

ALASBO

News Link...



August 2007

A newsletter publication of Alaska Association of School Business Officials

ALASBO News Link
is published for the members of the Alaska
Association of School Business Officials
and its affiliate members.

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President's Message

Rene' Spracklen, Copper River School District

Greetings to all ALASBO members! Summer is going by fast and school will be opening within a month. We here at Copper River have a new school being built and it will be interesting see the children and vehicles and those long buses manipulate the construction building materials and equipment in the schoolyard. Think Safety! Here in the Business office we are trying to get our audit work and those daily tasks done. Never a slow moment in our business lives.

The Transition Executive Committee is meeting monthly by phone to help our new Executive Director get on board. By the time you read this we will have all met in Soldotna for our

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President's Message (Continued)

Leadership Conference and will be working on planning the December Conference and the direction of ALASBO. I would like to thank the ALASBO members who made the commitment to participate in ALASBO's 3rd Annual Leadership Conference. We had a busy two-day schedule. I would like to thank our sponsors AIG/Valic and Lincoln National. They provided some of the meals for our group. We had discussions on Bylaws, Policy Manual, and the Strategic plan. On Sunday we worked on planning the Annual December Conference.



ALASBO - Needs You! **Annual Conference** **December 3-5, 2007**

The ALASBO Board has appointed Beth Scheen from Denali Borough School District to fill the vacant Board seat until elections can be held at the annual conference in December. Thanks Beth, for stepping up and helping ALASBO.

I have seen the need for networking with other business officials. So please feel free to continue to contact me for assistance. If someone has an item they want to share with others please feel to contact Cindy Reilly to get your message out. As the ALASBO Mission reminds us of what we are all about: "Promoting the highest standards in school business practices. A professional association educating stakeholders in the effective use of resources for the benefit of Alaska's children and supporting the personal growth and professional development of all individuals who perform school business functions."

I wish you all the best during the new school year. Remember to register for the ASBO 93rd Annual Meeting and Exhibit in Toronto, Ontario October 12-15, 2007; and the ALASBO 35th Annual Conference December 3-5, 2007.

Executive Director's Message

Duane Guiley, ALASBO Executive Director

I would like to add my thanks to those who participated in ALASBO's summer leadership training, including our corporate sponsors AIG/Valic and Lincoln Financial Advisors, previously known as Tax Deferral Associates. We had a successful training and planning

meeting and a wonderful sponsored dinner at the Crossing in Soldotna. A special thanks to Dick Swarner's spouse, Judy for joining us for dinner. Dick was with us in spirit and would have enjoyed the evening, as it was his favorite restaurant in the area. Those of us who knew Dick will miss his wit and sense of humor. All in the membership have benefited from Dick's leadership and never-ending efforts on behalf of Alaska's "kidos". Dick's legacy will continue to benefit through involvement in the association at the state and national level by individuals mentored by him. Like Dick, if we remained focused, keep things as simple as possible, and direct our energy to supporting what goes on in the classroom, we too will be successful in public education.



On a different note, as many are out rushing to do all those fun summer activities in between winter and winter, at least ten dedicated legislators and one public member, along with several support staff, are busy examining school district cost differentials and other elements of the existing formula for distributing state aid for education. The Joint Legislative Education Funding Task Force membership includes five senators appointed by the senate president, five house members appointed by the speaker, and Carl Rose, Executive Director of the Association of Alaska School Boards, as the public member appointed by the governor. The task force is chaired by Representative Mike Hawker. Committee membership, meeting dates, documents, and written public testimony are available on Representative Hawker's web site at: <http://www.house.majority.org/hawker>.

The task force began their work on June 14 and is scheduled to conclude with a written report of its findings and proposed legislative changes to the governor and the legislature by September 1, 2007. On August 2 the task force adopted a draft recommendations list for purposes of committee discussion. The group has decided to break issues into short and long-term recommendations. The draft short term list includes: (a) 50% ISER implementation in statute in FY09, with the remaining 50% phased

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Executive Director's Message (Continued)

in over 4 subsequent years; (b) funding intensive needs students at 9 x BSA in FY09, 11 x BSA in FY10, and 13 x BSA in FY11; (c) creation of a step-down hold harmless provision for declining enrollment; (d) review and re-calibration of contractual pupil transportation amounts based on FY07 audited costs; (e) passing a stand-alone K-12 public education appropriation bill by the 60th legislative day, with continued set aside of surplus revenues in Public Education Fund; and, (f) requiring the University of Alaska to submit an annual report to the legislature documenting their efforts to attract, train, and retain qualified public education teachers.

Many issues such as charter schools, correspondence schools, special needs block grants, and required local effort are referred to a long-term agenda for further review. Additional long-term issues include recommendations to create separate Education standing committees in the House and the Senate, and a public/legislative commission specifically limited to developing a new district cost factor model.

