

Fall 2011

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Alabama Association of School Business Officials Newsletter

Message From The Executive Director

“Fed downgrades growth forecast, sees high unemployment for years ahead – The Federal Reserve sharply downgraded its projections for the U.S. economy Wednesday, November 2, warning that weak growth and high unemployment will be the norm for years. The Fed expects that the unemployment rate will be around 8.6 percent at the end of next year, down only slightly from 9.1 percent today, and will still be between 6.8 percent and 7.7 percent in late 2014. In their June forecast, Fed officials said joblessness would come down faster, to around 8 percent by the end of 2012, when the next presidential election will take place.”

This announcement by Fed Chairman Ben Bernake confirmed what most economists were predicting, we will not see much improvement in our economy anytime soon. Most likely we will have to live with flat or modest growth in our state and local revenue streams for the next several years.

In these tough times, school business managers need to show that we are managing our operations in an efficient and effective manner. How do we measure the efficiency of our district? Each month all of you perform a financial analysis of your operations. How are we doing compared to budget, what is our projected financial position? Why not apply this same type of analysis to the operations of the district.

A number of districts across the country are using key performance indicators (KPI) and benchmarking as part of their annual operational analysis. A KPI is a measure of performance and can identify prob-

lem areas in your operations. **Benchmarking** is the process of comparing one's business processes and [performance metrics](#) to industry bests and/or [best practices](#) from other industries. I recently attended a workshop on KPI and Benchmarking at the ASBO International Annual Conference. While the focus of that particular presentation was transportation, it can be utilized for all non-instructional areas such as CNP and facility maintenance. KPI and Benchmarking can tell us how good a job we are doing, what needs to be fixed and are the corrective actions we implemented working. Ask yourself the question, “Why do I spend more local dollars on transportation than districts of similar size and makeup?” Identify key measures in transportation such as runs per bus, students per bus, unloaded miles, cost per mile, and maintenance cost per bus. How does your performance compare to other district or established standards? All of these measures can identify potential inefficient practices in your operations. Applying these same measures to other programs can help you determine the efficiency of your operations. What is my Operations/Maintenance cost per pupil and cost per building? What is my personnel cost for maintenance on a per pupil and a per building basis? What is my utility cost per square foot for each of my schools? What percentage of my budget is spent on O/M? How does this compare to other districts or best practices?



David Smith

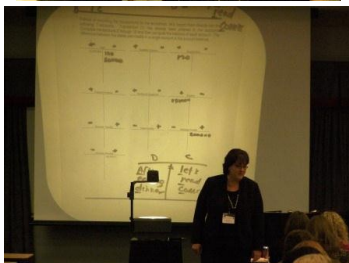
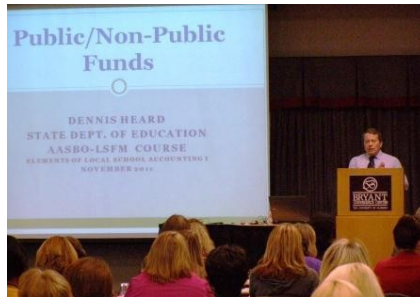
Using KPI and benchmarking allows you to demonstrate the efficiency and effectiveness of your programs. I would encourage you to start measuring the performance on your operations. Using this measure is an important way to be accountable to our stakeholders. AASBO plans to provide workshops in the future on this topic.

One source for this article was published in the March 2011 edition of *ASBO International School Business Affairs*, with permission of the Association of School Business Officials International (ASBO). The text herein does not necessarily represent the views or policies of ASBO International and use of this information does not imply any endorsement or recognition by ASBO International and its officers or affiliates.

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Scenes From the Local School Financial Management Training Program in Tuscaloosa



In The News



Representatives from Alabama school systems were guests of First Lady Michelle Obama and Secretary of Agriculture, Tom Vilsack, at a reception on the South Lawn of the White House in Washington, DC, on October 17, 2011 to honor over 1,200 winners in the Healthier US School Challenge. The Healthier US School Challenge (HUSCC) is a voluntary initiative established in 2004 to recognize those schools participating in the National School Lunch Program that have created healthier environments through promotion of nutrition and physical activity. Forty Alabama school systems and over 75 Alabama schools were honored at the reception.



