment rate, declines in market values and assessed values, reduced consumer spending, and associated declines in tax revenues. Indirectly, if macroeconomic declines weaken state finances, states may reduce aid to local governments. In addition, declines in the stock market and other securities markets could reduce the value of assets held by individuals as well as those in pension and other postemployment benefit (OPEB) trust funds. A decline in the value of assets increases both the unfunded liability position of and required annual contributions to such plans. This could result in higher annual costs to local governments, further stressing budgets.

Given future fiscal and economic uncertainties, our analysis seeks to provide clarity on possible sector-wide changes in rating distributions that could result from different levels of economic and fiscal pressures and different levels of government response to those pressures. It uses the framework described in the RFC, which applies to general obligation (GO) debt of U.S. counties and municipalities, to produce estimated rating distributions under each of the scenarios considered.

The primary purpose is to demonstrate that the transparency of the proposed criteria better facilitates this type of analysis -- estimating possible rating distributions under various levels of pressure and management response. The secondary purpose is to illustrate that, as stated in the RFC, our estimation of rating changes under the proposed criteria rests on a number of assumptions and that depending on how actual conditions vary, the rating results may also vary. In addition, we believe the analysis illustrates that the proposed criteria reflect the resiliency of the U.S. local government sector to significant pressures, but also that ratings may change as economic and fiscal challenges and government responses change.

Limitations

The analysis and its outcomes are subject to a series of limitations. The scenarios we analyze do not represent economic or fiscal forecasts of what we necessarily think will occur in the future. Rather than speculating on the extent to which economic and fiscal threats may occur and precisely how they may combine to affect local government credit quality, the analysis examines a range of effects that might result if such risks were realized. The scenarios vary significantly to reveal the degree of rating responses to pressures. The analysis does not include the benefit of information and projections we would receive from management teams relevant to the circumstances at hand. This lack of information prevents full application of the proposed criteria due to its reliance on qualitative information. As such, the analysis requires simplifying assumptions and, therefore, the results of the scenarios should not be viewed as precise rating outcomes. The results are estimates based on data available as of mid-2011 for over 3,700 U.S. counties and municipalities with GO ratings.

Nine Scenarios

We created nine scenarios by varying two dimensions: the level of economic and fiscal pressures (level of pressure)

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and the level of management response to the pressures (level of response). The three levels of pressure are mild, moderate, and severe. The three levels of response are weak, medium, and strong. Each level of pressure assumes a different level of decreasing market value, increasing unemployment, increasing revenue-expenditure imbalance, and increasing cost of debt and employee retirement benefits. We included different levels of government response because local governments retain significant abilities to alter their revenue and expenditure patterns in response to fiscal pressure. Although many local governments have the ability to offset potential revenue losses with tax rate increases, basing management responses solely on expenditure reduction is one of our simplifying assumptions. Table 1 details the starting assumptions for each scenario.

have a mild level of pressure but vary on level of response, indicating that any difference in results between these scenarios is due to differences in level of response. Likewise, scenarios A3, B3, and C3 all have a strong level of response but vary on level of pressure, indicating that any difference in results between the scenarios is due to differences in level of pressure.

The starting assumptions in table 1 directly and indirectly affect five of the seven factor scores in the RFC. Market value declines affect the economy factor score directly through market value per capita, one of two metrics forming the initial economy score. As the county unemployment rate increases, the economy factor score worsens (increases) by 1 when it exceeds 10%. Revenue declines in conjunction with expenditure reductions determine the net operating results for the general

general fund balance determines the initial budgetary flexibility factor score and can also result in an upward adjustment to the score by 1 when it exceeds 30% of general fund expenditures for three consecutive years. Total government cash serves as the numerator for both metrics used to determine the initial liquidity factor score. Total governmental funds debt service as a percentage of expenditures is one of two key metrics determining the initial debt and contingent liability factor score. That initial score can be adjusted negatively by 1 or 2 due to unaddressed exposure to unfunded pension or OPEB obligations. We assumed the impact of this adjustment for all issuers would be 1 when pressure is moderate and 2 when pressure is severe. We did not assume any changes in debt outstanding because deficit bond financing is very rare among U.S. local governments.

Table 1

Starting Assumptions										
	Level of pressure	**Mild**			**Moderate**			**Severe**		
	Level of response	**Weak**	**Medium**	**Strong**	**Weak**	**Medium**	**Strong**	**Weak**	**Medium**	**Strong**
	Scenario	A1	A2	A3	B1	B2	B3	C1	C2	C3
Market value decline		5%	5%	5%	10%	10%	10%	20%	20%	20%
Unemployment rate increase		1%	1%	1%	2%	2%	2%	4%	4%	4%
General fund and total governmental funds revenue decline		5%	5%	5%	10%	10%	10%	20%	20%	20%
General fund and total governmental funds expenditure reduction (% of revenue decline)		0%	50%	100%	0%	50%	100%	0%	50%	100%
Total governmental funds debt service increase		0%	0%	0%	0%	0%	0%	1%	1%	1%

The scenarios names in table 1 (A1, A2, B3, etc) make it easier to follow the impact of varying one dimension while keeping the other constant. For example, scenarios A1, A2, and A3

fund and total governmental funds. These operating results determine the initial budgetary performance score as well as increase or decrease both cash and fund balance levels. The available

Unaffected by the metrics in table 1 are the management and institutional framework scores. While these scores can change, such a change directly in

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response to the conditions detailed in table 1 is less obvious. In particular, the management factor assesses the impact of management conditions on the likelihood of repayment, not managerial quality. Therefore, the level of management response that the analysis takes into account would not necessarily change the management score, but instead affects the financial results captured in the budget flexibility, budgetary performance, and liquidity factor scores.

In addition to their impact on the factor scores, the assumptions in table 1 also affect several overriding factors. The proposed criteria employ overriding factors that can create greater rating differentiations when more exceptional circumstances exist. The overriding factors either notch the indicative rating up or down or place a specific cap on the final rating. The overriding factors in the analysis triggered for some credits include:

- Market value per capita less than $30,000;
- Liquidity factor score equal to 4 or 5;
- General fund balance greater than 75% of general fund expenditures for three consecutive years;
- General fund balance below negative 10% of general fund expenditures;
- General fund balance below negative 5% of general fund expenditures for two consecutive years; and
- General fund balance below negative 5% of general fund expenditures for three consecutive years.

In the analysis, the overriding factors are triggered indirectly by assumptions made on other metrics, not explicit assumptions about the overriding factor. For example, the revenue decline and expenditure reduction assumptions indirectly affect the fund balance overriding factors through their impact on the available general fund balance.

Results

Table 2 presents the estimated rating distributions resulting from each scenario. It also includes a baseline scenario, which represents local government credit conditions based on the most recent information available, the application of the proposed criteria as described in the RFC, and additional positive assumptions. The assumptions are:

- That the economy will not slide back into a recession in the coming year although growth will remain subdued;
- That any near-term federal deficit reduction measures will not unduly target local governments;
- That governments will continue to make needed adjustments in response to continuing fiscal imbalances that are less than those of past years; and
- That the slow but observable trend of governments addressing long-term benefit costs will continue at least at its current rate.

