



# Taking Care of Business

Wisconsin Association of School Business Officials

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## Patty Sprang Honored with WASBO Shining Star Award

**P**atty Sprang, Supervisor of Finance for the La Crosse School District, was named Shining Star during her time at the Mishicot School District in acknowledgement of her service, time, expertise and leadership in WASBO. Patty was presented with the award Friday, Oct. 7 during WASBO's Fall Conference in Elkhart Lake.

Patty was nominated by Wendy Brockert, Director of Business Services for the Fond du Lac School District.

Patty is co-chair of the Accounting Committee for WASBO. She has been an active participant in the Accounting Conference planning committee, Budgeting Cycle Book revision committee, and other school business related material development and revision committees. Patty has also served as the chairperson for the North East Wisconsin Association of School Business Officials region; hosting regional meetings and providing pertinent information to members.



*David Groose (left) and Allison Buchanan (center) of Quarles & Brady presented the Shining Star Award to Patty Sprang (right) during the WASBO Fall Conference.*

In a nomination letter, Patty is noted as "an integral member of our team...she is an astute advocate in finding avenues to maximize financial resources...and has devoted countless hours and her excellent talents to managing expanded tasks while never missing a beat."

This award carries with it a \$1,000 professional development grant, sponsored by Quarles & Brady. WASBO is pleased to honor Patty Sprang as our WASBO Shining Star. 🐾

**See more Fall Conference highlights on pages 28-29**

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

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

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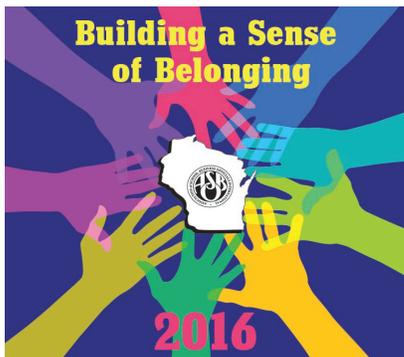
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Editor: Woody Wiedenhoef

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**President's Message**

# The State of Cleaning in School Districts

By Patrick Finnemore, President, WASBO Board of Directors

Director of Facilities, Kenosha School District



One of the topics I covered in my article for the August edition of *Taking Care of Business* was to introduce you to the 2016 SchoolDude Facilities Budget, Staffing and Operations Survey. I want to spend this month's article reviewing one of the findings in greater detail. That item was a self-evaluation by Facilities professionals on the state of cleaning in their school districts. Here were the K-12 results from the survey:

- APPA Service Level 1 – 9%
- APPA Service Level 2 – 40%
- APPA Service Level 3 – 44%
- APPA Service Level 4 – 4%
- APPA Service Level 5 – 0%
- Unsure – 2%

I think these results are probably a very good representation of the true level of cleanliness in American schools. My guess is that many of you may not be familiar with the APPA Service Levels, so I thought that might make for an informative article, or maybe a really boring one. APPA is an organization that has had many names over the years with the current name being APPA: Leadership in Educational Facilities. The APPA cleaning standards are an excellent way to evaluate a rather subjective thing and they allow you to compare the cleanliness of your facilities to those of others. Level 1 is the highest standard of cleaning service and Level 5 is the lowest. Each level is defined by a range of tasks and their frequency. The cleaning levels are as follows: Level 1 Orderly Spotlessness, Level 2 Ordinary Tidiness, Level 3 Casual Inattention, Level 4 Moderate Dinginess, and Level 5 Unkempt Neglect. Here is a brief summary that myself and others have used over the years for the five service levels:

## Level 1 Orderly Spotlessness

Floors and base board molding shine and/or are bright and clean; colors are

fresh. There is no build-up in corners or along walls. All vertical and horizontal surfaces have a freshly cleaned or polished appearance and have no accumulation of dust, dirt, marks, streaks, smudges, or fingerprints. Washroom and shower fixtures and tile gleam and are odor-free. Supplies are adequate. Waste containers only hold daily waste, are clean and odor free.

## Level 2 Ordinary Tidiness

Floors and base board molding shine and/or are bright and clean. There is no build-up in corners or along walls, but there can be up to two days' worth of dust, dirt, stains, or streaks. All vertical and horizontal surfaces are clean, but marks, dust, smudges, and fingerprints are noticeable upon close observation. Washroom and shower fixtures and tile gleam and are odor-free. Supplies are adequate. Waste containers hold only daily waste, are clean and odor-free.

## Level 3 Casual Inattention

Floors are swept or vacuumed clean, but upon close observation there can be stains. A build-up of dirt and/or floor finish in corners and along walls can be seen. There are dull spots and/or matted carpet in walking lanes. There are streaks or splashes on base board molding. All vertical and horizontal surfaces have obvious dust, dirt, marks, smudges, and fingerprints. Waste containers hold only daily waste, are clean and odor-free.

## Level 4 Moderate Dinginess

Floors are swept or vacuumed clean, but are dull, dingy, and stained. There is noticeable build-up or dirt and/or floor finish in corners and along walls. There is a dull path and/or obviously matted carpet in walking lanes. Base molding is dull and dingy with streaks or splashes. All vertical and horizontal surfaces have conspicuous

Continued on page 9



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# October Meanderings

By Woody Wiedenhoef, Executive Director, WASBO



As the Fall season quickly comes upon us, I wanted to reflect on recent updates, changes and important information.

## 1202 State Form for Employee Compensation

As you are probably aware, the information for 2015-16 school year is now posted on the DPI website as it relates to the 1202 information submitted by school districts. Also, if you work with one of the Service Affiliate Members that use this information in providing you data sorts, data comparisons and budget information please know they have this information and are ready to work with you. There has also been a significant interest in this information by the Milwaukee Journal Sentinel. Remember this information is unaudited and in some cases could be inaccurate for some school districts for a number of reasons. The Journal Sentinel was most curious about discrepancies between districts you might be contacted about 1202 information.

## General Aid Certified

General School Aid was certified on October 14, 2016, with an increase of 122.3 million dollars; however, there were also General Aid Deductions made for the following programs:

- Independent Charter School 420 Districts - \$62.2 million

- Milwaukee Parental Choice Milwaukee - \$52.1 million
- Racine Parental Choice Racine - \$8.8 million
- Special Needs Scholarship - \$2.4 million
- Wisconsin Parental Choice - \$16.7 million

Remember this does not include the per pupil categorical aids increase of \$250 per pupil. The state wide total for this is \$ 211.2 million and will be paid to school districts in March 2017. Because no per pupil revenue limit adjustment was provided by law, most of the increased general aid to your school district will be directed toward property tax relief, not the classroom.

## December 2016 Municipal Tax Bills

Please remember the tax bills sent out by your municipalities will look different this year.

State Statute 74.09(3)(db)1.1. states "Indicate, in a section of the bill that is separate from the billing information, the total amount of tax levied by a taxing jurisdiction on all property of the taxing jurisdiction and on the property for which the bill is prepared that is the result of a referendum to exceed, on a nonpermanent basis, a school district revenue limit, a technical college district revenue limit, or a county or municipal levy limit and indicate the year in which the authorization to exceed the limit no longer applies. A

separate listing is required for each such authorization."

The DOR and DPI are in agreement that state law requires levy impacts to be reported as a "...result of a referendum to exceed, on a nonpermanent basis, a school district revenue limit...". Nonpermanent basis includes both non-recurring operating and debt referenda. It is advised that districts use the % method of total referenda to split out the annual levy impact and carry out the % calculation to two decimal points. (See John Forester's article on page 7 for more information.)

The election cycle this fall seems to have sucked all the air out of any real student issues on both the state and national level. But stay tuned for the activities coming after the election. It will be time for our legislature to develop a new state budget for 2017-19. There are more than enough issues that will be discussed by legislators that education at the K-12 level may get obscured by other needs and lack of financial resources. In the meantime, WASBO members will remain diligent in serving our students and communities while we are involved with those discussions over the next year.

I certainly believe that WASBO members will make a difference for the students in Wisconsin. 🇺🇸

## WASBO Wants YOU!

Interested in running for the WASBO **Board of Directors**? Looking to join a **committee**? See more information on page 27 to get started **TODAY!**

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~ Robert Kennedy



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# Non-Permanent Referenda Reporting Changes Tax Bills



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

As you are undoubtedly aware by now, the property tax bills will look different this year because of statutory changes made in the 2015-17 State Budget. These changes will likely generate questions from municipal clerks, taxpayers and perhaps others.

Per Wis. Statutes 74.09(3)(db), a school board is required to separately report any tax levies that exceed its annual revenue limit as a result of a successful referendum to exceed the limit on a non-permanent basis. State law requires the levies associated with all debt and non-recurring operation referendums passed after December 31, 2014 to be listed separately. The property tax bill must also include the year in which the non-permanent referendum to exceed the revenue limit no longer applies.

Although the Wisconsin Department of Revenue (DOR) is responsible for the administration of this statutory requirement, we are very grateful that the Wisconsin Department of Public Instruction (DPI) is assisting DOR. Lest there is any question regarding the statutory intent or the law's requirements, DOR and DPI are in agreement that "nonpermanent basis" as used in the statute, includes both non-recurring operating and debt referenda.

The DPI advises school districts to use the percentage method of total referenda to split out the annual levy impact and carry out the percentage calculation to two decimal points.

The DPI and the East Troy Community School District have graciously provided the following example for your consideration. 📄

### FY 2016-2017 Tax Levies

Referendum Approved Non-Permanent Basis Levy

Per §74.09(3)(db) a school board is required to separately report any tax levies that exceed its annual revenue limit as a result of a successful referendum to exceed the limit on a non-permanent basis. State law requires the levies associated with all debt and non-recurring operation referendums passed after December 31, 2014 to be listed separately. The property tax bill must also include the year in which the non-permanent referendum to exceed the revenue limit no longer applies.

The total of all debt and nonrecurring operation referendums and the remaining levy must equal **\$14,346,926.00**.

If your district does not have any debt or non-recurring operating referendums to exceed the revenue limit, then input the total levy amount in the **remaining levy** textbox and click the 'Next' button. Otherwise click the '+' button to add a referendum.

Vote Date	Description	Total Ref Amount	Year Expires	2016-2017 Levy Amount	
RF-3582	4/7/2015 Issue Debt	\$2,200,000	2035	99023.51	Delete
RF-3581	4/7/2015 Issue Debt	\$22,500,000	2035	1012351.49	Delete

+

Remaining Levy (Total Levy Minus Levies of Non-Permanent Referendum approved after December 31, 2014): 13235551

Total Levy (Derived from total of Section 1: Certified Tax Levies by Purpose): \$14,346,926.00

### Reasonability Check

The purpose of the table below is to provide the district with one last opportunity to review the tax levy data for reasonableness before submission to the department. Note that three years of district levy data is displayed with both a dollar and percent change calculated from the prior year to the current year.

It is important that districts review this data carefully as the file for the Department of Revenue will be generated from this report. Additionally, this data will also be used by the Department of Public Instruction to determine district compliance with the revenue limit law, §121.91 Wis. Stats.

When you have reviewed the data and determined that it is correct, please **click the Next button** below to continue the submission process.

Account	2015	2016	Change (\$)	Change (%)	2017	Change (\$)	Change (%)
<u>10R-000000-211</u>	12,988,097	12,553,665	-434,432	-3.34%	12,287,172	-266,493	-2.12%
<u>10R-000000-212</u>	0	125	+125		399	+274	+219.20%
<u>38R-000000-211</u>	131,545	131,545			131,545		
<u>39R-000000-211</u>	1,698,082	1,771,187	+73,105	+4.31%	1,755,125	-16,062	-0.91%
<u>41R-000000-211</u>	0	0			0		
<u>80R-000000-211</u>	83,888	143,212	+59,324	+70.72%	172,685	+29,473	+20.58%
<b>Total Levies:</b>	<b>14,901,612</b>	<b>14,599,734</b>	<b>-301,878</b>	<b>-2.03%</b>	<b>14,346,926</b>	<b>-252,808</b>	<b>-1.73%</b>

Debt Service Summary				Total
Fund 39	Principal:	\$830,000	Interest:	\$925,125
				\$1,755,125

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## ASBO International New Members

### August 2016

- **Christopher Adams**, School District of Grafton, Grafton, WI
- **Bryan Arnold**, Racine USD, Racine, WI
- **Hilary Cordova**, CESA No.9, Tomahawk, WI
- **Rodney Hawkins**, SD of Somerset, Somerset, WI
- **Holly Hayes**, Appleton Area SD, Appleton, WI
- **Jackie Hungerford**, Oakfield SD, Oakfield, WI
- **Lisa Lessard**, Siren SD, Siren, WI
- **Stan Mack**, Oshkosh SD, Oshkosh, WI
- **Jason Melotte**, Algoma SD, Algoma, WI
- **Calvin Merath**, Stoughton Area SD, Stoughton, WI
- **Joanie Niemiec**, Greenfield SD, Milwaukee, WI



## ASBO International Membership Milestones

### September 2016

#### 25 years

- **Philip M. Frei**, Sun Prairie Area School District, Sun Prairie, WI

#### 20 years

- **Susan A. Graham Balzer, Retired**, Kettle Moraine SD, Wales, WI

#### 15 years

- **Scot J. Ecker**, Forecast5, Greendale, WI

#### 10 years

- **John M. Mattern**, BMO Harris Bank, Chicago, IL
- **Karen A. Dvornik**, Retired, Cedarburg SD, Cedarburg, WI

#### 5 years

- **Lori M. Boltz**, D.C. Mercer SD, Mercer, WI

“

*We keep moving forward, opening new doors, and doing new things, because we're curious and curiosity keeps leading us down new paths.*

~ Walt Disney

## The State of Cleaning in School Districts

*Continued from page 3*

dust, dirt, smudges, fingerprints, and marks. Light fixtures are dirty. Waste containers have old trash. They are stained and marked. Waste containers smell sour.