Cathy Antee, Chief School Finance Officer for Hoover City Schools, was recognized at the ASBO Intl Annual Meeting in Seattle, Washington, recently as the recipient of the ASBO International Pinnacle of Excellence Award. Cathy is pictured here with Brian True, Director of Sales VIRCO Mfg., and Robert A. Virtue, President and CEO of VIRCO Mfg. Corporation, sponsors of the award.



Barbara Cutright, CSFO for Opelika City Schools, is retiring effective December 31, 2011. Barbara has 33 years of service in education with Opelika, having served as CSFO with since 1999. Congratulations to Barbara on her service to the children in Alabama public schools.



Glenda Glass, CSFO Coffee County BOE, is retiring effective November 30. Glenda has over 40 years of experience in public education in various positions with Coffee County, serving the last 25 years as the CSFO and Custodian of Funds. Glenda was a graduate of the first AASBO certificate program for CSFOs in 2001. Congratulations to Glenda on her retirement and thanks for her service to public education.



AASBO News

Amber Dennis was appointed Chief School Financial Officer of the Autauga County Board of Education in September 2011. Prior to her appointment as CSFO, Amber worked as Board Accountant and Assistant to the CSFO at Calhoun County Board of Education. She has also worked with the Examiners of Public Accounts. Amber received her B.S. in Accounting from Jacksonville State University and is currently working on her MBA. Amber and her seven-year-old daughter, Chloe, currently reside in Prattville.

Chris Harrison has been named as the new CSFO for the Opelika City School District effective January 2012. Chris has over 25 years of experience in both public and private accounting where he has served as manager, controller, and director of internal auditing with a large manufacturing company and a bank holding company. Chris received his Bachelor of Science Degree in Accounting from Troy University and his Master of Business Administration Degree with an emphasis in finance from Auburn University. Chris has earned both the Certified Public Accountant Certificate and the Certified Management Accountant Certificate. Chris and his wife, Lania, have two sons and reside in Opelika.

Adrian Cook has been appointed as the CSFO for the Arab City School District effective October 2011. Adrian has six years experience in public accounting as an auditor and tax accountant with a CPA firm. She received her B.S. in Accounting from Auburn University in 2004 and holds a Certified Public Accountant certificate. She and her husband, Clint, have two sons and reside in Arab.

Tina Paris has been appointed CSFO for the Talladega City Board of Education. Tina has 16 years of experience in governmental accounting in the state of Alabama. She worked for over two years for Anniston City Schools and more than 13 years for Calhoun County Schools before becoming CSFO at Talladega City Schools. She received a Bachelor of Science Degree in Management from Jacksonville State University. Tina has two daughters and resides in Anniston.

Tina Hancock has been appointed CSFO for the Jackson County Board of Education effective December 2011. Tina has been employed with the Jackson County Board since 1993, serving as a technology teacher in the district. Prior to her employment with the Board she worked in the private sector as an accountant and data analyst. Tina received her B.S. in Accounting & CIS from Jacksonville State University and her M.S. in Business Education from Alabama A&M University.

Frank Spinelli has been named the CSFO for the Huntsville City Board. Frank has over 25 years of experience in both public and private accounting where he has served as manager in a large international CPA firm in New York City, and as a controller and director of internal audit in the private sector. Frank received his Bachelor of Science Degree in Accounting from the University of Maryland. He has earned both the Certified Public Accountant Certificate and the Certified Internal Auditor Certificate.

Debbie Manning, CSFO Jackson County Schools, is retiring effective December 2011. Debbie has worked for the Jackson County Board of Education since 1987 in various roles in the business operations of the district. She has served as the CSFO since 2004. She is looking forward to the birth of her first grandchild in November of this year. Congratulations to Debbie on her retirement and her service to public education.

AN UPDATE ON ISSUING SCHOOL DEBT

By Alan K. Zeigler



*Alan K. Zeigler,
Bradley Arant Boult
Cummings LLP.*

A new law enacted at the 2011 Regular Session of the Alabama Legislature and signed by Governor Bentley on June 9, 2011, is likely to have significant benefits for our public schools. Introduced as House Bill 219 and now known as Act No. 2011-631, the law relates to the issuance of interest-bearing warrants by city and county boards of education. The law became effective on August 1, 2011.

School warrants have a long history in Alabama. They were authorized by the Alabama School Code of 1927 and have been the principal means used by boards of education to provide capital school improvements in the state since then.