The results relied on some additional assumptions to deal with overriding factors that result in capped ratings. The most commonly triggered overriding factor was a final liquidity factor score of 4 (second-weakest liquidity score),

Table 2

Estimated Rating Results

		Scenarios								
	Level of pressure	Mild			Moderate			Severe		
	Level of response	Weak	Medium	Strong	Weak	Medium	Strong	Weak	Medium	Strong
Estimated Rating	Baseline	A1	A2	A3	B1	B2	B3	C1	C2	C3
AAA	7%	5%	6%	6%	4%	5%	5%	2%	2%	4%
AA+	12%	10%	10%	11%	8%	9%	10%	5%	7%	9%
AA	25%	22%	23%	23%	20%	21%	22%	15%	19%	21%
AA-	24%	22%	23%	24%	21%	22%	23%	19%	22%	23%
A+	22%	21%	21%	20%	21%	23%	23%	17%	21%	24%
A	6%	7%	7%	6%	9%	8%	7%	12%	11%	9%
A-	2%	3%	3%	2%	4%	3%	2%	6%	3%	2%
BBB category and lower	3%	9%	8%	7%	13%	9%	7%	24%	14%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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which caps a rating at 'A-'. Under the proposed criteria, the rating can be no higher than 'A-', but could be lower depending on the severity of the conditions present. To simulate how this might affect the ratings distribution, we assumed that rating outcomes would fall within three notches of the capped rating level in equal proportions. This assumption should not be viewed as a prediction of rating committee decisions. We believe it is more realistic assumption than leaving all the capped ratings at their capped level. Leaving all ratings only at the level suggested by the cap would likely understate the downward shift of ratings during the highest-pressure scenarios. Also, under the proposed criteria, assignment of ratings in the 'BBB' category or lower will largely depend on analysts' qualitative assessment and rating committees' ability to assign ratings lower than the capped level when a rating cap is triggered. Since the analysis does not capture such qualitative assessments, we do not break out the 'BBB' category or lower ratings.

Interpretation Of The Results

Relative to the baseline, all scenarios result in fewer 'AAA' and 'AA+' ratings and more ratings at 'A+' or lower. Scenario A3 is most similar to the baseline due to a strong level of response largely offsetting the negative impact of a mild level of pressure. Scenario C1 is most divergent from the baseline due to the combined effects of weak management response and severe pressures. In general, the estimated rating distributions shift downward relative to the baseline and each other as the level of response and level of pressure worsen. Despite these downward shifts, ratings are largely in the 'A' category or better, and the percentage of ratings in the 'BBB' category or lower only exceeds 10% when moderate pressure is paired with a weak response (B1) or severe pressure is paired with a weak or medium response (C1 and C2, respectively).

Table 2 also shows that increasing levels of economic and fiscal pressure, independent of management response, can move the rating distribution downward relative to the baseline. For example, comparing scenarios A1, B1, and C1 shows fewer 'AA' category ratings as economic and fiscal pressures increase from mild to moderate to severe. Likewise, at a given level of pressure, the upward shift of rating distributions across level of response demonstrates the significant impact of level of response on ratings under the proposed criteria. For example, comparing C1, C2, and C3 shows that the percentage of ratings 'AA-' or higher increases as the level of response improves from weak to medium to strong.

When varying level of pressure and level of response in opposite directions, the impacts can partially offset. For example, the results in scenarios A1 and C3 are very similar even though they have the most dissimilar underlying assumptions. Scenario A1 represents a situation in which local governments are unable or unwilling to address mild pressures. In that situation, because of heightened exposure to external pressures due to governments' lack of response, the rating distribution shifts downward relative to the baseline scenario. However, in scenario C3, local governments are able and willing to make strong responses to severe pressures, and their actions result in a very similar rating distribution to scenario A1 despite significantly greater economic and fiscal pressures. This comparison illustrates, from a credit rating perspective, the potency of management actions due to U.S. local governments' significant ability to alter their revenue and expenditure patterns in response to fiscal pressure.

Conclusion

We believe the transparency of our proposed criteria better facilitates the analysis of possible rating distributions under various levels of pressure and management response. Our analysis suggests that credit ratings under the proposed criteria reflect the overall resiliency of the U.S. local government sector to significant pressures. That said, the analysis also demonstrates the extent to which rating outcomes may vary according to economic and fiscal challenges and government responses.

Primary Credit Analysts:

Christopher Krahe, Chicago (1) 312-233-7063; christopher_krahe@standardandpoors.com

Jeffrey Previdi, New York (1) 212-438-1796; jeff_previdi@standardandpoors.com

Secondary Contacts:

Steven J Murphy, New York (1) 212-438-2066; steve_murphy@standardandpoors.com

Gabriel Petek, CFA, San Francisco (1) 415-371-5042; gabriel_petek@standardandpoors.com

Horacio Aldrete-Sanchez, Dallas (1) 214-871-1426; horacio_aldrete@standardandpoors.com

Karl Jacob, Boston (1) 617 530-8134; karl_jacob@standardandpoors.com

Matthew Reining, San Francisco (1) 415-371-5044; matthew_reining@standardandpoors.com

Jane Hudson Ridley, Chicago (1) 312-233-7012; jane_ridley@standardandpoors.com
Criteria Officer, U.S. Public Finance And International Public Finance:

James Wiemken, London +44-20-7176-7073; james_wiemken@standardandpoors.com

p-Card - Using Technology to Save Your School District BIG Dollars

It costs school districts money to spend money. Time, paper, postage, telephone, lost time caused by unnecessary interruptions, matching invoices, shipping orders, PO's, etc, etc, etc. Research conducted by Deloitte Touche, American Express, Anderson Consulting, Illinois ASBO, GFOA and others indicates that the cost of processing a requisition through to payment AVERAGES between $75 - $200 EACH. This is regardless of whether the PO is for $10 or $1000. If you use a figure of $100 as an example transaction cost, this means that a $100 item really costs the district $200 plus shipping and handling. That's a 100% markup. On larger purchases, say $1000, the $100 transaction cost represents a 10% markup plus shipping and handling. Research done specifically for Illinois consistently shows that between 58 – 60% of ALL accounts payable checks drawn during a year are for LESS THAN $500. This means that every one of these transactions is carrying an internal cost surcharge of 20% OR MORE. Using p-Cards for 60% of your transactions can reduce your transaction costs to $10 - $40.

Here are some real examples: Naperville 203 School District, in 2001, before they had their p-Cards issued 16,954 accounts payable checks. After three years of using the p-Card that number dropped to 8,689 checks. This represents significant savings in time and money. During this same time period, the number of PO invoices also dropped from 9,847 to 4,724. Again, this represents more savings for the school district. In addition to the well documented effectiveness and efficiencies in the business office, their use of the p-Cards generated rebates of over $19,000 in 2007.

