IASBO Mission Statement

The Mission of the Iowa Association of School Business Officials is to provide programs and services that provide the highest standards of school business management practices and professional growth.

Letter From The President

Hello fellow Iowa ASBO members!

Wow, where did the year go? It is hard to believe that the end of the school year and the start of summer is so close. All of our spring work is completed or near completion. This is a great time for all of us to take a deep breath and relax. I strongly recommend and encourage all of you to take some quality time and spend it with your family and friends and do something fun and enjoyable. All of you certainly deserve it.

The IASBO Spring Conference and the annual Iowa School Business Management Academy are now completed. There were excellent learning opportunities and I hope you were able to participate in one or both of them. Both “Keynote” speakers at the IASBO conference had great topics that could benefit all of us. There were some great presenters and the sessions provided a wide variety of topics along with the usual updates. Many thanks to all that made it possible.

With the end of the school year approaching, I want to congratulate all of you who have decided to retire. Thank you for your years of service to the children of Iowa, for making lemonade out of lemons with school funding, and for providing lots of opportunities for our students.
Here is the latest from your IASBO Board. We continue to work on the goals established that include increasing member participation in our organization by creating the “Conference Planning Committee” and moving towards “Professional Development 2.0”. The Board, Past Presidents, Regional Directors and other committee members will be meeting in June for Summer Leadership where the group will look to create goals for the 2019/2020 year and begin work on a program that will promote our profession and what we do to new potential school business managers. The Board’s intent is to inform/promote/advertise our profession to college students as well as others looking for a great career.

I have a special request that I would like to make to all of you. ASBO International publishes a monthly magazine, “School Business Affairs”, which is sent to all ASBO International members. There are excellent articles that can help us be better SBOs. Paul Bobek of West Des Moines Community Schools currently serves on the ASBO International Editorial Advisory Committee. Paul is looking for an IOWA SBO to write an article for the magazine. I highly encourage any member who has presented or will present on a topic to convert that presentation into an article. Nancy will provide more information on this possibility later in this newsletter. If you would like more details about this, please contact Paul.

I look forward to the future of IASBO as it continues its strategic plan and moves towards its goals. I know that Denelle Gonnerman will do a fantastic job as your IASBO President in 2019/2020. Denelle is a person of great character and skills and will be an awesome leader. I would strongly encourage many of you to consider becoming an IASBO Board member sometime during your school career and even consider serving as President. I believe you will find it as rewarding and enjoyable as I did.

Finally, I want to thank all of you for this wonderful opportunity to serve you as your IASBO President for the 2018/2019 school year. The year seemed to fly by just as the previous year did. I will always remember the unmeasurable support of my great team here in Dubuque (Rick, Joan, Lisa, Amy, and Joni). All of them are IASBO members and I cannot thank them enough. I am very grateful for the awesome support from fellow members of the IASBO Board. I especially want to thank Nancy for her friendship and her passion, commitment and leadership of our organization. What was most meaningful to me was the kind, encouraging and supportive comments from many of you. Those comments helped make this a fantastic experience.

Thank you for the memories and newly developed friendships. I wish all you many blessings.

Kevin Kelleher
IASBO President 2018-2019
ASBO International News

Tonya Stutzman was the winner of the scholarship to attend ASBO International Conference in National Harbor, Maryland in October 2019.

Iowa ASBO awarded 50 scholarships for membership in ASBO International for 2019-2020. Those awarded the scholarships have been notified and will receive information from ASBO Intl soon.

The publication themes for the 2020 School Business Affairs magazine have been decided and are listed below. Paul Bobek, West Des Moines CFO, serves on the ASBO Intl Editorial Advisory Committee and is heavily involved with the content of this magazine. He is very enthusiastic about alerting Iowa ASBO members to the opportunity to write articles for the School Business Affairs magazine. Iowa ASBO encourages all members, small, medium and large school to consider sharing your experiences with others in an article. This is an excellent professional growth mission should you decide to accept. It is also a perfect occasion to showcase Iowa’s vast collection of talents. Please contact Paul at bobekp@wdmcs.org if you have questions.