### Level 5 Unkempt Neglect

Floors and carpets are dull, dirty, dingy, scuffed, and/or matted. There is conspicuous build-up of old dirt and/or floor finish in corners and along walls. Base board molding is dirty, stained, and streaked. Gum, stains, dirt, dust balls, and waste are broadcast. All vertical and horizontal surfaces have major accumulations of dust, dirt, smudges, and fingerprints, all of which will be difficult to remove. Lack of attention is obvious. Light fixtures are dirty with dust balls and flies. Waste containers are overflowing. They are stained and marked. Waste containers smell sour.

I mentally judge the schools in my district using the APPA Service Levels and use that judgment to provide feedback on where one school falls versus the others in our district. I periodically get a chance to visit schools in other school districts and I instinctively give the school an APPA rating in my head by the time I leave. It is still a subjective process, but the more frequently you use the standards, the more consistent you will get with using the process. More information is on the APPA website [www.appa.org](http://www.appa.org) as well as the websites of a number of organizations, most notably higher education institutions that use the APPA Service Levels as part of their standard evaluation process. Try it out the next time you walk through one of your schools, and feel free to give me a call or email if you have questions or need some clarification. 📞

If you would like to discuss this article, you may contact Pat at [pfinnemo@kUSD.edu](mailto:pfinnemo@kUSD.edu)



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## An Administrative Team's PLC Review of Servant Leadership

By Kent Ellickson, Director of Finance and Business Services, School District of Onalaska; WASBO Board of Directors



Our district embraces Professional Learning Communities (PLCs). Not only does it embrace the PLC approach to solving problems and improving instruction in all of its schools, the PLC approach is used by the district office staff, administrative team, and the Board of Education for improvement as each of these teams are organized as PLCs as well.

This year one of our administrative team's PLC activity is the reading and discussing of James Hunter's book, *The Servant*. The Board of Education PLC just completed reading and discussing the book together over the summer. Actually, it would be more accurate to add that several members on our Board of Education have read this book multiple times, attended multiple servant leadership workshops, and still wanted to discuss it more. They totally buy into servant leadership. Because of this, our superintendent thought it would be good for our administrative team to do a book discussion on *The Servant* and activities with a servant leadership speaker. The book is an easy-to-read narrative that leaves the reader with a good understanding of the principles of servant leadership. I look forward to reflecting on the book in upcoming administrative team PLC meetings. I know that many WASBO members are already familiar with the principles of servant leadership, for those who might not be, I encourage you to learn more through some of the books, workshops, and coursework available. I believe that if I was more familiar with the principles in the earlier portion of my career, I may have avoided some missteps.

Reading this book helped me understand much better some of the reasoning behind the way we

have been getting things done in the district. An example I noticed right away is the teacher interview process. In my previous positions, the superintendent would not regularly meet and talk with each teacher that was about to be hired. Hiring of teachers was generally through a building team led by the building principal. The team would make a recommendation of a candidate for approval by the Board of Education without the candidate interacting with district-level administration. In Onalaska after the interview team makes a recommendation, every single teacher finalist has an interview with our superintendent, or the director of instruction should our superintendent be away. Why would a busy superintendent take 30 to 45 minutes to meet with each prospective teacher?

These "final" interviews impress upon the prospective district teacher the relative importance of the teacher in the district organization. They discuss how teachers, lunch, and bus riders are things students discuss with their parents and how the front line is so very important for positive student outcomes—not what the superintendent or business manager did. The teachers are reminded in these final interviews and during the teacher orientation about the importance of building a respectful relationship with their students so they can be successful. This is one of the servant leadership principles. This interaction near the end of the screening process helps to build the relationship between top-level leadership and respect with the district-level administration. It helps show teachers their value and importance to the success of our organization. By the way, we do have a similar process for non-teaching

employees.

One of the basic principles of servant leadership is the responsibility for the leader to serve others in the organization. We, as the administrative team, have a responsibility to serve the district employees to ensure they have what they need to be successful. Hunter reminds us repeatedly in the book that what employees "need" and what employees "want" may not be the same thing and how it is important to help employees understand this. As an example, staff at a grade level may see the "need" to add another teacher if they are challenged in being successful when a grade level is weighted with different types of students. Is this a need or a want? Have effective instructional practices been found for the different types of students? Would adding one more teacher to continue to do things the same things that have not been found to be effective be wise? Hunter reminds us that continuing to do the same things with the expectation of different results is the definition of insanity.

The book does not really contain anything you have not seen or heard before. It is full of references to things like the golden rule, respect and love, and responsibility. It does, however provide a framework to help make us think about how we may actually use the principles to be better leaders through a story. At times, the book invoked reflection of leadership actions in the past I wish I would have approached differently. I look forward to acting on the principles learned from the book as part of continuous improvement. 📖

If you would like to discuss this article, you may contact Kent at [ellike@onalaskaschools.com](mailto:ellike@onalaskaschools.com)

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# Planning for a Referendum

By Cathy Cramer, Chief Financial Officer, Seton Catholic Schools; WASBO Board of Directors



Many school buildings built during the growth of the baby boomers' generation no longer meet the requirements of 21st century students and need to be replaced. Some districts need to build new buildings to meet the needs of a growing population or of academic and athletic programs. School operating budgets are not sufficient to fund capital project plans for roofing, HVAC, lighting, or security upgrades nor provide for major instructional or technology equipment purchases. As a result, more and more districts need to plan their short and long-term facility, maintenance and capital project requirements to be met by asking their communities to issue debt through the referendum process.

According to data on the Wisconsin Department of Public Instruction's School Financial Services website, there are 42 referendum questions relating to the issuance of debt by school districts scheduled for the November 8 election. In this past spring's elections, there were 30 successful referendum questions that supported the issuance of over \$500 million in debt. I have had the privilege of being involved in the construction of 9 new school buildings and several facility renovation projects that were the result of successful referenda questions. Fortunately, I have worked with great architects, construction managers, district facility managers, and financial advisors who were able to provide the technical expertise needed before, during and after the referendum elections, which was critical to delivering successful projects. In addition to procuring the professional support and specialized knowledge required for these projects, there are some things I believe a district can put in place that will build the relationships necessary to be successful when seeking referendum

support for the additional funding required to meet its facility and capital project needs.

First, establish a team that is representative of the diverse members of your community. Include parents, taxpayers, empty nesters, staff, new residents, and municipal leaders. This will provide the perspectives and feedback necessary to develop the plan most likely to be supported.

## Implement an ongoing planning, review and study process

Enrollment projections and building capacities, capital project needs, and facility needs required to meet changing instructional and technology programs should be reviewed annually. I think including this review as part of the annual budget development process and communicating these plans and needs to the School Board, staff and community—consistently and repeatedly—is necessary. Make sure that some form of community engagement and feedback is built into this planning process, at least periodically. Not only is this a good organizational practice, but also allows for ongoing dialogue and options to be considered and implemented when there is not a need for additional funds to be raised; this “tells your story” and helps to affirm the fiscal responsibility and appropriate facility management practices are in place—always—and not just prior to or as part of a referendum.

## Know your community

Just because a plan or recommendation has worked well in a neighboring school district doesn't make it a good plan for your district. Remain mindful of your district demographics and priorities. Build relationships – ALWAYS. How parents, staff, and citizens feel about their district's administration and their schools in general ultimately

determines the financial support they are willing to provide. Continually engage parents, community leaders, and long-time district residents to seek input on a regular basis. This not only builds support but also leadership capacity for active, potential, positive community members to consider school board candidacy.

## Review all options

Brainstorming and creativity should be encouraged. When the community is evaluating their support of a referendum proposal, a thoughtful response that has been prepared for all options that were reviewed during the planning process provides the rationale for the ultimate recommendation being the best option.

## Data collection and reporting

Regularly update the appropriate financial forecasting model you use to include enrollment growth, staffing, academic and facility needs. Continually monitor assumptions and report changes as they become known.

## Review and prepare operating costs of proposed facilities

Whether adding square footage, HVAC upgrades or technology capacity, make sure the impact on future operating budgets is considered and shared.

Taxpayers understand the need to maintain and keep up facilities as community assets as well as the need for new buildings. With the appropriate needs assessment, ongoing short and long-range planning, community engagement and information sharing, districts are better positioned to substantiate these needs and create the advocacy and support for the additional funds requested.

Continued on page 15

# Why Do We Do What We Do?

By Brian Adesso, Director of Business Services, Menasha Joint School District; WASBO Board of Directors



We all know why we do what we do and it is for the students that cross our doorsteps each and every day. Sometimes we get caught up in the operational side of running a school district and might drift and believe our job just deals with operations. It is during these times that we need to take a step back and get into an area that has students. Whether that be riding a bus, being present in a cafeteria or getting into a classroom.

Getting into the classroom was a very puzzling conundrum for me. A year or two ago, I heard a fellow Business Manager describe how he was getting into the classroom. I was very impressed and was upset with myself because I came to the realization that I was not making time to do what really matters within the school. So, what does really matter? The students are what matter. This is important because I want to make a positive impact on the students within our school communities.

I told myself after my long summer break (you know the one that everyone thinks we get off and in all reality we are working our tails off to get ready for an audit, budget and the many projects that go on during the summer) that this year was going to be different. I was going to take the leap and get into the schools right from the start of the school year. In fact, it was going to be a priority. In early August, I started to plot my year and schedule events on my calendar to guarantee that I was going to begin this new journey. I scheduled myself for: getting into every cafeteria within the district, riding the bus in the morning and afternoon, and building relationships with teachers in the district so that I could get into the classrooms.

My experiences riding the bus have been very educational and eye opening. Somehow I was placed on one of the more challenging buses within the district. The students were very energetic and vocal. Each day that I rode on the bus I learned more student names and then a funny thing happened. Once I knew their names they were better behaved and they wanted to talk to me about their school day and lives. Another positive that came from this experience is when I see students in school and they smile and say hello to me! I knew riding the buses and being present within the schools would make a difference, but I didn't realize how much of an impact my presence and time could make for many kids. I have seen through these interactions I am having with students is impacting them in a positive way.

Another experience that I have had thus far is being present

in the cafeterias. Now, before I get into this I want to preface this by saying I am a food guy. Being the food guy that I am, I enjoy talking with students about what they think of lunch that day. For the most part, I get answers like; it was really good and I can't wait to have that meal again. In a couple of instances I get "the potatoes had no flavor or they need salt and pepper". For me this feedback was very helpful.

I want our students to enjoy the nutritional lunches we provide, so their feedback is invaluable. This has given me the opportunity to reflect on what I could change within our food service program. For instance, if we can provide pepper to the kids or possibly some nutritional yeast (cheese like flavor) to be able to add more taste to products that usually have more salt than allowed. From talking to the students, I also received suggestions on what we should be serving more often. During my lunch visits I learned how important it is for students to decompress and relax for a brief period of time during the school day.

The final experience is one that I have not yet, had the time to do, but am looking forward to getting into the classroom. I am told that will happen next month. Our Superintendent is asking the whole central administrative team to shadow a middle school student for the day. Truly, I cannot wait for this experience.

Now you all must be asking yourself how do you find the time to do this and my regular duties? As I explained earlier I schedule it out before the school year started and made it a priority. Does this take up time in my day? Of course it does. Does this really help me out? Yes, it keeps me connected to why I do what I do. And yes, I usually cannot fit my work into the normal work day so like many of you I catchup at times outside of the typical workday. I challenge all of you to try to ride a bus, get into a cafeteria, and get into the classrooms to reconnect with the assets that are the most valuable items we work for-- the students. 🇺🇸

If you have comments or questions about this article, you can contact Brian at [adessob@mjsd.k12.wi.us](mailto:adessob@mjsd.k12.wi.us).



