



Wisconsin  
Association  
of  
School  
Business  
Officials



# Taking Care of Business

A Bimonthly Publication of the Wisconsin Association of School Business Officials - Volume 16, Number 4 - August 2012

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## Wisconsin Becomes 41st State to Regulate the Use of Seclusion and Physical Restraint in Public Schools

By Shana R. Lewis and Malina R. Piontek, Davis & Kuelthau, s.c.



Shana R. Lewis



Malina R. Piontek

When 2011 Wisconsin Act 125 goes into effect on September 1, 2012, Wisconsin will join 40 other states that have laws regulating the use of *seclusion* and *physical restraint* in public schools. The new law establishes standards for how and when *seclusion* and *physical restraint* can be used in the schools. Because Act 125 builds upon Department of Public Instruction (DPI)

directives on the use of *seclusion* and *physical restraint* for pupils with disabilities, public school districts have already been implementing many of the new statutory requirements within their special education programs. Starting in September, *all* public school districts must comply with the new laws governing *seclusion* and *physical restraint* with regard to *all* pupils - regular and special education, alike - including pupils attending charter schools.

### Individuals Covered by the Law

All public school employees, as well as

individuals under contract with a public school, are covered by the law. The law specifically covers individuals engaged in student teaching, independent contractors, and staff contracted through other agencies, such as CESAs. Law enforcement officers working in schools are exempt, such that police liaison officers and school resource officers are not *covered individuals* under Act 125.

DPI has confirmed that the term *covered individual* includes all school district employees and contractors, regardless of their purpose in the school district. Therefore, custodians, bus drivers, electricians and others employed by or working under a contract would be considered *covered individuals* for purposes of Act 125.

### Seclusion

The law defines *seclusion* as "the involuntary confinement of a pupil, apart from other pupils, in a room or area from which the pupil is physically prevented from leaving." Unless a pupil is confined to an area from which he/she is physically prevented from leaving, it is not *seclusion* to direct a disruptive pupil to temporarily separate himself/herself from the general activity in the classroom to allow the pupil to regain control, or for the teacher to maintain or regain classroom order; or

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Editor: Woody Wiedenhoef

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# President's Message

## A Word From Your President

### Preparing Today for Tomorrow's Challenges

By Janice DeMeuse, Business Manager,  
Luxemburg-Casco School District



Janice DeMeuse  
WASBO President

This is the time of year for evolution as we close out the old school year and scurry to be ready for teachers and kids to return in the Fall. Although, if your district is like mine, it seems they never really leave because of all the activities during the summer. The only real difference is we are not serving lunch or running buses.

The WASBO Board is sharing in that evolution of change as we begin a new era of Board structure. Scot Ecker, Charlie Kramer and Jim Long have completed their terms on the Board. I want to thank them for their years of service and for their contributions. Please welcome new Board members: Jay Clark, Andy Weiland and Dale Zabel as they begin their terms. Under the new Board structure, Jeanne Stahl returns to the Board after election as the first treasurer to serve a three-year term. Wendy Brockert will remain on the Board as Past President. I look forward to working with my fellow Board members in the upcoming year.

At our June Board meeting, we reviewed the organization's strategic history, mission and vision. We reviewed belief statements that we worked on during our April meeting and discussed a process to rank the proposed statements. We will come back to these again at our next meeting and when they are finalized, we will be sharing them with you.

We also spent some time reviewing on-going WASBO initiatives.

- The Accounting Committee has been busy revising the **Budget Cycle Book** for a scheduled completion date at the end of July. Once that is completed, the committee will be tasked with rewriting the **Handbook for Evaluation and Improvement of Business Support**

**Staff Functions** and researching a Payroll/HR certification program. This certification is high on the request list from WASBO members. There was and will continue to be discussion about priorities around these topics.

- Our policies and procedures have received updates over the years but need a thorough review to ensure that there is alignment among them. Wendy Brockert volunteered to work with the Constitution Committee to complete the review.
- The Professional Development Committee is ready to begin implementing the Mentorship Program. The Board sanctioned hiring of a part-time mentorship coordinator to work closely with new business managers throughout the state. The first training session for mentors is scheduled for September 13th.
- The Investing in Wisconsin Public Schools project is being enthusiastically received. Additional table coach training sessions will be offered at the Fall Conference.

John Forester addressed the Board about the need to focus SAA's political efforts during the upcoming elections. This is a critical election for schools across the state and contributions to SAA will play a key role as we try to concentrate our efforts. Please see John's article in the newsletter for more information.

Some of our members have been nominated or have received ASBO awards. WASBO submitted Ken Mischler's nomination for the Eagle Award and Betty Zimdars' nomination for a Pinnacle Award. Both awards draw stiff

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Woody Wiedenhoef

# Executive Director's Report

## WASBO Regionals - Powerful Professional Development

By Woody Wiedenhoef, Executive Director, WASBO

WASBO's eight Regionals are one of the most powerful professional development and support system opportunities available to WASBO members. The power is based on WASBO members serving WASBO members. WASBO members in each Regional area set their own meeting agendas and discussion areas. Topics of information sharing and discussion are decided upon by the members in that area of the state. Each Regional is able to benchmark, analyze and compare information as to how their neighboring school districts are providing for the needs of students. The information is timely and pertinent to that area of the state. Thus, the members of each Regional are in charge of their own professional development. This system is the epitome of how WASBO members serve each other on a regular basis.

Here is a sampling of issues discussed at the various Regionals last May and June.

1. The newest banking program being made available.
2. Reviewing election processes.
3. School districts going paperless.
4. Off-site data storage.
5. Timely DPI updates and procedural information.
6. Timely WASBO updates and program information.
7. Timely SAA updates and political considerations.
8. School funding issues.
9. Employee/Employer handbooks, laws, policies and procedures.
10. Insurance issues and considerations.
11. Security and safety management.
12. Timely and local area budget and tax considerations.
13. Salary schedules, merit pay, bonuses and base pay in area school districts.
14. Health care reform.
15. Actuarial services.
16. Maintenance of effort.
17. Availability of new software for various school procedures.
18. Communications with local constituencies and employees.
19. Strategic planning and goal setting.
20. Energy exemptions.
21. Crisis planning.
22. OPEB issues and status.
23. Fund 72 accounting and procedures.
24. Multi-year budget projections and budget building.
25. 403 b issues.
26. Health Insurance issues, including Federal Health Care Reform.
27. HSA's and HRA's.
28. Accounting software.
29. Potential employment law claims.
30. Transportation risk management and hazardous communications.
31. Fair Labor Standards Act issues.
32. State Seclusion and Restraint Law and local contractors (including bus contractors).
33. Employee handbooks.
34. Time and effort accounting.
35. Pay period elections.
36. iPad and tablet use.
37. RFPs.
38. Non-discrimination testing.
39. Paperless purchasing and office procedures.
40. Wellness Programs.

### WASBO Mentorship Program

This coming year, the WASBO Professional Development Committee

is asking WASBO Regionals to become a key component in the new WASBO Mentorship Program. Each WASBO Regional would help with the responsibility to take new Administrators and Support Staff under their wing. All of us have been in the position of just starting out and know how important networking and support is from our experienced colleagues. The Regionals have always reached out to new WASBO members. In order for new members to know that support is available, WASBO will be announcing that Mentorship Program help is available at each Regional and the WASBO office.

### This is how it will work:

Protégés for the mentorship program will be identified in a variety of ways including: Universities granting Business Manager 08 certifications; school districts and CESAs who hire new Business Officials; WASBO Regionals; or self-referrals. In all cases the referrals should be directed to the WASBO Mentorship Program Co- Coordinators, Sandy Malliet or Diane Pertzborn, who will coordinate the mentorship program at the state level. Each Regional will have a contact person to serve as the coordinator of the mentorship program within their Regional with the help of Sandy and Diane. In addition, the Regionals will help Sandy and Diane secure an appropriate pool of experienced business officials willing to serve as mentors. The Regionals, Sandy and Diane will arrange assigning mentors and protégés and follow through in resolving issues should they arise. Stay tuned for final training schedules, procedures and program details which are being finalized over the next month.

*Continued on page 12*

to direct a pupil to temporarily remain in the classroom to complete tasks.

*Seclusion* may only be used when a pupil's behavior presents a clear, present, and imminent risk to the physical safety of the pupil or others, and it is the least restrictive intervention feasible. Specifically, *covered individuals* may use *seclusion* with a pupil whose behavior poses a safety risk only if all of the following apply:

1. A *covered individual* maintains constant supervision of the pupil, either by remaining in the room or area with the pupil or by observing the pupil through a window that allows the individual to see the pupil at all times.
2. The room or area in which the pupil is secluded is free of objects or fixtures that may injure the pupil.
3. The pupil has adequate access to bathroom facilities, drinking water, necessary medication, and regularly scheduled meals.
4. The duration of the *seclusion* is only as long as necessary to resolve the clear, present, and imminent risk to the physical safety of the pupil or others.
5. No door connecting the room or area in which the pupil is secluded to other rooms or areas is capable of being locked.

*Covered individuals* may not use *seclusion* in response to disruptive or noncompliant student behavior unless the behavior presents a clear, present and imminent risk to the physical safety of the student or others.

### Physical Restraint

*Physical restraint* is defined as "a restriction that immobilizes or reduces the ability of a pupil to freely move his/her torso, arms, legs, or head." As is the case with *seclusion*, *physical restraint* may only be used when a pupil's

behavior presents a clear, present, and imminent risk to the physical safety of the pupil or others, and it is the least restrictive intervention feasible. Commonly used techniques that are designed to calm or redirect a pupil, such as briefly touching or holding a pupil's hand, arm, shoulder, or back to calm, comfort or redirect the pupil, do not constitute *physical restraint*. A *covered individual* may physically restrain a pupil at school only if all of the following apply:

1. There are no medical contraindications to the use of *physical restraint*.
2. The degree of force used and the duration of the *physical restraint* do not exceed the degree and duration that are reasonable and necessary to resolve the risk.
3. The *covered individual* does not use a mechanical or chemical restraint on the pupil.
4. None of the following high risk maneuvers or techniques is used:
  - a. Those that do not give adequate attention and care to protecting the pupil's head.
  - b. Those that cause chest compression by placing pressure or weight on the pupil's chest, lungs, sternum, diaphragm, back or abdomen.
  - c. Those that place pressure or weight on the pupil's neck or throat, on any artery, or on the back of the pupil's head or neck, or that otherwise obstruct the pupil's circulation or breathing.
  - d. Those that constitute corporal punishment under Wis. Stat. § 118.31(1).

Act 125 specifies that the use of supportive equipment to properly align a pupil's body or to assist a pupil to maintain balance, under the direction

and oversight of appropriate medical or therapeutic staff, does not constitute a prohibited use of a mechanical restraint. In addition, the use of a bus harness or a seatbelt for safety purposes in a moving vehicle does not constitute a prohibited mechanical device.

### Physical Restraint Training

Except as noted below, Act 125 provides that no *covered individual* may use *physical restraint* on a pupil at school unless he/she has received training in the use of *physical restraint* that includes: (1) methods of preventing the need for *physical restraint*, (2) an identification and description of dangerous behavior that may indicate the need for *physical restraint* and the methods of evaluating risk of harm to determine whether *physical restraint* should be used, (3) experience in administering and receiving various types of restraint, (4) instruction on the effect of *physical restraint* on the person restrained, monitoring signs of physical distress, obtaining medical assistance, and demonstrating proficiency in administering *physical restraint*, and (5) instruction in documenting and reporting incidents of *physical restraint*. The *covered individual* must demonstrate proficiency in administering *physical restraint*.

Under Act 125, the school board is responsible for ensuring that, in each school in which *physical restraint* is used, at least one *covered individual* has received the required training. School boards must also ensure that each school maintains a record of the training received by the *covered individual(s)* and the period during which the training is considered valid by the entity that provided the training.

A *covered individual* who has not received the training may use *physical restraint* on a pupil at school only

Continued on page 7

in an emergency, and only if the *covered individual* at the school, who has received the required training, is not immediately available due to the unforeseen nature of the emergency.

Many school district employees and employees of contractors, such as bus drivers, custodians, electricians, and construction workers, are not ordinarily responsible for addressing student behavior, but they are classified as *covered individuals* under Act 125. Even so, if there is no expectation that a *covered individual* will participate in the *physical restraint* of a pupil, the law does not require that he/she receive training. Therefore, school districts are obligated to provide training only to those *covered individuals* who may reasonably be expected to intervene in crisis situations involving students, such as administrators, teachers, coaches, paraprofessionals, and bus drivers. That said, some school districts may choose to train additional categories of *covered individuals*, such as food service workers, custodians, and others.

### Individualized Education Programs (IEPs)

Act 125 requires proactive planning during the IEP process for the potential use of *seclusion* and/or *physical restraint* on pupils receiving special education services. When an IEP team determines that the use of *seclusion* and/or *physical restraint* may reasonably be anticipated for a pupil, the pupil's IEP must include appropriate positive interventions, supports and other strategies that address the behavior of concern, and must also specifically incorporate the terms *seclusion* and *physical restraint* among the interventions, supports and strategies to be used. Furthermore, the first time that *seclusion* or *physical restraint* is used on a pupil receiving special education services, the pupil's

IEP team must convene as soon as possible after the incident to review the pupil's IEP for purposes of confirming that it includes appropriate positive behavioral interventions to address the pupil's behavior, and to revise the IEP, if necessary.

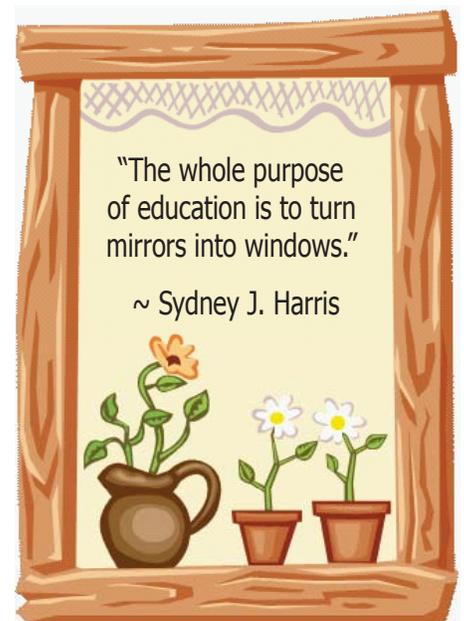
### Parental Notice and Reporting

Starting on September 1, 2012, school district officials will be required to generate new reports relating to the use of *seclusion* and *restraint*. Specifically, whenever *seclusion* or *physical restraint* is used on a pupil, the school principal or his/her designee must notify the pupil's parent as soon as practicable, but no later than one business day after the incident, about the incident and the availability of a written report. Then, within two business days of the incident, the school principal or his/her designee must consult with the individuals present when *seclusion* or *physical restraint* was used with a pupil, and prepare a written report, which includes the pupil's name; the date, time, and duration of the use of *seclusion* or *physical restraint*; a description of the incident, including the actions of the pupil before, during, and after the incident; and the names and titles of the covered individuals present during the incident. Within three business days of the incident, the report must be made available to the parent for review. Finally, the school district must retain the written report.

In addition, annually by September 1, the principal of each school or his/her designee must submit to the school board a written report identifying the number of incidents of *seclusion* and *physical restraint* that occurred in the school during the previous school year; the total number of pupils involved, and of those, the number of pupils with disabilities involved in such incidents.

### Conclusion

Starting on September 1, 2012, Wisconsin public school district employees and employees of contractors will be prohibited from using *seclusion* and *physical restraint* with regular and special education pupils, except in situations in which the pupil's behavior presents a clear, present and imminent risk to the physical safety of himself, herself or others. Before the law takes effect, school districts and their staff should: (a) review and revise policies; (b) create forms and reports related to the use of *seclusion* and *physical restraint*; (c) determine which *covered individuals* will receive training and arrange for such training; (d) develop protocols related to the documentation of *seclusion* and *physical restraint*; (e) determine whether seclusion rooms comply with Act 125, including, but not limited to, removing door locks, and adding windows or mirrors; and (f) review IEPs and identify those in which staff may want to consider adding a reference to *seclusion* or *physical restraint*. Lastly, as the start of the new school year approaches, it is advisable for school district officials to engage school district staff in conversations about the appropriate use of *seclusion* and *physical restraint*.