Issue Theme
January - Equity
February - Safety & Security
March - Managing Time & People
April - Human Resources
May - Change Management/Change Leadership
June - Effective Communications
July/August - Fundraising
September - Finance & Accounting
October - Effective Leadership
November - Wellness
December - Technology

Mandatory Reporter Training Changes

Effective July 1, 2019 there are changes to the Mandatory Reporter Training. The Child Abuse and Dependent Adult Abuse will be separated into two trainings. Each of those trainings will move to a 3 year expiration. Currently it is 5 years. Valid certificates are not affected by this change. If you take the training in June, the certificate is still valid for 5 years. The training will be available through DHS online and there will be no charge.

Financial Oversight Tips

Ahlers Attorney, Beth Grob, highlights Board fiduciary duties in the video
ON THE HORIZON

Critical Calendar Dates Webinar
This webinar series is designed for members new to the profession although anyone interested is welcome to attend. These 60 minute live webinar sessions, held monthly, are presented by IASBO Board members. The presentations normally follow the Critical Dates Calendar and will include upcoming deadlines and requirements. Members who join the webinars have the opportunity to ask questions via chat and receive valuable information to give focus to approaching job responsibilities. Curriculum is driven by the Critical Dates Calendar distributed to members in booklet form and also found on the IASBO website.

Webinars are held monthly. Those coming up are:
June 4th, 9:00 a.m. with Brian Gubbels
July 9th, 9:00 a.m. with Kevin Kelleher
August 22, 9:00 a.m. with Mary Beth Fast

If you are interested in attending these webinars and are not currently receiving an email webinar invitation, please email Nancy at iowaasbo@gmail.com

Boot Camp
The annual Boot Camp for School Business Officials will be held Wednesday, June 26 at the Gateway Hotel in Ames. Registration is available on the IASB website. This day long workshop is designed for those in their first year on the job. It is one of the required sessions for the SBO Initial Authorization training. Sessions will include: Finance Basics, Special Education, Payroll Processing, End of Year Items and Chart of Account Coding. Please email Nancy at iowaasbo@gmail.com with questions.

Student Activity Fund Conference
IASBO partners with SAI to offer the **Student Activity Fund Conference** every other year in odd numbered years. Thursday, August 8 is the date for this year’s conference. School Business Officials are encouraged to attend and invite Activity Directors, Activity Secretaries, Principals, Coaches and Superintendents to attend along with the SBO.

Kathy Bresnahan will be the Keynote speaker. Presentations will include Internal Controls for Fundraising and Public Purpose, Critical Elements to an Activities Handbook, Student Activity Best Practices and other topics related to the Student Activity Fund as presented by the Department of Education. Registration will open soon on the IASBO website. Please contact Nancy at iowaasbo@gmail.com with questions.

**Fall Conference**

The IASBO Fall Conference is September 24 and 25 at Prairie Meadows. Please note the date and put it on your calendar. Watch for more information coming soon.

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**2019 Spring Conference Happenings**

**2019 Professional Leadership Award Winners**

Congratulations to:

Mary Boege - South Tama CSD

and

Chris Stensland - Ames CSD

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**2019 Friend of IASBO Award Winner**
2019-2020 IASBO Board Members

Back Row: Rox Aude, District Director, Camanche; Brian Gubbels, District Director, Harlan; Greg Reynolds, Treasurer, Burlington; Mary Beth Fast, Secretary, Urbandale
Front Row: Kevin Kelleher, Past President, Dubuque; Denelle Gonnerman, President, Cedar Falls; David Nicholson, President-Elect, Cedar Rapids
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FMLA Implementation Changes Following New DOL Guidance

The Family and Medical Leave Act (FMLA) is a federal law that provides eligible employees of covered employers with unpaid, job-protected leave for specific family and medical reasons. New DOL guidance has clarified an employer’s obligation to designate leave as FMLA if it so qualifies. The FMLA is enforced by the Department of Labor’s (DOL) Wage and Hour Division. Although this article covers basic FMLA eligibility and designation requirements, it is not an exhaustive reference to FMLA application.