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*Always bear in mind that your own resolution to succeed is more important than any one thing.*

~ Abraham Lincoln

## Planning for a Referendum

Continued from page 13

For the districts whose School Boards successfully passed the resolutions for these questions to be placed on the ballot this fall, and for the many others who are working on facility and financial planning or considering a resolution for the spring election, good luck. And remember, plan, engage, report, review, update and engage! 🐼

If you have comments or questions about this article, you can contact Cathy at [cccramer1961@gmail.com](mailto:cccramer1961@gmail.com)

## ASBO International Meeting Dates

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## 2016 ASBO Eagle Institute: Leadership at a Turning Point

By Jason Demerath, SFO, CSR, Director of Business Services, School District of Fort Atkinson; WASBO Board of Directors President Elect



In an effort to develop leadership from within the WASBO organization, the President-Elect of WASBO is sent to the ASBO Eagle Institute each year. Having been elected to that position this spring, I was fortunate enough to attend this year's Institute in Williamsburg, Virginia. Beyond the excellent opportunity to network with peers from across the country, the basis of this program has a retired General lead us in examining leadership lessons from the revolutionary war and how they can be applied today. Along with the program being grounded in a specific revolutionary war battle, it is three intense days of leadership development with various experts using the battle as a jumping off point for various leadership topics. My intention of this article is to share a couple of those along with how I have applied them in my work since the meeting in July.

Let me begin by discussing a bit about the battle we studied that was the basis for this year's program. We visited the battlefield of the Battle of Yorktown where George Washington led the revolutionary army against the British troops. However, General Washington's plans at the time were centered around taking back New York. He spent several months planning a siege and was on the cusp of advancing when he received word from his leadership in Virginia that Yorktown could be won given a short window of time where certain items aligned in their favor. It took some convincing, but knowing that a battle in New York would be hard fought and difficult to win, Washington decided to march his entire unit from New York to Virginia and make an attack on Yorktown. Washington listened to his staff and adapted to the situation he was facing

ultimately being more successful than the British side that sat content in their current positions and were in no rush to change the status quo.

During this training, there were some other professionals that were brought in to talk with us about leadership, branding and other topics pertinent to our profession. The first major concept that rang true with me is one that I have adopted since my return back from the conference. The question posed was this, "What is the number one rule when dribbling a basketball, soccer ball, or playing any other team sport?" The answer... keeping your head up! This was the first major lesson. Sometimes we get so mired down in the day-to-day details of accounting, requisitions, budget prep, etc. that we lose sight of the larger picture. In order to best meet the needs of our students, we need to Lead with our Head Up! Keep an eye on the strategic direction and don't get bogged down in the day-to-day minutia and lose that direction.

The second major lesson I learned started with a story about John F. Kennedy. As we all know, on May 25, 1961 during a speech to a joint meeting of Congress he said that by the end of the decade we would land a man on the moon. Simple...direct...visionary. This was a strategic initiative that everyone could understand. Later that year JFK went to NASA to discuss the progress to date. He is walking down a hallway and runs into a custodian. He asks the custodian, "What are you doing?" The custodian replies, "I am sending a man to the moon!" This simple illustration puts effective strategic planning in a nutshell. Instead of complex, difficult to understand strategic plans filled with educational jargon, they need to be simple visionary goals that everyone

in the organization can work towards no matter their position.

With these lessons in mind, I came back to the office and printed the mission statement for the district and a question on a sheet of paper. It reads, "The School District of Fort Atkinson is committed to delivering the quality opportunities and services each student needs to achieve his or her academic and personal potential. How will you help children achieve today?" I framed this and gave it to each of my staff...a payroll clerk, an A/P clerk, an administrative assistant, a Director of Buildings & Grounds and a Director of Student Nutrition. Each of these staff members do not have daily interactions with students, but as you know, are important to the effort to support the daily work of teachers and other educational staff. It is important for these staff members to realize their value and look up from their paperwork and computers to see how they are contributing to the success of the organization.

While these are a couple of the lessons learned during the 2016 ASBO Eagle Institute, there were many, many more. I would very strongly encourage any of you to look into attending. Every year it revolves around a different revolutionary or civil war battle and relates leadership decisions made hundreds of years ago to our roles as business officials today. After attending, I think it can be said that leadership and decision-making styles truly can stand the test of time. It was very inspirational to think about George Washington's decisions and leadership that led to the founding of our country. 🇺🇸

If you have comments or questions about this article, you can contact Jason at [demerathj@fortschools.org](mailto:demerathj@fortschools.org)

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# Top 10 Fundraising Pitfalls and How You Can Avoid Them

By: Jason Tadlock, Superintendent, Elkhorn Area School District

**T**op 10 most common trouble spots for school fundraisers:

## 1. What fundraiser?

Most district administrative team members are unaware of all fundraising efforts occurring at an organization. There tends to be a lack of approval process and lack of campaign management.

## 2. Where did half the money go?

Schools only keep an average of 50% of the funds raised from traditional fundraisers for products like cookie dough and gift wrapping paper. Parents are fed up paying for over-priced products and would rather just donate the money.

## 3. Sending kids into the unknown.

Parents are concerned about their children's safety when it comes to selling products door-to-door.

## 4. Waking up to campaign fatigue.

Community members and businesses get frustrated with the lack of coordination of fundraisers. The unprofessionalism is viewed as negligence.

## 5. Cash is NOT always king.

Much of the theft, fraud and loss that occurs with fundraising occurs because cash is involved. Having children run around with hundreds or thousands of dollars is neither safe nor responsible.

## 6. The online fundraiser (crowdfunding) train has left the station.

Online fundraising campaigns can be set-up in minutes and can generate funds almost immediately. Yet, very few districts have processes or controls in place to manage them.

## 7. You're expected a report?

Making management decisions is difficult without data. Most districts don't have the tools or experienced staff to manage fundraising.

## 8. Who is watching the cookie jar?

Most fundraisers lack a system of checks and balances to track transactions and deposits, which may lead to errors, or worse, theft.

## 9. Shift to credit cards.

People are carrying less cash. When students, parents or community members come to events, they want to pay with credit cards. Very few districts have a system for securely accepting mobile credit card payments.

## 10. Dude, where is my receipt?

Donors want to be able to write-off donations and have proof of payment. "Stopping by the school office" for a receipt is not convenient, and having staff email receipts is a waste of time and financial resources. 🐼

If you have comments or questions about this article, you can contact Jason [attadlja@elkhorn.k12.wi.us](mailto:attadlja@elkhorn.k12.wi.us) or visit [classmunity.com](http://classmunity.com)

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# Building Kindness in Communities with Buddy Benches

By James Scherrer, President/CEO, Scherrer Construction Co., Inc.

Donald G. Schwartz, VP of Project Development, Scherrer Construction Co., Inc.



As the summer ends, we see our kids heading back-to-school. For many, this is an exciting time, but for some it can be a time filled with fear and anxiety. School might represent a place where they are bullied or picked on. It's important to make re-entry to a new school year as welcoming, inclusive and safe as we can for all students.

Many schools are tackling the issue of bullying head on this new school year. Not only are teachers preparing lesson plans for reading, math and science, but they are also helping students to learn important social skills like empathy, tolerance and social connections. One way to help kids learn these valuable skills is by providing kids a "buddy bench". Buddy Benches are tools that help build kindness and foster friendships. Scherrer Cares a 501(c)(3), is an organization that helps place these types of benches in our local schools and communities.

The Scherrer Cares Buddy Bench Program's mission is to support schools in their anti-bullying efforts by providing students with a bench at no charge. Benches are intended to compliment the schools anti-bullying programs and represent a safe place for kids to retreat to if they feel bullied or need a friend. Benches are customized with school colors and

logos and placed in a high traffic area.

Scherrer Cares will partner with schools to provide them with a Buddy Bench. Based on the school's design choice, benches will be constructed with their school name, colors, and logo. A presentation will be given by the school to the student body to introduce and explain the relevance of the Buddy Bench. Schools will then be responsible for utilizing the Buddy Bench as a tool to help initiate their own anti-bullying efforts. The organization had so many requests last school year, that they had to be put on a waiting list for this fall.

While buddy benches alone cannot eliminate bullying in our schools, it can be a valuable tool that reinforces a schools anti-bullying initiatives. The buddy bench also acts as a symbol of tolerance and kindness and can help reduce and prevent bullying as well as increase awareness, involvement and a positive culture within our schools and communities. Young people will feel empowered to make socially responsible decisions and create change. Benches can also help teachers and administrators better identify those students that may be in need of help. Anti-bullying programs such as Tolerance.org encourages schools to consider the Buddy Bench an integral part of a larger curriculum aimed at inclusive school cultures, like

the Green Circle Curriculum or Positive Behavior Intervention. Statistics say that school-based bullying prevention programs decrease bullying by up to 25% and 57% of bullying situations stop when a peer intervenes on behalf of the student being bullied.

The detrimental effects of bullying extend far and wide. However, with a united front by school administrators, educators and parents we can put a stop to this negative trend and reverse its adverse effects. Schools, parents and community leaders all bear responsibility towards making our schools the safe havens they were meant to be. It is in working together that positive social changes in our educational system will occur, resolving negative issues such as bullying and making them a thing of the past. 🙌

If you have comments or questions about this article, you can contact Donald at [dschwartz@scherrerconstruction.com](mailto:dschwartz@scherrerconstruction.com) or James at [jscherrer@scherrerconstruction.com](mailto:jscherrer@scherrerconstruction.com)



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Jan 17-19, 2017 - Wisconsin Center, Milwaukee

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Feb 15-16, 2017 - Kalahari Resort & Conference Center,  
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Wisconsin Dells

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March 8, 2017 - Kalahari Resort & Conference Center,  
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# Proposed IRS Regulations may affect Wisconsin schools' sick and vacation leave plan

By: Ken Zastrow, Market Development, National Insurance Services of Wisconsin



It is a common practice for Wisconsin schools to allow for unlimited or substantial accumulation of sick and vacation leave. Employers often pay out these large banks of leave when the employee separates from service or retires in the form of cash, Special Pay or HRA contributions, or some other type of equivalent benefit.

Recently, the IRS proposed long-awaited regulations under IRC 457(f) which may materially affect the structure of your sick and vacation leave plans. Under the proposed IRS regulations, sick and vacation leave plans with substantial or unlimited accumulation may not be considered a "bona fide" sick and vacation leave plan, rather it is proposed that the programs be considered a non-qualified deferred compensation plan.

Should the IRS finalize the regulations unaltered, many employees could be subject to taxation equal to the value of the unused leave despite not being able to access the value until retirement or separation of service.

Keep in mind that these regulations are not yet approved, but there are often changes to proposed regulations once the IRS has received feedback during the comment period and has held their public hearing on the matter. Official changes could be made effective as early as January 1, 2017. However, the IRS typically provides advance notice regarding major changes, and an effective date of January 1, 2018, could be more likely. If any leave policies are subject to collective bargaining, the effective date would be the earlier of 3 years from the effective date of the final regulations

or the end of the bargained agreement in place at the time that the regulations are finalized.

The IRS held a public hearing on October 18, 2016, and will announce the final regulations after that date. WASBO will be monitoring the updates closely and will pass along any developments that may impact you.

For more details, read, "View from Groom: Long-Awaited Proposed Rules Provide Greater Clarity for Executive Compensation Plans of Exempt Organizations." 

If you have comments or questions about this article, you can contact Ken at [kzastrow@nisbenefits.com](mailto:kzastrow@nisbenefits.com)



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# Don't Judge a Number by Its Cover - Taking a Closer Look

By Margo Smith, CSRM, Business Manager, Northland Pines School District



I was recently reading some of my school financial newsletters. A couple stated their sources expected within a year or so Wisconsin would fall below the national average in per pupil spending. Out of curiosity, I decided to look at several districts scattered throughout the State, including Northland Pines, to see what per pupil spending amounts ran in comparison to each other and the State average. This information was taken from the School Financial Services website, Dept. of Public Instruction. The total district cost per member includes instruction, pupil services, operations, transportation, facility costs, and food and community service costs.

I chose 18 districts in Wisconsin from all areas of the State, including both large and small districts, rural and urban.

The State average in per pupil spending was \$12,842 for 2014-15. In my little random sample of 18 districts, three of those were below the State average in total cost per pupil and the other 15 were above the State average. To spare my fellow districts any undue scrutiny, I have chosen to withhold the names and numbers to protect the innocent. I will tell you that in my sample of 18 Districts there was a variance of \$5,444 per pupil between the lowest cost per pupil and the highest cost per pupil.