# WASBO New School Administrator and Support Staff Conference



## Part of the Year of Success Program

August 8-9, 2012 - Stevens Point



Year of Success Program offered by the Wisconsin Association of School Business Officials



In cooperation with the Wisconsin Department of Public Instruction School Finance Team

Forty-five new business managers, bookkeepers and district administrators spent two days in Stevens Point learning from the DPI School Financial Services (SFS) Team including Debra Brown, Bob Avery, Michelle Tessner, Erin Fath and Brad Adams. The SFS Team covered the Fiscal Year at a Glance, WUFAR, Special Education Accounting and Reporting, Counting Kids, Revenue Limit, Equalization Aid and Setting the Levy.

Bob Borch, WASBO Past President and retired Elmbrook Business Manager, discussed the Roles and Responsibilities of the

Business Office and co-presented the Fiscal Year at a Glance. He spoke with Michelle Wiberg, his colleague at PMA Financial Network, on the Importance of Financial Forecasting. David Carlson discussed Building Trust in Your Community Around School Finance Issues. Bob Butler of WASB covered the implications of the Act 10 in regards to Human Resources. Mike Clark of Robert W. Baird and Julianna Ebert and Allison Buchanan from Quarles & Brady spoke on Cash Flow and Short-term Borrowing.

If you missed this conference, the **Year of Success Program** continues at the Fall Conference, September 27-28 and Winter at a Glance Conference, November 27th (see pages 22 & 41). The **Year of Success** track at the Fall Conference will include:

- Fall at a Glance
- Debt Service Management 101
- Equalization Aid and Special Adjustment Aids
- Revenue Limit
- Special Education Reporting
- Federal Grants

### We thank our conference sponsors:

- Humana
- Robert W. Baird & Co., Inc.
- PMA Financial Network, Inc.
- Key Benefit Concepts, LLC

Twenty-two attended the preconference Table Coach Training Session for Investing in Wisconsin Public Schools. Look for more Table Coach Training at the WASBO Fall Conference on September 28th.



Investing in  
Wisconsin Public Schools



Pre-Conference Program  
August 7, 2012

### President's Message

*Continued from page 3*

competition and unfortunately neither nomination was selected. However, Erin Green did receive a Pinnacle Award for her project of bringing healthcare to schools. Congratulations, Erin.

Our theme this year is **Preparing Today for Tomorrow's Challenges**. As we gear up for another school year, please take time to enjoy what is left of the summer so you will be ready to face whatever lies ahead when the first bell rings in a few short weeks.



# WASBO Custodial & Maintenance Conference

June 20, 2012 - Nicolet Union High School

July 25, 2012 - Kimberly High School



Thanks are in order for this summer's Custodial & Maintenance Conference hosts - John Friedli of the Nicolet Union High School and Joe Harvey of the Kimberly Area School District. Both sites offered many educational options for custodial and maintenance staff from Edgerton to Platteville to Appleton to Wisconsin Dells. Attendees also had an opportunity to talk to exhibitors to learn about new products, best practices and innovative solutions.

Nicolet kicked off the conference with a message from Ted Hayes, M3 Insurance about the Custodian's Role in a Crisis. Kimberly heard from Paul Hoffman, Owner and President of Hoffman, LLC on leadership, communication and managing people.

Joe and Linda Bellomo with staff from the Waunakee School District once again provided the Safety Room Challenge. In the Safety Room Challenge, teams or individuals were asked to identify potential hazards and safety concerns and explain how they should be remedied. The score was based on the number of accurate answers provided in just four minutes. Winners at each site are as follows:

## Kimberly

Individual Challenge Winner - Robert Smith, School District of Tomorrow River. Smith earned the most points of any individual with 19 correct answers plus 9 extra credit points.

Team Challenge Winner - Kimberly Area custodial and maintenance staff, Al Deeg, Garek Holley, Ryan Mynten, Randy Stuckard, and Denise Vanderlois, beat out 15 other teams with 31 correct answers plus 10 extra credit points. The team took home a trophy to display at the Kimberly Area School District.

## Nicolet

Individual Challenge Winner - Ryan Little of the Hamilton School District. Little earned the most points of any individual with 16 correct answers plus 12 extra credit points.

Team Challenge Winner - Members of the Palmyra-Eagle custodial and maintenance staff, Les Ahrens, Randy Martinson, Steve Valentine and Rich Wagner, beat out 26 other teams with 32 correct answers plus 11 extra credit points. The team took home a trophy to display at the Palmyra-Eagle School District.

We thank **Energy Control & Design** and **Siemens** for their sponsorship at the Kimberly Custodial & Maintenance Conference.





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# Union Dues Deduction in a Post-Act 10 World

By Shana R. Lewis and Kirk D. Strang, Davis & Kuelthau, s.c.



Shana R. Lewis



Kirk D. Strang

Municipal employers must exercise caution with regard to deducting union dues from employee paychecks. 2011 Wisconsin Act 10 (Act 10) changed the scope of bargaining and representation for public sector employees and

their unions. Provisions in Act 10 made it illegal for municipal employers to continue the longstanding practice of allowing employees to pay union dues through a payroll deduction and prohibited fair share union membership. In addition, Act 10 required unions to submit to annual certification elections; the first of which occurred in November and December 2011.

Shortly after Act 10 became effective in June 2011, several unions brought suit in the United States District Court for the Western District of Wisconsin (Court) challenging Act 10 as unconstitutional.

On March 30, 2012, the Court issued its decision, which upheld Act 10's prohibition against fair share union membership, but found the prohibition against union dues deduction and the requirement of annual certification elections to be unconstitutional. To that end, the Court ordered government employers to reinstate union dues deduction by May 31, 2012, and barred the Wisconsin Employment Relations Commission (WERC) from holding certification elections.

The Court clarified its decision in two subsequent rulings. First, on April

27, 2012, the Court agreed to stay its own order concerning union dues deduction pending appeal for "those bargaining units decertified pursuant to Act 10 before March 30, 2012." Then, on May 18, 2012, the Court explained that employees must submit proper individual written authorization to employers in order to authorize dues deductions from their paychecks.

This series of rulings has raised a number of issues and generated uncertainty for municipal employers. The situation is clear with respect to municipal employees in bargaining units where the union is no longer certified (whether the union did not file a timely petition for a certification election or failed to obtain the necessary votes in a certification election administered by the WERC). In such situations, municipal employers are not required to restore dues deduction and they are not required to recognize former bargaining representatives as the certified representative for unit employees.

The situation is less clear with regard to municipal employees in bargaining units where the union continues to be certified (whether the union survived an annual certification or never participated in such an election). In such situations, municipal employers may only deduct union dues from employees' paychecks after receiving proper written authorization from the employee.

As to what constitutes proper written authorization from an employee, it is advisable to obtain a form that explicitly authorizes the deduction of union dues, that identifies the specific dollar amount to be deducted and the entity intended to receive the deducted monies, and, finally, that is signed and dated by the

employee. It is also advisable to require employees to execute and submit such forms on an annual basis.

The Court endorsed the use of a form developed by the Wisconsin Law Enforcement Association. However, it is not essential that municipal employers use this form. Davis & Kuelthau has developed a procedure and form for use in circumstances where dues deduction is appropriate. We also have plans to review the authorization forms developed by Wisconsin Education Association Council (WEAC), AFSCME and other public sector unions.

Several unions have been in contact with municipal employers with regard to the issue of union dues deduction. The unions suggest that they will submit to the municipal employer a list of employees who wish to have union dues deducted from their paychecks. It is important to advise the union that the municipal employer will not be able to rely upon a list of names for purposes of union dues deduction and to encourage the union to secure and submit proper written authorization from each employee who wishes to have union dues deducted from his/her paychecks.

Those municipal employers that do not permit payroll deductions for anything other than employer-sponsored fringe benefit contributions, arguably, are not required to honor an employee's request to deduct union dues from his/her paycheck. For municipal employers in this situation, it is advisable to contact your attorney to discuss the available options and risks.

For those municipal employees in a bargaining unit with a collective bargaining agreement entered into before Act 10 became effective,

*Continued on page 12*

municipal employers must continue to deduct union dues from employee paychecks in accordance with the terms of the applicable collective bargaining agreement. Such employers must also continue to enforce the fair share membership provisions within the collective bargaining agreement until the agreement expires, or is modified, renewed or extended, whichever occurs first.

As municipal employers begin the process of negotiating new collective bargaining agreements as permitted by Act 10, it may be tempting to incorporate a Union Dues Deduction provision into the new collective bargaining agreement. However, doing so would violate Act 10's prohibitions against bargaining over anything other than total base wages. As such, it is not advisable to negotiate over such a provision with the union or to include such a provision in the collective bargaining agreement.

Finally, it is important to recognize that the Court's decision has been appealed to the United States Court of Appeals for the Seventh Circuit. As such, it is possible that the conclusions in this article may need to be revisited and revised when the Seventh Circuit decision is issued. It is anticipated that the Seventh Circuit will issue a decision in this matter sometime this fall.

*We hope that this information is helpful to you. For more information, please contact Shana R. Lewis at (608) 280-6207 and Kirk D. Strang at (608) 280-6203, Davis & Kuelthau, s.c.*

**Executive Director's Report**

*Continued from page 5*

Participation in each Regional by individual members is the key to WASBO Regional successes. This participation and networking is an inexpensive way to develop professional skills, knowledge, relationships, productivity, effectiveness and confidence. When asked for agenda



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# Proactive Action Plans Discourage Bed Bug Problems

Reprinted with permission from School IPM 2015 Newsletter, July 2012

**SCHOOL IPM**

Bed bugs are on the radar at many school districts. More than 1,000 people registered for US Environmental Protection Agency (EPA) Region 2's June webinar, "Bed Bugs go to School." The presentation ([http://epa.gov/childcare/BB\\_in\\_Schools\\_May\\_2012.pdf](http://epa.gov/childcare/BB_in_Schools_May_2012.pdf)) covered basic facts about bed bugs and tips for keeping them from becoming a problem in schools.

Bed bugs remain a growing problem nationally. However, breeding populations of bed bugs have not been reported in schools. Rather, bed bugs are "introductions," arriving in staff and student belongings including clothing or book bags. Unless a school is a boarding facility, or also serves as a shelter where people are staying overnight, schools do not offer feeding opportunities at night which are critical for establishing bed bug infestations.

Long before a bed bug is found, school districts should create a policy and action plan for responding to a bed bug detection. All staff should be aware of their responsibilities in the event of a confirmed bed bug specimen. A policy and plan can help avoid confusion and overreaction when a bed bug is discovered.

There is no need to close the school or send any students home when a bed bug detection is confirmed. Instead, districts should have a comprehensive procedure in place, which includes:

- Discretely remove the affected student from class so the school nurse can check the student's clothing and belongings. Remember that bed bugs are very seldom found on the body.
- The nurse or school principal should contact the student's parents or

guardian to inform them of the situation. The student should not be excluded from school activities.

- Send additional bed bug information home with the child, including basic information about bed bugs and how they are controlled.

Schools should educate students, parents, faculty and staff about basic bed bug biology and habits and how to recognize all life stages of bed bugs. Let parents know the school has a bed bug action plan in place and send an awareness flier home to educate them on how to avoid sending bed bugs to school with their children.

Tried and true IPM approaches can discourage all pests, including bed bugs, cockroaches, rodents and ants from setting up shop:

- Inspect rooms regularly. Tools of the IPM trade include a magnifying glass, strong LED flashlight, plastic zip-bags or clear tape for collecting specimens, a probe (like a cut credit card) and tools for removing outlet and light switch covers.
- Encourage staff to reduce clutter by at least half, focusing on anything that hasn't been used in the last two years.
- Clean and vacuum regularly. For classrooms where bed bugs have been confirmed, vacuum up a small amount of talcum powder to discourage any bed bugs that are inside the vacuum from crawling back out.
- Isolate all student belongings in clear plastic bags or bins, especially if there has been a bed bug detection in a particular classroom.
- Reduce items brought back and forth from home to school. Identify items that can be left at school or at home until the end of the year.

Pesticide treatments are not needed in typical school environments. A dryer can be used to heat belongings to the lethal temperature for bed bugs. For boarding schools, dormitories or other educational facilities where people sleep at night, a variety of heat treatments are very effective including hot boxes to treat infested furnishings, books, etc., whole-room hot air generators and application of steam to potential harborage. Avoid steam treatments to electrical outlets or fixtures.

Bed bug dogs can be effective tools, but can also be expensive and performance can be variable. Given schools are typically not harboring breeding populations of bed bugs, canine inspections have limited value. If used, children should not be in the school while the dog is working to reduce distractions for the dog team.

EPA has developed a collection of additional information on bed bug prevention and management, including tips on hiring pest management professionals, identifying and treating bed bug infestations, and common bed bug myths.



**BE ALERT, BE AWARE, BED BUGS COULD BE ANYWHERE.**

*Don't be ashamed, anyone can get them.*

Bed bugs are no one's fault - they do not discriminate.

**Early detection and prompt response can avoid**

**larger problems. Report Bed Bugs right away.**

Never bring discarded furniture into your home without fully inspecting it for bed bugs. **REDUCE CLUTTER.** Seal all cracks and crevices where bed bugs can hide. Frequently wash and heat-dry your bedding.

**Put encasements on both mattress and box spring.**

Treat clothes, curtains, linens in a HOT dryer for 30 minutes.

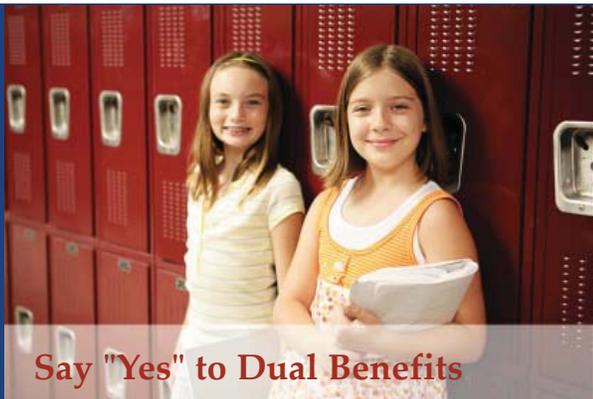
Bed bugs will not go away on their own. **VACUUM REGULARLY. HIGH HEAT AND STEAM WILL**

**KILL BED BUGS.** Install bed bug interceptors under bed and plush furniture legs. **Pesticides alone will not eliminate bed bugs. Use pesticides carefully and according to label directions.**

When traveling, never place clothes, suitcase or backpacks on bed or couch. **Persevere. It will take a while to get rid of bed bugs.**

Post your contact information here.

For more information go to:



## Say "Yes" to Dual Benefits

When you renew with your affiliate ASBO, check the box for ASBO International Membership. With one payment, you can participate in both organizations—doubling the tools, resources, and colleagues you can call on to help you in your everyday responsibilities. Together, we can effectively manage resources to give every child the power of education.

*With the increasing responsibilities and fewer staff, the help and expertise that I gain through ASBO membership is priceless.*  
Peter Willcoxon Sr., RSBA, White Bear Lake Area Schools (MN)



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John Forester  
SAA Director of  
Government Relations

# Legislative Update

## The New SAA

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



In the 2011-12 Legislative Session, the rise of the private school voucher advocates as a powerful adversary and the decline of WEAC as a huge campaign supporter for champions of public education, have swiftly and dramatically changed the political world for Wisconsin K-12 education... perhaps forever.

In light of these powerful political developments, SAA members must answer the question, "Who will stand up and support Wisconsin public school children?" It is imperative that every SAA member answer with a collective and resounding, "I will!"

Late last session, the SAA spearheaded three major legislative victories – the passage of Senate Bill 174 (closing the voucher school expansion loophole) and the defeat of Assembly Bill 110 (special education vouchers) and Assembly Bill 318 (double dipping). Indeed, SAA members proved once again that the SAA is one of the finest grassroots lobbying organizations in the state. But, given Wisconsin's shifting political landscape, it is simply not enough anymore.