FMLA Application and Eligibility
The FMLA applies to “covered employers” – private-sector employers with 50 or more employees; public agencies (including state and federal employers); and local education agencies. An employee must also be separately eligible for FMLA: they must work for a covered employer; have worked for that employer for at least 12 months (months need not be consecutive); and have at least 1,250 hours of service for the employer during the 12-month period immediately prior to FMLA leave; and work at a location where the employer has at least 50 employees within a 75-mile radius.

FMLA Leave Categories
Eligible employees may take up to 12 workweeks of leave during a 12-month period, and up to 26 workweeks to care for covered military service members. Eligible employees may take leave for their own serious health conditions; the serious health conditions of eligible family members; to bond with newborns or newly placed or adopted children; or for certain military family reasons. Some types of FMLA leave are straightforward, but often the determination of what rises to the level of a serious health condition can be onerous. Proper designation is very fact dependent; referring to the DOL FMLA Employer Guide can be helpful.

In addition to providing an eligible employee with leave from work, the FMLA requires that employers maintain the employee’s health benefits during leave and restore them to their same or equivalent job position after leave ends. The FMLA also outlines employee and employer notice requirements and gives employers the right to require certification of the need for FMLA leave in certain circumstances.

Designation of FMLA Leave Now Required
Following recent DOL guidance, employers are now responsible for designating any leave that qualifies for FMLA as FMLA leave. Prior to this guidance, this was a gray area and
employers could require, or employees could request sick leave or other leave before
dipping into FMLA leave. Now, the DOL has made clear that employers are responsible for
designating any leave for an FMLA-qualified purpose as FMLA leave and for notifying an
employee of the designation.

The law does not prohibit an eligible employee from choosing, or an employer from requiring
the employee to use paid leave, but it must run \textit{concurrently} with FMLA leave if the leave
qualifies for FMLA. When paid leave is used for an FMLA-designated reason, the leave is
still FMLA-protected.

- Example one: An eligible employee wants to take leave to bond with his newborn son.
The employer should designate the leave as FMLA (as this would fall under the bonding
category). If the employer’s general leave policy dictates that paid or unpaid leave applies to
this type of situation, that leave could also apply.

- Example two: An eligible employee spends two nights in the hospital following a life-
saving medical procedure. The employer should designate the leave as FMLA (as this
would likely fall under the serious health condition category). If the employer’s sick leave
policy would allow paid or unpaid time off for this situation, that leave could also apply.

In both examples, the paid leave may run concurrently with FMLA leave but could not be
used in lieu of FMLA leave.

Designation should take place within five business days of an employer learning that the
leave is being taken for any FMLA purpose, absent extenuating circumstances. The
designation notice to the employee must be in writing and employers can use the DOL
sample form for this purpose.

Designation Only for Eligible Employees
If the employee does not meet FMLA eligibility requirements, an employer may not
designate the leave as FMLA even if the leave would otherwise qualify for FMLA protection.
As long as the employee is not eligible for FMLA, the employer may choose to grant another
type of leave under the employer’s leave policy. But, once the employee becomes eligible
and the leave is FMLA-qualifying, any of the remaining leave period taken for an FMLA-
qualifying reason must be designated as FMLA leave.
Horace Mann, a core provider for the Iowa Retirement Investors’ Club’s (RIC) 403(b) program, has tips to avoid retirement planning pitfalls

There are some pitfalls that can complicate your retirement strategy. But every day, thousands of people do find the resources to retire, even though they may have made some mistakes along the way. Here are a few mistakes you should watch for and avoid if you hope to get to retirement with enough money to enjoy your time.

Click [here](#) to read more.

**Student Accident Insurance**  
John Fiala, CPCU, AU, AIC, ChFC®

Accidents happen. Whether it is a laceration in shop class, a sprained ankle during a field trip, or a major injury on the sports field, it is inevitable students will have accidents while being supervised by your district. It is important to know that General Liability policies will respond to cover injuries to students for which the district is legally liable. For instance, if a child is injured on defective playground equipment during recess, the policy will respond if the district is found liable for the disrepair.