In the Oregon School District, p-Cards were used for 9,600 transactions in the past year.

The bottom line is this - if you can eliminate 50% of your POs and reduce the cost of the other 50% by 40 – 60%, you have significantly increased the efficiency of your procurement/payment process. This is not theory – it is real!

To learn more about the technology and benefits of Wisconsin ASBO's p-Card program, contact Jeanne Deimund at 608.249.8588 or visit the website at www.wasbo.com/pcard.

Safeguarding District Assets: Fraud Prevention

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loss in fraud cases involving one person.

- Median loss attributable to employees over the age of 60 was $713,000. For employees 25 or younger, the median loss was $25,000.

By increased use of internal and external controls in dealing with outside parties, employee understanding and education, and open communications with staff, districts will lessen the opportunity for fraud in its many shapes and forms. Members of your district need to be aware via newsletters or other communications that they are the eyes of the district as well. Managers can make community members aware that if they ever have reason to question the legitimacy of any person representing themselves as an employee, fundraiser for the district, or other representative, they should feel free to ask for suitable identification or contact the district offices to verify the legitimacy of the event or person in question.

The Retirement Landscape:

Hazardous and Challenging Terrain

By Noel Abkemeier, Dawn Helwig, Jeffrey Higgins, Janet McCune, William Most, Allen Schmitz, and Kamilla Svajgl, Milliman

Reprinted with permission, Insight, May 31, 2011

If nothing in life is certain except death and taxes, nothing in life seems quite so uncertain for most workers today as a comfortable retirement. Whether from the perspective of employers, insurers, healthcare organizations, or present and future retirees, the retirement landscape presents a tangle of risks, uncertainties, and challenges:

- Low investment yields make it difficult to grow retirement savings faster than inflation and cause problems for both defined benefit and defined contribution plans.
- Continuing radical increases in healthcare costs threaten even well-planned retirement nest eggs.
- The uncertainty of the length of retirement living creates the need to prepare for a long retirement. Increasing life expectancy due to better lifestyle and healthcare magnifies the issue.
- Longer lifespans may also lead to increased necessity of long-term care, which impacts the value of IRAs and defined contribution plan accounts relative to total retirement needs.
- An uncertain inflation picture increases the difficulty of long-term decision making; inflation risk can undermine retirement adequacy.
- Individuals have been given more control over how to save for retirement and what to do with their savings, but do not have the knowledge, expertise, or guidance to make those decisions.
- Challenging economic conditions make it more difficult for individuals to put aside money for retirement.
- Low interest rates create a host of investing and planning challenges.

Any one of these challenges could fill a book. To show the complexity of the problem, this article focuses on one: record low interest rates.

Starting in January of 2008, in response to the global economic crisis, the Federal Reserve initiated a series of drops in the Federal Funds Target Rate. From a rate of 4.00%, they reduced it to a historic low of 0 to 0.25%, where it remains today. This indicates a continuing opinion on the part of the Fed that the risk of inflation is lower than the risk of continued economic weakness. Another reason for these sustained low rates is the lack of liquidity and lending in the global market.

While there may be economic logic to these actions, low interest rates have significant impacts on the retirement landscape in both the short and long term. For those wishing to finance a purchase or pay off higher-interest debt, low interest rates are great. For those wishing to have steady retirement income, they can be a challenge.

Low interest rates and investment vehicles

While the effect of low interest rates on the economy as a whole is complex and difficult to analyze, low rates have an immediate and obvious impact on retirement funding because they result in lower coupon rates on Treasury bonds and other fixed-income investments. Such "safe" investments in the past have been key to stably funding a given retirement need with a particular amount of assets. The same is true whether it is a vast corporate pension plan, an individual's retirement portfolio, or a long term care insurance plan.

Other investments have more complex and unpredictable relationships with interest rates; take the stock market, for example. Typically, it is thought that by increasing the supply of money available for lending and investing, low interest rates tend to drive stock prices up. The market hit its most recent nadir in March of 2009. Today, it has nearly doubled from that low. Lowering rates does not appear to have harmed stock prices, and likely helped, but the relationship is unpredictable.

Some economists report that businesses are using low-interest loans to purchase stock and drive up share prices, or pay off high-interest debt, or simply shore up their store of available dollars at low rates. Now, with continued economic weakness and rates on the floor, the Federal Open Market Committee is engaging in "quantitative easing"—the practice of creating money to purchase Treasuries and corporate bonds to increase the supply of money in the economy.

In any case, the effect of low interest rates on the coupon value of bonds can put traditional retirement strategies to the test. Lower interest rates are not necessarily bad. They can boost the stock market and the economy at large. They also raise the market value of existing bond portfolios exhibiting higher interest rates than are offered on new bonds. However, using bonds as a guaranteed income stream when approaching and living through retirement is a classic part of the retirement "glide path." Institutional investors also rely on bond income to reduce investment risk. In a low interest rate environment, high coupon bonds

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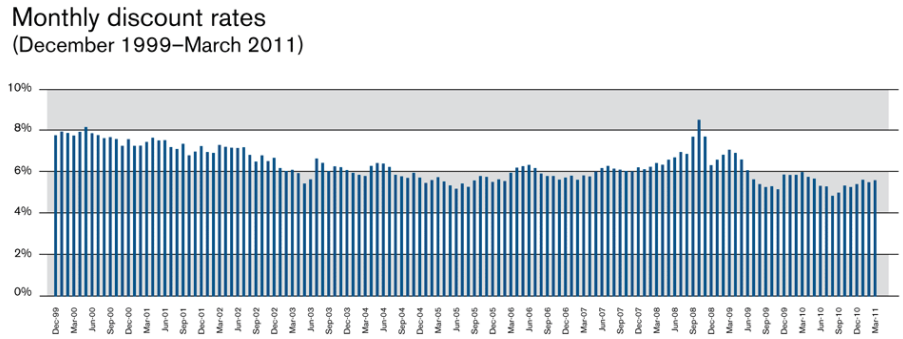

Exhibit 1 shows the fluctuation of the monthly discount rate since December of 1999. This is the rate used by corporate pensions to calculate pension benefit obligations. Note the lower rates over the last 18 months, especially compared to the higher rates between December of 1999 and the summer of 2002.