It is vitally important that SAA members understand the political challenge we face. They must also understand the SAA needs PAC and Conduit resources to support our political efforts on behalf of Wisconsin school children.

In my estimation, we must transform SAA membership into something with greater expectation of member political

activity. Why? Too much is at stake, namely, the future of public education as we know it.

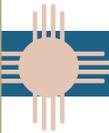
I want to encourage all SAA members to attend their respective professional association's (AWSA, WASBO, WASDA, WCASS) fall conferences or regional meetings. At each of these gatherings, I want to engage the members present in a closed-door,

brutally honest discussion about the SAA's future as a political organization. I really want the input of each and every SAA member.

Finally, for nearly 11 years, it has been my pleasure, my privilege and my honor to lobby for children. I want to thank you for this continuing opportunity, and for all of your efforts every day on behalf of Wisconsin school children.



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The 2012 ASBO International Annual Meeting & Expo (AM&E), October 12-15 in Phoenix, Arizona, will deliver the quality professional development and networking opportunities you've come to expect...and quite a bit more!

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- **More Social Networking**—Now you can make connections before, during, and after the conference by joining social networking groups on ASBO ConnectEd, Facebook, and Twitter.
- **More Ways To Learn**—We've added deep-dig presentations, 15-minute round table conversations, in-person chat rooms, and new technology demonstrations.

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# Certified School Risk Manager (CSRM) Training Schedule

## Fundamentals of Risk Management

October 9, 2012 - Madison

Wisconsin School Leadership Center

Look at the overall risk management process, delve into the identification step of the process, and examine the function of the school risk manager.

- Risk Management Function and Process
- School Risk Manager
- Identifying School Risks: Logical Classifications
- Identifying School Risks: Methods
- Gathering Loss Data

## Handling School Risks

October 10, 2012 - Madison

Wisconsin School Leadership Center

Study the development of a safety and health plan, loss control fundamentals, risk control and mitigation of exposures, and managing school claims. A post-accident loss control reduction technique is included.

- Introduction to and Fundamentals of Controlling Risk
- Safety and Health Program for School Districts
- School District Exposures
- Managing School Claims

## Measuring School Risks

November 7, 2012 - Madison

Wisconsin School Leadership Center

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

- Introduction and Qualitative Analysis for School Risks
- Qualitative Risk Assessment and Loss Run Analysis
- Quantitative Analysis: Tools and Forecasting
- The Risk Analysis Process

## Funding School Risks

November 8, 2012 - Madison

Wisconsin School Leadership Center

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

- Introduction to Funding School Risks
- Foundations for Funding
- Options for Funding School Risks
- Reserving for School District Risks
- Finance Issues for the School Risk Manager

## Administering School Risks

November 27, 2012 - Madison

Radisson Hotel

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

- Introduction to Administering School Risks
- The School Risk Management Team
- Communicating with the Risk Management Team
- Implementing the Risk Management Program
- Monitoring the Risk Management Program

## Who Should Attend?

Risk managers, facility managers, business managers, safety personnel, HR personnel, insurance providers and agents who work in school risk management.

**Register at**  
[www.wasbo.com/riskmanagement](http://www.wasbo.com/riskmanagement)

# WASBO Certified School Risk Manager Program



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## 5 Core Courses Available Online and In-Person

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Measuring School Risks  
Administering School Risks

Handling School Risks  
Funding School Risks

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for Insurance Education & Research



## Bullying Prevention: September 19, 2012 - Madison, Wisconsin School Leadership Center

Bullying affects everyone – students, parents and the community. It has taken on new heights with electronic aggression and can have grave consequences if left unchecked. From easy access to technology and various influences to expensive law suits, schools cannot afford to ignore this risk. In this eight-hour continuing education approved course, the participant will learn the evolution of this age-old problem, proactive approaches, and mitigation techniques.

- Definitions of traditional bullying versus electronic aggression
- Background of case law, state and federal laws, and initiatives for prevention
- Proper school board policies
- The student and community roles, and
- Liability and coverage concerns

**New CSRM Continuing Education Course**  
(You do not need to be certified to attend.)

**CSRMs and CISRs will receive continuing education credit for their designations for attending this class.**

Training to Protect Your School District



Jodi L. Traas, CSRM  
Co-Chair, WASBO Safety &  
Risk Management Committee

## Looking for a New Challenge?

By Jodi L. Traas, CSRM, Community Insurance Corporation

Submitted by the Safety & Risk Management Committee



Are you looking for a new challenge? The Safety & Risk Management Committee has an opportunity for you to increase your knowledge regarding risk management and new ways to look at risk in your district. The Certified School Risk Manager (CSRM) Program offers a designation and certification program specific to school risk management. Our Committee believes that this program will enhance your risk management skills and create awareness to hazards that will help keep your students, staff and the community as safe as possible. WASBO began offering this unique program to our members in 2011 and we had our first graduating class of 29 at the Spring Conference. The Department of Public Instruction recognizes this program. DPI, The National Alliance and WASBO President, Wendy Brockert, presented each recipient with their certificate and pin.

These programs are beneficial for a wide variety of school staff members such as Business Officials, Safety Coordinators, Safety Committee Members, Risk Managers, Human Resource Managers, Facilities Managers and Transportation Directors. WASBO is again offering the full 5 courses this fall in a classroom format. For convenience, the courses are also available through WASBO on-line. Each course follows with a 50 question multiple choice exam. Once you have registered, the course books are available online to allow you to peruse the material prior to the course.

Once certification is achieved, one credit must be earned on an annual basis to maintain the CSRM certification.

These courses do not have an exam. One continuing education credit will be offered September 19th at the course **Bullying Prevention: Solutions for Your Schools**. You do not need to be certified to attend this session. Many courses are limited to 30 participants so register early. (See page 16)

Wisconsin will soon have our own CSRM instructors with several individuals beginning the instructor training process during the course offerings this fall. Our committee would like to thank the WASBO Board of Directors and Staff for their support and encouragement while bringing another professional development opportunity and challenge to our members.

### *Call for Presentations for Upcoming WASBO Conferences [www.WASBO.com/present](http://www.WASBO.com/present)*

Call for Presentations are now being accepted at [www.wasbo.com/present](http://www.wasbo.com/present) for the following conferences:

- Transportation and Bus Safety Conference accepted through September 15, 2012
- Facilities Management Conference accepted through September 30, 2012
- WASBO Spring Conference accepted through September 30, 2012

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# Web-Based Budgeting

## An Efficient Alternative to Spreadsheet Budgeting

By Tom Olson, President and CEO, MyBudgetFile, Inc.

Good budgeting practices are designed to minimize errors and inconsistencies, and spreadsheets are the de facto tool for budgeting. Spreadsheets are widely used for statistical analysis; and while they are incredibly useful tools, they are practical only to a certain point. As productivity tools, they lack the collaborative capabilities necessary in developing accurate, cohesive budgets.

Organizations need not settle for the limited functionality of simple spreadsheets when their financial planning process involves multiple units, requires real-time access to data and demands comprehensive security. Web-based budgeting software is emerging as a viable alternative to the traditional spreadsheet, and has empowered organizations to make cohesive budgets with immense savings in time and effort.

### Why Spreadsheets are Losing Their Appeal for Budgeting

Creating a well-designed error-free spreadsheet is a laborious process that consumes countless hours of administrative time. Studies reveal that 90 percent of all spreadsheets contain at least one error. Types of spreadsheet errors include functional errors, outlier errors and stealth errors, which range in severity from low to high. Spreadsheet errors occur for many reasons, including logic mistakes, incorrect formulas, accidentally overwritten formulas and misuse of built-in functions. Many school business managers and administrators are not adequately trained on how to work with spreadsheets.

The inability of spreadsheets to provide real-time feedback and standardized reporting makes the process far more

cumbersome and far less collaborative than it should be. Though some spreadsheet applications contain functions for predicting future trends and outcomes, these methods are often unreliable and inaccurate. There are many limitations of using spreadsheets for the budgeting process. Some shortcomings include:

- Data distribution and consolidation is time-consuming and error-prone.
- Linking multiple worksheets or workbooks is difficult. Thus isolated sets of information are often disconnected, and information has to be shared by e-mailing spreadsheets back and forth.
- Balancing security and the need to share information is knotty. Sharing, protecting and un-protecting worksheets, workbooks, and cells involve wasted effort.
- Analyzing complex business trends is difficult and results are latent.
- Ensuring compliance is difficult. Spreadsheet tools were simply not designed for rigorous financial controls.
- With spreadsheets, there is never just one set of facts. Operating with critical information scattered around the organization in spreadsheets is a virtual guarantee that at least some key members of the management team will be working from old, out-of-date numbers.
- Re-forecasting is infrequent. Spreadsheets are not up to the task of budgeting in today's dynamic companies.
- Spreadsheets are not very user-friendly to non-financial users such as school principals or administrative staff.

### Web-Based Budgeting Applications

Web-based software is emerging to present a viable alternative to the traditional spreadsheet, and organizations that have made the change are experiencing benefits, often beyond what they anticipated. Web-based budgeting applications empower your organization with more accurate budgets and forecasts, faster planning cycles and foster a collaborative management environment in one integrated system. An alternative to spreadsheet-based budgeting, planning, forecasting and reporting enable school business officials, budget managers, budget directors and CFO's to respond better to today's unprecedented financial and operational pressures; and improve control over financial performance.

There are numerous web-based budgeting applications that automate the budgeting and forecasting process, serve to reduce budget cycle time, eliminate calculation errors and generate integrated financial statements. It's now possible to develop a better budget in less time using the latest web-based budgeting and planning applications. There is no complicated software to install since these applications are online. They will let you design custom budgets that meet your organization's needs, keeping you in charge of how your budget works and who has access to it.

### How does Web-Based Budgeting Work?

Web-based budgeting consists of a single system into which, and from which, all the data flow and all the controls operate. Information is shared, shaped, and created by everyone who has a stake in it. It's a dynamic system, responsive to every change

*Continued on page 20*

and articulating the implications of those changes throughout the system to every sector in real time. Having a web interface that allows broad participation in the process along with a central application and database enables school districts to easily gather and share information from various schools. Unlike a fragmented set of spreadsheets, budget software houses all the data in a single repository and allows user changes and calculations to flow with speed and integrity throughout the entire budget.

Users located anywhere can use their Internet browser and intuitive web-forms populated with new targets and historical data to quickly make budget changes. When complete, final numbers are automatically consolidated for a complete review and approval by executive management. Data can be transferred between the budget software and other databases resulting in reduced time requirements and fewer errors. Since web-based budgeting applications are integrated with financial and operational analytics in the data warehouse; departmental dashboards, scorecards and reports are automatically updated with both budget and actual figures.

The ability to use a secure web connection to work with budget data allows everyone to access the budget information at anytime from wherever Internet connectivity is available. A web-hosted application will usually include the budgeting, planning, forecasting and reporting capabilities that any organization wants, without additional IT requirements or lengthy implementation cycles. It combines a flexible, easy-to-use, spreadsheet style interface with a hosted, easy-to-deploy application framework that is affordable, quick to implement and offers a low total cost of ownership.

### **Benefits of Web-Based Budgeting**

- Provides multi-user access yet presents a consolidated and single source of information
- User administration enables controlled access to budget groups
- Fewer errors due to standardized calculations for all budget groups
- Rapid, broad adoption and reduced learning curve
- Promote increased accountability in staffing and an increased level of information
- Greater consistency and minimal training required
- Secure 128 bit encryption, which offers the same level of security as banks
- Scenario analysis permits the users to see the consequences of various decisions
- Lower maintenance and cost of ownership

### **What to Look for in a Web-Based Budgeting Application?**

If you've decided you need to move away from spreadsheets, and have determined which type of solution and vendor fits your business and budget, the next step is to evaluate specific aspects of budgeting and planning software. The ideal solution for your web-based budgeting and financial planning should fulfill certain criteria such as:

- Easy to implement, use and own. At the core, you need a solution that has the financial logic built directly into the terminals your team will use. End users can enter data they know from everyday operations without having to develop or maintain complex formulas or macros.
- Integration. The budgeting, planning and review cycle requires an organization to integrate information

from its older accounting system (and potentially other enterprise systems) into the process. The web-based budget software should have demonstrated experience in this area.

- Close the data gap. You need a solution that ties every user's data into the same centralized relational database. This allows everyone to see the same financial data, or whatever portion of the data they need to see. Any changes you make are applied in real-time, so you can make critical decisions faster and more confidently, knowing that your data is always relevant, accurate, and up-to-the-minute.
- Easy Migration. Data should be seamlessly transferred between the budget software and older databases, resulting in a smooth transition and fewer compatibility errors.
- Reporting takes center stage. You must get a financial planning solution that provides easy and comprehensive reporting options, without costly and time consuming programming. You want your users to produce insightful reports at any level of detail with just a few clicks of a mouse.
- Makes collaboration easy. Look for a solution that is designed with the non-financial user in mind, using dashboards and data entry screens that are intuitive to use, easy to enter data and to run reports without relying on IT or finance professionals.
- Flexible. Organizations can easily modify their model to adjust to changes, such as the addition of a new line, a new department or a new office. Look for a budgeting application that has matching adaptability. It should also give you flexibility, to update your

*Continued on page 21*

- forecast to reflect current realities as the conditions surrounding your business change.
- Summarized financial data is available anytime. The right financial planning software will automatically tie your balance sheet, cash flow and other indicators together to ensure 100% accuracy and synchronization.
  - Minimize IT resources. The right solution should be implemented easily by your finance team, with virtually no IT support. They should be able to import data from other sources, create financial models and make changes as needed, generate financial statements and run management reports without using precious IT resources.
  - Minimize changes to your existing account structure. The software should work with your existing system of accounts with no need for you to modify it. It should not require you to truncate account names, condense accounts into fewer levels or make you perform other 'tricks' to make your data fit the system.
  - Evolves with you. You need a solution that keeps pace with your organization in both size and cost. Spreadsheets are hard to scale to large numbers of users, and you risk mistakes proliferating with more and more people working in those spreadsheets. Larger solutions won't shrink when you need to scale back.

### **Make the Right Choice for Your Organization**

Effective and efficient financial management is a critical function in any organization, regardless of size. Dynamic and growing school

districts need to replace standalone spreadsheets they now use in their budgeting and planning process with a dedicated online application. Organizations and institutions that want to use budgeting simply for fiscal control will benefit because they will make their process far more efficient, and valuable resources can be used for matters that are more important. School districts that decide to use web-based budgeting as a performance management tool will find that migrating from spreadsheets to a dedicated online solution promotes more effective management.

*Tom Olson is president and CEO of MyBudgetFile, Inc. and former associate superintendent of business and finance for the Parkland School, Division No. 70, Stony Plain, Alberta, Canada. [www.mybudgetfile.com](http://www.mybudgetfile.com) For more information, contact Tom Olson at [tom.olson@mybudgetfile.com](mailto:tom.olson@mybudgetfile.com) or Sue Crockett at [sue.crockett@mybudgetfile.com](mailto:sue.crockett@mybudgetfile.com).*

## **Meemic Foundation Grants - Deadline September 9**

*By Jack Cantwell, Assistant Vice President, Meemic Insurance Company  
Submitted by the WASBO Safety & Risk Management Committee*

As Wisconsin's leaders in school safety and risk management, you are challenged each day to find funding sources for a variety of initiatives to help ensure a safe, quality educational experience for the students and staff of your districts. The need is great; the resources to fulfill those needs may be limited.

The *Meemic Foundation for the Future of Education* is now providing grant opportunities to Wisconsin schools. The Foundation, a non-profit organization created by Meemic Insurance Company, has been providing grants in support of education for over 20 years. Through the wide variety of educational initiatives supported, The Meemic Foundation has impacted the lives of more than 1.5 million students. From playground and musical equipment to safety initiatives

and more, the Meemic Foundation has a rich history of supporting local educational communities.