However, General Liability policies do not cover student injuries for which a district is not legally liable. For example, if a child happens to take a spill during gym class and breaks their arm, the district’s General Liability policy will not respond to provide coverage for the student’s medical bills. In cases like this, the cost of the student’s injury is the responsibility of the parent.
Student accidents are an area of increasing litigation and we believe there are a handful of factors driving this. First, families are continuing to experience ever-increasing deductibles on their health insurance plans. Everyone has heard the statistics indicating that the average American does not have $1,000 available to cover an emergency. With deductibles and out-of-pocket maximums often pushing much higher than that amount, some parents feel forced to look to the district to cover costs even if the district is not legally liable.

Secondly, in that same vein, there are unfortunately children whose parents may not have secured any health insurance, which fosters the same outcome. Additionally, there are a fair number of parents who assume the district will cover injuries to their child, regardless of any fault or negligence. There have been examples of this after catastrophic injuries such as paralysis on the football field, when medical and custodial care costs reach into millions of dollars.

There are a variety of Student Accident insurance policies available in the marketplace for districts to purchase. These policies are designed to cover costs related to student accidents when injuries occur and no one is at fault. They also carry the potential benefit of mitigating lawsuits when there is a grey area regarding district negligence. When purchased by the district, Student Accident policies are often referred to as “goodwill” coverage. There are no laws mandating coverage like this in Iowa, but it may be prudent for districts to at least consider the available Student Accident insurance options. Doing an internet search for “Rocky’s Law Illinois” provides some additional news stories and impacts contemplated by our neighboring state that you may find interesting.

Two common types of Student Accident insurance available for school districts to purchase include Base Accident and Catastrophic Accident. Although each insurance company is different, Base policies are typically structured to cover student injury costs with a $0 deductible and a maximum limit of $25,000 per accident. The Catastrophic policies usually carry a $25,000 or $50,000 deductible, but have aggregate policy limits from $1M-$6M. They can usually be purchased separately or together. It is common for both of these policies to serve as excess to any other available insurance (i.e. secondary to a parent’s health insurance policy).

We recently partnered with Special Markets Insurance Consultants (SMIC) to develop a Student Accident insurance product for Iowa schools. SMIC currently provides accident coverage to well over 1,000 school districts in the United States. In a conversation with their company leadership, they shared a story about a high school football accident this past fall for one of their insured districts. Tragically, the injured young man is now a quadriplegic. In only six months, the school district’s Catastrophic Accident policy has paid out $603,556, including medical bills, updates to his home to fit mobility needs, a wheelchair disability van purchase, monthly disability benefits, mileage reimbursement, and custodial care expenses. Was the Catastrophic Accident policy mandatory? No. Does that student’s family (and community) appreciate the “goodwill” afforded by the district’s purchase? I definitely think so.

If you have an interest in learning more about Student Accident Insurance options, feel free to reach out to me or your local IASB Safety Group insurance agent.
School Level Reporting Coding Summary Sheet as provided by the Department of Education
Certified Annual Report - Test, Test, Test

A note from the Department of Education - The CAR 2019 COA Test Records application is accessible to all districts as the Department continues to update the program. During the test period, some edits and warnings may not be working properly, so they may change as corrections are made. Currently, stages 1 and 2 are available. Successful completion of these two stages validates the composition of the account code. Stages 3 and 4 will be available as soon as we get through all the stage updates. Any known edits or warnings not working properly will be noted on the Home page. Districts are encouraged to start uploading and correcting their books. A district may test an individual account code or an entire file in accordance with the 2019 COA-CAR rules. The test site mirrors the “live” site, with the inclusion of the reports when they are updated. The application is available on the Iowa Education Portal. Once logged in, go to EdInfo, Finance Applications. Many of the COA-CAR edits are programmed to check tables for information. These tables may not be completely loaded during the testing period. This information is entered as we receive it; therefore, there may be some edit messages that appear during testing that normally would not. The incomplete tables are noted on the Home page of the application. Also, districts may get many Stage 4 reconciliation messages as all revenue, receivables, or restricted fund balances would not be entered prior to the end of the fiscal year. We strongly urge districts to test their files early and often. Please be sure to update your financial software to the most current version before creating a text file. Districts should not “fix their books” just to pass edits, as the edit may need to be modified. If you come across issues with the upload or edits and/or warning messages that don’t make sense or don’t seem to be working properly, please contact Denise Ragias, 515-281-4741. Contact Janice Evans, 515-281-
4740, with coding questions and for journal entries.

