

# ALASBO

## News Link...



*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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rather than e-mail? Send a message to Amy Lujan at  
the above address.*

## ***President's Message***

*Laura Hylton, Lake and Peninsula*

Hard to believe it's only a month to the 2010 annual conference. Some exciting additions this year are an Executive Forum, post conference training in software products, specifically Excel and Word 2010. Back by popular demand are the School Business Academy, pre-conference session in payroll, advanced business manager topics, P-card user training and advanced budgeting.

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The Summer Leadership attendees committed a great deal of time to reviewing the results of the professional development survey and tailoring conference offerings to meet the needs expressed by the members. I feel the conference offerings are relevant and offer a diverse learning opportunity.

If you have not yet registered please review the conference schedule and other conference information at: [www.regonline.com/alasbo2010](http://www.regonline.com/alasbo2010) and register today. I look forward to seeing you all soon



## Executive Director's Message

*Amy Lujan, Executive Director*

Does the ALASBO Annual Conference keep getting better? YES!! This year's conference is shaping up to be one of the best ever. Be sure to recommend the ALASBO conference to your friends and colleagues.

*Don't miss out! If you have not already registered for the annual conference, register online now:  
[www.regonline.com/alasbo2010](http://www.regonline.com/alasbo2010)*

At our registration website, take a look at the latest schedule, to begin planning your info-gathering strategy for this year's conference. Based on the professional development survey, ALASBO leadership has put together some fantastic sessions to respond to member needs. You'll only wish there were three of you to attend more sessions!

Also, don't miss the pre and post-conference sessions, offered on Sunday, December 5 and Thursday and Friday, December 9-10. The number of sessions has been increased to respond to your requests for training. It is not too late to add a pre-conference session to your registration! Let me know if you have difficulty with this in the registration system. For post-conference sessions with the Division of Retirement and Benefits, EMA and ACB Solutions (Excel and Word training), you must register directly with those organizations.

New this year, we are pleased to present an Executive Forum on Wednesday morning. This was a brainchild of our planning at ALASBO Summer Leadership. During this session, executives from outside school business will answer questions about how they've dealt with personnel issues, changing regulations, an uncertain economy, and other issues they have in common with school business officials. We hope this will provide a new perspective and helpful insights for our members.

I'm certain you'll enjoy our vendor show, keynote speaker, evening receptions, Casino Night, student music, and seeing so many friends and

colleagues from across the state. I look forward to seeing all of you in Anchorage!

In other news, twenty ALASBO members returned recently from the ASBO International conference in Orlando. It was a fantastic conference, and we helped celebrate ASBO's 100<sup>th</sup> anniversary! **Thanks to American Fidelity** for sponsoring our attendance at the Gala banquet, where we enjoyed music from throughout the decades.

On a personal note, this year's fall family trip took us to Costa Rica. We visited a school, where uniformed students gave us a tour of the school farm. They were growing food for the school lunch programs. The farm included livestock and there were plans to add a tilapia (fish) pond. A composting system produced gas for the kitchen – impressive!

If you have questions about any ALASBO program, please do not hesitate to contact me at [alasbo@gci.net](mailto:alasbo@gci.net), or 907-500-9086. You'll also find useful information at: [www.alasbo.org](http://www.alasbo.org).



## ALASBO Website Updates

If you have a question or are looking for something, **[www.alasbo.org](http://www.alasbo.org)** is a good place to start for the most updated information! Here are some of the **recent updates**:

- Power Lunch schedule and related downloads, including Powerpoint slides for November Impact Aid webinar: events-workshops
- Conference dates through 2011 and registration forms/links: events-conferences-upcoming
- Latest news on ALASBO activities, including proposed 2010 bylaws change, newsletters, legislative activity and event summaries: news tab

Let me or anyone on the Membership Committee know your suggestions for making the website more useful!

## ASBO Recognition for Alaskan Districts

*Amy Lujan, Executive Director*

Some of the most popular programs administered by ASBO International are the Meritorious Budget Award (MBA) and Certificate of Excellence (COE) programs. Both of these programs involve peer review of budget and financial statement documents against rigorous standards.

David Means of Juneau School District currently serves on the MBA review committee. To find out more about the programs, visit the ASBO International website, [www.asbointl.org](http://www.asbointl.org).

