

# The Big Three items (and more) that every CSBO must deal with in their career... Ways to address them!

1. The “attacking board member”
  - Build relationships
  - Know your team and place in the district
2. The incompetent team member
  - It is your direct supervisor? One game plan....
  - Is the person at your level or you supervise them
  - Get support and a strategic game plan
3. Identifying new areas for reductions away from the classroom
  - Assess all of your current revenues/expenditures and history
  - Analyze areas and DRILL down... use your team!

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# Presenters:

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# Goal of the presentation!

- Susan, Bill and Barry will share their experiences with “the BIG THREE” and more from their years of experience as School Business Officials. Their years of experiences vary from sitting on the IASBO Board, Health Care Cooperatives, Energy Cooperatives and Insurance Cooperatives to name a few. There are no “magic solutions” but during this session, they will share things that they and other business managers have learned along the way as well as some strategies to use when dealing with controversial items.
- We will also solicit feedback, ideas and strategies from participants in the session. There is no “ONE” magic tool in the bag to address items....one needs to have options!

# 1. The “attacking board member”

- There are many ways this occurs
  - Direct and constantly
  - Targeted areas (Levy and Tax Bill)
  - Passive aggressive in nature
  - Lack of knowledge or ability to process
  - Just plain old mean bullying behavior
- Have options in your tool belt to deal with the behavior

# Relationships prior to Response

- Build relationships with board members and your administration team NOW!
- Know your role and place in the organization...
- Do your homework and have MULTIPLE responses as options before responding
- When in doubt, you will get back to them with an answer! Don't "Wing It"...

# Proactive Approach

- Set up “rules/procedures” for all questions submitted prior to a Board of Education meeting
- Direct questions may not be answered at the time of a board meeting if supported by the entire board or Superintendent
- Relationships and building relationships are key to changing this behavior

# Questions due by 11 AM of the board meeting

- When board packets go out on Friday, create and understand that BOE questions are to be emailed ahead of time by 11 am the day of the board meeting.
- A google doc can manage the questions that come in and then answered by the executive counsel from different perspectives.
- Not ALL questions/attacks are on finance



# Know your Role and Place

- You are not the Superintendent
- You are not a Board member
- Always show respect
- Always use key prompts
  - In my opinion.....
  - What I am hearing you say is.....
  - It is very complicated... however... based on your statement, I believe.....

# Politics - Superintendent

- Superintendent – The One Employee
  - Rule #1 – You are not the Superintendent
  - Rule #2 – You might think you do, but you have NO clue what the superintendent’s job is like....
  - Rule # 3 – Watch, Listen, Learn
    - Then Listen hard for what is really being said
  - Rule #4 – See Rule #1
- Need to Knows
  - Most Important – Trust, Trust and Trust
  - Trust takes time to build and is earned
  - Have a clear understanding of expectations
  - Understand Relationships - Who’s number 2
  - Support the mission

# Politics - Cabinet/Departments/BOE

- The Superintendent's management team
- Effective or ineffective culture
- Diversity – are different opinions celebrated
- Safe environment to share your perspective
- Is team building a priority?
- Invest time in relationship building
- Network Often – You need sounding boards

# Know your Board of Education and the history

- Are you considering applying to this district – Audit the Board, attend a meeting early in the process - How is the Board's interaction?
- Study your Board and watch video
- What are the backgrounds of the board members and their families?
- How have they voted in the past and do they have a pattern?
- How do they like to see presentations?
- Do they like any special candy for board meetings?
- What do their kids do as activities in school?

# Create Relationships

- Make it a goal to know your board members
  - What activities are their kids involved in?
  - What hobbies/interests do THEY have?
  - When you talk with them... involve them in the conversation so they talk about themselves.
- Use the “set up” ... where you ask a board member to ask YOU a specific question at a board meeting .... “Strategize”

# Recap Responses

- Thanks for sharing... I will get back to you this week with details on your question.
- I want to check for understanding, (repeat question) and you are asking (fill in your solution).
- If I am understanding your question correctly... you would like....
- That is an interesting question... if I “Un-PACK” your question... I see....