As I continue my transition from full-time public education finance officer to semi-retirement and part-time ALASBO executive director, I find it ironic that I started my school finance career participating in the 1984 resource cost model study which was intended to find a long-term solution to funding. Once again I am participating in task force meetings attempting to establish that durable, yet dynamic, ever magic, public school funding model.

ALASBO Summer Leadership Report

Luke Fulp, Kodiak Island Borough School District

The 2007 ALASBO Summer Leadership conference was held on July 28 and 29 in Soldotna. The ALASBO Executive Board convened to discuss current issues facing our organization and begin planning for the Annual Conference in December. This meeting also allowed the Board time to reflect on goals and a strategic plan that were set in place last year.

On Saturday, July 28, the Board welcomed guests from AIG Valic. Two representatives from AIG Valic, Larry Stein and Mike Maria, presented material on new TSA Regulations and Investment Options. This valuable information was well received by the Board, and it is our intention to have AIG Valic as a presenter at the ALASBO conference in December.

Other highlights of the day included a purchasing card update by Kenai School District, an Education Funding Task Force update from Eddy Jeans, and ALASBO committee updates.

On Sunday, the Board's focus shifted towards planning for the 2007 ALASBO Conference. In this planning stage, the board attempted to put together a comprehensive staff development track for school business officials throughout Alaska. We looked at all functions within business departments, and various skill levels across our organizations. Further, we reviewed feedback from participants at our 2006 conference. There is no doubt in my mind that this year's conference will provide a little something for everyone! While we're dispersed geographically, it's the commonalities in our daily work that bring us together. See you in December!

ASBO International News

Melody Douglas, ASBO Immediate Past President

The ASBO Board of Directors meets August 9 and 10, 2007 in Denver. The Board will be making Committee and Editorial Board assignments, approving the Board meeting schedule for 2008, approving an Affiliate Relations Task Force Implementation Plan, and a Professional Committee Work Plan, among other activities.

What may be of most significant interest to ALASBO members, however, is that the ASBO Board will be discussing the 2011 ASBO annual conference location; the recommended location is Seattle, Washington. This is the closest meeting location possible for Alaskans, unless, by some chance Anchorage is ever selected. For those of you who will still be working in school business in 2011, and who haven't had the opportunity to attend an annual conference, you may want to begin planning now to take advantage of this opportunity. Having it on your radar now will allow you the opportunity to plant the seed with your superintendent when a strategic opportunity presents itself and to include funding in that year's budget. I may be sounding like a broken record, but....it is truly a cost savings overall to your District when you attend these conferences since you will bring back cost saving ideas that will save more than it costs for you to go. It is a good thing anytime we can implement cost saving ideas ☺!

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ASBO International News (Continued)

As you probably know, the IRS 403(b) changes were released July 23, 2007 with an effective date of January 2009, although early implementation is available to those districts with the resources to early implement. Check out the ASBO website at www.asbointl.org for materials to assist you in understanding the impact of these IRS required changes. Information on the new regulations will also be available at the ASBO Annual Meeting in Toronto.

Please let me know of any concerns or suggestions you have relative to ASBO International. I may be reached at 907-714-8847 or at mdouglas@kpbsd.k12.ak.us. I hope that by now you've registered for ASBO-Toronto! *Please note: US citizens are now required to have a passport to travel to Canada.*



93rd Annual Meeting and Exhibits
Change is a Journey!
October 12-15, Toronto Canada

ASBO Affiliate Executive Directors Meeting

Duane Guiley, ALASBO Executive Director

ASBO International has been busy re-examining how they do business and re-aligning priorities based on their strategic plan. In June they co-sponsored an affiliate executive directors' meeting in Traverse City, Michigan. During that meeting committees reported out on their progress toward review of some specific issues. The affiliate relations task force discussed ways to increase affiliate member participation in ASBO and suggestions on how to better serve affiliate organizations, including performing some administrative functions. The professional development committee reviewed their research into developing a CEO Symposium for ASBO affiliates in conjunction with the next leadership meeting. Another committee reported on national credentialing for school business officials and how it relates to what some states already have in place. In addition, updates were

provided related to the process of state and international dues collected on one invoice, leadership task force, Eagle Institute, Bridges to the Future program and a new ASBO affiliate resource center on the ASBO International web site.

The new web based affiliate resource center is a great tool for reviewing current issues such as the new 403(b) regulations and other school related topics. Due to increased corporate sponsorship, ASBO will co-sponsor more new members from each state to attend the annual fall meeting. This effort is in line with their goal of having at least one member from every school district. In addition, existing ASBO members should be receiving a new US News daily briefing through a collaborative effort of ASBO and corporate sponsors.