If I am persuaded to ignore the differing complexities that each individual school has, I might be able to use this information to negatively or positively portray a district's

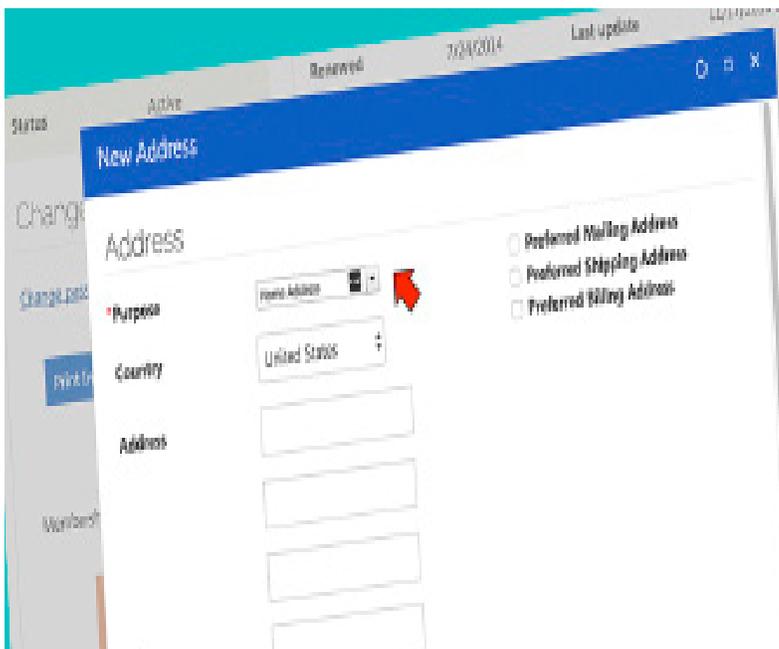
fiscal prudence and/or quality of education provided its students.

On a grander scale, imagine how these numbers could be used to compare states in our current political climate? Wisconsin, with its colder climate and other operational challenges I would venture to say would not compare well to Arizona. Would our heating and snow-removal costs offset Arizona's air conditioning costs? Would a comparison of urban transportation per pupil costs in California's densely populated Sierra Nevada regions compare to the relatively flat terrain in urban Illinois?

What I found is this. A per-pupil spending number is simply that. It compares how much each District is spending per pupil. This number does not, however, take into account multiple unique factors, including geographic, socio-economic, population density, economies of scale, and the like. I could easily see how one might jump to conclusions. The lesson is clear; a number is just a number if one does not take the time to think about what could skew that number. What a resounding reminder to use a thoughtful process followed by digging deeper.

While stats are a great foundation in gathering information, I am always reminded to take a closer look. . . . . 🐶

If you have comments or questions about this article, you can contact Margo at [masmith@npsd.k12.wi.us](mailto:masmith@npsd.k12.wi.us)



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# Preparing School Staff for the Fight Against Falls

By Dave Young, Risk Improvement Manager, EMC Insurance Companies



It only takes a second. A teacher walking to their classroom fails to see the wet spot on the floor in their path. In the time it takes to blink, they slip, fall and become severely injured. Unfortunately this isn't just an anecdote. Accidents like this happen throughout Wisconsin every school year.

When developing back to school staff in-service training it is common to see topics included such as school security, fire and tornado drills, and bloodborne pathogens. While these are important safety topics, does this training help reduce staff accidents and injuries?

Slips, trips and falls are among the leading causes of injury in Wisconsin schools, resulting in sprains and strains, broken bones and time away from work. Yet, most school staff members receive little or no training on fall prevention. Accident statistics show that relying on common sense and personal awareness may not be enough to win the fight against falls. Following are some fall prevention best practices that should be presented to all school staff members in order to raise their awareness and set expectations.

## Take Care of Cords

Don't run cords across walkways or in areas where someone's foot could become entangled. Rather than using multi-plugs and extension cords, add additional outlets in areas when possible or use tread guards or other methods to cover cords that must be run on floors. Extension cords should be for temporary use only. Remove them from the area when the task is completed. Arrange workstations with electronics against walls to eliminate cords that cross walkways.

## Clear the Clutter

Keep all hallways and aisles clear of

boxes, clutter and other materials. Backpacks should not be left in areas that could cause someone to trip. Instead, have students place backpacks on the backs of their chairs or in designated areas. Be sure to keep all of cabinet doors and desk drawers closed. Never allow storage of any kind on stairways.

## Use Appropriate Climbing Devices

Remember, chairs and desks are not ladders. Reaching something in a high place or hanging a poster higher than you can reach should only be done using a ladder or a step stool. These should be made readily available throughout the school and be easy to access and use. As much as possible, eliminate storage on top of cabinets and cupboards. This removes the climbing hazard completely.

## Black Ice

During our fall, winter and spring months when daytime temperatures reach the 40s and 50s, layers of ice will form when melted snow refreezes after sundown creating the phenomenon known as black ice. Identify locations where this is likely to occur and if the ice cannot be prevented, focus ice melt efforts there. Warn staff to take care when walking in locations where black ice is likely to occur, and even avoid those areas if possible. Empower and encourage all staff members to apply ice melt or sand when they discover slick areas. Create a reporting process that all employees can use to alert Buildings and Grounds to areas where they may need to pay special attention.

## Wearing the Wrong Shoes

Your shoes may not seem like a hazard, but wearing improper footwear, especially in the winter months, can increase the chances of falling.

Footwear such as high-heels or shoes with leather soles don't provide adequate traction in wet, icy and snowy conditions. School employees should be encouraged to wear flat, slip-resistant footwear with good rubber-soles when walking outside. Those who want to wear fashion footwear should be encouraged to wear outdoor footwear and change to their shoes once inside.

## Carrying Too Much

We all seem to have dozens of things to carry with us when walking from our cars to work; backpacks, lunch bags, donuts for the break room, coffee, and cell phones. If we stumble or slip while exiting our cars or walking through parking lots, it's nearly impossible to break a fall with our hands so full. That means the first things to strike the hard walking surface will be elbows, shoulders and heads. Try dropping larger items off at the front door before parking. Put items that need to be carried in the back seat or trunk so the vehicle can be exited with hands free to stabilize yourself. Don't carry things that can block your vision, use a cart or get help.

## Distracted Walking

As simple as it sounds, some of the best advice for reducing slips and trips is to "never walk where your eyes haven't already been." Stress to your staff to pay attention to their surroundings, and to avoid walking while reading papers, talking on the phone, or doing other tasks that could take their attention away from hazards in their path.

## Report All Incidents

All fall incidents should be reported, even if the employee feels they have not been injured. This establishes an initiating event in the case that

an injury later presents itself. It also provides valuable near miss information that will allow corrective actions to be taken if undesirable trends develop.

### Everyone's An Inspector

Encourage all staff members to be alert for slip, trip and fall hazards such as debris on the floor, liquid on the floor, lifted floor mat edges, and temporary storage. Where possible, take action to fix the problem. If an immediate fix is not possible, take steps to warn others such as placing wet floor signage or blocking off the area. Always report problems that need correction. 🐼

If you have questions about this article, contact Dave at [Dave.W.Young@emcins.com](mailto:Dave.W.Young@emcins.com)

## The WASBO Board Wants You!



Now is the time to consider running as a candidate for the board of directors of your organization. Over the next several months, the Nominating Committee will be recruiting individuals to put themselves forward as leaders for WASBO. If you are interested in running for the board next spring, please contact the Nominating Committee Chair Mary Ellen Van Valin ([vanvalinm@milton.k12.wi.us](mailto:vanvalinm@milton.k12.wi.us)).

If you are curious what the commitment requires, please contact any current or past board members about their experiences. The board of directors meets five times a year - September, December, February, April and June. If you want to give back to WASBO, but don't feel that you're ready to take on a leadership role, there are 19 committees that you could consider joining.

Contact WASBO at 608.249.8588 to learn more about joining a committee.

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# Fall Conference

The WASBO Fall Conference, Oct. 6-7 at The Osthoff in Elkhart Lake, enjoyed record numbers this year. Over 330 attendees gathered for a wide variety of sessions on diverse topics, enlightening keynote speakers, and networking opportunities including Thursday's Team Building session sponsored by PMA/Forecast5. This year's theme was *Election Year: Above and Beyond No Matter the Results* (See more sponsors on page 30.)

## golf fundraiser



Golfers enjoyed (nearly) perfect weather for the Scholarship Fundraiser at Autumn Ridge on Oct. 5.



## bike fundraiser



WASBO bikers looked good coming and going & were even able to dodge the rain!



## wasbo awards program



The Professional Recognition Awards program was presented by a visit from none other than Bucky Badger!



Above: Patty Sprang, Shining Star Award Recipient, celebrates her recognition. (See story on page 1.)

# thursday keynote peter vedro



Peter held an interactive session on enhancing communication skills and effectiveness.



Attendees benefited from a wide variety of sessions.



# team building



Attendees worked together to create the ideal candidate for their party and presented their 90 sec. campaign to all



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# friday keynote tony evers & john forester



John encouraged members to develop relationships with legislators after Tony's discussion on the importance of advocating for equity.



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- his father's pardon of President Nixon to help put an end to the infamous Watergate affair
- two assassination attempts on his father's life
- his mother's bouts with alcoholism and breast cancer

Steve is also an accomplished actor, having appeared in more than 30 feature films — including *Black Hawk Down*, *Heat*, and *When Harry Met Sally*.



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# New School Administrators and Support Staff Conference



## Mentorship Orientation

Mentors and protégés also met in Madison on August 16. Mentorship Coordinator, Mary Jo Filbrandt inspired her colleagues as she presented timely and relevant information to help build the mentor relationship.



With the start of the school year and new personnel in many districts WASBO welcomed a record number of attendees to the New Administrator and Support Staff Conference held in Madison August 17-18. This conference is an intensive two-day conference designed to provide participants with a sound introduction to the school business office. Presenters and topics come from the expertise of DPI and WASBO members. One attendee shared a takeaway from the session, Building Trust in Your Community Around School Finance Issues presented by Brian Hanes and Keith Lucius. “Brian and Keith were genuine and inspiring. I originally thought this topic seemed a little ‘fluffy,’ but I was immediately corrected once I realized the importance of the topic and how it has greatly benefited their district.”

*RIGHT: The coach instructs WASBO's Investing Team on strategies to facilitate the learning opportunity.*



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*LEFT: Participants learn the nuances of funding Wisconsin public schools.*

# Participating in WSSCA's School Safety and Security Assessment Survey

By: Gary Siegman, Account Manager Service Solutions, Trane

In all honesty, while I was employed as the Director of B&G/Safety Coordinator for the Whitefish Bay School District, I believed that my thirty plus years of experience related to school facility management and safety was well grounded in providing self-performed, in-house safety and security audits for our school district and I assumed it was my job to provide this information. I also convinced myself that our administration team had little time or designated funding to outsource for this service. Then of course, the comments from several sources, that conducting such a survey would certainly call immediate attention to remediate concerns identified in such an assessment.

Fortunately, I was informed of a special limited time grant that was made available to school districts through WSSCA to conduct safety and security assessments on any of our district buildings. The process did not require inclusion of all buildings at the same time. When I informed my Business Manager of this opportunity and he shared it with our District Administrator, I was directed to move forward immediately. We identified the best building candidates to have the WSSCA survey, combining the grant dollars available with our district contribution to this effort. After identifying our High School and Middle

School as the two best buildings to start with, the Executive Director of WSSCA promptly responded with the necessary paperwork to expedite the assessment for each of our two buildings.

The forms sent were simple to complete, and required the Building Administrator or designee be available for a short pre building Q&A, accompany the WSSCA Assessors and the facilities director on their individual building tour. There are several sets of professional WSSCA Assessors qualified to conduct surveys, and the team of two that conducted our assessments were constantly aware of the time, with regard to allowing the Associate Principals to return to their very busy schedules.

The assessments entailed a few hours of the morning, at the Middle School, and a few hours in that same afternoon at the High School. Both building administrators commented on how comfortable they were in the entire process, and truly appreciated being involved, considering they had the best knowledge of their individual buildings. A short four days after the assessment was completed, I received reports from the WSSCA Executive Director documenting the "recommendations" to "improve" on any of the safety and security concerns that were identified.

It's important to note the two assessors thoroughly went over each concern discovered with the building administrators and myself before they left that day, and submitted their report data to the WSSCA Executive Director for processing. In a very short time, and without a great deal of expense, we were able to correct a few simple safety and security concerns, and now have a report to help guide our district budget and prioritize future corrections.

"Another set of eyes" were very helpful, and hopefully the grant dollars will continue to be available. 🙌

## Security Assessment Program

Cost: \$1,100 (approximate) per school building.  
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If you would like more information regarding an estimate for the full cost of a Security Assessment, please contact Lynn Verage at [lverage@cesa9.org](mailto:lverage@cesa9.org) or Edward L. Dorff, Executive Director, WSSCA at [wssca@wssca.org](mailto:wssca@wssca.org)

**Reimbursement is available until March 30, 2017**

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# ASBO International Annual Meeting and Exposition Highlights

By: Bob Avery, Director of Business Services, Baraboo School District; WASBO Board of Directors Past President



**4**3 Badgers attended the ASBO International Annual Meeting and Exposition (AM&E) in Phoenix, AZ last month for a great four days of professional development and networking with peers from across the globe, joining over 900 other colleagues. The Wisconsin delegation included 18 professional members, many service affiliate members and a handful of spouses.