End of the Year Tips

Summer is almost here, and I'm sure you are ready for the "Don't you get the summer off?" question. School Business Officials know that summer can be one of the busier times of year. It's time to wind down one fiscal year and start another. To start things off, try having a New Year celebration in your office- it's a great way to recognize the business staff and give them a bit of a boost as they handle two fiscal years! So, take a moment to look at your Summer To Do List - SBO style!

1. **Fiscal Year 19** – start the work on closing the books, remind everyone to get in their PO's so items are delivered prior to June 30, and prompt folks to turn in all reimbursements to keep them in the correct Fiscal Year.

2. **Every Student Succeeds Act (ESSA)** - yes, you do have to do this, and the time is now. NO more procrastinating!! Now is the perfect time to get all your codes updated so that you can start FY20 with a clean chart of accounts. Remember to work with your software vendor to cross-walk the 5-year history. Schedule meetings with staff that you need to communicate the new codes to. (Don't forget your custodial staff- they probably have lots of new building codes that they need to pay attention too.
3. **ESSA Report Card** - run one of these as a sample of what your report card might look like. If you have Forecast5’s 5Cast Plus, you have access to the report. If you attended the Spring IASBO session, you have access to the file and can start to have conversations with your admin team about what the numbers mean and begin to develop the narrative. Remember: Write your own Story!

4. **Take time for yourself!** It’s ok to leave on a Friday afternoon when the sun is shining!

5. **Take time for yourself!!**
   When broken down, this list does not seem quite as daunting. But if you don’t do #4 and 5, then, you can’t do justice to #1 through 3 either. You have a BIG job, that probably no one else in the District understands. It’s okay to call your SBO friends when you need a lift or just to vent. Look for tools and resources that will make your life simpler – this allows you to focus on the things that really need your attention.
DON’T LET THE ELECTION DATE CHANGES DEFEAT YOUR NEXT BOND ISSUE

Eligible Election Dates Changing July 1, 2019
- G.O. Bond Referendum
- Sales Tax Revenue Purpose Statement
- Physical Plant & Equipment Levy (PPEL)
- Instructional Support Levy (ISL)
- Public Education & Recreation Levy (PERL)

Odd years:
1\textsuperscript{st} Tuesday of March
2\textsuperscript{nd} Tuesday of September
1\textsuperscript{st} Tuesday after 1\textsuperscript{st} Monday in November

Even Years:
1\textsuperscript{st} Tuesday of March
2\textsuperscript{nd} Tuesday of September

Why are these new dates & your advance planning now even more important to be aware of than before?
- For G.O. Bond Referendums and SAVE Revenue Purpose Statements you must wait not less than 6 months after a failed vote before bringing that question back before your electors
- The 6-month window will bypass election dates; making some elections only possible once per year
- For example: If you have September 2019 vote that fails and you must wait 6 months you will have bypassed the November 2019 & March 2020 date, and the next available date will be September 2020
- Similarly: If you have a September 2020 vote that fails and you must wait 6 months you will have bypassed the March 2021 date, and the next available date will be September 2021
- Not only are the election dates themselves important to contemplate, but also (for construction projects) the construction cycle and budget cycle. If you have a
failed vote in March the next eligible election date will be September, but that is beyond both (a) the primary construction time, and (b) your budget deadline of April 15th for certifying new or changed tax levies.