# Share other Responses

- Please share responses that you have used with your board.
- We will write these on a sheet and share them via Peer to Peer next week.
- Don't be shy... SHARE!

# 2. The incompetent team member

- Gather your data
  - If you are new to an organization... learn the politics.
  - Did you inherit the person and are now the direct supervisor?
  - Is the person above you in the team?
  - Is the person at the same level?
  - Does the person have “connections” to others?



# Strategize with your supervisor

- Hopefully it is not YOUR supervisor?
  - If so... get the lay of the land to CYA!
  - Learn more and channel your energy to achieve your goals while keeping your job.
  - Learn to deal with it or leave.
  - Know your team and trust no one.
- If not your supervisor... get a common remediation plan approved by them
  - Fire, reassign, change responsibilities.....

# Build trust/respect by others

- Organizations only support moves from those who are respected
- Walk the walk... Be the good example
- Hopefully, HR can assist you with a plan
- CYA... document... document...
- Check history and previous reviews

# Invest in yourself professionally and personally for credibility

- Use professional and technical writing in memos to the Board
  - Avoid using “I”, use “we”
  - Use “the administration”
- Work on your public speaking skills
  - Know the material
  - Practice
- Learn how to present with Power Point - know the material – practice - do not read
- Emails – Stop the madness.....pick up the phone

# Politics – Principals are key if person is in a building position

- Frontline – Face of the District
- Instructional leader vs. manager....Or Both
- Inexperienced or Veteran (any admin experience in other districts)
- They do not have a cabinet level perspective – closer to the classroom than central office.
- They can be your friend or your foe.
- They are their own network.
- You need buy in and shared concerns to address inappropriate/incompetent behavior.

# Politics - Take Away

- Watch, Listen, Learn
- Don't be first out of the box or the last man standing
- Know the district's mission, vision, goals and policies
- Don't stir the pot, be part of the solution
- Admit mistakes
- Don't expect your fellow administrators will understand your perspective or job responsibilities
- Provide perspective and offer support
- It's not always the elephants that get you.
- Mentoring and Networking
- Stop digging

# Recap options Supervision

- Your supervisor... deal or leave
- If you supervise ..
  - Annually review and use goals to document
  - Quarterly meetings to reflect and document
  - Issues arise... Conversation summaries
    - Both positive and negative situations
  - Keep to the facts... no emotion...
  - CYA... make sure if there are connections... your supervisor / team supports your remediation plan...
  - Confirm you are operating under any current agreement/contract rules or language

# Share other Supervision Tips

- Please share your supervision strategies
- We will write these on a sheet and share them via Peer to Peer next week.
- Don't be shy... SHARE!

# 3. Identifying new areas for reductions away from the classroom

- There is no MENU to use for this issue
- Everyone is different... you can learn and use bits and pieces from others
- Key is to utilize your contacts/groups/IASBO Peer to Peer
- Use a lens before applying a solution to your district
  - Does it fit the culture
  - Will your Superintendent/Cabinet support
  - Is it against and current Labor group contract? (i.e. health care)



# Topics to consider for Reductions

- The next set of slides touch on many areas of potential reductions.
- Some are quick one time fixes
- Others may take years to see savings
- Some are “Clean up” items that may work for your district... not all cultures are the same so be strategic
- We hope that these help you in your long term financial strategic plan.

# Where are there places to reduce expenditures?

- Use the data collected to identify areas that have had increases more than others with 5 and 10 year trend lines
- Identify areas/programs that have high value and ROI
- Use the data to see find areas where your **comparable districts** spend less in than you
- Make sure you collect pros and cons on the next few moves and **don't just JUMP to the solution**
  - Reduce staff
  - Increase class size – review collective bargaining agreements
  - Outsource a current service that you currently maintain in house (time and legal costs)
    - Transportation
    - Custodial
    - Maintenance
    - Special Education services