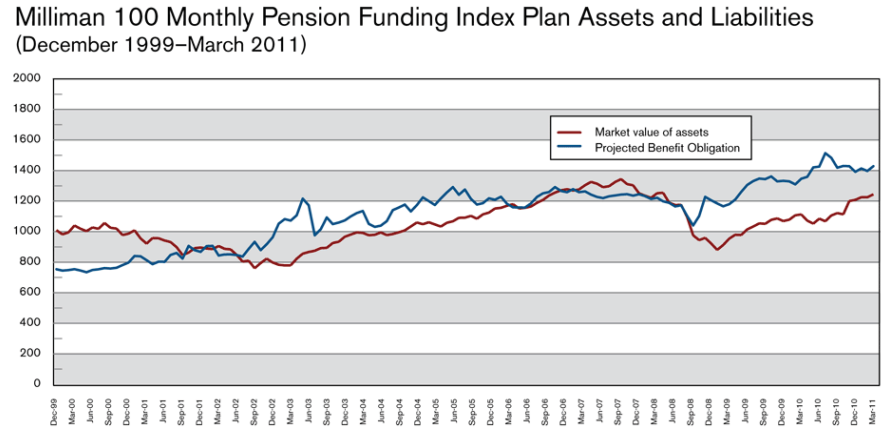

Exhibit 2 illustrates the movement of both the assets and liabilities for the 100 largest corporate pensions, according to the Milliman Pension Funding Index. Note the blue line in particular, which measures projected benefit obligation (i.e., pension liabilities). These liabilities are significantly higher over the last 18 months than those shown during the high-interest-rate days from 1999 to 2002.

While most people planning for their retirement may not realize it, the fluctuation in interest rates plays a significant role in the funded status of a pension plan.

are sold at a substantial premium that offsets the value of their interest payments.

One of the biggest problems occurs when retirement plans designed around higher interest rates enter a low-rate environment. For example, many DB plans—even ones that seemed conservatively valued just a few years ago—face higher-than-planned-for liabilities due to low interest rates, in turn increasing contribution requirements and P&L expenses. This is also true for individuals projecting their retirement needs. If they have been saving toward a goal based partly on eventual bond income, their plan may need to be revised. If bonds cannot provide sufficient income, individuals will come to rely more heavily on riskier investments.

Real estate and related investments are another potential area for retirement funders to invest. To say the least, both commercial and residential real estate have underperformed in recent years. These market realities have further influenced central bankers to keep rates low (although the relationship between the Federal Funds Rate and mortgage rates is far from lockstep). Even record low interest rates have apparently failed to stimulate the market.

Low interest rates do benefit both individuals and corporate property buyers and owners who are purchasing property now or who are able to refinance. In the long run, they may help stimulate the recovery of real estate markets, which would help investors in those markets whether individual homeowners or large institutions. Of course, relatively low interest rates were a contributing factor in the bubble whose popping created today's challenging conditions in the first place, a lesson that we hope regulators will not forget. And low interest rates increase inflation risk, which in turn creates more risk for retirees.

Defined benefit (DB) retirement plans

With asset values dropping 20% to 35% in 2008, formerly well-funded DB plans found themselves projecting insolvency. This was on top of sweeping changes to DB funding brought about by the Pension Protection Act (PPA) of 2006. By reducing the "asset smoothing" period from five years to two years, and by prescribing the way liabilities are calculated, the PPA effectively accelerated funding requirements for pensions. Additionally, for U.S. state and municipal governments, this comes on top of underfunded pensions. The exact quantity of underfunding is currently open to debate, with some suggesting the shortfalls total trillions of dollars and others suggesting the funding gap is not nearly so high.

Long term care insurance (LTCI)

LTCI has been in the news quite a bit in the past year or so, with major players either requesting significant rate hikes or going out of the market altogether. Because of its long time horizon, LTCI relies on returns on invested premiums for a substantial amount of the money it uses to pay claims. Underfunding has resulted partly from products priced with long term interest rates that were substantially higher than what is available in the market today.

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New policies are generally priced with lower interest rates taken into account, which increases premium levels and therefore influences the marketability of the product. Interest rate hedging strategies are available to insurers; however, the current low interest rate environment makes that strategy less attractive. Accounting rules may also influence the viability of hedging strategies.

Living benefits

A kaleidoscope of options characterizes the annuity market. Annuities with guaranteed lifetime withdrawal benefits (GLWB) or guaranteed minimum income benefits (GMIB) offer a "floor" of protection against poor returns and help to address longevity risk. They are the most popular type of variable annuity sold in the market today. They provide a good option for baby boomers because, unlike government bonds, in addition to the guaranteed minimum income for life, they also allow for market participation if asset values grow. However, if the low interest rate environment persists, the benefit levels offered today may become unsustainable. To continue offering existing levels of benefits (and therefore maintain the marketability of these products), insurers will have to fundamentally change the way they manufacture and design these guarantees.

Personal retirement savings

From the perspective of individuals in retirement or about to retire, low interest rates present a number of issues. The foremost issue is that their nest egg grows more slowly. Low interest rates increase the temptation to take on home equity debt or other types of debt to finance a better retirement lifestyle. Low interest rates tend to drive up the value of older long-term bonds with higher coupon yields; individuals could be tempted to sell their high-coupon long-term bonds at a profit, giving up a guaranteed income stream for immediate gains. This is not necessarily bad, as it may offer a way to increase retirement assets, but needs to be considered in the context of the overall retirement horizon and strategy.

Many individual retirees rely on the equity in their homes as a retirement resource. The drop in residential real estate values is extremely problematic for retirees who planned to draw on the equity in their homes (through a reverse mortgage, for example). However, it is good for retirees who wish to invest in real estate now.

Perhaps most importantly, the Fed's strategy of holding interest rates low and engaging in quantitative easing carries risks of inflation. The Fed is carefully monitoring the inflation picture and working hard to stimulate the economy without negative consequences. However, it is possible that we could go through at least some period of high inflation, which can have serious consequences for retirees as they find the purchasing power of their savings eroded.

What does the future hold?

With high unemployment, slow growth, and low inflation, many commentators expect that interest rates will remain low for a year or more. Given the gradual pace of the recovery so far, it is likely that interest rates will not return to pre-bubble levels for some time. Some point to Japan as a cautionary tale, where interest rates have remained effectively 0% for more than a decade.

Entities managing DB plans, annuities, and LTCI are all looking for alternative investment strategies and plan structures that will enable them to stay solvent. Individuals who are saving for retirement should not rely exclusively on received wisdom about how much to save and where to put it, as the "rules of the game" are changing.

More broadly, just this brief examination of the effect of low interest rates demonstrates that the challenges of funding retirement are complex, dynamic, and interconnected. Whether you are an insurer selling LTCI, a financial firm selling annuities, a pension fund manager looking to keep a plan solvent, or a worker looking to retire at a reasonable age, new strategies are necessary to meet the challenges of the post-crash retirement landscape.

A New Way for Wisconsin's School Boards to Safeguard Deposits

By Amy Davis, Business Development Advisor, Promontory Interfinancial Network, LLC

Amy Davis

On Monday, April 2, 2012, Wisconsin Governor, Scott Walker, signed legislation amending the Wisconsin Public Deposits Law, enabling government subdivisions and schools in Wisconsin to deposit public funds through the ICSSM, or Insured Cash SweepSM, service.

Why Should You Care?