The Meemic Foundation offers a variety of grant opportunities, including traditional grants in amounts up to \$2,500 as well as specialty grants of varying amounts for specific items such as books. To submit an application, simply visit [www.MeemicFoundation.com](http://www.MeemicFoundation.com) and complete an online form outlining your request. **The deadline for the current grant round is September 9th.** Grant recipients will be notified in October 2012 and funds will be made available immediately for the 2012-13 school year.

As you look to identify needed resources, it will be well worth your time to visit the Meemic Foundation website as a potential partner to assist in supporting your school safety and educational endeavors.

"Education is the ability to listen to almost anything without losing your temper or your self-confidence."

— Robert Frost



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**Leadership That Counts!  
General Session  
Gerald Kember  
Retired Superintendent  
LaCrosse School District**

There are some basic principles and universal truths that are employed by leaders. As Professor Michael Wesch said at the WASDA Fall Conference, "None of us is as smart as all of us." Hear from Jerry on his approach to dealing with these multiple and complex issues as a leader.

- Garner and gain trust with the community and staff
- Provide transparency as it relates to school district actions
- Responsibility for communicating and provide accountability
- Demonstrate working relationships with new and present employees
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David Van Spankeren  
WASBO Director

# Director's Corner

## Post Employment Benefits - Post Act 10

By David Van Spankeren, Executive Director of Business Services, CESA #6

When the state passed ACT 10, local school boards began to look at one of their largest expenditures. Benefits began to change, especially health insurance. New health carriers entered the school markets. High deductible plans came into play to help lower the health insurance premiums. In a recent survey within our area, the highest deductible reported was a \$2,000/\$4,000. Many school districts also increased the employee's share of the insurance premiums. The highest that I have heard of is 20% for a full time employee. There may be even higher employee premium shares within other districts.

Post employment benefits have also gone through some major changes. Many school districts have taken the opportunity given by ACT 10 to make a complete overhaul of their post employment benefits. If your school district is still considering changes in your post employment benefits, I will share with you some of the changes that I have heard about from business managers and superintendents.

The extreme is a complete elimination of any retiree health insurances going forward. Other school districts have put a deadline or window of opportunity through this year or next. Tiered levels have also been discussed by school districts. Employees retiring and age 58 or older still have a number of years of health insurance. The next tier receives a lower amount of years of insurance and new employees receive no OPEB benefit or \$1,000 TSA or post employment HRA.

If the district continues with retiree insurance, they may have lowered the number of years given the retiree. Many districts were also able to change the eligibility rules to include increasing the age or years of service to be vested in the benefit. School districts that have a healthy fund balance in either Fund 10 or Fund 73 were able to buy out the OPEB benefit from their employees with post employment HRA plans or 403B contributions.

It has been amazing to see what all of these changes have done to the OPEB liabilities held by Wisconsin school districts. Many districts were able to change their actuarial amortization

from 30 years down to 8 years. Millions of dollars were saved and will be reallocated back to education and the classroom.

The argument is still out there that districts should look at their own culture. What are your neighboring school districts doing with OPEB? Are these post employment benefits still part of your district's recruitment and retention plan for employees?

For school budgets, it is nice to see the light at the end of the tunnel for post employment benefits. It will be easier to plan for a Fund 73 trust and allow the general fund to focus on the education of students.

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Nancy Pirkey

# Supreme Court Rules An Authority May Not Charge Redaction Fees Under the Public Records Law

By Nancy Pirkey, Attorney, Buelow Vetter Buikema Olson & Vliet, LLC  
Reprinted with permission, July 2, 2012 Legal Update

Last week, the Wisconsin Supreme Court issued a very significant decision interpreting the Wisconsin Public Records Law. In *Milwaukee Journal-Sentinel, Inc. v. City of Milwaukee*, 2012 WI 65, the Supreme Court addressed the question of whether the Public Records Law allows a government entity to charge a person who requests public records with the full cost associated with redacting records to remove confidential or other non-public information. In a unanimous decision, the Supreme Court answered this question “no.”

## Background

A reporter for the Milwaukee Journal-Sentinel (the “Newspaper”) made a records request to the Milwaukee Police Department under the Public Records Law. The request was for computer-aided dispatch records and incident reports over a 2-week period in 2010. The City determined that responding to the request would include the release of 2,312 dispatcher records and 743 incident reports at a cost of \$2,081.80. Rather than make this payment, the Newspaper withdrew its request and instead agreed to receive a CD with a summary of the dispatch records at a cost of \$10.00 for the CD and \$100.30 for the time spent locating the records. The reporter then requested another 100 incident reports. The Police Department determined that, prior to releasing the reports, it would need to redact non-public information from the records, including social security numbers, financial account numbers, and identification of crime victims and suspects. The Police Department determined that the redaction would take 15 staff hours at a cost of \$601.80.

A second reporter for the Journal-Sentinel requested dispatch records and incident reports for sexual assault cases for an entire calendar year. After narrowing her request, the Police Department determined that responding to this request would cost \$3,390 for staff time spent redacting records.

The Newspaper refused to pay the fees for either of these requests. Instead, they filed an action in circuit court seeking release of the records without having to pay over \$6,000 in redaction fees. The circuit court denied the Newspaper’s request and held that the Police Department was entitled to charge the cost of redacting the records. The Court of Appeals certified the issue to the Supreme Court and the Court accepted the case.

## The Court’s Ruling

The Public Records Law permits an authority to charge a fee that does not exceed the “actual, necessary and direct” cost of producing the record. §19.35(3), Wis. Stats. The Court identified four different types of functions for which an authority may charge fees in processing a public records request. These four categories are all expressly described in the Public Records Law as follows:

- (1) Reproduction - Fees associated with copying or transcribing the records;
- (2) Photography - Fees associated with photographing or photographic processing of a record;
- (3) Location - Fees associated with locating a record, but only if the cost exceeds \$50.00; and
- (4) Mailing - Fees associated with mailing or shipping the records to the requester.

The Court determined that the cost of redacting information from records before they can be released does not fit within any of the categories of fees which may be charged under the Public Records Law. The Police Department argued that redacting records is within the meaning of “locating” or “reproducing” the records, but the Court rejected these arguments. The Court determined that “locating” the records means the actual, physical process of finding a physical copy of a record in a file cabinet or on a computer. The Court also rejected the notion that redacting information from the record(s) is part of the cost of “reproducing” the records. The Court stated that “reproducing” a record means making an exact duplicate of the record, and does not include altering the record to remove confidential or otherwise non-public information.

Both the majority opinion and the concurring opinions acknowledged that technological advances have changed how records are created and stored, and that the Public Records Law has not been updated to reflect modern technology. The majority determined that the Legislature is tasked with expanding the scope of the Public Records Law into new areas, including charging fees for redacting records. The concurring opinion issued by Justice Roggensack recognized the significant cost that an authority can incur in redacting information before releasing public records. Justice Roggensack also recognized that some requesters make voluminous requests for information that are extremely time-consuming and expensive to process, especially for authorities with very few employees. While sympathetic to this

*Continued on page 29*

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Betty Zimdars  
WASBO Director

## Director's Corner

### A WIN-WIN: LEAN - Reducing Costs and Increasing Efficiency

By Betty Zimdars, Assistant Superintendent of Business and Information Services, Howard-Suamico School District

LEAN process improvement is very new to the school environment. Few districts are applying the concept of LEAN to their operational or instructional areas. At the Howard-Suamico School District, a process improvement initiative was used to improve reporting of student performance data that provides comparable data within and across the district in a fast and reliable method. Utilizing LEAN principles allowed staff to quickly define the problem, develop flowcharts and measurements, analyze potential solutions, improve the process based on data and implement a control system to ensure quality and timely access to data for improvement of instruction.

LEAN process improvement has been used in the manufacturing sector for over 50 years and has recently moved into the service and healthcare arena. Government and particularly schools have not addressed or embraced the idea of LEAN system improvement as it has been a commonly held idea that LEAN was not appropriate in a government or school environment. In 2008, the Pawley Institute for Learning at Oakland University addressed this issue in an article entitled "Is Lean Appropriate for Schools?" The author, Shannon Flumerfelt, Ph.D., addressed the concepts of LEAN as a system that has endless possibilities for improvement in education through cultural change and process improvement initiatives. Flumerfelt endorses LEAN as a method to closely examine the existing system, to develop collaborative solutions and to have staff participate in continuous improvement processes.

School districts are data rich, but have a difficult time quantifying the mounds of student achievement data that is necessary to make informed instructional decisions. This process improvement provides our principals and teachers with data to make informed instructional decisions and to identify best practices in which to replicate.

LEAN provides an innovative transformational improvement system that allows stakeholders to develop collaborative solutions and to be participants in finding quantifiable solutions. A Rand Corporation study indicates that 80% of steps in any process are unnecessary and 98% of all problems are system related problems. LEAN concepts address and support the concept of finding and fixing the root cause of any problem. In this case, the original root cause was that the student achievement data scorecard process didn't have a specific owner.

The form and format for this improvement can be replicated in other schools districts that have a data repository for student achievement data. The new student achievement data scorecard now shows the percentage of students achieving at or above proficiency levels and identifies those that are performing below standard within a variety of assessments. This process would be very beneficial to principals and teachers as they address student specific learning targets.

To implement LEAN, a school district leadership team would need to embrace the concepts through training and practice. This training could be conducted by the local technical college, Pawley Learning Institute or through a variety of organizations that focus on

LEAN techniques. Trained leaders can build organizational capacity by using the "train the trainer model."

LEAN process improvement practices are very applicable for all school districts as resources are scarce and operating efficiencies are critical for long-term sustainability. A Rand Corporation study reported that "LEAN process improvement offers educators the most powerful improvement and accountability model available to meet the challenges of the 21st century." This statement indicates the need for all organizations – educational, other government and businesses – to learn and use LEAN concepts in operational areas as well as teaching methods.

A small investment in training can result in a large return on investment by the development of a disciplined method of continuous improvement that can be used by every department to improve efficiency, reduce costs and improve quality of life.

Our primary project goal was to provide accurate and timely student achievement data to building principals and teachers for them to make informed decisions regarding instruction. The project team developed an action plan that resulted in achieving all goals and saving over \$40,000 in staff time. Overall, the fiscal outcome was approximately three percent better than the original goal. The following chart outlines the primary goal and measurable outcomes.

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School Practice Group

Director's Corner - A Win-Win: LEAN-Reducing Costs and Increasing Efficiency

*Continued from page 27*

<b>PRIMARY GOAL:</b>	99.9%	Principal time recapture	<b>RESULTS:</b>	99.9%
<b>PRIMARY GOAL:</b>	75.0%	Data Specialist time recapture	<b>RESULTS:</b>	82.0%
<b>PRIMARY GOAL:</b>	99.9%	Increase data reliability	<b>RESULTS:</b>	99.9%
<b>FINANCIAL GOAL:</b>	94.0%	Process cost reduction	<b>RESULTS</b>	97.0%

This process improvement allows principals to focus their time on student achievement rather than on data gathering. Our building principals reclaimed ten working days each and they are able to quickly and efficiently access clear, concise and accurate student achievement results when needed. They are now able to review comparative data by classroom, by building and across the district in an efficient and reliable manner.

The improvements achieved have had a direct correlation to student

achievement and the ability of teachers to implement intervention responses in a timely manner. By undertaking this project, principals are able to acquire the student achievement data quicker and without intervention. Principals then have the ability to analyze student data to make informed decisions, to work with teachers to change teaching strategies, to implement student response to intervention more quickly, and to review their building performance compared to classrooms within and across the district. The process

improvement has a plan-do-check-act provision which ensures continued fidelity and accountability.

Training in LEAN concepts has made a significant difference within the culture of our organization and has saved valuable resources. This has been a win-win for the students, staff and taxpayers. We have also used LEAN to improve the purchase order process, leave request process and the technology acquisition process. If you would like to know more about LEAN process improvement in schools, please contact me at [bettzimd@hssd.k12.wi.us](mailto:bettzimd@hssd.k12.wi.us) or at 920-662-8100.



Don Mrdjenovich

# Contributory Leadership

By Don Mrdjenovich, Retired WASBO Executive Director

Thomas Paine admonished the colonists to, "Lead, follow or get out of the way." Ever since, many others have presented us with those choices as they pursued their own missions, goals or agendas. However, history is rich in examples of those who exercised a fourth choice, resist. Many over the course of history have examined the intent of those who would offer three alternatives and found it necessary to resist. By doing so, they became leaders in pursuit of a different mission, goal or agenda, like Thomas Paine himself who chose not to continue allegiance to the British Crown. I cite this example only to illustrate that in recent years we have focused so much on leadership that if you don't look upon yourself as leader, you may feel somewhat diminished in standing or accomplishment. Choosing not to lead does not translate to an inability to lead.

Leadership themed books, training sessions and keynote speakers continue to abound. Efforts to identify what leadership is by breaking it down

into specific components are doomed by a similar listing of exceptions. However, leadership does have a common denominator. Leadership has always been preceded and determined by a goal to be achieved. Some leaders have simply jumped in front of the parade (Reverend Al Sharpton), while others have organized or originated the need to have one (Reverend King), and then assumed the right to lead it. During the course of our lives, we are all called upon to be leaders, followers, or resisters and sometimes we just choose to get out of the way. The vast majority of us will not be leaders all of the time. We are chosen to lead when we are recognized as having a special skill, ability, experience or knowledge base.

When you are chosen or called upon to lead there may be rewards. Recognition, monetary gain, the privileges of rank, and the ability to exercise influence often accompany the role. However, there are usually accompanying burdens that go with the leadership role. Think of Lincoln in the Civil War or General Eisenhower making his D Day decision with less than concise weather data. On not so grand a scale, think of

those who lead your organization. They get to say no a lot. They are often held accountable for results even though they lack an equal amount of authority. Often times they must implement or carry out the directives of others, such as a governing board, even though they may personally disagree with its merits. Leaders may have to enforce rules that adversely affect individuals and their families, such as those contained in collective bargaining agreements. The list could be much longer, but you get the point.

I believe that we all get to lead, follow, get out of the way or resist, regardless of what role we play in our organizations. If you are not in a full-time leadership role, you should not feel that you are of less importance than those who are. Leadership is fluid. You don't have to be at the front of the parade to know that what you do and what you contribute is important. That you do it consistently well and respect the roles and contributions of others is what I like to call contributory leadership. Put it all together and you have an organization that is itself a leader. To me, that trumps individual leadership.

## Supreme Court Rules An Authority May Not Charge Redaction Fees Under Public Records Law

*Continued from page 24*

issue, Justice Roggansack determined that this is an issue that the Legislature, and not the courts, must address.

### Conclusion

Many government employers have been monitoring this case and hoping for a decision that requires the requester to incur the financial cost of processing a request for public records. The Supreme Court has taken a plain reading of the law and placed that financial burden on government entities. While the

government unit can charge for the cost of physically locating the record and reproducing it, they cannot charge for the time spent redacting these records to remove non-public information. In the case of personnel records, the time it takes to redact confidential information from the records can be significant. Elected officials may wish to contact their legislators and encourage them to address this issue through legislation and ease the burden on government employers and taxpayers.

*If you have any questions regarding the implications of this decision, please contact your Buelow Vetter attorney or Attorney Nancy Pirkey at (262) 364-0257 or [npirkey@buelowvetter.com](mailto:npirkey@buelowvetter.com).*

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- Malcolm S. Forbes



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# Ten Strategic Considerations of the Supreme Court Upholding PPACA

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*Milliman Insight OnHealthcare*



In a 5-4 ruling, the U.S. Supreme Court has preserved the individual mandate and upheld the constitutionality of the Patient Protection and Affordable Care Act (PPACA), with the notable exception that states can now opt out of Medicaid expansion. Milliman consultants cannot offer legal interpretations of this historic decision, but we can offer perspective on what it means to the healthcare system. The many stakeholders that have been preparing for PPACA for more than two years can continue that preparation. And while there remains some uncertainty—a Republican victory in November could still lead to a repeal of the law—many stakeholders that have been slow to move may now see an incentive to do so.

We outline 10 strategic considerations for insurers, employers, providers, taxpayers, and the government.