# Multi-Year Budgeting and Forecasting



- **Who** collects comparable data? – Finance and Human Resources with peers (Island/NEIASBO/IASBO/NWPA)
- **What** is done? - Gather your data, assumptions, comparable district information, etc.
- **Where** is it done? In multiple group settings to review trends, goals and objectives
- **How** is it done? In collaboration with peers and internal staff with multiple renditions
- **Why** is it done?
  - To come up with a long range strategic plan to stay fiscally responsible
  - To set benchmarks for your key expenditures – Personnel
  - To seek new information on expenditures that can be reduced
  - To explore revenue streams that may not be at their max
  - To assist with budgeting and master planning of the district as a whole

# When you have done a projection.... Are your expenditures outpacing your revenues?

- What can you do to increase your revenue?
  - Go to referendum to raise your tax rate
  - Go to referendum to start a county tax (if available)
  - Charge students/parents more fees
  - Sell debt
  - Spend down fund balance
  - Sell a building or land that you currently own
  - Play the Lotto (remember, it was established to assist educational funding)

# Data and projections



- Are our comparable districts close to the same percentages?
- Look deeper into the data than just watching the curves... you can learn from others and NOT reinvent the wheel
- If our comparable are +/- 5% ... what is different?
- Is there a modification in our revenue that we can make?
- What are other districts doing different?
- Are others completing state or federal claims differently?
- What are other districts policies?

# Insurance



- Builders Risk is a must for construction
- Workers Compensation (Company Nurse?)
- School Board Legal
- Certificate of Insurances
- Named Additionally Insured
- Log an incident to start your deductible clock
- Always call in a water/fire loss ASAP
- Monitor your “experience” and Mod Factor

# Liability and Workers Compensation Insurance



- Have you reviewed your plan?
- Are you in a cooperative that reviews coverage and rates?
- Is your plan up to date with the required coverage?
  - Vehicles/busses with \$ 2 Million
  - Concussion laws with minimum of \$ 2 Million?
- Do you have protocols in place to report incidents in case they become law suits?
- Is your Treasurer bonded correctly?
- Does your board of education have enough coverage?
- If you go out and shop for a replacement policy... Make sure your coverage is comparable!!!! (Apples to Apples)
- Do you know how to “log and incident” ASAP to start the deductible clock?

# Cooperative purchasing groups

- Are taxes done by a county treasurer with investments?
- Health care with medical and dental cooperatives
- Energy purchasing
- Workers compensation
- Liability insurance with BOE coverage
- Group Transportation Services
- Special Education Services Cooperative
- Are you going to be bonded
- Do you have student accident, Cyber or other insurance policies?





# Procurement Cards and Accounts payables

- District controls accounts payable?
- Do you have a P Card system?
  - What are your procedures?
  - Have your auditor review them
- Have internal controls that you are comfortable with defending
- Does your PO system have checks and balances?
- How do you handle Student Activity Accounts



# Construction



- Who manages the construction?
  - Do you have a construction manager or do you need to go to Farm and Fleet to get some steel toed boots?
- Is it midstream, just starting or winding down?
- Did you buy builders risk and are you insured with bonds?
- Is there a Project Management firm – are they PM at Risk?
- Is there an Owners Representative for the project?
- Understand the structure of bid allowances or contingencies
- Is there a Board Resolution for approval of change orders by appointee?

# Do you have any RFPs or contracts renewing?

- Are the RFP's written or out to bid?
- The solicitation and timeline
- Has funding been identified and budgeted for?
- Are people happy with the current vendor?
- Understand the past practices for bid/proposal evaluation/award
- Any politics involved in this service or with the community?
- Make sure to include your Superintendent early in the process
- Approach changes to the evaluation process or changes in vendors/suppliers cautiously



# What are the areas of contract negotiations that you can focus on for reducing employee cost without causing a mutiny?

- Do you have a contract re-opener, is it limited?
- If you have a **salary** grid:
  - How many steps and what are the increases?
  - How many lanes and what are the increases?
  - Do you have a max starting salary step and lane?
  - Do you have a longevity formula and can it be modified?
- Do you have a **retirement incentive** and does it have a R.O.I.?
  - Awarded by years of service?
  - Post health care support?
- Medical, dental and life **insurance**
  - Review your plan and your COMPARABLE districts