In addition to traditional capital school improvements and to refunding outstanding debt issued for such purpose, the Act authorizes boards to borrow money to pay extraordinary, nonrecurring items such as casualty losses, legal judgments and payments related to the termination of contracts.

The features of Act No. 2011-631 that are most likely to make a significance difference for you are set forth below:

The new law permits boards to sell warrants at public or negotiated sale. Before the passage of the act, boards (but for a few isolated exceptions) were required to sell their long-term debt at public sale; the school warrant public sale laws were never updated to take advantage of technological improvements and, over the years, many boards and financial advisors found that the public sale requirement put Alabama boards at a disadvantage in the capital markets. While the new law still allows a public sale, should a board so choose, most school finance professionals expect that boards will negotiate the terms of their long-term debt – whether for new projects or to refund existing debt – with banks or investment banking firms.

Under the former law, boards were not allowed, except in limited and unusual circumstances, to extend the maturity of their debt in connection with a refinancing. A number of boards, especially following the economic downturn that began in 2008, have found it in their best interest to restructure their debt, taking advantage of the lower interest rates and reducing their annual debt service by extending the principal. The new law permits this sort of restructuring; it is likely that the State Department of Education will require that the restructured debt not extend beyond the useful life of the school facility financed, or refinanced, by the debt.

The new law allows boards to “bundle,” or aggregate, several revenue streams and pledge the combined revenues as security for the payment of the principal and interest on the debt. This should enable boards to avoid the necessity of issuing several series of warrants at the same time, a practice that was sometimes cumbersome under the old law. When doing so, boards and their financial advisors and counsel should be careful that the tax or taxes being pledged will be levied at least till the maturity of the debt.

The new law specifically permits boards to enter into funding agreements with other governmental bodies – such as cities and counties – and to commit, as a matter of contract, various revenues in connection with borrowings intended to provide benefits to boards of education.

Throughout the history of public school finance in Alabama, a distinguishing feature of our state law has been the provision that tax pledges made by boards of education for the benefit of creditors were “preferred claims,” meaning that debt service is paid ahead of claims for salaries or other operating expenses. This feature is continued in the new law and it enhances school debt and, in many instances, makes it either easier or cheaper, or both, for boards to borrow money.

An Update on Issuing School Debt—Continued

Another continuing, and very desirable, feature of the new law is the requirement that all debt issued under the new law, regardless of the purpose for which the debt is to be issued, is subject to the prior written approval of the State Superintendent of Education. This provision is intended to benefit boards of education and protect them from making unwise financial decisions. Once a board and its financial advisor (if the board is working with a financial advisor) have determined the amount, purpose and principal retirement arrangements for incurring debt and issuing warrants, the board should consult with the State Department of Education and submit the necessary forms so that the Department will have adequate time to review the proposed debt. Not only is this in the best interest of boards, it is also the law.

Alan K. Zeigler, a partner in the Birmingham office of the law firm Bradley Arant Boult Cummings LLP, practices in the area of public finance and works with boards of education on tax, financial and election matters. He may be reached at azeitler@bab.com.



Attendance is limited to 300 attendees for this highly valued conference.

Who Should Attend:

School business administrators who are seeking opportunities to exchange ideas, build relationships, strengthen their leadership skills and advance their career.

Key Topics Will Include:

- Sustaining excellence in turbulent times
- Fostering an environment where creativity can thrive
- Creating and maintaining trust with your stakeholders

For more information on the 2012 Executive Leadership Forum, visit www.asbointl.org.



Technology Outfitters®

Computers. Software. Innovations.

Tim Dunne
Vice President of Implementation and Support
CSI Technology Outfitters

Offsite Hosting of NextGen

“The Cloud” - “Software As A Service” - “On-demand” Software - these are but a few of the many terms that are in vogue right now whenever anyone discusses software development. But what do they mean, and more importantly, what do they have to do with your accounting software? In its simplest form, these terms describe a software delivery model where the software and its database are hosted in a central location, with users accessing that data through a thin client, typically via the Internet through a standard web-browser. This hosted solution is most easily identified through products like Facebook or Twitter, where your personal information resides in “the cloud” but is accessed through your normal browser.