Protecting and wisely managing public funds have always been job number one for government finance officers and school business officials – so much so that public entities generally are required by law to protect their deposits through insurance, collateralization, or other means. Schools and other public entities typically entrust depositories with millions of dollars in checking accounts, savings accounts, and certificates of deposit.

As the 2008 financial crisis and the resulting failure of hundreds of depository institutions underscore, it is more important than ever for officials to pay careful attention to where they place public monies so that they can protect these deposits beyond the $250,000 standard FDIC insurance maximum while earning an appropriate return.[1]

Traditionally, the drawback of obtaining FDIC insurance for officials was the limit of $250,000 per depositor, per institution; the time-consuming process of dealing directly with multiple banks; or the onerous requirement of collateralization.

For example, if a school had to manage $1 million, it had to maintain accounts with at least four banks to ensure that all funds were eligible for FDIC insurance coverage. This created an administrative headache for officials and their staffs. It meant waiting for monthly statements from four different banks to create one financial report; manually consolidating four bank accounts monthly; making sure signature cards and agreements were up-to-date at four different banks; and directly managing four bank relationships. Alternatively, the school could have required a single bank to collateralize its large deposit – but then it would have to track changing collateral values on an ongoing basis. (And some banks offset their tracking and related costs by offering lower returns on collateralized deposits, leaving public fund investors to earn lower returns in exchange for safeguarding their investments.)

ICS Makes It Easy

Now there is an easier way for public entities and schools to access multi-million-dollar FDIC insurance and earn interest on their large-dollar deposits in money market deposit accounts. ICS is a unique solution for safety-conscious depositors looking to minimize risk while earning a return.[2]

School boards that are familiar with CDARS® (or the Certificate of Deposit Account Registry Service®) will find that the ICS service is similar in many respects to CDARS, through which a government depositor, working with a local bank, is able to obtain certificates of deposit that are issued by banks throughout the United States and are eligible for FDIC insurance. The placement of deposits through CDARS has been available to government depositors in Wisconsin since 2005, when the deposit of public funds through CDARS was determined to be authorized under Wisconsin Statutes by the Attorney General of the State. However, because the statutory provision interpreted and applied by the Attorney General in 2005 relates only to time deposits, the benefits of CDARS have not been available for the public funds that are placed in money market deposit accounts – until now.

How Do ICS and CDARS Work?

When a Network bank places a customer's deposit using either ICS or CDARS, that deposit is allocated among other member banks (that offer the same service) in amounts under $250,000, making the original deposit eligible for FDIC insurance. By working directly with just one bank, a customer can access coverage from many.

Thus, with ICS or CDARS, finance officers can avoid the inconveniences of spreading deposits among dozens of banks, signing multiple agreements, negotiating multiple rates, and monitoring and manually consolidating numerous account balances, interest disbursements, and tax statements. And because deposits placed using CDARS or ICS are eligible for FDIC insurance coverage, governments investing through these services are not required to collateralize and track assets on an ongoing basis. This makes investing easier and less time-consuming, freeing up time for officials to focus more closely on their other core missions.

Plus, in many instances, the full amount of a public entity's deposit can be used by its relationship bank for lending opportunities in the local community – something to feel good about![3]

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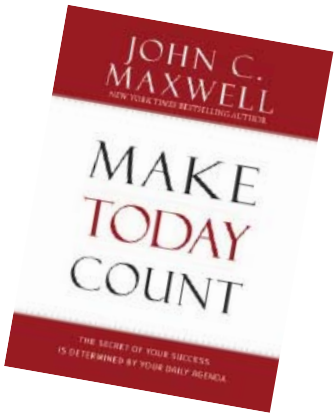
Orvin R. Clark, EdD, RSBA

Book Review

"Make Today Count: The Secret of Your Success is Determined by Your Daily Agenda"

John C. Maxwell, Author

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



Make Today Count was written by John C. Maxwell. Maxwell is the author of New York Times bestsellers: ***The 21 Irrefutable Laws of Leadership; Developing the Leader within You***; and ***Running with the Giants and Thinking for a Change.*** The author has written over thirty books on motivation and leadership. He is widely regarded as America's expert on leadership. He is the founder of the INJOY Group. An organization dedicated to helping people maximize their leadership potential.

Make Today Count is 131 pages in length, divided into twelve chapters loaded with interesting quotations and short stories. The book is about decisions and decision making. Theodore Hesburgh, former president of Notre Dome University, admonished:

> "You don't make decisions because they're EASY;
> You don't make decisions because they're CHEAP;
> You don't make decisions because they're POPULAR;
> You make decisions because they're RIGHT."

Dr. Maxwell says "you begin to build a better life by determining to make good decisions, but that alone is not enough. You need to know what decisions to make." He developed a list of twelve critical areas for success—he called them the 'Daily Dozen":

1. **Attitude:**
   - Choose and display the right attitude daily.
   - Think, act, talk and conduct yourself like the person you want to become.
2. **Priorities:**
   - Determine and act on important priorities daily.
   - Ask yourself three questions;
     1. What is required of me?
     2. What gives me the greatest return?
     3. What gives me the greatest reward?
3. **Health:**
   - Know and follow healthy guidelines daily.
   - Have a purpose worth living for.
   - Do work you enjoy.
4. **Family:**
   - Communicate with and care for my family daily.
   - Put your family on your calendar first.
   - Create and maintain family traditions.
   - Express appreciation for each other.
5. **Thinking:**
   - Practice and develop good thinking daily.
   - Recognize there are many kinds of thinking.
   - Set aside think time every day.
6. **Commitment:**
   - Make and keep proper commitments daily.
   - Always strive for excellence.
   - Do what's right even when you don't feel like it.
7. **Finances:**
   - Make and properly manage dollars daily.
   - Put the value of things in perspective.
   - Recognize your season of life:
     - Learn
     - Earn
     - Return
8. **Faith:**
   - We already have faith…the important choice is where we place it.
   - Embrace the value of faith.
   - Explore and deepen your faith.
9. **Relationships:**
   - Initiate and invest in social relationships daily
   - Place a high value on people.
   - Give respect freely but expect to earn it from others.
10. **Generosity:**
    - Plan for and model generosity daily.
    - Don't wait for prosperity to become generous.
    - Give time, talent and/or treasure.
11. **Values:**
    - Create a list of good values.
    - Embrace and practice those good values daily.
    - Make a decision to live by them daily.
12. **Growth:**
    - Seek and experience improvements daily.
    - Set growth goals.
    - Take time to grow:
      - Attend seminars.

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Book Review

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- Listen audio lessons every week.
- Read two books every month.
- ***Apply what you learn.***

Dr. Maxwell feels you can make today really great. The key is to make the most important decisions of your life and then to manage those decisions. The idea of the Daily Dozen can overwhelm you if you attempt to do all twelve at one time. My suggestion is to decide every month which one of the Daily Dozen you will manage; within a year you will have focused on all of them. Dr. Maxwell says "the secret of your success is determined by your daily agenda." So start today…plan, act, and achieve.