We are proud to have several award recipients in our state for the most recent review periods:

### **Meritorious Budget Award FYE 2009-2010**

- Kenai Peninsula Borough SD

### **Certificate of Excellence FYE 2009**

- Anchorage SD
- Bering Strait SD
- Fairbanks North Star Borough SD
- Kenai Peninsula Borough SD
- Matanuska Susitna Borough School District

Kudos to the school business officials in these districts for achieving this level of excellence!!



### ***Send us your pictures!***

*Last chance to get your photos into this year's annual conference slide show! Send in your pictures of school sites, activities, and you, the ALASBO members enjoying*

*Alaska! Sent them to:*

*[yodean.armour@klawockschool.com](mailto:yodean.armour@klawockschool.com).*

## ASBO Certification: Maintaining High Standards for the Profession

*Pam Weber, ASBO International*

Can anyone walk in off the street and do your job? Probably not! It requires a specific set of knowledge and skills to do the job you do each and every day. In recognition of that fact, the Certified Administrator of School Finance and Operations (SFO) program was designed by and for school business officials.

Whether you are looking for a way to set yourself apart or show your stakeholders that you have the know-how to manage the district's resources, you should consider the SFO program.

The SFO certification has five components: eligibility, code of conduct, examination, annual renewal, and recertification. Eligibility is based on your level of education and experience on the job. You must also adhere to the Certification Code of Conduct.

To demonstrate eligibility, candidates must submit an application documenting compliance with the following formal education, work experience, and professional conduct requirements:

### ***Pathway to Certification***

Step 1: Take and pass SFO Exam *Part 1: Accounting*

Step 2: Take and pass SFO Exam *Part 2: School Business Management*

Step 3: Adhere to the ASBO International Certification Code of Conduct

### ***Certification Prerequisites***

Step 1: There are no prerequisites to take the SFO Exam *Part 1: Accounting*.

Step 2: Meet one of the three options below.

A. Master's degree in a field related to school business management plus two years of experience as a school business official with overall administrative responsibility for, or administrative experience in, the areas in the exam competencies.

OR

B. Bachelor's degree plus three years of experience as a school business official with overall administrative responsibility for, or

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administrative experience in, the areas in the exam competencies.

OR

C. After the beta test, professionals not meeting the educational requirements, but who believe they are seasoned practitioners, will have the opportunity to apply.

### **Experience Requirements**

Depending on education level, candidates must have at least 24 or 36 months of overall administrative responsibility in each of these school business related areas:

- Managing accounting systems
- Managing accounting functions
- Conducting financial planning and analysis
- Conducting budgeting and reporting activities.

Depending on education level, candidates must also have at least 24 or 36 months of administrative experience in at least three of the following school business related areas:

- Risk management activities
- School facilities
- Information systems
- Human resource functions
- Ancillary services.

The exam consists of two parts: *Part 1 Accounting* and *Part 2: School Business Management*. The exam is multiple-choice (170 questions in total) and is offered as a computer-based test through the Pearson VUE network of testing centers in the United States and Canada. Questions in Part 1 of the exam are geared toward knowledge needed when you first start the job and Part 2 is focused on knowledge when you have been in the position for at least three years. You can view the exam content outline and the rest of the program details on ASBO International's SFO Website at [www.asbointl.org/certification](http://www.asbointl.org/certification).

Once you have earned the SFO designation, you will maintain it through annual renewal and a three-year recertification process. Annual renewal includes reviewing and agreeing to the Certification Code of Conduct and paying the annual fee. The three-year recertification includes earning 90 education contact hours; no additional fee is assessed at this time. You can view more details about maintaining the certification in the Candidate Handbook posted on the SFO Website at:

[www.asbointl.org/certification](http://www.asbointl.org/certification).

Why is this program so critical for the profession? According to the 2004 study

conducted by ASBO, *The State of State Certification for School Business Officials*, 23 states and provinces have no requirements or volunteer credentialing programs available. This certification was created by school business officials – like you – in an effort to provide a way for you to measure yourself against standards for the profession. The SFO program creates an international standard for the profession that can lead to greater visibility, credibility, and opportunity for its practitioners. You have an important job to do – creating a safe and reliable learning environment for students – so why not be recognized for your expertise and achievements?

Look for more details about the program and how you can be one of the first to earn the SFO credential. Visit [www.asbointl.org/certification](http://www.asbointl.org/certification) or contact ASBO at [certification@asbointl.org](mailto:certification@asbointl.org).