In a similar vein, NextGen can be hosted offsite and accessed through an RDP connection, but it does not fit the classic definition of “Software as a Service” because the nature of the accounting and payroll processing still requires a software setup, security and delivery that must be unique to each district (think

of it this way; you can’t just go out and register for a NextGen account like you can for a Facebook account and expect it run the financials for your school district). What our offsite hosting DOES allow, however, is the ability for the districts to streamline their internal network infrastructure and maintenance by having servers and databases operated by other entities. Our Gemini backup solution is a perfect example of this. Districts who utilize this solution have their own data residing on a bank of servers located in Atlanta, Georgia. When a district needs to access this data they simply use the same RDP connection they normally use to access their data onsite, but now the connection is “pointing” to a server in Georgia rather than down the hall in a server room. This offsite hosting is an attractive option for districts with limited IT resources or for those who want to downsize their current technical footprint. We have successfully hosted many districts in the past when server emergencies have necessitated doing so, and can certainly discuss the pros and cons if you wish to find out more information.

Web Requisitions

CSI is developing and testing new functionality that will allow teachers to submit requests for purchases electronically then automatically pass the document through a district-determined approval process. Currently most school districts use a dated process wherein a teacher will fill out a paper document for classroom supplies, then deliver that document to the bookkeeper who adds accounting information before bringing it to the principal for approval. In many cases, however, the document does not stop there. It must then be sent to the Central Office via courier or mail, at which point a final approval of the requisition can be given and a purchase order cut for the items. With so many steps and people involved in the process, the chances of errors or delays are significant; so why not take advantage of today’s technology to streamline that entire process? NextGen’s new Web Requisition program is the answer.

Our new Requisition module is a web-based point of entry system that allows for the efficient capture and routing of teacher requests. The electronic form resides “outside” of

NextGen, meaning any teacher anywhere can easily access the Requisition as long as they have a connection to the internet. The form is designed in such a way that it requires only minimal data to be entered before it automatically gets routed to a school’s bookkeeper, then principal as required. Once the requisition is approved, it will then automatically be entered into NextGen where it will await transfer to a purchase order, as if it had been entered using the “old” process. All vendor, account and budget validation remain, but because the entire process is independent of NextGen, data entry and workflow can happen via the internet resulting in a significantly improved approval process. This in turn will ease the workload on both teacher and bookkeeper alike. Furthermore, the design is such that this system is scalable, so deployment in a district can be done slowly and targeted for specific schools or cost centers before rolling out to an entire district. By controlling its deployment, school districts can determine the model that best suits their respective circumstances to ensure overall success of the new product.

ASBO International – Resources, Connections, Opportunities

As a school business manager, you advocate for every student in your district. You make sure they have a way to get to school, textbooks and supplies when they get there, and a safe and stimulating environment in which to learn and grow. You work every day to ensure they have nutritious meals, up-to-date technology, and a healthy building.

That's just a slice of your role in promoting education in your district. You also manage employee health and compensation plans, ensure compliance with education legislation, oversee allocation of resources, work with the community, and so much more.

Every advocate needs an advocate—and that's the role of the Association of School Business Officials International (ASBO). We are here to provide the resources, connections, and opportunities you need to do your job effectively.

Resources

ASBO provides the resources, tools, and knowledge you need to develop energy-saving strategies, institute efficient accounting and budgeting systems, manage risk, manage your facilities, implement your 403(b) plan, make strategic benefit decisions in an era of healthcare reform and so much more. It's all here for you. Simply pick up *School Business Affairs Magazine*, visit the Website, attend a workshop or conference, take advantage of ASBO's Live Learning Center, or participate in ConnectEd, ASBO's online community, where the best minds in school business come together to share information and find solutions to common challenges.

Connections

When you join ASBO International, you join more than 5,000 other leaders in the profession who face the same challenges, celebrate the same triumphs, and share your commitment to ensuring a quality education for all students. Connect with your colleagues across the globe and tap into the expertise of our professional committees. Learn first-hand how school business officials are making a difference in the schools and in the community with best practices and proven strategies.

Opportunities

ASBO's professional development programs help you stay up to date on what's happening in the profession, add continuing education credits to your resume, and increase your credibility through recognition programs. ASBO offers opportunities for you to grow personally and professionally.

Join or renew your membership with ASBO International today at www.asbointl.org/membership.