- For G.O. Bond Referendums and PPEL elections in particular remember that it can often take many months – sometimes years – leading up to an election to properly educate your community on why you need this levy or this new “thing” you may be constructing. And, for G.O. Bond Referendums there is also a petition process with explicit time period requirements leading up to a potential vote. [Petition is typically generated with assistance from your bond attorney, then is circulated in the community, presented to the Board President, a meeting to discuss the petition is called, and the petition must be filed with the County Auditor not less than 46 days prior to the desired election date.]
- Satellite Voting Stations can be requested (must be paid for by District) and open not more than 29 days prior to the regular election date chosen.
- City, County & Community College elections will now also be held on these same restricted dates which means there may be more attention paid to your ballot questions, more voters are likely to participate, communicating with your fellow municipalities about proposed elections will be crucial moving forward, the politics of your election may be worse than ever with other municipalities vying for voter’s attention simultaneously. Higher voter counts will also mean future G.O. Bond referendum petitions will require more signatures, although reverse referendum petitions for sales tax borrowing will also require more signatures before any impact can be made with the board by your community.

New Hearing Requirements for SAVE Bond issuance & certain athletic project funding

HEARING FOR SALES TAX BOND ISSUANCE:
- Notice must be published not less than 10, nor more than 20 days ahead of the hearing date

HEARING FOR USE BOND FUNDS OR TO SPEND CASH FOR ATHLETIC FACILITY:
- Notice must be published not less than 10, nor more than 20 days ahead of the hearing date

IF A PETITION IS FILED TO DISPUTE THE ISSUANCE OF BONDS AND/OR THE USE OF SALES TAX FOR AN ATHLETIC FACILITY AND TO REQUIRE A REVERSE REFERENDUM ELECTION….

The petition must be signed by eligible electors equal in number to not less than 100 or 30% of the number of voters at the last preceding election of school officials, whichever is greater

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Iowa Public School Insurance

Program (IPSIP) is owned and operated by Iowa schools where members make decisions in the best interest of the members through a fully transparent program that offers enhanced coverages at a competitive price. This program can be distributed through your local agent.

http://www.ipsip.org/

Contacts:

Michelle Wearmouth, Business Manager, Dallas Center Grimes,
Best Practices: School Bullying Prevention

Over the years, schools and school officials have become targets for liability lawsuits by parents and students arising from bullying in schools and school-related activities. Generally, courts are reluctant to hold schools liable in bullying cases and have set a high legal standard for school liability. Even with these protections, schools should be proactive and take certain steps, discussed below, to prevent liability exposure to bullying litigation.

What is Bullying?
Bullying is defined by the U.S. Department of Education as unwanted, aggressive behavior among school-aged children that involves a real or perceived power imbalance, and is repeated, or has the potential to be repeated, over time. According to the National Center for Education Statistics, approximately 28 percent of students ages 12 to 18 reported being bullied at school during the 2018-19 school year. Additionally, the U.S. Department of Health and Human Services reports that nine percent of students in middle school or high school experience cyberbullying, but the rate is much higher, 55 percent, for lesbian, gay, bisexual and transgender students.

Bullying can include physical, emotional or verbal abuse. It includes actions such as making threats, spreading rumors, attacking someone physically or verbally, and excluding someone from a group on purpose. The most common types of bullying students report is “being made fun of, called names or insulted” and having rumors spread. Courts have interpreted bullying to include student-on-student harassment and intimidation.

School bullying most often occurs in hallways or stairwells, in classrooms and outside on school grounds. But, school bullying is not limited only to bullying that happens during school hours or in a school building. Bullying can occur after hours, during extracurricular activities. It can also occur in other places, for example, on the playground, on the bus traveling to and from school, on the athletic fields and now, more than ever, on the Internet through social media.

What Laws May Apply to Bullying?
Lawsuits by bullying victims and their parents are most frequently brought against schools under:
- Title IX of the Education Amendments Act, which prohibits discrimination/harassment on the basis of sex;
- Title VI of the Civil Rights Act, which prohibits discrimination/ harassment on the basis of race, color or national origin;
- 42 U.S.C. Section 1983 for violations of the equal protection or due process clauses of the Fourteenth Amendment;
- State anti-bullying and tort laws.