### ***Learn about ASBO Programs at ALASBO Conference***

- *A preconference session on Sunday, December 5 on Advanced Financial Management will include discussion of the ASBO recognition and certification programs*
- *A roundtable session on Monday, December 6 will introduce the new ASBO certification program*
- *Several ALASBO members have been involved in development of the certification program: Dave Jones, Jenny Martens, and Dennis Niedermeyer*
- *ASBO Executive Director John Musso, ASBO Board of Directors members Angie Peterman and Ron McCulley, and past presidents Melody Douglas and Bert Huszcza will be attending our conference*



# ALASBO



## Member Spotlight

**Joyce Alto**

*Lake and Peninsula Borough District*

### ***Tell us about your school district***

We have 14 schools from Perryville to Pedro Bay. Our schools reside along the Pacific Ocean in the South on up into Bristol Bay and the north area resides along the Kvichak River and Iliamna Lake. Our District office is centrally located in King Salmon.

### ***How long have you been in school business?***

22 years in the District's Business Office and 1.3 years as an Aide at our Pilot Point School.

### ***How did you get into this business?***

While I lived in Pilot Point I began to work at the school. When I moved to Naknek/King Salmon I sought after a job at the LPSD District Office knowing that I would be in contact and still connected to the people that I knew in our villages. Once I did get hired I began to love working in school business so I guess I can also say that I took after my Grandmother who was a schoolteacher.

### ***What do you like best about your job?***

I like knowing that I am helping out the LPSD staff and my relatives and friends that live and work in the villages.

### ***What advice do you have for those new to school business?***

You've got to like to associate with many people. You will have your staff, parents and students; many businesses in-between and on up to the State and sometimes even the Federal level.

### ***How have you benefited from membership in ALASBO?***

The knowledge of information and networking with other school district employees is very valuable. Sometimes you receive info to help you out and sometimes you give out the info to

help someone else. It is very rewarding in that sense.

### ***What do you like to do for fun?***

Picnics on the beach, movies, 4 wheeler rides in the winter, flying to visit family and friends in the villages. It might not be so much fun at times but I really enjoy harvesting subsistence foods.

### ***If you could visit anyplace in the world, where would you go and why?***

I'd like to go to Russia, because my Mom raised me and my siblings attending the Russian Orthodox Church.

### ***Tell us something about yourself that most people don't know?***

Most people don't know that I was a commercial fisherman. I started commercial fishing a set net site with my Mom when I was around 7 years old. I operated the site on my own for about 2 years around the age of 17, then I fished on a boat with my brother for another 3 years. I gave up the commercial fishing when I was hired at LPSD in April 1988. I was 22 years old then. As a matter of fact, as a condition of my employment, I had to promise Dennis Niedermeyer (Business Manager at the time) that I would NOT go fishing.

### ***What is your proudest accomplishment?***

I would have to say – my family and my home. Our children are age 17 And 27 and we now have a daughter-in-law. My husband and I have been married for 24 fun filled years and we have built our own house on the bank of the Naknek River.

## ***The Need for Multi-Year Formula Funding***

*Chad Stiteler, Anchorage School District*

In a stagnated world economy, local, state and federal governments are being hit hard by reduced revenues while expectations are to continue providing regular services. The current political atmosphere, whether driven by the economic slowdown or from simple pent-up frustration further increases the importance of effectively valuing the public sector's resources. The essence of this public sentiment is that all levels of government need to be more efficient and perform better with less.

School business officials around the state strive to implement efficiencies, but are often stymied when it comes to creating an efficient budget

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process. Rural attendance area school districts and municipal or borough districts are dependent on local governments and the state for funding. They do not have the authority to proactively determine revenue stream allocations. They can provide information through lobbying and involvement with local and state government leaders, and should focus on what districts need to be efficient and build confidence in local government.

School districts are facing the first budget cycle in four years without any indication of a cost of living, or program increase adjustment to the Base Student Allocation (BSA) within the Alaska Public School Funding Program (foundation formula) for the year beginning in July. Often making up two-thirds or more of district general fund resources, the foundation formula is likely the most critical funding source for public education in Alaska. With the foundation formula affecting districts so dramatically, the only way to budget efficiently is with early notification of the Base Student Allocation amount.

The mechanism to affect the foundation formula relies on an annual change to state statute, passed by the legislature, and signed by the governor. Historically, increases through this process have not occurred until the end of the legislative session, often only three months prior to the start of the next budget year and much past the starting point of budget preparation based on good business practices. Late funding appropriations hamstringing school district business officials' ability to act efficiently and effectively.