The conference began on Friday, September 23rd with the Emerging Business Leaders conference for 18 new school business officials from across the country, including four from Wisconsin. The emerging leaders attended the AM&E for free as scholarship winners from ASBO. In addition to being so well represented among the scholarship winners, one of the two mentors selected to return from last year's class was Todd Hajewski (Greendale). Congratulations, Bob Chady (Marshall), Sarah Viera (Merton), Caitlin Kaufman (Greendale), and Mike Gerlach (Hustisford).

That evening, WASBO hosted the annual Wisconsin Gathering for everyone who made the trip from the Dairyland State to the AM&E. We were even visited by our good friend and former WASBOnian, Tom Wohlleber. It was a great ice breaker for everyone to connect and see who made it down to Arizona.

I would be remiss if I didn't thank our sponsors for the Wisconsin Gathering, as well as the for the Joint Affiliate Reception on Saturday and the WASBO shirts for the conference. Thank you, PMA/Forecast 5, National Insurance Services, American Fidelity, Key Benefit Concepts, Voya Financial, and Performance Services!

ASBO International hosted an opening mixer that evening, which was followed by several offsite receptions.

Saturday morning opened with a general session featuring Phil Hansen. Mr. Hansen's talk, called "Embrace the Shake: Transforming Problems into Opportunities," was an inspirational tale of how he overcame nerve damage to his wrist to take his art career to new heights by changing how he approached his work. Then he asked each of us to draw on six 1"x1" squares and overnight turned those into a 4' x 4' portrait of Michael Phelps.

During the day on Saturday, there were two presentations made by members of the Wisconsin contingency (Bret McKitrick & Todd Hajewski, and Christina Van Skyock). I was honored to be invited to present "Lincoln on Leadership" on Sunday. On Monday, there were three presentations made by WASBOnians (Ken Zastrow & Nate Jaeger, Bret McKitrick & Jack Bay (of Texas), and Sara Hames & Julie Kelly). It's great to see our state so well represented among the list of presenters.

Saturday evening featured the Joint Affiliate Reception hosted by Alabama, Illinois, Oregon, Pennsylvania, Washington, as well as Wisconsin. Washington and Pennsylvania had candidates in this year's ASBO elections; I am running in next year's election as is Avery Embry from Alabama; and Illinois and Oregon have candidates in the 2018 elections. It was a fun filled evening, with great food and door prizes for attendees.

Sunday morning featured the second general session featuring Manny Scott. Mr. Scott was one of the original "Freedom Writers" whose story was portrayed in a 2007 Hillary Swank

movie of the same title. Growing up in an inner-city environment, where he saw his step-father kill his mother while his father was in jail, Manny overcame being labeled ELL for a year in school and having a 0.6 GPA during his first semester in high school, to go on not only graduate high school, but also earn a bachelor's and a master's degree. His story is incredibly inspiring and my words here won't do it justice. But his message was clear – don't give up on students. It was a lunch lady and a homeless man on a bench who inspired him to stick with it. And an assistant principal, who wanted to refer Manny to a school essentially noted for being the last stop before dropping out, that relented to his perseverance.

The afternoon was filled with additional breakout sessions. And the evening concluded with a reception hosted by Oklahoma ASBO to celebrate their own Brenda Burkett's year as ASBO President.

Because of an early flight back to Wisconsin in order to be at a school board meeting Monday night, I missed the breakout sessions Monday morning.

The weekend was a great mixture of inspiration, information, education, and making connections. If you've never attended an ASBO International AM&E, I encourage you to do so at least once. The professional development offerings are very good and the opportunity to learn from colleagues from across the US, Canada and beyond is one that is hard to replicate at the state level. If you aren't an ASBO member, I urge you to join. Membership in WASBO + ASBO is a great value, and generally less expensive than membership is for other administrators just for their state associations.

Finally, as a personal note, I appreciate the support of WASBO, our service affiliate sponsors, as well as you, the WASBO members of my candidacy for the ASBO International board in next year's election. I hope to have the opportunity to continue to serve our profession. Thank you! 🇺🇸



If you have questions about this article, contact Bob at [Bavery@barabooschools.net](mailto:Bavery@barabooschools.net) or visit [www.asbointl.org](http://www.asbointl.org)

*RIGHT: Attendees listened to a variety of speakers and sessions.*



*LEFT: The WASBO group representing the "W" in Phoenix.*



*ABOVE: Mike Gerlach, Caitlin Kaufman and Sara Viera, 3 of 4 WASBO members who received the Emerging School Business Leaders Scholarships, pose with Todd Hajewski who attended as a mentor. Bob Chady (not pictured) received the fourth scholarship.*

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# Rising U.S. State Post-Employment Benefit Liabilities Signal An Unsustainable Trend

Published by: S&P Global Ratings

Total unfunded state other postemployment (OPEB) liabilities have increased, according to S&P Global Ratings' latest survey of U.S. states. For states that have completed new OPEB actuarial studies since our last survey (which used 2013 or prior studies), total liabilities increased \$59.4 billion, or 12% over a span of two years. This reverses a trend of stable to declining liabilities found in our 2014 and 2013 surveys. However, looking at recent growth in total liabilities alone would ignore that many states have taken measures to curb their liabilities, with 17 of the 41 states reporting new data showing a decline in liabilities. Also, several states, such as Alaska, have made significant contributions or changes to plans yet to be reflected in new actuarial data. Nevertheless, the growth in total state OPEB liabilities underscores the magnitude of liability growth states can experience over a short period of time absent fully funding actuarially required contributions (ARC) or implementing reforms.

Many states have favored underfunding OPEB ARC as a trade-off to address more immediate rising costs amid a slow revenue growth environment, a practice that we do not view as sustainable. A trend of underfunding and potential changes to actuarial assumptions suggests that OPEB liabilities and annual costs will continue to rise. Given the lean margins we see across many states, fully funding ARC, or even growth in pay-as-you-go expenses, could tip states into budgetary imbalance. While we view efforts to better align OPEB funding with actuarial costs as favorable, increased payments might come at the cost of other areas of budget management.

Treatment of OPEB liabilities varies widely across states, and as such,

our analysis studies a variety of ratios, plan offerings, and flexibility to adjust benefits. We also recognize that changes to plan offerings and increases in funding could mitigate OPEB challenges, noting that often OPEB reform efforts produce material improvement in key metrics only as a result of sustained commitment on the part of policymakers and sometimes over many years.

## Changes In OPEB Liabilities Diverge Greatly Across States

Growth in liabilities since our last survey is largely due to underfunding of ARC rather than significant changes to OPEB plans or updates to actuarial studies. Also, not all states with established trust funds made contributions over the past two years. Should the current trend of underfunding for these states continue, we expect that liabilities will continue to rise. (See Table 1)

Notably, New Jersey did update its actuarial assumptions since our last survey, and its large increase in liabilities is attributable to changes in mortality assumptions and an increase in life expectancy and prescription drug costs are not unique to New Jersey. Georgia, for example, has proactively modified plan benefits and created reserves in OPEB trust funds, contributing to a decline in liabilities as of our current survey. However, Georgia's actuarial valuation dated June 30, 2015 shows higher OPEB liabilities than its valuation dated June 30, 2014 due to changes in actuarial assumptions following a new experience study. Our survey shows Illinois' unfunded liability as decreasing 4.2%, but the state reports an estimated 5.2% increase in its succeeding year's valuation. This suggests that as other states

Table 1

Change In Unfunded OPEB Liability, 2014 To 2015		
	Mil. \$	%
Washington	1,567	42.3
Texas	18,070	29.5
New Jersey	17,495	26.2
Nevada	246	20.8
Pennsylvania	3,250	18.7
Idaho	14	18.6
Maryland	1,247	15.4
New York	9,641	14.1
Vermont	255	13.9
California	8,140	12.3
New Hampshire	250	9.8
Florida	1,443	9.3
West Virginia	227	8.5
Mississippi	42	6.1
Alabama	631	5.7
Indiana	16	5.0
Montana	20	4.5
Delaware	243	4.2
North Carolina	1,057	4.1
Ohio	582	4.0
Massachusetts	515	3.3
Maine	45	2.5
Missouri	60	2.2
Minnesota	15	2.2
Colorado	8	0.6
Hawaii	-	0.0
Connecticut	(1)	(0.0)
Wisconsin	(0)	(0.0)
Wyoming	(0)	(0.1)
Virginia	(57)	(1.1)
Rhode Island	(8)	(1.2)
Oklahoma	(0)	(3.7)
South Carolina	(390)	(4.0)
Illinois	(1,437)	(4.2)
Kentucky	(233)	(4.8)
Iowa	(15)	(6.5)
Michigan	(673)	(6.6)
Louisiana	(402)	(7.3)
Arkansas	(159)	(7.8)
New Mexico	(325)	(8.8)
Alaska	(1,175)	(14.9)
Kansas	(96)	(18.2)
Georgia	(3,088)	(21.7)
Arizona	(99)	(21.9)
Tennessee	(635)	(30.6)
Utah	(83)	(31.0)
Oregon	(150)	(38.4)
North Dakota	(50)	(42.0)
South Dakota	(68)	(100.0)

\* This table reflects the change in liabilities as of states' most recent actuarial studies compared to our survey published Nov. 17, 2014. States that have not reported new data have been omitted.

implement similar changes to actuarial assumptions following experience studies, we would see future growth in liabilities.

Several states have taken action that will likely contribute to a sustained reduction in OPEB liabilities. South Dakota had an implicit OPEB liability, which it eliminated altogether in the spring of 2014 by adjusting the health plan premiums for eligible retirees to be fully supportive the higher costs of their participation in the state plan. Kentucky, while underfunding its pension plans, has made improvements to its OPEB liabilities, creating a trust fund and contributing above ARC for both OPEB plans. Oregon has taken measures to fully fund its ARC and is expecting to amortize its explicit subsidy over a 10 year period.

Multiple states have introduced reforms that have occurred but have not yet been reflected in most recent actuarial studies. Alaska has reported that favorable health care cost trends combined with the effect of large contributions have achieved it virtually full funding (99%) based on fiscal 2015 estimates that are not yet depicted as of actuarial reports. In table 1, for Hawaii only its 2013 actuarial valuation was available, but we understand that in 2013 it enacted legislation (Act 268), which initiated a schedule for prefunding the state's retiree health care benefit liability. Under the legislation, the state's prefunding of the OPEB liability would ramp up to 100% of the annual required contribution (ARC) by fiscal 2019 from 20% of the ARC in fiscal 2015. However, the administration has accelerated the escalating contributions so that, according to the governor's proposal, the state would contribute the full ARC in fiscal 2018, one year ahead of the law's schedule. This had the effect of lowering the state's estimated unfunded OPEB liability, estimated at \$9.1 billion in fiscal 2015, or 33% less than the liability as of fiscal 2013 when Act 268 was signed into law. Similarly, we lacked new actuarial data for

Tennessee, but on May 18, 2015, the governor signed HB 648 into law, effectively eliminating OPEB benefits for new hires, which should contribute to lower liabilities over time.

Given these mixed trends, it is difficult to predict the extent to which OPEB liabilities will grow in future surveys. Since the introduction of GASB 45, which provided greater disclosure and measurement of these liabilities, we have seen a wave of reforms and increased attention to these liabilities. It is possible that the implementation of GASB 74 and 75 reporting could lead to further action. Also, should states continue to face the modest growth in revenues that we have seen over the past several fiscal years, coupled with rising fixed costs, we would anticipate that they would act to lower annual growth in OPEB costs. However, OPEB reforms are not easily implementable, and to the extent that budgets remain constrained, increases to OPEB contributions above pay-as-you-go levels may prove challenging. Therefore, it is most likely that we will continue to see diverging trends across states.