Exciting things are going on at ASBO international. A great way to be part of it is first to join, next attend the fall meeting this year in Toronto, then join a committee. Although early registration discounts have passed, its not too late to make plans to attend. Take a proactive part in the future of your profession and become an active participant in your association at both the state and national level! Visit www.asbointl.org!

Purchasing Best Practices

Chad Stiteler, Anchorage School District

In the constant world of budget cuts, reduced staffing and changing regulations, districts around the state are repeatedly faced with shrinking available funds and a greater workload. As support service provider, the business office is always threatened with the first cuts in an effort to minimize the impact to the instructional purpose of a school district.

To combat this, we are all eager to find new "best practices" to adopt and integrate to help minimize the impact of these forced changes. Often, these "best practices" come from private industry that's rewarded by profit and doesn't have to balance the delicacy of managing public funds prudently. This can reduce districts' ability to adopt these practices regardless of the potential budget savings. It is critical to determine that any best practice adopted not only saves money and increases efficiency, but also continues to provide the strict set of controls required when public funds are involved.

Best Practices (Continued)

Anchorage School District (ASD) has always maintained an effort to adopt strong best practices that enforce good money management, reduce workload and strengthen the District's educational and financial position while maintaining appropriate controls. One of these best practices we've adopted made changes to improve the Accounts Payable and Purchasing Departments to allow better vendor relations at the same time as reducing staff and cost. Amazing you say? Unlikely you say? Bill Mikawa, then Controller, and Janet Stokesbary, CFO, for the ASD found a way to make it happen.

Modeling big businesses like Conoco Phillips and Mazda, ASD sought a new relationship between vendors, Accounts Payable and Purchasing Departments in order to see these changes through. Implementing a new financial system gave the District an opportunity to reevaluate the current and typical standard used by most governments and businesses around the country.



The concept was simple: reduce the 3-way match system to a 2-way match, eliminating one step in the process. The concept, called **Evaluated Receipt Settlement** removes the necessity of an invoice from the payment process by predefining the pricing, quantity and terms on the Purchase Order. Then, once goods have been received, confirmation of the identity and quantity of goods is made and payment is automatically processed, eliminating the need for an invoice. The Purchase Order now establishes the best price, quantity and payment terms.

By adopting Evaluated Receipt Settlement, ASD has been able to reduce budgets and staffing in the Accounts Payable and Purchasing Departments by more than three positions. In addition, vendor relationships have drastically improved by reducing the actual payment terms from an average near 60 days to easily within the net 30 terms for most payments. The reduction in turnaround time has allowed for better negotiating terms with vendors and an elimination of the additional workload the District AP Department was faced with mitigating late payments, vendor calls and collection agency threats.

Based on the Evaluated Receipt Settlement System, prior to issuing any PO, the ASD Purchasing Department seeks bids from multiple

vendors. By receiving multiple bids, the district assures itself of the best pricing. The competitive bid pricing guarantees the District's shareholders of strong money management. Once the bid is awarded, the Purchasing Department prepares and ships a Purchase Order. Within the terms of this order, **the price and quantity are static. This is the key!** This is the best price available and the District will not pay more than the bid price. The terms of the PO also require the vendor to NOT ship an invoice, therefore, no discrepancy can be created.

Once the goods are received, the receiving document is electronically entered into the financial system by receiving location. What used to be a manual process delayed by mail and courier, waiting for receipts to arrive at the AP Department, becomes an immediate receipt into the financial system. The AP staff batch these receipts and combines the records of the PO and receivers, and vendor payments are posted and paid. Eliminating travel time, and creating an automated batching process of received goods helped reduce the payment turnaround and cuts staff workload.

All controls within the conventional 3-way match still remain. Best price is insured, payment is only created upon receipt of goods with no overpayment, and all orders and quantities tie out correctly. Having implemented the system over seven years ago, the District has saved thousands in direct funds from the staff reductions enabled by the change. Thousands of dollars have been saved indirectly with the improvement in vendor relations. The reduction in late payments helps vendors reduce pricing quotes and cost of goods to the District, as well as creates strong payment records they can rely on.

Evaluated Receipt Settlement is one way the ASD is making use of technology and implementing best practice solutions to drive down operating costs while maintaining controls established in conventional systems. With continued inflation, stagnant school funding and compounding legislation, we need to look for innovative ways to reevaluate existing systems to meet the changing needs of school business. It's smart to incorporate successful practices of others rather than inventing them on your own. Let's start the discussion around the state to share our ideas and help each other save valuable money and staff time. What are some of the best practices you've implemented? Log onto the ALASBO yahoo group site to share questions, ideas and practices implemented.



**Alaska Association of
School Business Officials**

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Mark Your Calendars!

- ***October 12-15 – ASBO Annual Conference, Toronto***
- ***December 3-5 – ALASBO Annual Conference, Anchorage***