While ultimately benefiting districts these much needed, yet untimely, allocations create inefficient budget planning processes. This inefficiency negatively affects each district's community. In absence of a reasonable expectation most districts anticipate no increase to funding, and therefore budget a deficit in the future year, as employee contracts, utilities and most other costs increase, year after year.

This can often be misconstrued as *crying wolf* or claims that the *sky is falling* when district officials postulate about significant deficits in the beginning of the yearly budget process. The timing of required budget processes, and actual legislative action creates concern with employees of possible layoffs and concern with parents and community members of program reductions. This is often, but not always fixed by the beginning of the new budget year, as

funding is provided by the legislature just months before the start of the year. This effectively saves the district from the projected catastrophic deficits, but wastes time, erodes community confidence in district staff, and perpetuates the inefficiencies in local government.

This all changed in 2007 when the state legislature passed a historic multi-year funding plan that increased student funding and provided future year increases that helped deal with inflation and increasing program needs. The increased funding provided much needed increases for education but perhaps the most critical piece of this legislation was the multiple-year funding notice. Districts were provided funding data for the foundation formula that could be used to calculate future year allocations. This enabled effective and efficient planning around the state, thanks to the work of the legislature and governor, and those who provided encouragement and participation in the prep work of the legislation.

Districts around the state benefited during fiscal years 2008-2011 from this funding legislation. Budget planning occurred timely, and with accuracy. Employee contracts could be settled appropriately, as future funding was known. Any deficits were known and real, not just variations in budget timing versus legislation timing. With the 2007 legislation, governmental efficiency occurred in school district budget offices, and students and communities benefited.



Beginning with the fiscal year starting in July, districts may be back to the old inefficient process. House Bill 317 (HB317) was all but a sure thing until the last weekend of the legislative session last spring, where it remained left on the table at the close of the session. This bill would have provided similar benefits to the 2007 legislation in allocating known funding increases for the next three years for school districts. Without the passage of HB317, or

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another funding bill, school business officials and districts as a whole may be forced to continue this inefficient budgeting process that erodes community understanding and support of public education.

The next legislative session begins January 18, 2011. Business officials need to encourage legislators to consider multiple-year funding as one of the key education issues. Additional funds to keep up with inflation and educational costs are important too, but the ability to offer a consistent message to district staff and the public may be our best way to prove our effectiveness in business processes and public funds management.

*ALASBO members are encouraged to attend the Legislative Fly-in during the 2011 session. Let's make sure our voices are heard in Juneau!*

## **The Importance of Professional Development**

Cindy Reilly, Yukon-Koyukuk School District

I just returned from Orlando and the ASBO International conference. There was a celebratory air about all that happened, not only because we were at the "happiest place on earth" but also because ASBO is celebrating 100 years as an organization. Alaska was well represented in Orlando with over 20 members present, and as I reflect on the days at the conference, I realize how very much these folks mean to me. These are not just colleagues, they are my friends. And that friendship started the first time I attended the ALASBO Annual Conference in Anchorage in 2001. If you have not already done so, I would encourage you to register for the upcoming ALASBO Conference in Anchorage December 5-8. Here's why.

### Increasing Your Knowledge Base

One of the first things auditors ask the School Business Official each year is, "What are you doing to keep up with current regulations?" When you attend ALASBO's annual conference, you are given the chance to hear about current and future issues that are or will be essential to understand and deal with in your work. Seminars are offered on all facets of school business and ancillary services. These seminars are carefully chosen by ALASBO board members, who look at what our membership is requesting, what the current events are, and how our industry is being

shaped by these factors. Presenters are experts in their subjects. They provide attendees with valuable materials and resources, which can be reviewed and used long after the seminar is complete.

Along with predicting what is ahead for the school business professional, ALASBO's annual conference will give you valuable lessons in skills development for your daily work. In short, you can learn about industry best practices and how to achieve them. Finally, ALASBO's annual conference brings together vendors who work with Alaskan school districts on everything from outfitting an office to school bus safety to retirement and investment strategies.

### Networking

In addition to learning from experts, attendance at the ALASBO annual conference affords the opportunity to meet with your peers—people doing much the same thing you do every day. Enough cannot be said for what we can learn through networking. The knowledge gained from discussing an issue with your peers can be enlightening and beneficial to your school district. Many school business officials are the only employees in their district who truly understand the issues faced in the financial realm in which we operate. This makes it very difficult to find a peer with whom one can collaborate and discover solutions. But there is no need to reinvent the wheel in school business. If you are having a problem in your work, invariably, there will be someone else who has dealt with that very same issue, and they will be able to tell you how they handled it. Such collaboration allows us to streamline processes, and develop new and better policies and procedures.