## Background

In 2009, as the American healthcare reform conversation began in earnest, Milliman was already several years into an effort to better understand American healthcare reform. We had invested millions of dollars in research, developing models and methodologies that could study vast changes to the current system. At that time, we recognized that there were certain ideas that might have been controversial before but that are now anticipated to be part of the solution. Value-based pricing. Prevention. Managed care. Evidence-based medicine. A move away from fee-for-service. Improved transparency, especially around costs. Electronic health records. Consumerism.

But there is a difference between knowing what to do and doing it. PPACA jumpstarted several efforts,

forced lessons around some of these concepts (sometimes difficult lessons), and mobilized the industry to change. Now in 2012, the healthcare industry—especially insurers, employers, providers, and the government—has learned some things it did not know before. The ultimate test is acceptance by the public once these concepts are implemented on a widespread basis.

As we awaited the Supreme Court's decision, we realized that regardless of the outcome many of these concepts are now becoming entrenched in the system. While this decision has important and unique ramifications, much of the change coming to American healthcare is already underway.

## Ten Strategic Considerations

**1. Adverse selection may still be a challenge.** Guaranteed issue and community rating make the individual insurance market more accessible to the uninsured, but without an effective individual mandate these reforms create adverse selection.<sup>1</sup> The key word there is *effective*. If enrolling in a healthcare plan is viewed as optional for U.S. citizens because the penalties have limited teeth, those who consider themselves healthy are less likely to enroll because it may not be in their immediate economic best interest. For pricing to be sustainable, these healthier people must enroll in order to balance out the insurance pool costs and health risk.

Milliman analysis on the effectiveness of the individual mandate indicates that much depends on a person's household income, age, and family type.<sup>2</sup>

As the exchanges come online in 2014, many will be focused on the enrollment to determine how this theoretical underpinning bears out in actuality.

One new wild card: The court's ruling on Medicaid expansion complicates the adverse selection question, because the decision raises access questions for certain low-income individuals. Which brings us to Consideration #2...

**2. Medicaid expansion just became a far more complex and variable proposition.** The Supreme Court decision gives states the option not to participate in Medicaid expansion. In states that opt not to participate, there are big questions about how their Medicaid programs will function and how all this may affect the population that would have been Medicaid-eligible through the expanded coverage.

If a state does not participate in the Medicaid expansion, to what extent will those below the 133% federal poverty level (FPL) threshold qualify for premium tax credits and cost sharing subsidies?

Is a partial expansion possible? Are states that opt out of Medicaid expansion able to receive any portion of the enhanced federal funding available under PPACA through a partial expansion using waivers or a state plan amendment?

Are provisions of PPACA that are not explicitly tied to Medicaid expansion still in effect for states that opt out of the expansion? For example, will states have to abide

*Continued on page 32*

by the primary care physician fee schedule increase that is scheduled for 2013 and 2014?

With the court upholding the exchanges and other components of the law, the interaction between Medicaid and these components creates a maze of issues for states, insurers, employers, and the uninsured.

**3. Employers grapple with new options and plan requirements.**

Employers need to consider how the employer-sponsored insurance (ESI) model fits in their future. Many employers are intent on maintaining such benefits, recognizing a distinct recruiting and retention mechanism. Reports of ESI's demise are premature as of this date. Employers will continue to review and amend their plans in efforts to control costs, and there are distinct advantages and cost pressures brought on by PPACA. There may also be new incentives for pursuing a self-funded approach, even by certain small employers. And the law does include some disruptive elements for ESI that bear watching. For example, many feel that the summary of benefits and coverage statements that employers must send to employees are burdensome and won't be sufficiently useful to employees.

The change to Medicaid expansion could also complicate matters for employers. Under PPACA, employers with over 50 employees may be subject to additional plan affordability penalties for employees under 133% FPL—unless these individuals are Medicaid eligible. If a state does not expand Medicaid, employers above 50 lives may be subject to more plan affordability penalties than they would be were

their state to pursue Medicaid expansion. In this sense, a state's decision to expand Medicaid may have cost implications for employers. How will the anticipated healthplan costs for employers change now that low-income employees may not be able to qualify for Medicaid in certain states?

**4. What is the effect on early retirees?**

PPACA may change the landscape for how employers handle early retiree healthcare coverage.<sup>3</sup> New options emerge for those between ages 55 and 65, with the exchanges becoming very attractive for attaining affordable coverage. The absence of medical underwriting, the limitations placed on age rating (i.e., a maximum 3-to-1 ratio between insurance premiums for the oldest and youngest), and the availability of premium and benefit subsidies make the exchanges an affordable place for people 55-65 years old to purchase coverage.

**5. Rate review scrutiny and no risk selection: Something's got to give.**

PPACA has brought about increased scrutiny of rate increases, and it seems likely this will continue. But with a 10% increase now deemed potentially "unreasonable" by federal regulators, and with traditional underwriting/risk selection taken out of the system, there are all the signs of an inevitable collision. An influx of less-healthy people could make it very difficult for many plans to stay below the 10% ceiling without losing money and risking financial instability. If the individual mandate works as hoped, this may be mitigated. Risk adjustment, reinsurance, and risk corridors are

also supposed to help with this issue, but will they be enough? This is one to watch.

**6. Which states will get on the exchange bandwagon?**

Some states have pushed forward aggressively with implementing a state health insurance exchange, while others have resisted. Will the Court decision set exchange efforts in motion in the states that were not already proceeding?

Given the often political nature of this resistance, and the outstanding question of the presidential election and whether a Republican victory could bring about a repeal of PPACA, in many states the delay may continue. With states empowered to opt out of Medicaid expansion, states that have pushed back against exchanges have another front on which to not participate with PPACA.

But states with efforts already under way now have more wind at their backs. The 2014 deadline is becoming imminent, creating an incentive to get moving. And states also face a deadline on January 1, 2013, at which time the federal government will assess whether states have the infrastructure in place to proceed with an exchange. For some states these two deadlines may be enough to begin implementation efforts.

**7. Minimum loss ratios (MLR) pose an ongoing challenge for insurers.**

While the minimum loss ratio requirement—the idea that 80-85 cents of every healthcare dollar should go toward medical care—sounds good, it is out of step with the financial realities many insurers face. Claims do not always move in a predictable way, meaning that medical costs can be volatile.<sup>4</sup>

*Continued on page 33*

Previously, an insurer's lower claim cost years could help balance out the higher claim cost years. However, under the MLR rules, insurers need to pay out rebates during lower claim cost years as opposed to building up reserves for higher claim cost years. This dynamic will be amplified if the individual mandate is ineffective and adverse selection ensues.

The MLR rules, as written, also present challenges to high-deductible health plans (HDHPs), because the MLR calculation only includes plan expenses, not patient expenses. These plans give consumers greater skin in the game, thereby encouraging more judicious use of care.<sup>5</sup> Expenses to administer these plans are typically higher as a percentage of premium than they are for richer benefit plans. To the extent that the MLR

requirement takes these plans off the table, it could also remove a possible cost-reducing concept from the mix.

The MLR rules challenge smaller insurers, which are more susceptible to the underwriting cycle because they lack the volume to absorb down years or to spread risk across multiple business lines.<sup>6</sup> The MLR rules also do not allow smaller health plans to pool large claims across states, creating a significant issue for small multi-state plans.

Efforts are afoot to tweak the MLR rules and fix these problems, but that doesn't change the reality that this rule is hard on insurers. The difficulty is exacerbated by new rating rules. Insurers face a low ceiling and a high floor, without much room to stand up.

**8. Risk adjustment is essential.** The idea that fee-for-service is broken and the reimbursement paradigm should be turned on its head has popular support. Risk adjustment<sup>7</sup> is an important part of this new paradigm because it helps align revenue with health status, a key calculus in a system that competes on health and efficiency rather than volume.

To the extent that the exchanges face adverse selection challenges, risk adjustment may be even more important. With a higher concentration of morbidity potentially entering the market, there's an increased need to balance those costs between carriers based on their relative risk factors.

**9. Will cost shifting hold steady, increase, or decrease?** The current

*Continued on page 34*



**2012 Annual Meeting & Expo**  
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**2013 Annual Meeting & Expo**  
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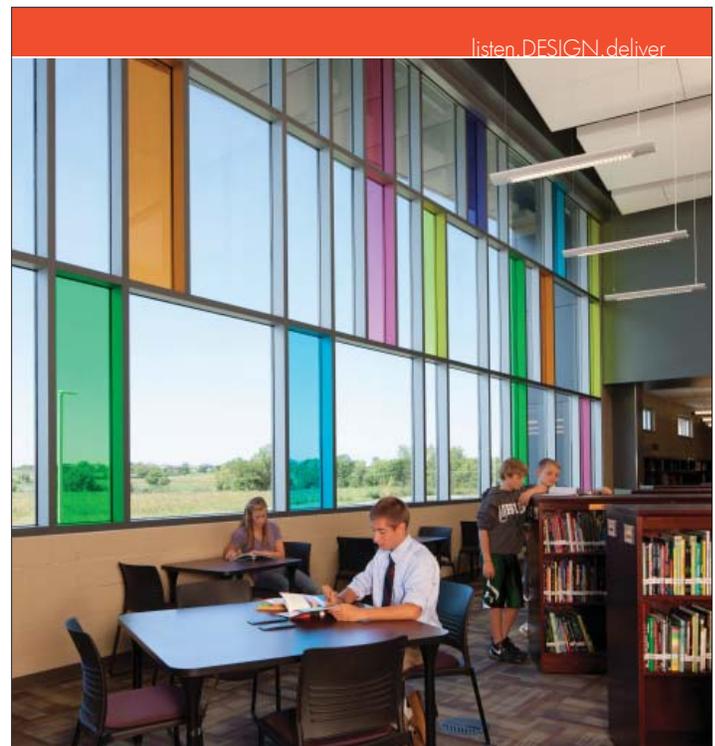
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Gaylord Palms Resort & Convention Center - Kissimmee, FL

**2015 Annual Meeting & Expo**  
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**2016 Annual Meeting & Expo**  
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system includes various examples of cost shifting. Uncompensated care pushes the cost of the uninsured onto other payors,<sup>8</sup> and many providers cite low Medicare and Medicaid rates as an excuse to push higher costs onto the employer-sponsored insurance market.<sup>9</sup> While cost shifting is not inevitable,<sup>10</sup> it bears watching. If PPACA's efforts to cover the uninsured are successful, the uncompensated care cost shifting will decrease. But with Baby Boomers increasing the number of Medicare enrollees and at least some Medicaid expansion ongoing, there will be added pressure to cost shift—unless providers can find the efficiency to keep their costs in order.<sup>11</sup>

Costs will also shift on the consumer level. The changing rules around age rating and medical underwriting will create subsidies funded by young and healthy people to lower costs for older and less-healthy people. Consumers who receive care in this market may not always understand why their costs are going up—especially young people and young men in particular—who will be subsidizing other more expensive populations thanks to limited age, gender, and health ratings.<sup>12</sup>

**10. The cost problem persists.** What can be done about it? PPACA focuses on expanding coverage and insurance reform, and in some cases it shifts costs from one party to another, but it does not directly affect the unit costs and utilization that are among the major underlying drivers of healthcare costs.

Certain aspects of PPACA have the potential to affect costs. The option to implement an accountable care

organization (ACO)<sup>13</sup> reprises the managed care movement of the '80s and '90s, but with better technology and information, and by transferring the financial risk onto the provider to create an incentive for efficiency. With many potential ACOs already establishing the tools required to succeed,<sup>14</sup> this reinvigorated movement is already in motion. The nuts and bolts of an ACO are still the parts needed for a more efficient system.

Most of PPACA's explicit ACO efforts center on Medicare, and while the Medicare Shared Savings Program (MSSP) and Pioneer Programs will continue, the potential for commercial ACOs<sup>15</sup> may prove just as significant.

Accountable care is not a solution to everything that ails the entire healthcare system, but it offers some hope and, to the extent it can meaningfully control unit costs and utilization, it just may work.

### Questions persist as reform marches forward

There is still at least one major point of uncertainty: the November 6 Presidential and Congressional elections. PPACA has survived the first of its existential challenges. But with four months of intense debate and a presidential election still to come, it is not yet out of the woods.

In the coming days and weeks the Supreme Court's decision will be dissected by experts from many fields, especially as it pertains to Medicaid expansion. Milliman will continue to publish actuarial and financial analysis of healthcare reform, and will have more to say about this decision specifically. Check back for more at [www.milliman.com/hcr](http://www.milliman.com/hcr) and [www.healthcarenetwork.com](http://www.healthcarenetwork.com).

<sup>1</sup>Snook, T. & Harris, R. (October 2009). *Adverse Selection and the Individual Mandate*. Milliman Health Reform Briefing Paper. Retrieved May 24, 2012, from <http://publications.milliman.com/research/health-rr/pdfs/adverseselection-individual-mandate.pdf>.

<sup>2</sup>Houchens, P. (March 2012). *Measuring the Strength of the Individual Mandate*. Milliman Research Report. Retrieved May 24, 2012, from <http://publications.milliman.com/publications/health-published/pdfs/measuringstrength-individual-mandate.pdf>.

<sup>3</sup>Ge, J. (June 2012). *Health insurance exchanges and early retiree health coverage*. Milliman Benefits Perspectives. Retrieved June 16, 2012, from <http://publications.milliman.com/periodicals/bp/pdfs/BP-06-07-12.pdf>.

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<sup>5</sup>Burke, J. & Pipich, R. (April 2008). *Consumer-Driven Impact Study*. Milliman Research Report. Retrieved May 24, 2012, from <http://publications.milliman.com/research/health-rr/pdfs/consumer-driven-impact-studyRR-04-01-08.pdf>.

<sup>6</sup>See <http://www.healthcarenetwork.com/?p=3060>.

<sup>7</sup>See <http://www.healthcarenetwork.com/?tag=risk-adjustment>.

<sup>8</sup>Families USA (2009). *Hidden Health Tax: Americans Pay a Premium*. Retrieved June 16, 2012, from <http://familiesusa2.org/assets/pdfs/hidden-health-tax.pdf>.

<sup>9</sup>Fox, W. & Pickering, J. (December 2008). *Hospital & Physician Cost Shift: Payment Level Comparison of Medicare, Medicaid, and Commercial Payers*. Milliman Client Report. Retrieved June 20, 2012, from <http://publications.milliman.com/research/health-rr/pdfs/hospital-physician-cost-shift-RR12-01-08.pdf>.

<sup>10</sup>Pyenson, B. et al. (March 18, 2010). *High Value for Hospital Care: High Value for All?* Milliman Client Report. Retrieved June 20, 2012, from <http://publications.milliman.com/research/health-rr/pdfs/high-value-hospitalcare.pdf>.

<sup>11</sup>Proebsting, D. (June 2010). *Why Hospital Cost Shifting Is No Longer a Viable Strategy*. Milliman Healthcare Reform Briefing Paper. Retrieved June 20, 2012, from <http://publications.milliman.com>.

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[com/publications/healthreform/pdfs/why-hospital-cost-shifting.pdf](http://com/publications/healthreform/pdfs/why-hospital-cost-shifting.pdf).

<sup>12</sup>van der Heijde, M. & Norris, D. (August 30, 2011). *The young are the restless: Demographic changes under health reform*. Milliman Insight. Retrieved June 20, 2012, from <http://insight.milliman.com/article.php?cntid=7879>.

<sup>13</sup>Parke, R. & Fitch, K. (October 13, 2009). *Accountable care organizations: The new provider model?* Milliman Insight. Retrieved May 24, 2012, from <http://insight.milliman.com/article.php?cntid=6056>.

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<sup>15</sup>Boyarsky, V. et al. (April 22, 2011). *ACOs Beyond Medicare*. Milliman Healthcare Reform Briefing Paper. Retrieved May 24, 2012, from <http://publications.milliman.com/publications/healthreform/pdfs/acos-beyond-medicare.pdf>.