A New Way for Wisconsin's School Boards to Safeguard Deposits

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Who Offers ICS and CDARS?

To learn more about ICS or CDARS, or to find one of the approximately 3,000 financial institutions nationwide that offer these great services, visit www.InsuredCashSweep.com and www.cdars.com/hero.

[1] FDIC Failed Bank List: http://www.fdic.gov/bank/individual/failed/banklist.html

[2] If a depositor is subject to restrictions with respect to the placement of funds in depository institutions, it is the responsibility of the depositor to determine whether the placement of the depositor's funds through CDARS or ICS, or a particular CDARS or ICS transaction, satisfies those restrictions. Use of the CDARS and ICS services is subject to the terms, conditions, and disclosures set forth in the applicable program agreements, including the applicable Participating Institution Agreement and Deposit Placement Agreement. Limits apply, and customer eligibility criteria may apply. ICS program withdrawals are limited to six per month.

[3] When deposited funds are exchanged on a dollar-for-dollar basis with other banks in the ICS or CDARS Networks, a bank can use the full amount of a deposit placed through ICS or CDARS for local lending, satisfying some depositors' local investment goals or mandates. Alternatively, with CDARS, with a depositor's consent, a bank may choose to receive fee income instead of deposits from other banks. Under these circumstances, deposited funds would not be available for local lending.

Certificate of Deposit Account Registry Service and CDARS are registered service marks, and ICS and Insured Cash Sweep are service marks, of Promontory Interfinancial Network, LLC.

Amy Davis, Business Development Advisor, Promontory Interfinancial Network, LLC
adavis@promnetwork.com

Controlling Health Care Costs IS OUR COMMON INTEREST

Cheering on healthy choices.

A healthy workforce is good for your school district. With less demand for health care services, healthy people help lower costs. WPS Wellness programs engage and motivate employees to address the lifestyle-related risk factors most likely to increase costs, including obesity, tobacco use, and stress. You'll have access to certified wellness coaches, turnkey kits for starting worksite wellness activities, and detailed reports so you can measure the success of your wellness program—and keep an eye on costs. Now that's something to cheer about!

Controlling Your Health Care Costs: 6 Things You Can Do Now — a free white paper from WPS is available at www.wpsic.com/control. To learn more about WPS and our subsidiary, Arise Health Plan, or to get a quote, contact your local agent, or call 608-223-5970 and reference "schools."

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2011 WORLD'S MOST ETHICAL COMPANIES WWW.ETHISPHERE.COM

WASBO Transportation & Bus Safety Workshop

February 29, 2012 - Kalahari Conference Center, Wisconsin Dells, WI

The program for this year's WASBO Transportation and Bus Safety Workshop provided a new track of topics for those with the responsiblity for transporting students in their district. The Transportation Committee planned sessions to provide Transportation Directors with tools to guide their department and positively impact direct contact with students.

Bob Severson, retired Director of Buildings, Grounds and Safety of the Chippewa Falls School District kicked off the conference. Bob shared events of their October 2005 bus tragedy, what the district learned from this incident and how to develop policies to guide the district in the event of a bus emergency.

Jodi Traas of Community Insurance Corporation provided a session on mitigating risk. Best practices from protecting the district financially to effective bus supervision were offered by Ms. Traas. If you want more information Jodi will present this topic again at the WASBO Spring Conference on Friday, May 25th from 10:40-11:40 am.

Morning and afternoon sessions provided assistance for transportation directors on PBIS (Positive Behavior Interventions and Supports). School district officials, Rhonda Page and Katrina Krych, Sun Prairie; Kenneth Kortens, Kaukuana and local bus contractor, Dan Kobussen, Kobussen Bus Ltd shared iniatives they are utilizing in their districts. Attendees appreciated these implementation ideas. CESA #1 trainers followed with more instruction to assist bus drivers in helping students with positive behavior beyond the classroom to the school bus.

Lara Kain, a consultant with the Wisconsin DPI, spoke to the legalities and responsibilities of school districts when transporting homeless students related to the McKinney Vento Homeless Education Law.

The conference concluded with a roundtable discussion where attendees were offered the opportunity to ask burning questions of the WASBO Transportation Committee.

If you would like to help plan next year's conference, join the WASBO Transportation Committee. Contact Erin Lynett at the WASBO office to be added to this group by emailing her at lynett@wasbo.com. Next year's conference is scheduled on February 27, 2013 at the Kalahari Resort and Conference Center. We hope you can join us.

"The man who does not read has no advantage over the man who cannot read."

— Mark Twain

16th Annual

WASBO Accounting Conference

March 21-22, 2012

Chula Vista Resort & Conference Center, Wisconsin Dells, WI

We thank the following sponsors for their support of this professional development opportunity:

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Retirement Plan Advisors
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PMA Financial Network, Inc./WISC
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The WASBO Accounting Committee once again put together a comprehensive program that drew over 370 attendees for the two-day conference. Thirty-two different sessions were offered covering topics from National Healthcare Reform to Benefits to Cooperative Purchsing to Preparing for Your Audit. The DPI School Finance Team once again held their Spring Workshop as part of the conference.

New this year was the Collaborating for Change Contest. Seven districts submitted their ideas for saving money or generating revenue. Conference attendees reviewed the submissions and voted for the one they believed to be the best. Key Benefit Concepts helped initiate and sponsored the contest. The winning submission came from the Prairie Farm School District. Keep reading to learn more details about their idea. All submissions, as well as the conference handouts, can be found at www.wasbo.com under Resources and Links by Topic.

Prairie Farm School District Collaborating for Change Contest Winner

What was the issue you were trying to solve?

As a small district, it is nearly impossible to raise revenue for major facility improvements without going to referendum. The district was in need of updates/ additions to its athletic fields and for all practical purposes could not go to referendum as a result of having 2 outstanding building bonds and 2 revenue cap override referenda running concurrently.

What was the proposed plan to address the issue?

A small group of community members, including some board members, developed the idea to hold an auction style fundraisers to raise money for these fields.

How was the plan implemented?

Several other individuals (including our athletic booster club) became involved in the development and coordination of the first event to be held. Donations were sought from businesses and sponsors and the first auction/ fundraiser was scheduled and held about 4 years ago. How did it solve the problem?: The first auction event raised around $15,000.00 for use towards the new athletic fields; subsequent auctions held each year for the last 4 years have raised as much as $30,000.00 for this project.

What was saved? Or what new funds were generated?

Over the course of 4-5 years, the auction fundraiser has contributed over $150,000.00 to the district for a new softball and baseball complex with future auction fundraisers proceeds to go towards other district needs and projects. The only "cost" to the district would be in the form of personnel to help maintain and care for the new facilities.