### Finding the Funds to Go

In a time of economic downturn, it is natural to look for the fat to be cut from our budgets. We strive to keep our cuts far from the classroom, which often means stripping administrative departments of necessary personnel, keeping old and outdated equipment on the line much longer than it should be, and asking employees to fund their own supply budgets. But perhaps nothing gets cut more quickly than professional development, especially when it involves out-of-town travel.

So where will we find the money to go? In the instructional side of the house, there are usually grants available for professional development of teachers, but there seem to be very few grants

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for non-instructional folks. However, it does not take long for an organization with poor money management and inaccurate reporting to lose its attractiveness to granting agencies. Because of this, it is incumbent on the school business office to advocate for ourselves to receive the training we need to keep on top of regulations and procedures. Making reports to your school board and district administration after attending the ALASBO annual conference will help them to understand the value of the knowledge you gained. You might also approach local community service organizations/corporations for help in paying for your trip.

This is a new world of budget development and management with unprecedented shortfalls in revenue. Our districts expect and need us to be the experts. Expertise comes from ongoing, quality professional development like one can gain from attending the ALASBO annual conference. So can you afford to go this year? ***The better question is, "Can you afford NOT to go?"!***



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## Your Moment of EXCEL Zen

A common type of financial model — the cost driver model, where you forecast costs or expenses based on the level of some relevant cost driver., is easily done with EXCEL.

The following example is from an enterprise scenario, but the principle is applicable to any business situation where you want to do some forecasting. Let's say you want to forecast your phone expenses based on the projected number of employees. Some common cost drivers include:

- \* rate of inflation
- \* number of employees
- \* revenue
- \* number of units sold
- \* salaries and wages

So what is the best way to set up your model to achieve this? A simple method is the lookup table approach. The key components of this approach are:

1. Set out all the cost drivers you'll use in a section at the top of your model. (Rows 5-8 below.)
2. A column that will contain the cost driver for each cost line. (Column E below.)
3. A column containing the base levels of the cost drivers and the associated base levels of each cost line. (Column G below.)
4. Write a formula to calculate the cost forecast based on the driver specified. This is the same formula for every cost line and follows the design in blocks approach discussed earlier. (Cells I11:K16 below.)

Here's a simple Excel spreadsheet with these components:

=INDEX(\$J\$4:\$J\$9,MATCH(\$E13,\$E\$4:\$E\$9,0)) / INDEX(\$G\$4:\$G\$9,MATCH(\$E13,\$E\$4:\$E\$9,0)) * \$G13																				
	A	B	C	D	E	F	G	H	I	J	K	L	M	N						
1																				
2	<table><tr><td></td><td>Driver</td><td>Base</td><td>Yr 1</td><td>Yr 2</td><td>Yr 3</td></tr></table>															Driver	Base	Yr 1	Yr 2	Yr 3
	Driver	Base	Yr 1	Yr 2	Yr 3															
3																				
4	Drivers																			
5	Inflation index	Inf	1,000	1,020	1,045	1,060														
6	Employees	Emp	80	100	120	125														
7	Revenue	Rev	800	1,000	1,250	1,600														
8	Units	Uni	250	300	340	360														
9																				
10	Costs Forecast																			
11	Accounting fees	Inf	100	102	105	106														
12	Advertising	Rev	2,000	2,500	3,125	4,000														
13	Electricity	Emp	600	750	938	938														
14	Health insurance	Emp	1,500	1,875	2,250	2,344														
15	Miscellaneous	Emp	1,000	1,250	1,500	1,563														
16	Shipping	Uni	50	60	68	72														
17																				
18	Total Costs			<table><tr><td>6,537</td><td>7,948</td><td>9,022</td></tr></table>											6,537	7,948	9,022			
6,537	7,948	9,022																		
19																				

## **Mark Your Calendars!**



## **Upcoming Events**

### **2010 ALASBO Power Lunch Teleconference Schedule**

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11 AM to noon, the 3rd Tuesday of each month  
call 218-844-3377, code 252726 (spells ALASBO!)

November 16	Indirect Cost Form
December	ALASBO CONFERENCE

- ***December 5-8 – ALASBO Annual Conference, Anchorage***
- ***February 24-26 – ASBO International Executive Leadership Forum – Dallas, Texas***