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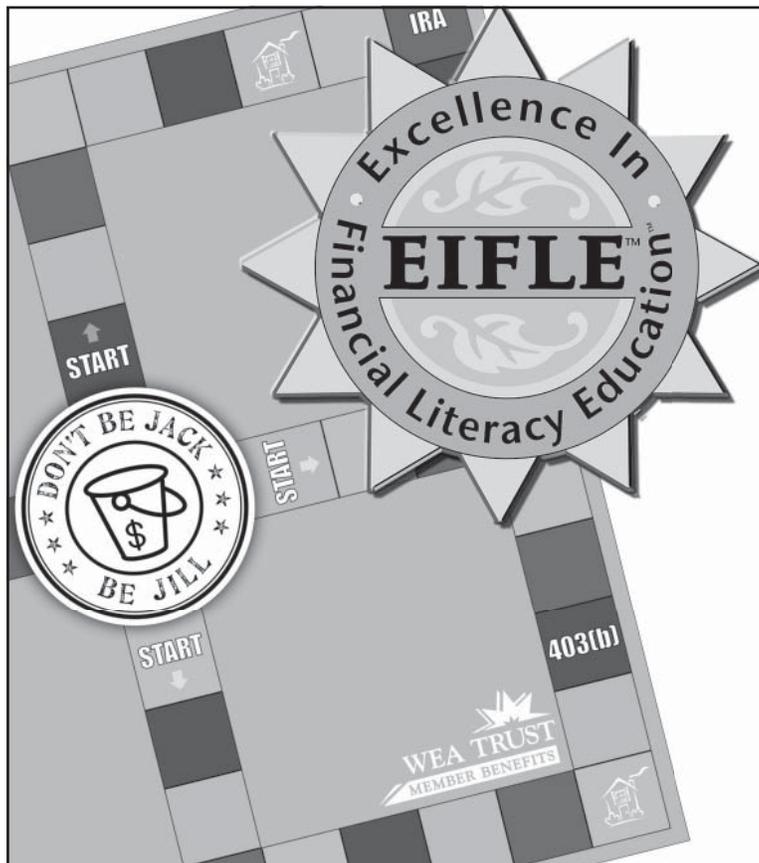
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# The Top 10 Management Characteristics of Highly Rated U.S. Public Finance Issuers

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*(Editor's Note: This is an updated version of an article published in Standard & Poor's RatingsDirect®, July 26, 2010.)*

U.S. public finance issuers are a varied group, but the management practices of the strongest borrowers show some distinct commonalities. Standard & Poor's Ratings Services has widely disseminated to investors and issuers its approach for assigning credit ratings in U.S. public finance (see "USPF Criteria: State Ratings Methodology," published Jan. 3, 2011; and "USPF Criteria: GO Debt," published Oct. 12, 2006, on RatingsDirect on the Global Credit Portal). We have also developed representative ranges for key ratios that factor into our analysis of tax-backed credit quality (see "USPF Criteria: Key General Obligation Ratio Credit Ranges – Analysis Vs. Reality," published April 2, 2008). Although these ratios are the foundation of the quantitative measures Standard & Poor's uses when assigning a credit rating, Standard & Poor's also relies on qualitative factors to inform our credit analysis. In 2006, Standard & Poor's released its Financial Management Assessment, which offers a more transparent assessment of a government's financial practices, as an integral part of our credit rating process (see "Financial Management Assessment," published June 27, 2006). Our view of management factors, administrative characteristics, and other structural issues facing a government entity may be an overriding factor in a rating outcome.

We view management as contributing significantly to many of the individual credit ratios, which can positively affect ratings in a number of ways. On the whole, state and local governments

have made many improvements to budget structure, reserve policies, and debt management during prior periods of budget stress. Whether these practices are developed as part of a comprehensive risk management plan or individually, they have, in our view, generally enhanced government's ability to manage through downturns and have contributed to credit stability over time. Conversely, we believe that the lack of strong management can be a significant factor in a weak credit profile. In our opinion, while the economy remains a key factor in assigning a rating level, our view of management and the institutional framework is usually one of the deciding factors in fine-tuning the rating.

## Overview

- Our view of a government entity's management and administrative characteristics, along with other structural issues it faces, can move a rating up or down more significantly and swiftly than any other element of a credit review.
- We've observed some distinct commonalities in the management practices of highly rated U.S. public finance issuers over the years.
- Proactive budget and liability planning, strong liquidity management, and the establishment of reserves are among the factors the strongest issuers share.

When assessing management, Standard & Poor's analyzes the political and fiscal framework that governs it, as well as the day-to-day management procedures and policies. There could be a strong management team in place, but if there is political instability or lack of political will to make difficult decisions,

we have found that management could be ineffective in many cases. Standard & Poor's also focuses on the "whole of government." Our view of oversight and management controls covering the disparate operations of a government with a focus on accountability at each department or function is critical to strong credit ratings.

The following "Top 10" list of management characteristics associated with Standard & Poor's highly rated issuers is generally applicable to state and local governments as well as to other enterprise operations of government such as water, sewer, or solid waste. The relative importance of these factors may vary from issuer to issuer. Our view of credibility is an important part of a rating review process and management assessment. Every government has challenges, but we believe that identifying problems or issues and detailing how these will be addressed establish credibility and greater transparency in the rating process.

## Top 10 List

### 1. Focus on structural balance

In our view, a structurally balanced budget is an essential characteristic of highly rated credits. There are many views of what constitutes a balanced budget. For some governments, a budget is balanced if current revenues plus available reserves match or exceed current expenditures. From Standard & Poor's standpoint, a budget is balanced if recurring revenues match recurring expenditures. In evaluating whether or not a budget is balanced, we analyze the underlying revenue and expenditure assumptions. We might not have a

*Continued on page 38*

positive view of a budget that relies on optimistic revenue assumptions relative to the current economic environment to meet recurring expenditures. We consider recurring expenditures all of those that are typically incurred year after year and are required as part of a government's normal ongoing operations. This includes salaries, debt service, and pension payments among others. Consistent with our analysis of revenues, expenditure assumptions that rely on debt restructuring for budgetary savings, deferral of ongoing expenditures, and saving assumptions that have significant implementation risks could also color our view of whether a budget is balanced or not.

A government's ability to maintain or quickly return to structural balance during a period of economic weakness can lead us to affirm or raise an issuer credit rating. The opposite is also true. Reliance primarily on one-time measures without the appropriate realignment of revenues and expenditures could cause us to lower the ratings.

## **2. Strong liquidity management**

An additional credit quality factor is management's ability to manage its cash flow and identify potential issues, internal or external, that could lead to a liquidity crunch. Potential for inadequate liquidity serves as a bellwether to the risk of immediate and potentially severe credit deterioration, particularly for those with significant budget misalignments and issuers of certain types of variable-rate debt, in our view. Ultimately, the possibility of having insufficient money to meet debt obligations is at the heart of our credit analysis. In the few instances where state or local governments may encounter genuine credit distress, it is likely accompanied and possibly exacerbated by problems with liquidity. Access to additional

sources of internal or external liquidity and a plan on how, when, and in what amounts to access these, are a credit positive. However, just having access to additional liquidity, either through pooled cash or loans from other funds, is not enough. The absence of clear accountability as to where the cash is coming from or when it will be paid back could create uncertainty about the sustainability of the cash flow and the potential implications of reallocating the cash from one use to the other.

In addition, some obligors' debt profiles include liquidity risk exposure tied to variable-rate demand obligations, alternative financing products, and other debt instruments. Under some of these structures, the potential for accelerated repayment causing sudden and significant demands on an issuer's liquidity could have credit implications (see "The Appeal Of Alternative Financing Is Not Without Risk For Municipal Issuers," May 17, 2011). We have found that management teams of highly rated credits are able to limit, mitigate, or develop a careful plan to manage the potential exposure to these liquidity demands.

## **3. Regular economic and revenue updates to identify shortfalls early**

In our experience, having a formal mechanism to monitor economic trends and revenue performance at regular intervals is a key feature of stable financial performance. This is particularly true in the case of states, which we have observed tend to exhibit revenue declines during economic downturns because they rely on personal income tax, sales tax, corporate income tax, and other economically sensitive sources. We believe that evaluating historical performance of certain revenues is important to this analysis

because each government will have different leading or lagging economic indicators that signal potential revenue variance issues based on its economic structure. The earlier revenue weakness is identified in the fiscal year, the more effective, in our view, the budget balancing response can be. We think it is important to monitor upside growth as well. In our opinion, it is also important to understand a surge in revenues to determine if the trend is an aberration or something that is likely to sustain.

## **4. An established rainy day/budget stabilization reserve**

A formalized financial reserve policy is a consistent feature of most of Standard & Poor's highly rated credits. For some governments, such a policy has been standard operating procedure for decades. Others focused attention on this as a risk management tool following the recessions of the early 1990s, 2001, and especially the Great Recession when the country experienced sustained revenue weakness that required severe budget reduction measures. In our view, reserves provide financial flexibility to react to budget shortfalls or other unforeseen circumstances in a timely manner. No one level or type of reserve is considered optimal from Standard & Poor's perspective. We have seen many different types of reserves factor into an improved government credit profile. In our view, some important factors government officials generally consider when establishing a reserve are:

- The government's cash flow/operating requirements;
- The historical volatility of revenues and expenditures through economic cycles;
- Susceptibility to natural disaster events;
- Whether the fund will be a legal requirement or an informal policy;

- Whether formal policies are established outlining under what circumstances reserves can be drawn down; and
- Whether there will be a mechanism to rebuild reserves once they are used.

In our view, the use of budget stabilization reserves is not in and of itself a credit weakness. The reserves are in place to be used. However, we believe that a balanced approach to using reserves is important in most cases, because full depletion of reserves in one year without any other budget adjustments creates a structural budget gap in the following year if economic trends continue to be weak. As they've done in the past, state and local governments are re-examining their fund balance reserve policies to determine their adequacy and, in many cases, have adjusted their funding targets.

**5. Prioritized spending plans and established contingency plans for operating budgets**

We have found that contingency planning is an ongoing exercise for most highly rated governments. Prioritized spending and contingency plans have always been important risk management tools that allow state and local governments to adjust to changes in the economic and revenue environment. In our analysis, we consider whether a government has contingency plans and options to address changing economic conditions, intergovernmental fund shifts, and budget imbalance when it occurs. This would include an analysis of the following:

- What part of the budget is discretionary;
- What spending areas can be legally or practically reduced;

- The time frame necessary to achieve reductions of various programs;
- Where revenue flexibility exists; and
- An analysis of revenue under varying economic and policy scenarios.

**6. Strong long-term and contingent liability management**

In our view, recognition and management of long-term and contingent liabilities are characteristics of highly rated credits. We continue to incorporate governmental liability management into our rating analysis, as we have for decades, with an emphasis on how liabilities are managed over time (see "Contingent Liquidity Risks In U.S. Public Finance Instruments: Methodology And Assumptions," March 5, 2012). In particular, Standard & Poor's views pension and other postemployment benefit obligations as long-term liabilities (see "The Decline In U.S. States' Pension Funding Decelerates, But Reform And Reporting Issues Loom Large," June 21, 2012; and "The OPEB Burden Varies Widely Among U.S. States," published Sept. 22, 2011). While the funding schedule for pension and OPEB can be more flexible than that for a fixed-debt repayment, it can also be more volatile and may cause fiscal stress if not managed, in our opinion. The size of the unfunded liabilities and the annual costs associated with funding them, relative to the budget, are important credit factors in our review of state and local governments. Currently, pension systems are undergoing the most significant level of reform in decades, which we view as a credit positive and highlights the importance of managing these liabilities. We will continue to differentiate credits where these long-term liabilities are large and growing,

contributions are less than required, and there has been limited action on reform initiatives.

Non-essential areas of government operations and services that may fall out of the traditional general fund focus could also result in contingent liabilities and create budget pressures, if not properly managed. Stadiums, convention centers, and health care entities, as well as various other enterprise operations, could also cause funding challenges at the local level, even when there is no clear guarantee or legal responsibility for the government to provide funding. At the state level, we believe that local government fiscal difficulties can increase and become a funding and policy challenge for the state.

**7. A multiyear financial plan in place that considers the affordability of actions or plans before they are part of the annual budget**

In our analysis, we consider whether this plan is comprehensive. During a sustained economic recovery, we see program enhancements and tax reductions as typical. We believe that pension funds that performed at record levels provided incentive to expand or enhance benefits. Elected officials will be ultimately responsible for the decisions necessary to restore out-year budget balance. In our view, even when there is legal authority to raise taxes, there may not be a practical ability to do so because it can be politically unpopular. Having detailed information on costs associated with various policy decisions can provide greater transparency to the budget process, in our view. We consider multiyear planning as an important part of this process. Standard & Poor's realizes that the out-years of a multiyear plan

are subject to significant change. They provide a model to evaluate how various budget initiatives affect out-year revenues, spending, and reserve levels. These plans will often have out-year gaps projected, which we believe allows governments to work out, in advance, the optimal method of restoring fiscal balance.

**8. A formal debt management policy in place to evaluate future debt profile**

In the past decade, many states and local governments have developed debt affordability guidelines or models, which we regard as a positive development. This affordability analysis generally includes a systematic review of existing and proposed debt, and how they will affect a government's future financial profile. In many cases, these policies address exposure to variable-rate debt, swaps, and other contingent liabilities. They can also include criteria for when refunding bonds are allowed, amortization periods, and what types of projects can be funded through debt issuance.

The affordability measures are typically tied to a government's revenues or expenditures, debt per capita, and debt per capita as a percent of either gross state product (states) or market value (local governments). The impact of these policies on a long-term credit rating will depend on our view of how the government establishes and uses the policies, and the track record in adhering to the affordability parameters established in the policies, especially during economic downturns. We believe the process enhances the capital budgeting and related policy decisions regarding debt issuance and amortization. In our view, these policies have moderated leverage at the state and local level.

**9. A pay-as-you-go financing strategy as part of the operating and capital budget**

In our opinion, pay-as-you-go financing can be a sound financing policy. Not only does it lower debt service costs, but it also provides operating budget flexibility when the economy or revenue growth slows. We see the use of pay-as-you-go financing as a more significant funding option when tax revenue growth is uncertain, given the fact that pay-as-you-go financing may provide additional budget flexibility in an uncertain revenue environment. Depending on the government's overall balance-sheet profile, we believe that the government can achieve a better match between nonrecurring revenues and nonrecurring expenditures if it uses this type of financing.

**10. A well-defined and coordinated economic development strategy**

In addition to historical economic trends, we consider each government's economic development initiatives and future growth prospects as they are likely to affect future revenue-generating capacity. Effective economic development programs typically take a long time to implement. We believe

that the question for many state and local governments now is not whether there should be a formal economic development program, but rather how significant a resource commitment should be dedicated to running these programs and offering incentives. These are government policy decisions involving cost benefit analysis that are generally outside the credit rating process. However, if these economic development programs and strategies create employment, enhance diversification, and generate solid income growth, they could have a positive effect on a government credit rating over the long term. To the extent that there is a net revenue benefit to a government, this could also be a positive credit factor. We have seen economic development programs expand in the past 20 years with strategies increasingly becoming regional in nature, with a more coordinated approach between state and local governments.

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Lisa Voisin

# Cash Defeasance and Levy Management

By Lisa Voisin, Director, Robert W. Baird & Co.