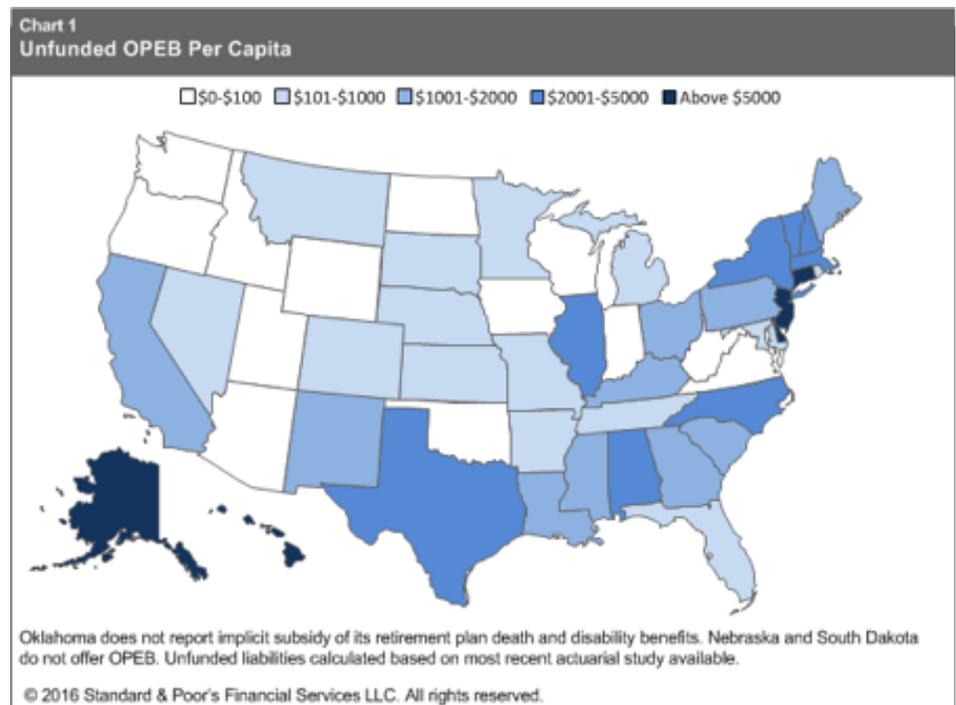
### Per Capita Liabilities Are Manageable For Most - Not All States

As measured on a per capita basis, it appears that the central U.S. carries a far lower OPEB burden than the eastern states and Alaska and Hawaii. The larger share across the eastern U.S. relates in part to the strong presence of unions in these states, while Alaska and Hawaii have overall larger state expenditures relative to their population size.

The below map also illustrates that while OPEB liabilities remain a credit challenge for states on the aggregate, liabilities aren't evenly distributed.

Only five states have a per capita liability greater than \$5,000 while 16 states have per capita liabilities of less than \$100, including Nebraska and South Dakota which do not currently offer OPEB benefits.

Given the relative size of OPEB liabilities in comparison to debt, one would expect that annual OPEB contributions would be greater or more comparable. However, annual OPEB contributions are less than debt service, thus looking at annual OPEB costs as a percent of general spending alone understates the true size of these liabilities. But many states manage OPEB expenditures on a pay-as-you-go basis, rather than on an amortized actuarial basis,



Continued on next page

# Rising U.S. State Post-Employment Benefit Liabilities Signal an Unsustainable Trend

Continue from previous page

which partly contributes to the lower annual payments. On average, states funded 58.7% of ARC in fiscal 2015, but even at full ARC, annual OPEB costs would in most cases be less than debt service. Debt overall is amortized on a shorter time horizon than OPEB liabilities, which contributes to the higher overall spending compared with the budget. (See Chart below)

## Analysis of OPEB Pressure Requires a Variety of Measures

Our analysis of OPEB liabilities encompasses a holistic view of OPEB measures rather than tying our assessment to a few specific ratios. As depicted in chart 5, a low funded ratio does not correlate highly with large annual spending pressures or a larger per capita liability. Likewise, Alaska maintains an above average funded ratio, yet its per capita liabilities and annual pension costs are greater than most states. This is due to a number of reasons, including the level of benefits offered (whether it is implicit or explicit subsidy), actual annual contributions compared to actuarially required contributions (ARC), and historical contributions to trust funds that may or may not recur on a routine basis.

To make sense of this data, S&P Global Ratings focuses on the type of benefits offered, the size of the liability, pay-go costs in comparison to ARC, and discretion to change benefits. (See chart on next page)

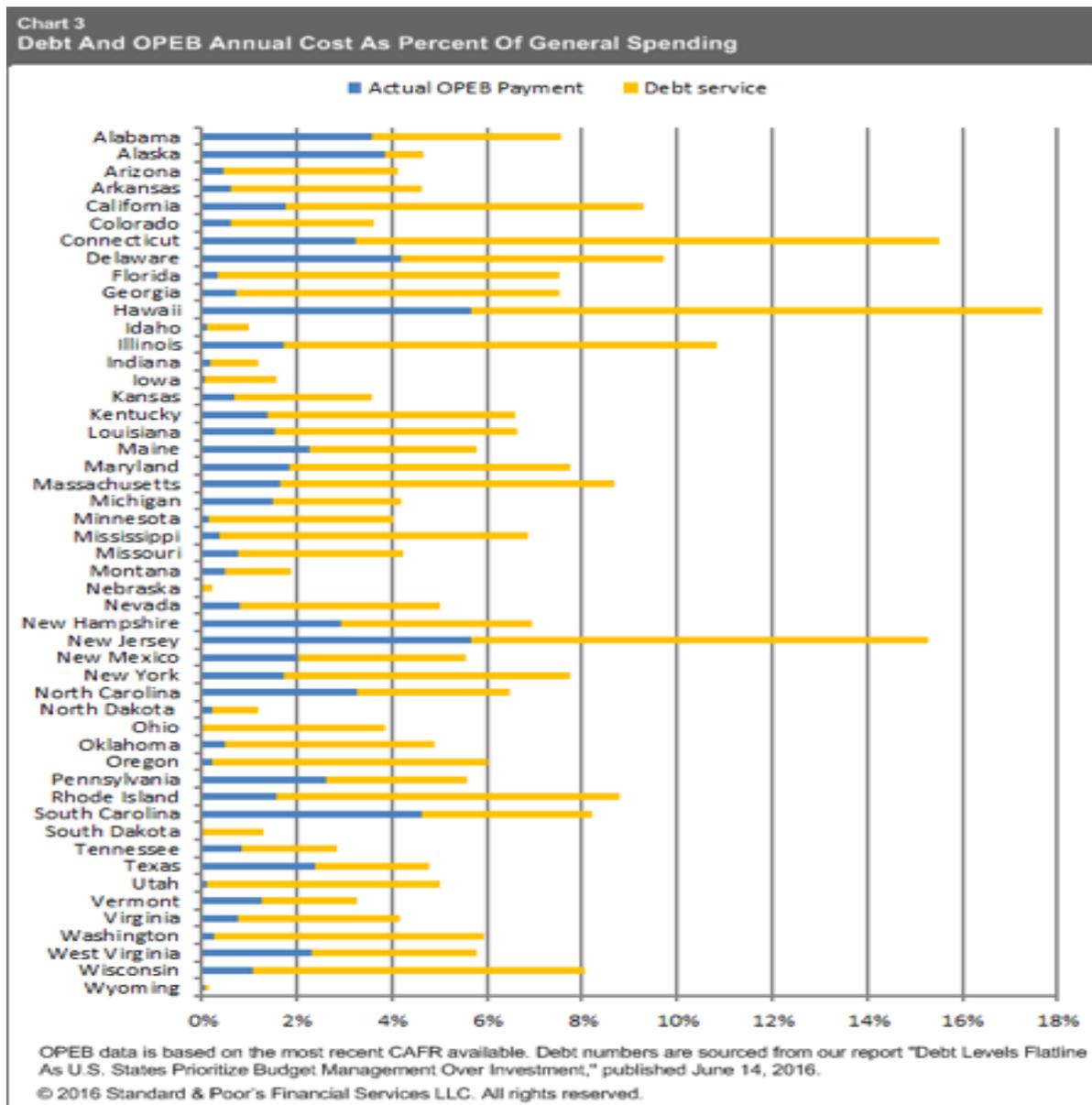
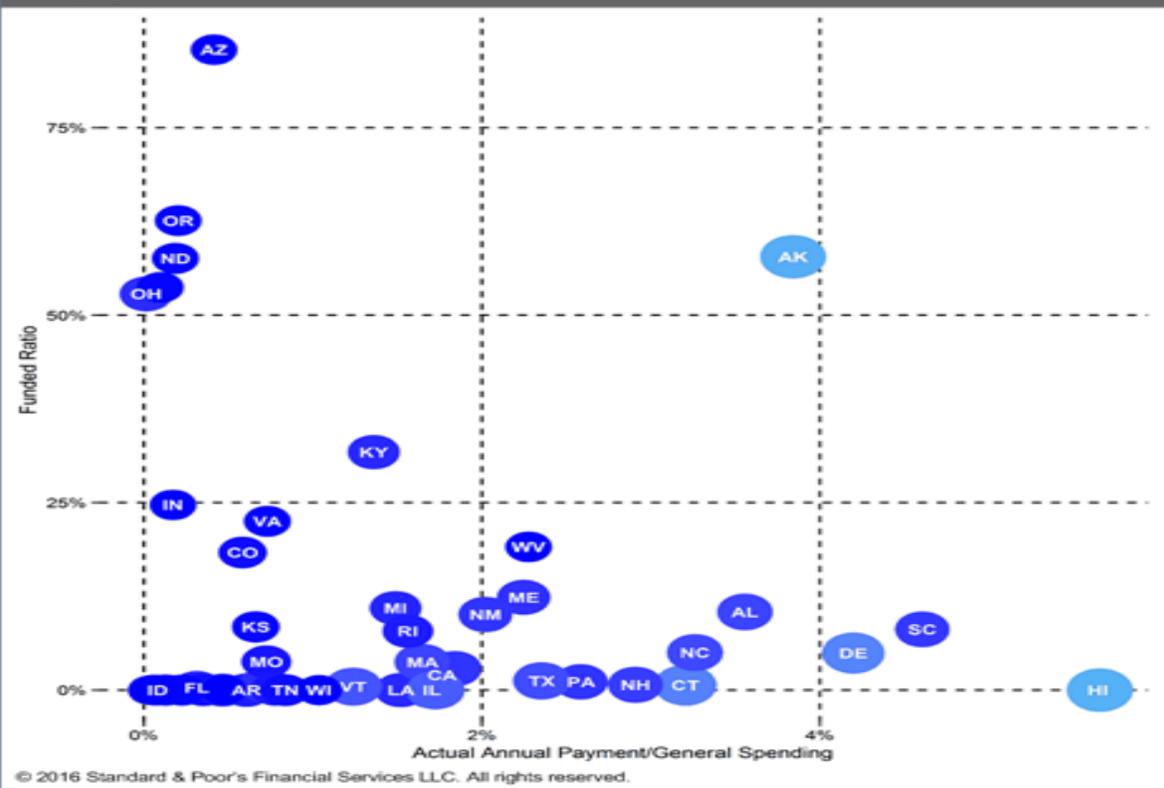


Chart 5  
Diverging OPEB Ratios



## OPEB is Important to Credit Quality

While our criteria highlight the legal and practical flexibility to adjust OPEB liabilities for most states, that flexibility remains an important factor in our analysis of a state's overall debt and liability profile. We have seen many states reduce their OPEB liabilities, but in practical terms, alterations to benefits are not always straightforward. OPEB benefits can be subject to union negotiations, and plans to reduce these benefits have been met with resistance. Other reforms, such as Illinois' attempt to modify its OPEB obligations, faced legal challenges, and were ultimately ruled unconstitutional. Also, state governments have managed a longstanding tradeoff between lower wages than many private sector positions, but stronger benefits. A reduction in benefits while maintaining lower wages could make it more difficult for states to retain skilled workers. For these reasons, many states have not taken further action to reduce OPEB liabilities to date, and it is unlikely that these operational constraints will subside in the near future. Nevertheless, many states have reduced benefits, and we expect this trend will continue.

Even at the status quo of pay-as-you-go funding, increases in annual OPEB costs, albeit likely still to remain small as a percent of total spending, could pressure state budgets given the current environment of modest revenue growth and rising fixed costs for Medicaid and pensions. Such increases in pay-as-you go costs are likely in our view, particularly now that states are facing a wave of retirees. The annual rate of rising medical costs has somewhat slowed in recent years, but it still outpaces inflation and natural state revenue growth. Given that most OPEB plans are poorly funded, unlike pensions, states have minimal

investment returns to rely on to shoulder these increasing costs.

In addition to growth in pay-as-you-go funding, many states will likely see ARC rise. Without action to either increase annual contributions to levels closer to ARC or reductions in benefits, OPEB liabilities have potential to escalate, leading to higher ARC payments. Also, small changes to actuarial assumptions can have exponential effects on liability measures. Similar to pensions, recent trends in low investment returns suggest that we may see downward revisions in assumed rates of return. With new GASB rules that that will provide specific methodology for discount rates, we could see reported liabilities rise. Upward revisions in assumed medical costs or life expectancy could also increase liabilities across states. Therefore, it is likely that most states offering OPEB benefits will see some level of cost increase over the next few years.

With increased disclosure and rising costs, we have seen a wave of OPEB reforms that is likely to continue. However, as previously stated, adjustments to plan contributions and plan benefits are not simple, and as such, we continue to view OPEB liabilities as a significant measure of a state's overall liability profile. 📌

For more information contact Carol Spain at [carol.spain@spglobal.com](mailto:carol.spain@spglobal.com).