New School IPM Business Case and Asthma Documents Spread the Word about IPM Benefits

By Jodi Schmitz, IPM Institute of North America, Inc. www.impinstitute.org

This past fall, the National School Integrated Pest Management (IPM) 2015 Steering Committee released two new documents to educate schools and parents about the cost benefits and asthma reduction that can be achieved through IPM implementation. ***Reducing your Child's Asthma using Integrated Pest Management: A Practical Home Guide for Parents*** (http://www.ipminstitute.org/school_ipm_2015/ipm_asthma_document.pdf) states that asthma can be caused, and asthma attacks triggered, by common allergens such as cockroaches, dust mites and rodents, or irritants like cleaning products and aerosols, including pesticides. According to the Pew Environmental Health Commission, asthma rates rose by 75% between 1980 and 1994, and by 160% for those under four years of age.

Asthma, a health condition that causes inflammation of the lungs and airways, accounts for more than 12.8 million missed school days per year. Additionally, students who regularly miss school due to asthma symptoms tend to receive lower test scores and lower grades overall. Since many pest problems and pesticide applications can be avoided altogether by using IPM methods, the Centers for Disease Control and Prevention recommends IPM to address asthma.

One effective, simple message conveys how pest management can lessen children's asthma symptoms: "Keep out, clear out, and watch out." These three steps include actions such as installing door sweeps, sealing cracks and crevices, storing food in pest-proof containers, fixing water leaks and wiping up spills and using monitoring devices to watch high-risk areas.

The Business Case for Integrated Pest Management in Schools: Cutting Costs and Increasing Benefits (http://www.ipminstitute.org/school_ipm_2015/ipm_business_case.pdf) presents case studies of schools that have implemented IPM and are models of the financial and other benefits that can be reaped from the transition from conventional pest management methods to IPM. For example, Indianapolis' Pike Township "turned an old-style extermination approach into a safer, far more effective IPM program, reducing the annual number of pesticide applications by 88%," all without increasing long term costs.

Since many schools receive funding from the state based on attendance rates, an IPM program can lead to reduced asthma-related absences and therefore increase school funding. IPM also reduces the amount of pesticides used, which means added savings. The Montgomery County Public Schools in Maryland initially made 5,000 pesticide applications per year, and just 600 three years after transitioning to IPM.

Implementation of an IPM program for turf grass maintenance can also provide significant savings. A report written in 2010 by Charles Osborne and Doug Wood stated that the switch from a conventional turf management program to an IPM turf program led to an average savings of 25% per year after five years.

The compounded benefits from IPM cost savings can mean more money for schools to teach their students, not to mention a healthier, safer environment in which to learn.

www.schoolimp2015.com

School IPM 2015

Reducing Pest Problems and Pesticide Hazards in Our Nation's Schools

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!

Changing Districts?

Be sure to update your profile at www.wasbo.com so you don't miss any communications.
Give us a call if you need help.

Wisconsin Federal Funding Conference

February 26-27, 2012, Kalahari Conference Center, Wisconsin Dells

WASBO, WCASS and the DPI offered a second Federal Funding Conference the end of February and it was just as popular as the first conference held last November. Nearly 350 business managers, special education directors, Title I specialists and grant specialist attended this conference. The evaluations were very positive and we look forward to making this an annual conference. The next Wisconsin Federal Funding Conference is scheduled to return to the Kalahari on February 28-March 1, 2013. Planning for the next conference will begin soon. Look for new sessions that will build on what you learned this year.

We found that in addition to the superior staff from the DPI, who put together and presented the sessions, it was very important to bring teams from your district. Many commented how beneficial it was to have everyone at the table hearing and discussing the same things. There was an understanding of the requirements and the knowledge that when the business office needs something it is to meet one of those requirements. Some discussed better ways to collect the data to meet the reporting requirements. Just knowing why certain data was needed was also helpful in adjusting the process at the district.

We thank **SEEDS** and **CESA 6** for providing conference lanyards and **Oasys** for sponsoring the program for this conference.

"Don't cry because it is over, smile because it happened."
- Dr. Seuss

On the Move

- **Brian Krey** from River Valley to Madison
- **Jerry Zamzow** from Tomorrow River to Neenah

ASBO Intl. New Members January - February 2012

- **Emily Koczela,** SD of Brown Deer
- **Arba LeClair,** Gibraltar Area SD
- **Debbie Ogrizovich**, MJ Care, Inc.
- **Maria Putzer,** North Fond du Lac SD
- **Brian Walters**, Waupun Area SD

ASBO Intl. Membership Milestones

- **Michelle Brown, Trevor-Wilmot Consolidated Grade SD**, (5 years)
- **Pauline Borgen,** Marinette Public Schools (10 years)
- **William Barrow** CESA 2 (20 years)

Welcome New Members

February - March 2012

District Professional Members

- **Marge Antoniewicz,** Transportation Dispatch, Westby School District
- **Herb Barnes**, Transportation Director, Adams-Friendship Area School
- **Sarah Dankert**, Accountant, School District of South Milwaukee
- **Brian Dasher,** Finance Director, Merrill Area Public Schools
- **Daniel Dommek**, Special Projects, New Berlin
- **Kevin Dulmes**, Director of Buildings and Ground, School District of Oostburg
- **Brian Feldmann**, Building & Grounds Coordinator, Elkhart Lake-Glenbeulah School District
- **Chris Hampton**, Bookkeeper, School District of Cambridge
- **Jeffrey Jacobson**, Director of Facilities Services, Beloit
- **Deby Jones**, Bookkeeper, Whitnall School District
- **Art LeFeber,** Transportation and Maintenance Team Leader, Rock Walworth Headstart
- **Jennifer Moberg**, Asst Director of Business Services, School District of Waukesha
- **John Nettesheim**, Maintenance Director, Merton Community School District
- **Melissa Nettesheim**, Manager of Grounds and Custodial, Carroll University
- **Kim Nowikowski,** Administrative Manager, Southern Door
- **Jill Oechler**, Accountant, School District of Shorewood
- **Maryann Schultz**, Bookkeeper, Waterford Union High School
- **Wayne Tess**, Supervisor of Building & Grounds, Tri County Area School District
- **Noel Tordsen**, Supervisor of Financial Services, Wausau
- **Margo Wagner**, Bookkeeper, Manitowoc Public School District
- **Renee Wagner**, Bookkeeper/Business Mgr., School District of Thorp
- **Cindy Wiedenhoeft,** Custodial Supervisor, Whitewater School District
- **Alan Winkel**, Head Custodian, Kiel Area School District

Service Affiliate Members

- **Tony Cogan**, Vice President, Clean Rite Supply
- Jim Erickson, Producer, RJF Agencies
- **Robert Fritchen**, Field Sales Manager, Modine Manufacturing Co.
- **John Hoenick,** Account Manager, STR-SEG
- **Karen Kaehr,** , EPIC Life Insurance
- **Jason McKellips**, Sales, Ingersoll Rand Security Technologies
- **Daniel Nelson**, President, Wisconsin Terrazzo
- **Preston O'Connor,** CFO, ExpressBleachers.com - WI
- **Susan Peters,** Market Development Executive, E&I Cooperative Purchasing
- **Randall Rauth**, Great Lakes Fire Protection,LLC
- **Natalie Rew**, Senior Manager, Wegner CPAs
- **Jeff Schultz**, Vice President, BeneCo of Wisconsin, Inc.
- **Bob Severson**, Integrated Sales Manager, Access Security
- **Bob St. Arnold,** Producer, RJF Agencies
- **Tom Westlund**, President, Westlund Bus Lines Inc.
- **Joe Wineke**, Marketing Coordinator, H&H Energy Management, LLC