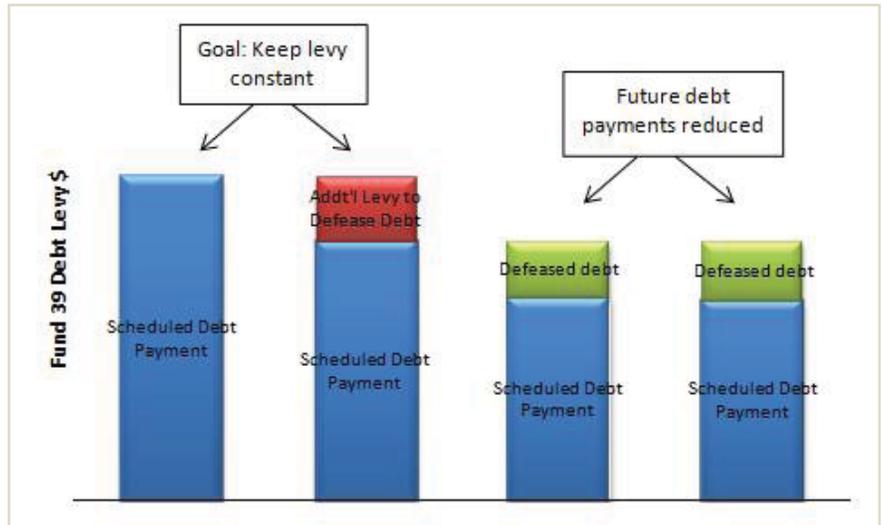
## Managing your Tax Levy

### Overcoming the peaks and valleys of a fluctuating levy

School districts statewide are facing growing questions about how to plan for and handle fluctuations in their local tax levies. If your levy is projected to drop this year, consider some options to maintain stability. Some districts have turned to the energy efficiency levy to fill in gaps, while also completing much needed energy efficiency projects. Others are using Fund 80, the community service fund, to make up the difference. Another option to address a drop in levy may be cash defeasance. If you have referendum debt, and are levying into fund 39, this may be a viable option.

### How Cash Defeasance Works

Similar to debt refinancing, where a district issues new bonds to pay off prior bonds in order to lower the interest cost, a cash defeasance uses additional tax levy (or cash) to pay off all or a portion of an existing bond issue. The levy is deposited into an escrow account, earning interest until the call date (or the prepayment date) of the old bonds.



On the call date, the defeased debt is paid off using the initial cash deposit plus interest earned in the account.

The interest earnings in an escrow account, according to federal arbitrage regulations, is restricted to the old bond yield. Once the defeasance escrow is legally established, the district receives a new amortization schedule, which no longer includes the defeased debt because those payments will be paid by the Escrow Agent.

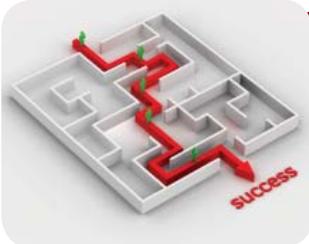
### Other Benefits of Cash Defeasance

- Interest cost savings
- Improved debt capacity and debt ratios
- Increased flexibility for funding future capital needs
- No negative effect during a credit rating review

### Plan Ahead

The best time to start thinking about a cash defeasance is during the budget development process. The additional amount for the defeasance would be included on the revenue limit worksheet and approved with the district's annual tax certification. Some districts will wait until after the October 15 aid certification numbers are released to determine the exact amount of levy to be used to defease debt.

*Many factors need to be considered to use this type of cash flow strategy. For a complete cash defeasance analysis or to discuss other levy management alternatives, contact your Robert W. Baird & Co. representative, call 800-792-2473 ext. 3827 or e-mail bairdpublicfinance@rwbaird.com. ©2012 Robert W. Baird & Co. Incorporated. Member SIPC. MC-32470.*



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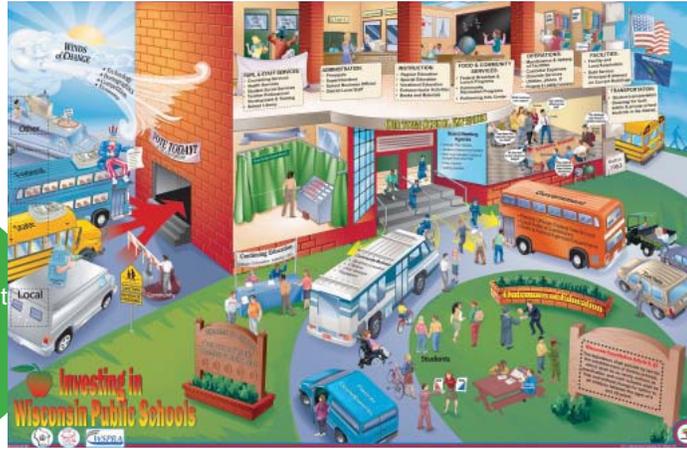
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*Investing in Wisconsin Public Schools™* was collaboratively developed by



Wisconsin Association of School Business Officials



Wisconsin Association of School Boards



Wisconsin School Public Relations Association



Edventures in Learning, Inc.



## Join These Wisconsin School Districts that Earned Rebates for their School Districts Using the WASBO p-Card Program in 2011-12

- Appleton
- Ashwaubenon
- Beaver Dam
- Black River Falls
- Cambridge
- Cedar Grove-Belgium
- CESA 6
- CESA 9
- Chilton
- Columbus
- Deerfield
- Delavan-Darien
- Ellsworth
- Fall Creek
- Fox Point-Bayside
- Gale-Ettrick-Trempealeau
- Greendale
- Green Lake
- Holmen
- Kickapoo
- Ladysmith
- Lake Mills
- Manawa
- Marinette
- McFarland
- Medford
- Mellen
- Merrill
- Middleton-Cross Plains
- Mosinee
- New Holstein
- North Fond du Lac
- Northland Pines
- Omro
- Osceola
- Platteville
- Pulaski
- Rhinelander
- River Falls
- Shorewood
- Sparta
- Stoughton
- Superior
- Turtle Lake
- Verona
- Viroqua
- Waunakee
- Wautoma
- Wauzeka-Steuben
- Westfield
- Wilmot UHS
- Wisconsin Association of School Business Officials (WASBO)
- Wisconsin Council of Administrators of Special Services (WCASS)

Additionally, the following School Administrator Associations are Participating in the p-Card Program:

- Association of Wisconsin School Administrators (AWSA)

The p-Card program offers efficiencies in payment processing which create savings in both time and money. There are no fees and districts of any size are eligible to participate. To learn more about this procurement card program go to [www.wasbo.com/pcard](http://www.wasbo.com/pcard).



Ted Hayes

# Safety and Security Training for New School Employees

By Ted Hayes, CSP, MSE, Senior Risk Manager, M3 Insurance Solutions, Inc.  
Submitted by The WASBO Safety and Risk Management Committee

With a new school year quickly approaching, now is the time to address your school's safety and security controls with your new (and existing) employees. Spend fifteen minutes during your next in-service presentation to review the following life safety, crisis prevention and accident prevention controls.

## Life Safety and Crisis Prevention

- Ensure your school's crisis plan is readily available in each classroom.

- Ensure that all employees understand their roles and responsibilities during an actual crisis. This entails a clear understanding of how to enact your crisis plan.
- Know how to immediately evacuate your area of responsibility in case of a fire, tornado, bomb threat or other emergency.
- Always ensure that a communication means (cell phone, classroom phone, intercom) is available to contact the main office.
- Never cover your doors or windows with paper or decorations. Maintaining visual communication is key during a crisis or emergency.
- Always close and secure your room doors when the classroom is not occupied.
- Be in the hallways between classes to supervise students. Bad things tend to occur among students when little or no supervision is present.
- Never cover more than 20% of your classroom walls with paper or combustible materials due to the significant fire concern.
- Don't bring electrical appliances, portable space heaters, fans, microwaves, etc. in to the classroom without the permission of administration.
- Never stand on tables, desks or chairs to hang items from the ceiling or to reach objects on a shelving unit.
- Never store materials or objects high on shelving units. Besides the obvious material handling concern, objects could fall on to students below.
- Always contact the custodian when heavy objects must be lifted or moved in the classroom. The custodian may have the proper tool to move the object or they can provide assistance when handling heavy objects.
- Maintain good housekeeping conditions in your classroom or work area to prevent trip and fall accidents.
- Constantly be aware of classroom trip and fall hazards – objects in the walkways, extension cords on the floor, etc.
- Ensure students have received accurate and complete instructions before an activity begins. This is especially important in physical education, chemistry and technology education classes.
- Report all incidents, accidents and near misses immediately to school administration.

## ATTENTION CURRENT WASBO P-CARD PROGRAM PARTICIPANTS

BMO Financial Group / BMO Harris Bank N.A. annually requires copies of your audited financials. Please send immediately in one of three ways.

1. Email online link to school district financials to:  
pcard.reviews@harrisbank.com
2. Scan and email entire audited financials to:  
pcard.reviews@harrisbank.com
3. Send paper copy of entire audited financials to:  
BMO Financial Group / BMO Harris Bank N.A.  
111 West Monroe Street  
Floor 20 Center  
Chicago, IL 60603  
Attention: Institutional Group / Jordan Ruiz

## Accident Prevention

- Wear non-slip footwear to prevent slip and fall accidents. This is especially important during snow and ice conditions.

Your school's list of safety and security controls may be more extensive than those listed here. What is most important is that your school employees know what to do to prevent accidents and injuries during the normal school day or a once in a lifetime crisis event.

# Controlling Health Care Costs IS OUR COMMON INTEREST



You won't find us listed here. But we are in the phone book.

The first health insurance companies were established some 70 years ago as not-for-profit organizations. Today, most of these companies have been purchased, consolidated, and transformed. Not WPS Health Insurance. We've been not-for-profit since 1946. And because our not-for-profit status allows us to focus on controlling health care costs for our customers, not maximizing profits for stockholders, we intend to stay that way.

**Controlling Your Health Care Costs: 6 Things You Can Do Now** — a free white paper from WPS is available at [www.wpsic.com/control](http://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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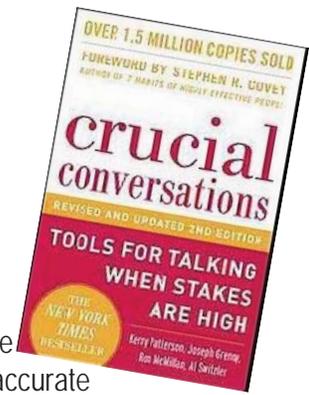
Orvin R. Clark, EdD, RSBA

## Book Review

### “Crucial Conversations: Tools for Talking When Stakes are High”

Kerry Patterson, Joseph Grenny, Ron McMillan and Al Switzler, Authors

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



“**Crucial Conversations: Tools for Talking When Stakes are High**,” by Kerry Patterson, Joseph Grenny, Ron McMillan and Al Switzler, founders of VitalSmarts. VitalSmarts offers on-site consulting, research, executive team development to Fortune 500 companies. VitalSmarts has been ranked by Inc. magazine as one of the fastest-growing companies in America for the last six years and has trained more than 600,000 people worldwide.

“**Crucial Conversations: Tools for Talking When Stakes are High**”, is 230 pages in length divided into twelve chapters including the Afterword. Relationships are the priority of life, and conversations help us care for our relationships with talking and listening. The quality of our life comes out of the quality of our dialogues and conversations. The authors address the number one reason people get derailed and offer guidance on how to operate in a fast-paced, results-oriented environment. You will learn:

- How to prepare for high-stakes situations with a proven technique.
- How to transform anger and hurt feelings into powerful dialogue.
- How to make it safe to talk about almost anything.
- How to be persuasive, not abrasive.
- How new techniques, skills and tools work together to enable successful crucial conversations.

#### What’s a Crucial Conversation?

A crucial conversation is a discussion between two or more people where the stakes are high, opinions vary and emotions run strong. The effects of conversations gone badly can be both devastating and far reaching, individuals who are the most influential, who can get things done and at the same time build relationships, are those who master their crucial conversations. The path to high productivity passes not through a static system but through face-to-face conversations at all levels. The ability to hold crucial conversations also has an impact on our personal health. The negative feelings we hold in, the emotional pain we suffer and the constant battering we endure as we stumble through unhealthy conversations slowly eat away at our health. In some cases, the impact of a failed conversation leads to minor problems. In others, it results in disaster. In all cases failed conversations never make us happier, healthier or better off.

#### Mastering Crucial Conversations

Dialogue is the free flow of meaning between two or more people. Each of us enters conversations with our own opinions, feelings, theories and experiences about the topic at hand. This unique combination of thoughts and feelings make up our personal “pool of meaning”. By definition we don’t share the same pool, our opinions differ. People who are skilled at dialogue do their best to make it safe for everyone to add their meaning to the “shared pool”. As the Pool of Shared Meaning grows, it helps people in two ways.

First individuals are exposed to more accurate and relevant information, they make better choices. Second the larger the pool, the smarter the decisions. The time you spend up front establishing a “shared pool of meaning” is more than paid for by faster, more committed action later on.

#### Principles of Dialogue

- **Start with Heart** (Your Own Heart)
  - Work on Me First (Look in the Mirror)
  - Stay Focused (Know What You Want)
  - Refocus Your Brain (Examine Your Motives)
  - Return to Dialogue (What do I really want for myself, others and the relationship)
- **Learn to Look** (Your Style Under Stress)
  - Learn to look at content and conditions
  - Look, for when things become crucial
  - Look to see if others are moving toward silence or violence
  - Look for outbreaks of your Style under Stress
- **Make it Safe** (Mutual Purpose-Mutual Respect)
  - Apologize When Appropriate
  - Contrast to Fix Misunderstanding
  - CRIB
    - Commit to seek Mutual Purpose
    - Recognize the purpose behind the strategy
    - Invent Mutual Purpose
    - Brainstorm new strategies

Continued on page 47

# What's Better Than Great Service from NIS? **Full Service.**

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**Ken Zastrow**  
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  - Get in Touch with Your Feelings
  - Analyze Your Stories
  - Get Back to the Facts
  - Watch for Clever Stories
- **STATE My Path**
  - Share Your Facts
  - Tell Your Story
  - Ask for Others' Paths
  - Talk Tentative
  - Encourage Testing
- **Explore Others' Paths**
  - Ask to Get Things Rolling
  - Mirror to Confirm Feelings
  - Paraphrase to Acknowledge the Story
  - Prime When You're Getting Nowhere
  - Remember Your ABC's
    - Agree
    - Build
    - Compare

### Keep the End in Mind

- **Move to Action**
  - Dialogue is Not Decision making
  - Four Methods of Decision making
    - Command
    - Consult
    - Vote
    - Consensus
- **Change Your Life**
  - Scripts
  - Transfer tips
    - Master the Content
    - Master the Skills
    - Enhance Your Motive
    - Watch for Cues

### Dealing with Difficult Situations

When situations become difficult and conversations become serious focus on three things:

- **Confidence**-Say what needs to be said to the person who needs to hear it.

- **Humility** - Be humble enough to know that others' input is important.
- **Skill** - The more often you have these conversations the better you will get at them.

### Listening

- Be sincere - use questions to show you are
- Be curious - follow the questions that will get down to the facts
- Stay curious - continue to show that you care and want to know what the problem is- ask yourself "Why would a reasonable person act this way"
- Be patient - encourage the conversation and allow them to take the time to let their emotions get in control
- Skills to use are AMPP
  - Ask
  - Mirror
  - Paraphrase
  - Prime
- Seek to understand and then be understood-you need to listen to communicate effectively
- Use your ABC'S
  - Agree - focus on what you agree
  - Build - point out areas of agreement to build upon
  - Compare - when you don't agree you need to compare "I think I see things differently let me describe"
- Putting It All Together
  - Learn to Look
  - Make it Safe
  - Learn to Listen

### Self-Help Process

Pick a conversation. Let others know that you're trying to do better, then give it a try. If you blow it, admit it. Don't expect perfection, aim for progress. When you succeed, celebrate. Take pleasure in

knowing that you're improving and so are your relationships. When the chance arises, help others do the same. Help friends, loved ones and co-workers learn to master their own high-stakes discussions. Help strengthen organizations, solidify families, and heal communities one person, one crucial conversation at a time. Learn the tools for talking and listening when the stakes are high, it will be a turning point both personally and professionally.

### Resources

Among the resources for conflict resolution the following books are recommended:

- **"How to Win Friends and Influence People"** - Dale Carnegie
- **"Winners Never Cheat"** - Jon Huntsman
- **"Lombardi Rules"** - Vince Lombardi, Jr.
- **"Saving Civility"** - Sara Hacula
- **"The 3rd Alternative"** - Stephen Covey
- **"Ethics 101"** - John Maxwell

This is the end of this book review but the beginning of crucial conversations and conflict resolution with new perspectives.

WASBO thanks Orv for presenting a session at the 2012 WASBO Spring Conference on **Crucial Conversations**.

"The only person who is educated is the one who has learned how to learn and change."