Association of School Business
Officials International



CARQUEST-AASBO

U.S. Communities, the cooperative purchasing program sponsored by the Alabama Association of School Business Officials, has just announced a new Auto Parts and Accessories contract with CARQUEST Auto Parts. CARQUEST is a leading provider and distributor of replacement products and accessories for virtually all makes and types of vehicles. In March of 2011, the City of Charlotte, North Carolina, issued an Invitation to Bid requesting bids from qualified organizations to provide School Districts, Counties, Cities and other participating public agencies with automotive parts and services for light, medium, and heavy-duty vehicles. All proposals were evaluated by the City of Charlotte, North Carolina, with the assistance of an evaluation team, which is made up of key government purchasing officials from across the United States. CARQUEST was awarded a three-year contract that runs from September 1, 2011 to August 31, 2014, with an option to renew for three additional one-year periods. Through the U.S. Communities contract, CARQUEST has committed to providing quality products at the lowest overall government pricing available.

CARQUEST has over 3,400 member-owned locations and 40 distribution centers in the United States, Canada, and Mexico, that offer the largest inventory network in the industry. With over 600 sales and operations professionals in the field, CARQUEST delivers quick, reliable service to its customers. All pricing discounts are by product line and not tied to national volume; no minimum purchase is required to qualify for the best public sector pricing, and free delivery is provided within CARQUEST's defined service network.

"We are excited to be able to offer automotive and fleet solutions through our new contract with CARQUEST Auto Parts," said David Kidd, Program Manager for U.S. Communities. "CARQUEST's comprehensive offering provides opportunities for participating agencies to gain efficiencies while achieving real savings."

In addition to products, CARQUEST also offers a full array of training and assistance programs such as TECH-NET Professional Auto Service® and CARQUEST Technical Institute, which are available to professional technicians and automobile repair facility owners, giving them the tools needed to provide their customers with quality, dependable service.

Alabama school district participating agencies have the opportunity to benefit from the CARQUEST contract as well as from other contracts offered by U.S. Communities. Other types of contracts U.S. Communities program covers are photocopiers, technology, playground equipment, furniture, and office supplies. For more information about the CARQUEST or any of the many contracts offered by U.S. Communities, visit www.uscommunities.org for more information.

For all of your "Green" needs and questions, please visit www.gogreencommunities.org



SAVE THE DATE

Alabama Association of School Business Officials Annual Conference

Perdido Beach Resort
Orange Beach, Alabama
May 8-11, 2011

Conference at a Glance

Tuesday, May 8th

9:00-6:00 Registration

1:00-4:30 Pre-conference workshops

Wednesday, May 9th

7:00-5:00 Registration
7:30-8:00 Continental Breakfast
8:00-11:30 Pre-conference workshops

11:30-12:15 Lunch—Pre-conference participants
12:30-2:00 First General Session

2:15-3:00 Break-out Session
3:15-4:00 Break-out Session

4:00-5:30 Vendor Product Showcase
5:30-7:30 Reception by the pool

Thursday, May 10th

7:30-8:30 Vendor Product Showcase/Continental Breakfast
8:45-9:30 Discussion Groups
9:40-10:25 Discussion Groups
10:30-11:15 Discussion Groups
11:30-1:00 Lunch With Vendors/ Vendor Exhibits
1:15-4:30 Certificate Program Elective

Friday May 11th

8:00-11:00 Buffet Breakfast
Second General Session
Graduation
Business Meeting



UPCOMING EVENTS

FEBRUARY 6-7, 2012

CSFO and Payroll/Personnel
Certificate Program
Bryant Conference Center
Tuscaloosa, AL

MARCH 5-6, 2012

Local School Financial Management Program
Certificate Program
Bryant Conference Center
Tuscaloosa, AL

APRIL 22-25, 2012

61st SASBO Conference
Mississippi Gulf Coast
Beau Rivage
Biloxi, Mississippi

MAY 8-11 2012

Annual Conference
Perdido Beach Resort
Orange Beach, AL

SEPTEMBER 16-17, 2012

CSFO and Payroll/Personnel
Certificate Program
Bryant Conference Center
Tuscaloosa, AL

OCTOBER 12-15, 2012

2012 ASBO International Annual Meeting & Expo
Phoenix Convention Center
Phoenix, Arizona