See the full report at [https://www.globalcreditportal.com/ratingsdirect/renderArticle.do?articleId=1708571&SctArtId=401230&from=CM&ns\\_code=LIME&sourceObjectId=9775272&sourceRevId=2&fee\\_ind=N&exp\\_date=20260919-18:59:12&sp\\_mid=73256&sp\\_rid=1065562](https://www.globalcreditportal.com/ratingsdirect/renderArticle.do?articleId=1708571&SctArtId=401230&from=CM&ns_code=LIME&sourceObjectId=9775272&sourceRevId=2&fee_ind=N&exp_date=20260919-18:59:12&sp_mid=73256&sp_rid=1065562)"

# FLSA Playbook: The Trick Play

By: Christine V. Hamiel, Attorney, von Briesen & Roper, s.c.



On May 18, 2016, the Department of Labor announced publication of its Final Rule updating the FLSA overtime regulations. In revising its rules, the DOL has updated the salary level required for exemption in an attempt to simplify and modernize the rules so they are easier for employers to understand and apply.

## Key Provisions of the Final Rule

### 1. Increases the Standard Salary Level.

The primary focus of the rule is updating the salary and compensation levels needed for the executive, administrative, and professional exemption categories. The Final Rule raises the salary threshold indicating eligibility from \$455/week to \$913/week or \$47,476 per year. The Rule sets the standard salary level at the 40th percentile of earnings of full-time salaried workers in the lowest-wage Census Region (which is currently the South).

The Rule also sets the total annual compensation requirement for highly compensated employees (“HCE”) subject to a minimal duties test to the annual equivalent of the 90th percentile of full-time salaried workers nationally, which is \$134,004.

Importantly for school districts, as under the former regulations, certain occupations that meet the definition of being a professional, such as teachers, doctors and lawyers, have no minimum salary requirement. This means teachers and some academic administrative personnel may continue to be classified as exempt even if their salary does not exceed \$47,476 per year.

### 2. Automatic Updates.

The Rule provides for automatic updates to the salary threshold every three years to maintain the levels at a threshold equal to the 40th percentile of weekly earnings of full-time salaried

workers in the lowest-wage Census Region. The stated goal of the DOL is that the automatic updates provide predictability and more graduated salary changes for employers.

### 3. Nondiscretionary Bonuses and Incentive Payments Included in Salary.

Employers may now include nondiscretionary bonuses and incentive payments to satisfy up to 10% of the new standard salary basis. Such payments may include nondiscretionary incentive bonuses tied to productivity and profitability and commissions. For employers to credit nondiscretionary bonuses and incentive payments toward a portion of the standard salary level test, the Final Rule requires such payments to be paid on a quarterly or more frequent basis and permits the employer to make a “catch-up” payment.

Note that the DOL does not permit employers to use nondiscretionary bonuses and incentive payments to satisfy the standard salary amount for HCEs because employers are already permitted to fulfill almost two-thirds of the total annual compensation requirement with commissions, nondiscretionary bonuses, and other forms of nondiscretionary deferred compensation.

### Effective Date

The effective date of the Final Rule is December 1, 2016. Future automatic updates will occur every three years, beginning on January 1, 2020.

### Duties Tests

As anticipated, the Final Rule did not change any of the existing job duty requirements to qualify for exemption.

## Strategies for Responding to the New Rule

### 1. Identification of Employees Who Fail to Meet the New Salary Basis Test.

First, school districts should identify

employees designated as exempt who fail to meet the new, increased salary basis test of \$913/week or \$47,476 annually. For those exempt employees who do not meet the salary basis test, an employer should either: (1) convert the employee to a nonexempt employee and pay time and one-half for overtime work; or (2) raise the employees’ salaries above the new threshold to satisfy the salary basis test of the exemption. School districts must be cautious that the increased salary level will likely wipe out exempt positions offered on a part-time basis, which were still possible at the former \$455/week level.

### 2. Identify Cost Savings Strategies.

To reduce costs, a school district may elect to limit an employee who loses his/her exemption status to no more than 40 hours per week to avoid paying the premium overtime rate from hours worked beyond 40 in the workweek.

#### a. Workload Adjustments

One way school districts can adjust workloads is to consider reassigning and transfer job duties amongst nonexempt employees, as some nonexempt employees may have the ability to take on additional tasks and still work 40 or fewer hours in a workweek. Alternatively, it might be more cost effective to hire additional part-time employees and assign them any excess work so as to avoid paying out overtime to nonexempt employees.

#### b. Adjustments to Wages to Account for Overtime Expense

School districts may need to consider lowering employee hourly pay to offset the impact of the overtime requirement for employees who are reclassified as nonexempt. Because school districts will now be required to pay premium overtime for all hours worked over 40 in the workweek, an employee’s wages may need to be lowered to take into account the higher rate that

will be paid for those hours worked over 40 in a workweek. If school districts choose to take this approach, they should thoroughly explain to employees that, despite the optics of the change in hourly pay, employees will still be compensated roughly the same amount as before due to the overtime compensation they will now be receiving.

#### *c. Fluctuating Workweek*

A school district could consider, after careful analysis in consultation with legal counsel, utilizing some of the lesser known tools of the FLSA such as the fluctuating workweek method to reign in increases in overtime costs. The fluctuating workweek method allows an employer to only have to pay an overtime premium equal to “one-half of the regular rate” for hours worked in excess of 40 in the workweek.

#### *d. Salary Increase in Exchange for Benefit Reduction*

Another option school districts might consider is increasing compensation for previously exempt employees who will now be significantly below the new salary level in return for a less generous benefit package in an effort to maintain exempt status of those employees while staying within the parameters of the school district’s budget. However, school districts should strongly consider the costs and benefits of such a maneuver, as employee morale may suffer from a reduction in benefit offerings.

#### *e. Limitation on Hours*

Because the salary requirements are looked at on either a weekly or monthly basis, only the weeks worked must meet the salary level requirement. As such, an employee who works only 10 months (approximately 44 weeks) per year need only be paid \$40,172 (\$913/week x 44 weeks) for the 10 months worked. However, a school district must ensure the employee does not work any additional days outside the 10-month period, or else the district will be required to pay the employee \$913 for any week in which work is performed.

### 3. Assess the Impact of Change

School districts must keep in mind that maintaining historical distinctions in pay grades or ranges, ensuring you remain competitive in the marketplace, balancing the new level of pay with expectations for performance, as well as understanding the employee’s perspective of what it means to be salaried versus hourly, are all important considerations in payroll and personnel practices. School districts should be aware of the potential for reclassification to result in salary compression between exempt and nonexempt employee categories that may deter employees from advancement into exempt, supervisory positions. That is, if a nonexempt employee can earn overtime which sufficiently increases the employee’s salary to the same level as a supervisory employee, the employee may be deterred from advancement due to the higher earning potential as a nonexempt employee.

A review of all employee job descriptions should be conducted to ensure those employees who are classified as exempt and who exceed the salary threshold continue to meet the primary duties test for the designated exemption. Any updated job descriptions should be included in the appropriate administrative or employee handbook to ensure employees, supervisors and administrators alike understand the necessary job duties of each employee. This review could also contemplate whether exempt duties of employees who no longer meet the salary threshold could be reassigned to an employee who continues to meet the salary threshold so as to ensure efficiency in operations.

With the new rules will likely come increased scrutiny not just for those employees whose salary falls below the new standard, but for even those exempt employees who are above the new threshold, as DOL continues to aggressively seek compensation for workers it deems have been misclassified or where an employer’s salary practices do not fully adhere to the existing regulations.

### 4. Implementation of the New Rule

Developing implementation plans for administration and payroll to ensure compliance when the rule becomes effective on December 1 is imperative. This includes adequately training administrative staff to ensure employee reclassification and premium overtime issues are effectively managed. The accurate tracking of hours worked is quintessential, as accurate recordkeeping is not only imperative to defending FLSA lawsuits, but it also allows school districts the ability to gauge what job duties can and should be reassigned to increase efficiency in operations. School districts must also update employee and administrative handbooks and policies to reflect the new rules for exempt employees.

The failure to take proactive efforts prior to the December 1 implementation date can, and likely will, result in employee wage claims from improperly classified employees, blown budgets, decreased production, and dissatisfied exempt employees. Finally, employers should keep in mind the ever-so-slight safe harbor for exempt employee salary calculations which allows up to 10% of nondiscretionary bonus and incentive payments to be included in determining whether an employee’s salary meets the salary threshold requirements.

The costs of noncompliance are substantial. Remedies include back pay, reinstatement, and even promotion. Penalties under the FLSA range from civil penalties for repeated and willful violations in the amount of \$1,100 per repeated or willful violation, to criminal penalties for willful or reckless violations in the amount of \$10,000 per violation, imprisonment for up to six months, or both. Employers may also be hit with liquidated damage penalties in an amount equal to the amount of back pay owed to an employee. The costs under state law are no less burdensome. 📌

If you have questions about this article, contact Christine at [chamiel@vonbriesen.com](mailto:chamiel@vonbriesen.com)

# Affordable Care Act Update - How to Buy Group

## Health Insurance in 2016

By: Julie Lewis, Attorney, Strang, Patteson, Renning, Lewis & Lacy, S.C.



Employers should take some time this fall to review the changes to the Affordable Care Act (ACA) Information Returns (Forms 1094-C and 1095-C referred to as ACA Information Returns or (AIR)) found in draft form on the Internal Revenue Service (IRS) website. Many employer group health insurance plans use a fourth-quarter renewal period, making this fall an important time for planning ahead. Certain ACA transition relief options have expired along with the filing deadline extensions offered in 2016 for the 2015 reporting year. Employers will have less time to make more decisions without the leeway of this year's IRS-sponsored learning curve.

### Regular AIR Filing Deadlines Apply This Year

The ACA's first official reporting year was 2015. ACA-covered employers are required to provide each full-time employee with a Form 1095-C (similar to a Form W-2) showing the status of the employee's employer-sponsored group health insurance coverage for the prior calendar year. The filing deadline for the 2015 calendar year was originally Jan. 31, 2016, but the IRS allowed a one-time extension to March 31, 2016. Employers are also required to file a group health insurance transmittal return called Form 1094-C. Form 1094-C transmits a copy of each Form 1095-C to the IRS and certifies the details of the employer's group health plan offer of coverage on a cover sheet. The IRS extended the original due date for the 2015 Form 1094-C from Feb. 29, 2016, to June 30 for electronic filers.

The 2016 filing deadlines are three to four months earlier than they were for 2015 which not only makes the 2017 due dates earlier but also shortens the time period employers have in 2016 to prepare for next year.

Employers who just finished filing their 2015 Form 1094-C in June may not be thinking about the next one but the 2016 1095-C forms must be delivered to employees by Jan. 31, 2017. The 1094-C employer return will be due Feb. 28, 2017, for non-electronic filers and March 31, 2017, for employers who file electronically. Keeping in mind that the IRS allowed for "good faith compliance efforts" on the 2015 AIRs, employers will be held to a less forgiving reasonable cause/willful neglect standard for AIRs filed in 2017 and subsequent years.

### AIRs Should Inform the Renewal Process

The group health insurance renewal process is experiencing a system-wide reset as employers realize that their AIR reporting is an important determinant of total plan cost. Group health insurance cost efficiency is more important than ever. At the same time, employers should be highly motivated to operate as efficiently as possible within ACA parameters. Group health plan effectiveness will, in part, be measured in the time and money saved by accurate AIR planning.

AIR reporting will also be a critical data tool used by the IRS, the Department of Health and Human Services, and the Department of Labor to ensure that premium tax credits are properly paid to qualified employees, that employer and insurer penalties are accurately and timely assessed, and that the group and individual health insurance markets facilitate employer ACA compliance. For these reasons, employers are well-advised to incorporate AIR analysis in their group health plan renewal and purchasing decisions starting with this year.

### Factors that can Make a Difference

In addition to earlier deadlines,

employers should evaluate four key ACA factors when working through their group health plan renewals:

- Transition relief/expired -

Some forms of transition relief have expired. This list includes the 2015 definition of small employer and the standard deduction for section 4980(a) penalties. Employers who employ between 50 and 100 full-time equivalent employees (FTEs) were small employers in 2015 but will be applicable large employers for the 2016 reporting period. Similarly, in 2015, employers were allowed to deduct 80 employees when calculating the 4980(a) (no offer of coverage) penalty but will only be allowed to deduct 30 employees from that calculation for the 2016 AIR reporting period. Other forms of 2015 transition relief have also expired.