— Carl Rogers



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Available Statewide

## Employee Handbooks = New Post-Employment Options

LET'S TALK!

### ALL-IN-ONE SOLUTION

The **Wisconsin OPEB Trust** program, from CESA 6, has options to manage, analyze and innovate the right post-employment benefit choices for your school district including health reimbursement accounts (HRA).

[www.wiopeb.com](http://www.wiopeb.com)



Contact:  
Dave Van Spankeren  
920-236-0518  
[dvanspankeren@cesa6.org](mailto:dvanspankeren@cesa6.org)



# Welcome New Members

June - July 2012

## District Professional Members

- **Lisa Anderson**, Bookkeeper, New Lisbon School District
- **John Berget**, Manager, Focus on Energy
- **Dave Brandvold**, Superintendent, Edgar School District
- **Jessy Cassellius**, Senior Accountant, Eau Claire Area School District
- **David Elliott**, Supervisor of Buildings, Grounds and Safety, Menasha Joint School District
- **Sarah Floyd**, HR/Payroll/Bookkeeper, Oconto Unified School District
- **Malcome Hathorne**, Maintenance, New London
- **Jenni Heeg**, Administrative Assistant to the Director of Business Services/Secretary to the Board of Education, School District of Marshfield
- **Becky Heins**, Maintenance Manager, Platteville School District
- **Ben Jones**, Principal, Weston
- **Ashley Kley**, Administrative Assistant/Bookkeeper, Colfax
- **Laura Kressin**, Bookkeeper and Secretary, Colfax
- **John Linneman**, High School Lead Custodian, East Troy Community Schools
- **Becky O'Leary**, Accounts Payable, Reedsville Public School
- **Wendy Perkins**, Business Official, Alma Center-Humbird-Merrillan
- **Bill Plamann**, Energy Advisor, Focus on Energy
- **Joe Powelka**, Supervisor of Buildings and Grounds, Sun Prairie Area School District
- **Josh Robinson**, High School Principal, Frederic School District
- **Chris Seitz**, Energy Manager, Focus on Energy
- **John Somers**, Head Custodian, Mukwonago
- **Peg Sylvester**, Accounts Payable, Berlin Area School District
- **Terry Whitmore**, District Administrator, Nekoosa School District
- **Thomas Wiatr**, District Administrator, Washburn School District
- **William Yingst**, Superintendent, Colfax School District
- **Pam Yoder**, District Administrator, Oakfield
- **Jean Zimmer**, Bookkeeper, Greenwood

## Service Affiliate Members

- **Adam Brauhn**, Business Development, MahlerClean
- **Dawn Lowrey**, Executive Assistant, J.P. Cullen & Sons, Inc.
- **John Plumley**, Retirement Benefits Specialist, AXA Equitable
- **John Rath**, President, Risk Management Concepts LLC
- **Stephanie Riesch-Knapp**, Account Executive, R and R Insurance Services
- **Chad Schwenn**, Marketing Manager, Automation Components, Inc.
- **Dan Witzlib**, Territory Manager - Commercial Roofing Systems, GAF

## 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](http://www.wasbo.com) so you don't miss any communications. Give us a call if you need help.

## On the Move

- **Bob Avery** from DPI School Finance Consultant to Beaver Dam Business Manager
- **Jill Bodwin** from CESA 7 Head Start Director to Denmark School District Business Manager
- **Tom Kulczewski** from Menasha to Wauwatosa Manager of Buildings & Grounds
- **Patrick Miller** from Parkview Business Manager to Palmyra-Eagle Business Manager
- **Andrew Sarnow** from Beaver Dam Business Manager to Hartford UHS Director of Business Services
- **Ruth Schenning** from Palmyra-Eagle Business Manager to Burlington Business Manager
- **Peter Smet** from Burlington Business Manager to Burlington Superintendent
- **Tim Stellmacher** from Hustisford Business Manager to Waupun Business Manager
- **Brian Walters** from Waupun Business Manager to Coleman District Administrator

## Retirements

- **Bob Kraus** from Muskego-Norway

## ASBO Intl. New Members

June 2012

- **Brian Dasher**, Merrill Area Public Schools

## ASBO Intl. Membership Milestones

- **Martha A. Baldwin, CPA, MPA**, Baraboo SD (5 years)
- **Brad R. Boll**, SD of Beloit Turner (5 years)
- **Abigail S. Johnson**, Eau Claire Area SD (5 years)
- **Nancy Mair**, SD of Poynette, (5 years)
- **Alexander Thien**, Shorewood SD (5 years)
- **Kathy Stoltz**, Richland SD, (5 years)
- **Erin K. Green, MBA, SFO, RSBA**, Greendale SD (20 years)

The Wisconsin School Leadership Career Center



Connecting professionals and employers in Wisconsin's school leadership community. [www.wasbo.com/careers](http://www.wasbo.com/careers)

## Find the people and careers driving innovation.

Dedicated to the school leadership community, the career center is a valuable search and recruitment resource for professionals and employers in Wisconsin. The career center offers simple and easy-to-use tools to make searching for career opportunities and finding qualified candidates fast, efficient and successful.

### Advantages for Employers

Employers can fill positions faster and at a lower cost than other job websites by reaching the targeted and qualified members of all four school administrator associations in Wisconsin (WASDA, AWSA, WASBO and WCASS).

#### Recruit Top Talent

Target job seekers committed to the advancement of school leadership careers.

#### Low-Cost Posting Packages

Reduce recruitment costs with flexible, affordable posting options.

#### Proactive and Direct Recruitment

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

### Visit the Wisconsin School Leadership Career Center

Discover the difference the Wisconsin School Leadership Career Center can make for you. To post jobs or learn more, visit [www.wasbo.com/careers](http://www.wasbo.com/careers).

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



As WASB Insurance Plan partners, our duty is to serve and protect. You can rely on it.

The continued partnership of the WASB Insurance Plan, Liberty Mutual Group and Wisconsin-based Indiana Insurance® provides a strong and stable source for cost-effective property and casualty insurance. We are committed to providing a bottom-line focus and innovative risk management solutions to the complex issues school districts face today — and tomorrow.

With safety training, fast and efficient claims handling, industry-leading loss control programs, and seminars to address topics such as bullying and harassment, you have a plan that delivers results and support you can rely on. It's a responsibility we take seriously.

For more information, visit the WASB Insurance Plan's website at:  
[www.wasbmemberservices.org/websites/wasb-insurance-plan](http://www.wasbmemberservices.org/websites/wasb-insurance-plan)

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Programs endorsed by the Wisconsin Association of School Boards Insurance Plan.



# Stay Connected



## Why Renew Your WASBO Membership

Each member of WASBO has something to contribute that helps make our organization stronger. Please take a few minutes today to renew your WASBO dues online at [www.wasbo.com/renew](http://www.wasbo.com/renew). The cost for District Professional or Service Affiliate Members is \$200 for the 2012-13 membership year.

If you are retiring or changing careers, please let us know, so that we can update our records.

Renewing online is quick and easy, and you may use a credit card or request an invoice.

By renewing today, you will ensure continued access to WASBO member benefits including:

- Wisconsin Education News
- WASBO Peer to Peer Communication Forum
- On-line member only resources
- Outstanding professional development opportunities with significant WASBO member discounts
- SAA legislative updates
- Networking opportunities and more...

As individuals, we each do what we can to provide our students with the best education possible; as WASBO members we do even more by sharing best practices, supporting one another's efforts, and speaking with one voice to advocate for all Wisconsin children.

In this challenging fiscal and political environment, your membership is more important than ever. We look forward to receiving your WASBO membership renewal.

## How to Renew Your WASBO Membership On-line

If you need your WASBO username and password, assistance with the renewal process, please contact our office at 608.249.8588 or by emailing Erin Lynett, Communications & Membership Coordinator at [erin@wasbo.com](mailto:erin@wasbo.com).

1. Go to [www.wasbo.com/renew](http://www.wasbo.com/renew) and login. Click the renew link on the left side of the screen (under your name)
2. Review your contact information for accuracy; if you wish to pay your ASBO International dues along with your WASBO dues be sure to click the appropriate box (or uncheck it if you do not want ASBO membership or already paid ASBO dues directly to ASBO International.)
3. Click renew, then click on either the pay now (to pay with a credit card) or bill me (to print an invoice) buttons. If you chose the bill me option, please print your invoice. On your portal page scroll down to the bottom of the page to the Open Invoices and Recent Payments on the right. Click the printer icon to the right of the dollar amount for your dues, then click Open. Your invoice will open in PDF document so it can be printed for processing. Please also print and process any other open invoices you may have at this time.

**Interim Assignments** – As School Business Officials take new positions, often a void is left in the districts they are leaving. Many of these districts are in need of assistance for interim school business officials until their opening is filled. If you would like to be considered, please send a one-page resume and other pertinent details to the WASBO office. Some retired members have already done so, but more are needed.

## WASBO's Janice DeMeuse

### Co-authors ASBO's SFO® Prep Guide

Janice has co-authored, **The Certified Administrator of School Finance and Operations® (SFO®) Guide to Studying for the Examinations**. This new ASBO resource has been developed to assist those wanting to take the SFO exam and earn their Certified Administrator of School Finance designation. This tool includes practice questions and could be used as part of a study group. For more information on the SFO or to access the study guide go to [www.asbointl.org/certification](http://www.asbointl.org/certification).

### Contributing to Taking Care of Business

WASBO is always seeking articles for our newsletter. Consider sharing your best practices, areas of expertise or writing on a current topic or experience you have had in your district. We ask that all articles be informational in nature (not marketing). Submission deadlines are by the 15th of the month preceding publication. We publish in August, October, December, February, April and June. Send your article to WASBO Executive Director, Woody Wiedenhoef at [wwiedenhoef@wasbo.com](mailto:wwiedenhoef@wasbo.com)

### Save Money on Conferences

Coupons are available to save your district money. For more information go to [www.WASBO.com/coupons](http://www.WASBO.com/coupons).

Renew your WASBO membership for  
July 1, 2012 - June 30, 2013  
at [www.WASBO.com/renew](http://www.WASBO.com/renew).

### WASBO Business Meetings

- January 17, 2013 - Milwaukee, State Education Convention
- May 10, 2013 - Green Bay, Spring Conference

### Board of Directors Meetings

- |                    |                   |
|--------------------|-------------------|
| September 18, 2012 | Madison           |
| December 19, 2012  | Madison           |
| February 6, 2013   | Black River Falls |
| April 24, 2013     | Manitowoc         |
| June 11, 2013      | Madison           |



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Please share with a prospective member!

## Upcoming Events - [www.wasbo.com](http://www.wasbo.com)

### Professional Development

#### CSR - Bullying Prevention

Sept. 19, 2012 - WSLC, Madison

#### WASBO Fnd Scholarship Golf Outing

Sept. 26, 2012 - Autumn Ridge GC, Valders

#### WASBO Fall Conference

Sept. 26-28, 2012 - The Osthoff Conference Center, Elkhart Lake (Viterbo Credit)

#### Investing in Wisconsin Public Schools

#### Table Coach Training

Sept. 28, 2012 - The Osthoff Conference Center, Elkhart Lake

#### CSR - Fundamentals of Risk Management

Oct. 9, 2012 - WSLC, Madison

#### CSR - Handling School Risks

October 10, 2012 - WSLC, Madison

#### ASBO Annual Meeting & Expo

Oct. 12-15, 2012 - Phoenix, AZ (Viterbo Credit)

#### Midwest Facility Masters Conference

Oct. 29-30, 2012 - Kalahari Conference Center, WI Dells (Viterbo Credit)

#### CSR - Measuring School Risks

Nov. 7, 2012 - WSLC, Madison

#### CSR - Funding School Risks

Nov. 8, 2012 - WSLC, Madison

#### CSR - Administering School Risks

Nov. 27, 2012 - Radisson Hotel, Madison

#### Year of Success - Winter at a Glance

Nov. 27, 2012 - Radisson Hotel, Madison

#### WASBO/WASPA School Personnel

#### Academy

Nov. 28-29, 2012 - Radisson Hotel, Madison (Viterbo Credit)

#### WASB/WASDA/WASBO State Education

#### Convention

Jan. 23-25, 2013 - Frontier Airlines Center, Milwaukee (Viterbo Credit)

### WASBO Facilities Management Conference

Feb. 26-27, 2013 - Kalahari Conference Center, WI Dells (Viterbo Credit)

### WASBO Transportation & Bus Safety Conference

Feb. 27, 2013 - Kalahari Conference Center, WI Dells

### WASBO/WCASS/DPI Wisconsin Federal Funding Conference

Feb. 28-March 1, 2013 - Kalahari Conference Center, WI Dells (Viterbo Credit)

### WASBO Accounting Conference

March 20-21, 2013 - Chula Vista Conference Center, WI Dells (Viterbo Credit)

### WASBO Spring Conference & Exhibits

May 9-10, 2013 - KI Convention Center, Green Bay (Viterbo Credit)

### Committee Meetings

#### Fall Conference Planning Committee

Sept. 12, 2012, 10:00 am, WASBO/Conf. Call

#### Midwest Facility Masters Planning Committee

All meetings at 10:00 am, WASBO Offices, Madison  
Aug. 16, 2012, Sept. 16, 2012, Oct. 4, 2012

#### Safety & Risk Management Committee

All meetings at 12:00 pm, WASBO Offices, Madison  
Oct. 16, 2012, Jan. 8, 2013, April 9, 2013, Aug. 13, 2013

#### School Facilities Committee

All meetings at 9:30 am, WASBO Offices, Madison  
Oct. 16, 2012, Jan. 8, 2013, April 9, 2013, Aug. 13, 2013

#### Spring Conference Planning Committee

All meetings at 2:00 pm, WASBO/Conf. Call unless otherwise noted. Sept. 27, 2012 - 6:30-8:30 pm, Osthoff, Elkhart Lake, Oct. 18, 2012, Nov. 14, 2012, Jan. 27, 2013, Milwaukee, Feb. 13, 2013, April. 18, 2013

### Transportation Committee

Sept. 19, 2012, 10:00 am, WASBO/Conf. Call  
Oct. 17, 2012, 10:00 am, WASBO, Madison  
Nov. 13, 2012, 10:00 am, WASBO/Conf. Call

### Regionals

Check [www.wasbo.com](http://www.wasbo.com) for more information.

#### Bay Area - Meetings start at 9:00 a.m.

Sept. 7, 2012 CESA 7 Jt. Mtg with NE Regional  
Feb. 15, 2013 DePere Jt. Mtg with NE Regional

#### Madison Area - Meetings start at 9:00 a.m.

Oct. 6, 2012 - Sun Prairie, Nov. 2, 2012 - Stoughton,  
Dec. 7, 2012 - Nelson Bus Service (McFarland),  
Feb. 1, 2013 - Cambridge, April 5, 2013 - Beaver Dam, May 3, 2013 - Lodi

#### Northeast - Meetings start at 11:00 a.m.

Sept. 7, 2012 - CESA 7 (Green Bay) Jt. Mtg w/ Bay Regional, Dec. 14, 2012 - Kimberly, Feb. 15, 2013 - DePere, Jt. Mtg w/ Bay Regional, April 19, 2013 - Fond du Lac, May 31, 2013 - Manitowoc

#### Northwest - Meetings start at 10:00 a.m. at

Lehman's Supper Club in Rice Lake.

Sept. 5, 2012, Oct. 3, 2012, Nov. 7, 2012, Dec. 5, 2012, Feb. 6, 2013, March 6, 2013, April 3, 2013, June 5, 2013

#### Southeast - Meetings are from 9:45-11:30 am with lunch following.

**Southwest** - Meetings start at 12:30 pm. at CESA 3  
October 17, 2012, November 14, 2012, February 20, 2013, April 17, 2013

#### West Central - Meetings are from 10 am - 1 pm at

the Sparta Area SD Administration & Education Center  
September 6, 2012, October 4, 2012  
November 1, 2012, December 6, 2012  
February 7, 2013, March 7, 2013  
April 4, 2013, May 2, 2013  
June 6, 2013

#### WI Valley - Coffee at 9:00, Meeting at 9:30.

August 17, 2012 (Antigo)

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