Student Members

- **Erin Timm,** Payroll/AP Administrative Assistant, Wisconsin Heights School District

Stay Connected

WASBO Silent Auction

Help support WASBO's members who participate on ASBO Committees and Tom Wohlleber who is running for Director for the ASBO International Board of Directors by providing an auction donation. Items of varying value and interest are welcomed. Past items have included theme baskets, electronics, gift certificates for retail stores, restaurants and entertainment, tickets for sporting events or theater, golf and golf accessories, jewelry and more! Be creative and have fun! You can let us know what you are donating at www.wasbo.com/spring. Then join us at the Auction on Wednesday, May 23rd as part of the Spring Conference at the Kalahari in Wisconsin Dells. Robert W. Baird & Co., McKinstry and M3 Insurance will provide hors d'ouvres, beverages and a casino night for entertainment.

100 Years Ago (1911) - Reprinted from the Iron County Miner, Hurley, Wis. September 15, 2011 and provided by Don Mrdjenovich.

The new law creating a teachers insurance and annuity fund was officially published on Monday and is now in effect. It provides for a board of five members to handle the fund. It is optional with teachers to come under the law. If they come under it they are to share in its benefits and are required to contribute to the fund 1 per cent of their salary annually for the first ten years and 2 per cent annually for the next fifteen years. After twenty-five years they are to be entitled to annuity equal to $12.50 for each year of service, bot not to exceed $450 for any one year. The fund is to be made up of contributions by teachers and other sources.

Janice DeMeuse Supporting SFO® Program

Janice DeMeuse, SFO, is volunteering her time to assist ASBO in the development of study guide resources for the Certified Administrator of School Finance and Operations® (SFO®) program. Janice earned her SFO Certification in 2010 and has been an ASBO International member for over 15 years. Her contributions will assist school business officials nation-wide in their professional growth through preparation for the certification exam.

Win 2012 ASBO Annual Meeting & Expo Registration

Horace Mann is offering a chance to win one of 16 complimentary registrations to attend the ASBO Annual Meeting in Phoenix, Arizona, October 12-15, 2012. Drawing closes 11:00 p.m. EST, April 26, 2012. Enter at www.asbointl.org/HoraceMann.htm.

Wisconsin Association of School Business Officials
4797 Hayes Road, Suite 101
Madison, WI 53704

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Upcoming Events - www.wasbo.com

Professional Development

May 22-25, 2012 (Viterbo Credit)
WASBO Spring Conference & Exhibits
Kalahari Conference Center, Wisconsin Dells

May 23, 2012
WASBO p-Card User Group Meeting
Kalahari Conference Center, Wisconsin Dells

June 20, 2012
WASBO Custodial & Maintenance Conference
Nicolet Union High School, Glendale

July 25, 2012
WASBO Custodial & Maintenance Conference
Kimberly

August 8-9, 2012 (Viterbo Credit)
New School Administrators and Busienss Support Staff Workshop
Holiday Inn, Stevens Point

September 26-28, 2012 (Viterbo Credit)
WASBO Fall Conference
The Osthoff Conference Center, Elkhart Lake

October 12-15, 2012 (Viterbo Credit)
ASBO Annual Meeting & Expo
Phoenix, Arizona

October 29-30, 2012 (Viterbo Credit)
Midwest Facility Masters Conference
Kalahari Conference Center, Wisconsin Dells

November 27, 2012 (Viterbo Credit)
Winter at a Glance
Radisson Hotel, Madison

November 28-29, 2012 (Viterbo Credit)
WASBO/WASPA School Personnel Academy
Radisson Hotel, Madison

Committee Meetings

School Facilities Committee
April 17, 2012, 9:30 am, WASBO Office, Madison
August 7, 2012, 9:30 am, WASBO Office, Madison

Safety & Risk Management Committee
April 17, 2012, 12:00 pm, WASBO Office, Madison
August 7, 2012, 12:00 pm, WASBO Office, Madison

Fall Conference Planning Committee
April 30, 2012, 10:00 am, WASBO Office/ Conference Call

Midwest Facility Masters Planning Committee
April 19, 2012, 10:00am, WASBO Office, Madison
May 10, 2012, 10:00am, WASBO Office, Madison
June 7, 2012, 10:00am, WASBO Office, Madison
July 19, 2012, 10:00am, WASBO Office, Madison
Aug. 16, 2012, 10:00am, WASBO Office, Madison
Sept. 6, 2012, 10:00am, WASBO Office, Madison
Oct. 4, 2012, 10:00am, WASBO Office, Madison

Business Meetings

May 24, 2012 - Wisconsin Dells, Spring Conference

Board of Directors Meetings

April 19, 2012	Manitowoc
June 13, 2012	Madison

Regionals

Check www.WASBO.com for more information.

Bay Area - Meetings start at 9:00 a.m.
May 11, 2012 (Sturgeon Bay)

Madison Area - Meetings start at 9:00 a.m.
April 13, 2012 (Lodi)

Northeast - Meetings start at 11:00 a.m.
April 13, 2012 (Fond du Lac), May 11, 2012 (Manitowoc)

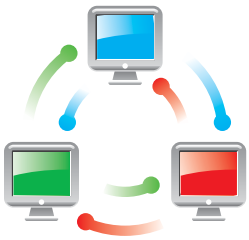
Northwest - Meetings start at 10:00 a.m. at Lehman's Supper Club in Rice Lake.
April 4, 2012, May 2, 2012

Southeast - Meetings are from 9:45-11:30 am with lunch following.
April 13, 2012 (Hamilton)

Southwest - Meetings start at 12:30 pm. at CESA #3
April 18, 2012

West Central - Meetings are from 10 am - 1 pm at the Sparta Area SD Administration & Education Center
April 5, 2012, Mary 3, 2012, June 7, 2012

WI Valley - Coffee at 9:00, Meeting at 9:30.
April 13, 2012 (Merrill), June 15, 2012 (Rhinelander), August 17, 2012 (Antigo)



Electronic Resource Center (ERC) at www.WASBO.com

SHARE YOUR EXPERTISE!

Best Practice Documents in All School Business Management Areas can be submitted at any time! To submit a document email it to lynett@wasbo.com with ERC Document as the Subject.

SEARCH RESOURCES!

Nearly 2,000 documents are available such as sample RFP's, Budget Documents, Job Descriptions, Policies, Practices, Spreadsheet and more! Check out the new and enhanced search capabilities.