# Are there areas of “language” in your employment contracts that could save your expenditure line?

- Number of Instructional/work days
- Number of vacation/sick days awarded
- Start and end reporting times
- Instructional time and number of periods taught
- Supervision time and number of periods to supervise
- How many events does each employee supervise in their contract
- High end salary caps – only receive 50% increase

# What examples of health care can you save as they look at your comparable data?

- If you provide 100% single and all of your comparable districts are at 80% coverage of single.... You may have an option.
- If you are self funded and/or control your plan... change plan benefits
  - **Deductible**... (do you have tiers) what are your comparable districts at?
  - **Co pay**... what are your comparable districts at?
  - Do you have large **fund balances** in this “bucket” that can be used?
  - What are the districts **% coverage of family** compared to your comparable districts?
  - What **amount/type** of life insurance coverage do you offer?
  - What benefits do your comparable districts offer or changed in the last negotiations?
  - Look at your options of a “Plan Design Change”

# Pension costs.... TRS and IMRF



- What percentage or agreements do your comparable districts' offer?
- Do you have a plan IF TRS changes their current funding model?
  - What is written in your teacher agreement on who pays what?
- What is your IMRF UAAL?
- What is your IMRF rate?
  - If your rate is over 8%, consider paying down your UAAL to reduce your rate.
  - This can change your expenditure line item and reduce the growth of the UAAL in future years
  - UAAL balances get charged 7.5% by IMRF... are you getting that rate of return on your fund balance now? (hint... interest rates are at an all time LOW)
  - If your IMRF salaries are \$5 Million, every 1% reduction on IMRF rate is estimated at \$50K annually saved on an expenditure line.
- Does your district have a matching 403b or 457?



# Where are your comparable districts buying their energy?

- Are they getting it at a lower cost?
- If you are not buying through a cooperative, is there one available?
- Where do you get fuel for your school vehicles?
  - Cooperative or intergovernmental options?
  - Put in your own pump and buy wholesale... governments get reduced costs and LOWER taxes on fuel if done internally
- Do you have policies or procedures that have employees practice good energy consumption practices?



# Transportation



- Do you bid Tiers or a Time block (e.g. 2 hour block)?
- Address the location of the terminal
- Address “dead head” time – who pays, from where, starting at what time?
- Flexible –
  - Include a clause that allows you the ability to negotiate the renewals
  - Do you have an opener - Include a clause that allows you the ability to negotiate if transportation needs decrease or increase - SPED
- Be realistic – how are you addressing the driver shortage?
- Include language that allows you to share these contract services with other districts

# Transportation – Part 2

- Consider a mini-cooperative model for SPED transportation for out of district facilities - takes work and cooperation from the SPED dept.
- Reasonable penalties, but they can have an escalation structure
- Clear understanding of the roles in your district – particularly for SPED.
- If you have a new vendor, take them on a tour of your district to provide them your “inside knowledge” of traffic, roads, etc.
- Provide clear and complete information for routing and student needs.
- You will need a method to let bidders know approximate home locations for door-to-door service.
- It is a partnership!

# Contract Review

- If you are signing a contract for the first time, the cost of a lawyer reviewing it, is worth your career
- Watch out for these words
  - Subrogation
  - Named as Additional Insured
  - Indemnification
- No one has gotten fired over TOO much insurance



# Recap Balancing a Budget

- Reductions are not a “one size fits all”
- Know your culture... what will fly or die
- Run the numbers... don't promise more and deliver less (Savings)
- Get buy in from all employee groups
- Ask all employees for suggested reductions... but they must reduce in THEIR areas - not pick in others orchards

# Share other reduction ideas

- Please share your budget reduction strategies
- We will write these on a sheet and share them via Peer to Peer next week.
- Don't be shy... SHARE!

# Living Presentation

- We hope that this presentation continues to grow and add topics, ideas, suggestions and “tips and tricks” for CSBO and IASBO.
- The goal is that this presentation and these materials always improve with comments and suggestions of those in attendance.
- If you have suggestions for drilling down in an area or adding/deleting a slide/topic, please email a presenter. THANKS!

# Questions and Answers

*We thank you for your time!*