- Transition relief/carry-over -

Transition relief is still important, particularly for non-calendar year plans, because employers can continue to claim transition relief for the months of their 2015/16 plan year that fall in 2016. An employer with 80 FTEs and a non-calendar year plan can claim small employer transition relief for each month of 2016 that is included in the employer's 2015/16 plan year. Attorneys, tax advisors and insurance consultants should consider the 2016 AIRs now to ensure that employers accurately receive credit for all months of applicable carry-over 2015 transition relief.

- Aggregation -

Contrary to the Internal Revenue Code Section 414 (b), (c) and (m) definitions of controlled groups and affiliated service groups, the ACA extends these requirements beyond private industry to all applicable large employers including nonprofits and governments.

Private, public and nonprofit entities with fewer than 50 FTEs that are controlled group members or operate as affiliated service groups can be considered to be a member of an applicable large employer for ACA purposes. This means that each small entity controlled group member with under 50 FTEs must separately file AIRs and could, potentially, be subject to applicable ACA penalties on a prorated basis. All 1094-C filers are required to report whether they are “aggregated Applicable Large Employer group” members and identify the other members of the group by entity name and tax identification number.

- Cost analysis -

Health plan options should be modelled with the employer shared responsibility penalties in mind. Incorporating penalties, or partial penalties, into the plan may be less expensive than offering insurance coverage, in some cases.

This year’s group health plan renewals should include more than plan cost comparisons. Anticipating the 2016 AIR filing requirements will make the purchase of group health insurance a more precise and strategic business decision for employers. 📌

To learn more information on this topic. visit the IRS website [www.irs.gov](http://www.irs.gov)



## Workers’ Compensation Specialist Course

**Tuesday, December 6**  
**Madison Marriott West, Middleton**

Proper management and monitoring of Workers’ Compensation is a proven method to minimize premiums and control costs. Gain an understanding of the ins and outs of the Law in Wisconsin and learn how to manage premiums and reduce fraudulent or exaggerated claims.

### Topics covered include:

- Workers’ Compensation Statutory Coverage and Benefits
- Workers’ Compensation Policies
- Accident Prevention Services
- Premium Calculation and Management
- Workers’ Compensation Claims’ Anatomy and Management
- Early Return to Work
- Coordination with Labor Laws

**Registration: \$185**  
Includes 7 hours of instruction followed by optional 1-hour multiple choice exam.  
Can earn WCS certificate by passing exam; CSRSM and CISR designees can earn update credit without taking the exam.



*Instructor: Kathy Johnson, Risk Management Strategies, LLC*

[www.WASBO.com/WorkersComp](http://www.WASBO.com/WorkersComp)

# Member Moves and Retirements

## On the Move

- **Tophier Adams**, from Director of Business Services, Campbellsport School District, to Director of Business Services, School District of Grafton
- **Joshua Hounsell**, from Honeywell Energy Services Group, to WI K12 Higher Ed Business Consultant, Siemens
- **Mario Millonzi**, from Energy Engineer, McKinstry, to President, Upper 90 Energy
- **Troy Salchow**, from Account Manager, Engineered Security Solutions, to unknown
- **Yvette Ypdike**, from Director of Business Services, Argyle School District, to unknown

## Retirements

- **Dan Davies**, District Administrator, North Crawford School District
- **Dave Diener**, Facilities Manager, School District of Hartford Jt #1
- **Dione Kimble**, Bookkeeper, Rosendale-Brandon School District
- **Ed Butzen**, Manager of Operations, Green Bay Area School District
- **Jim Riehn**, Head Custodian/Grounds, Kiel Area School District
- **Nancy Marx**, Bookkeeper, Prescott School District
- **Jolyn Miller**, District Bookkeeper, Owen-Withee School District
- **Joyce Smalley**, Finance Manager, La Crosse School District



Connect on WASBO's Peer to Peer Communication Forum at [WASBO.com](http://WASBO.com) Member Central



## Did You Know?

Did you know the below resources are available to members?

### Links By Topic

By logging into your WASBO account, you are able to access resources and handouts from past conferences. Simply select "Resources" on the top menu bar to navigate to Links by Topic.

### Peer to Peer Communication Forum

This forum allows WASBO members (district professionals, students and retirees) to share opinions, post questions, discuss topics, collect ideas and establish relationships on areas of interest within the field of School Business Services. Simply select "Resources" on the top menu bar at [www.wasbo.com](http://www.wasbo.com)

## Keep us Posted!

**Retiring?** Contact WASBO before you leave so we can update your member type to retired and get your new contact information. Email Kristin Hauser at [kristin.hauser@wasbo.com](mailto:kristin.hauser@wasbo.com). If you are interested in being added to our interim list, send an email to Woody Wiedenhoef at [woody.wiedenhoef@wasbo.com](mailto:woody.wiedenhoef@wasbo.com).

**Changing Districts?** Be sure to update your profile at [WASBO.com](http://WASBO.com) so you don't miss any communications. Call 608.249.8588 if you need help. 🗣️



## Stay Connected



### Interim Assignments

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

### Network by Participating on a WASBO Committee

Meet professional school colleagues and service affiliates, share ideas, enhance WASBO services and enrich your professional development. Serve on a WASBO committee — you'll do all that, and more. Find out more at [WASBO.com/committees](http://WASBO.com/committees). Contact Kristin Hauser at [kristin.hauser@wasbo.com](mailto:kristin.hauser@wasbo.com).

[jledvina@lacrossesd.org](mailto:jledvina@lacrossesd.org)  
or Dave Hoh at [david.hoh@oshkosh.k12.wi.us](mailto:david.hoh@oshkosh.k12.wi.us)

### Share Your Expertise

Has your school district implemented a new practice? Do you have a story to tell? Share your experience by writing an article for *Taking Care of Business*. Email your submission to Clare May, [clare.may@wasbo.com](mailto:clare.may@wasbo.com).

### Mentorship Program

New professionals are entering the field regularly. If you know of someone new in your region who could use the help of a mentor, contact WASBO's Mentor Coordinator, Mary Jo Filbrandt, at [mary.jo.filbrandt@wasbo.com](mailto:mary.jo.filbrandt@wasbo.com). For a school facilities mentor, contact Joe Ledvina at

## Welcome New Members • August - September 2016

### District Professional Members

- **Richard Appel**, District Administrator, Horicon School District
- **Greg Bell**, District Administrator, Boscobel Area Schools
- **Chris Collar**, Safety and Security Coordinator, Green Bay Area Public School District
- **Nicholas Haddon**, Building Manager, Mukwonago Area School District
- **Steve Kormanak**, Director of Facilities, Blackhawk Technical College
- **Samantha Mettillie**, Controller, Appleton Area School District
- **Rober Neu**, Director of Title Programs, Kenosha Unified School District
- **Brian Pautz**, Manager of Facilities Maintenance, Green Bay Area Public School District
- **JoAnne Peterson**, Bookkeeper/HR Manager, School District of Rib Lake
- **Rick Retelle**, Buildings & Grounds Director, Montello School District
- **Andrew Sloan**, Director of Financial Services, Barron Area School District
- **Lana Snitker**, Bookkeeper/Accountant, De Soto Area School District
- **Tom Tickler**, Facilities Director, School District of Marinette
- **Matthew Van Zeeland**, Custodian, Muskego-Norway School District
- **Andy Wegner**, Energy Manager, Mukwonago Area School District
- **David Will**, Safety & Security Manager, Appleton Area School District

### Service Affiliate Members

- **Michael Bricco**, Vice President, Robinson Brothers Environmental, Inc.
- **Cody Capra**, Apex Efficiency Solutions, SBC
- **Josh Cowdery**, Senior Account Executive, Ameresco, Inc.
- **Peter Denando**, Risk Control Service Coordinator, Church Mutual Insurance Company
- **David Gee**, Chief Marketing Officer, Classmunity
- **Rick Haber**, Field Sales Manager, TC Networks
- **Ryan Heiden**, Attorney, von Briesen & Roper, s.c.
- **Paul Hultgren**, Director, Agilex Business Solutions, LLC
- **Bill Johnson**, Owner, Northland Recreation LLC
- **Kati Robishaw**, Sales Director, Packerland Rent-a-Mat, Inc.
- **Sharon Schmidt**, Worksite Benefits Consultant, WEA Member Benefits
- **Brenen Sieber**, Yellow Bus Nation, LLC
- **Pete Valiska**, Senior Account Executive, Security Health Plan of Wisconsin, Inc

### Student Members

- **Tera Fritz**, Payroll & Benefits Coordinator, Northland Pines School District

Is your WASBO membership up to date?

Log in at [WASBO.com](http://WASBO.com), check your profile and update your communication preferences!





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## Upcoming Events - WASBO.com

### Professional Development

Midwest Facility Masters Conference  
 Nov 7-8 - Kalahari Resort & Conference Center, WI Dells (Viterbo Credit)  
 SFO Study Group  
 Dec 6 - Madison Marriott West Winter at a Glance  
 Dec 6 - Madison Marriott West WASBO-WASPA School Personnel Academy  
 Dec 7-8 - Madison Marriott West (Viterbo Credit)  
 WASB-WASDA-WASBO State Education Convention  
 Jan 17-19, 2017 - Wisconsin Center, Milwaukee (Viterbo Credit)  
 Wisconsin Federal Funding Conference  
 Feb 15-16, 2017 - Kalahari Resort & Conference Center, WI Dells (Viterbo Credit)  
 Facilities Management Conference  
 March 7-8, 2017 - Kalahari Resort & Conference Center, WI Dells (Viterbo Credit)  
 Transportation & Bus Safety Conference  
 March 8, 2017 - Kalahari Resort & Conference Center, WI Dells  
 WASBO Purchasing Card User Group  
 March 14, 2017 - Madison Marriott West Accounting Conference  
 March 15-16, 2017 - Madison Marriott West

### Scholarship Fundraisers

Spring Golf Fundraiser  
 May 10, 2017 - Cedar Creek and Fox Hollow  
 Spring Bike Fundraiser  
 May 10, 2017 - TBD  
**Certified School Risk Managers (CSRMI) Courses** (Viterbo Credit) - 2016 classes in Madison, 2017 classes in Stevens Point  
 WI Workers' Compensation Specialist Course  
 Dec 6, 2016  
 Administering School Risks  
 Nov 9, 2016  
 Fundamentals of Risk Management  
 Feb 22, 2017  
 Handling School Risks  
 Feb 23, 2017  
 Measuring School Risks  
 March 22, 2017  
 Funding School Risks  
 March 23, 2017  
 Administering School Risks  
 April 19, 2017  
**Buildings & Grounds Group Meetings**  
 Coulee Region - First Thursday of the month. Meetings start at 10 am.  
 Milwaukee Metropolitan- Meetings are the third

### Thursday of the month.

#### Committee Meetings

Accounting Committee  
 Meeting at 8:30 am, Fond du Lac, Oct 26  
 Midwest Facility Masters Conference  
 All meetings at 10 am, by conference call, Oct 27 (if needed)  
 Safety & Risk Management  
 All meetings at 11:45 am, WASBO Offices in Madison unless otherwise noted. Jan 10, 2017; April 4, 2017; Aug 1, 2017  
 School Facilities  
 All meetings at 9:30 am, WASBO Offices in Madison unless otherwise noted. Jan 10, 2017; April 4, 2017; Aug 1, 2017  
 Spring Conference  
 Meetings at 2 pm by conference call unless otherwise indicated. Nov 14; Dec. 16; Jan 19, 2017 (TBD during Joint Convention); Feb 24, 2017; March 14, 2017 (6:30 pm during Accounting Conference)  
 Transportation  
 Meeting at 10 am. Nov 16, by conference call  
**Regionals**  
 Check WASBO.com for details.

Bay Area/Northeast - Meetings start at 9 am.  
 Dec 9, Denmark; Feb 10, 2017, Oshkosh; April 7, 2017, Kimberly; May 19, 2017; Manitowoc  
 Madison Area - Meetings start at 9 am at Stoughton Area School District.  
 Northwest - Meetings start at 10 am at Lehman's Supper Club in Rice Lake. Dec 7, Feb 1, 2017; April 5, 2017  
 Southeast - Meetings at 1 pm.  
 Nov 11, West Allis/West Milwaukee; Dec 9, Greendale; Jan 13, 2017, Cudahy; Feb 10, 2017, Hartland-Lakeside; April 21, 2017, Northland Pines  
 Southwest - Meetings start at 12:30 pm at CESA 3, TBD  
 West Central - Meetings from 10 am - 1 pm at Sparta Area SD Admin & Education Center. Nov 3, Dec 1, Jan 5, 2017, Feb 2, 2017, March 2, 2017, April 6, 2017, May 4, 2017  
 WI Valley - Coffee at 9 am, Meeting at 9:30 am. Oct 21, Rhinelander; Nov 18, Mosinee; Dec 9, Stevens Point; Feb 24, 2017, Wausau; March 3, 2017, Merrill; April 21, 2017, Northland Pines; Aug 18, 2017, Antigo