Do Schools Have a Constitutional Duty to Protect Students?
In general, schools do not have a constitutional duty to protect students. This is known as the DeShaney rule arising from the U.S. Supreme Court decision in DeShaney v. Winnebago County Department of Social Services, 489 U.S. 189 (1989). However, there may be liability for “state-created dangers” which require a student to prove that the school took affirmative actions to create or increase the danger that an individual would be exposed to harm by others, and that the school’s actions “shock the conscience.” This is a very high standard of proof.

What Can Schools Do To Protect Against Liability?
Far too often, schools are not doing what the law and their own anti-bullying policies and procedures require which risks significant financial liability. For example, a school district in Minnesota had to pay $270,000 for failing to respond to bullying based on the students perceived sexual orientation. That same school district entered into an agreement with the Department of Justice and the Department of Education Office for Civil Rights which requires the district to provide harassment training for all staff, to hire new staff such as an equity coordinator and to supply mental health counseling for students in need. The District estimated that compliance with the agreement will cost an additional $500,000 which will be paid in part by state safety funds and federal Title IX money.

Further, school districts in Tennessee and North Carolina have had to pay parents at least $100,000 where their students were sexually harassed and assaulted by other students.

A successful defense of bullying claims against schools turns on whether the school can prove that it did what it was supposed to do and whether it took reasonable steps to stop bullying and prevent it from happening again. Schools can take the following steps to protect against liability for bullying
Publish Anti-Bullying Policy/Procedures and Communicate Them
At a minimum, schools must publish an anti-bullying policy in the student and staff handbooks in accordance with state statutory requirements. The policy and any related procedures should be disseminated to students, parents and school personnel. It is also good practice to have students, parents and staff acknowledge in writing that they received, read and understood the anti-bullying policy and reporting procedures. Keep copies of the acknowledgments.

Review Anti-Bullying Policy/Procedures and Follow Them
School officials must be familiar with the anti-bullying policy and all related procedures. If a bullying incident is reported, the school personnel receiving the report and those responsible for enforcing the policy and investigating the report, should review the anti-bullying policy and procedures so they are fresh in mind and strictly followed.

Educate and Train Students and School Personnel
Education and training of students and school personnel on the anti-bullying policy and reporting procedures is critical to a successful defense. Schools should regularly communicate anti-bullying policies and procedures to students, as well as school administrators and staff responsible for implementing them. Schools should also document the training and education given and keep copies of the materials used each school year.

Effective Response and Corrective Action
Schools should take immediate and appropriate steps to investigate a bullying report. Do not delay. The investigation and action taken in response should be well-documented. If the report is substantiated, the school must take action to stop the bullying and protect the student victim. Schools are required to take steps reasonably calculated to end any bullying, harassment or intimidation. It is also good practice for schools to follow-up with the student periodically to ensure there is no continuing bullying or retaliation.

Following these suggested practices should prove to be a school’s best defense to bullying lawsuits.

The National Center for Education Statistics is the primary federal entity for collecting and analyzing data related to education in the United States and other nations. It is affiliated with the U.S. Department of Education and the Institute for Education Sciences

Author: John McLaughlin is the Managing Director of Gallagher Higher Education Practice. Gallagher’s Education team provides tailored insurance and risk management consulting services related to the Property & Casualty, Student Health and Accident and Employee Benefit needs of educational institutions.
COUNSEL’S CORNER

District Health Insurance Offerings & Considerations for FY 2019

By Katherine A.B. Beenken
Ahlers & Cooney, P.C.
Before July 1, 2019, districts operating July 1 – June 30 insurance plan years may want to review and revise policies and practices connected to district insurance offerings to employees. This article will summarize several considerations and “issue spot” problematic practices that could be addressed before the new plan year.

The following information is intended to provide general summaries of arrangements impacting some Iowa school districts. However, each situation is unique, and districts should consult their own legal counsel and tax adviser to determine whether these general principles apply to a specific school situation.

1. **Offer Insurance to at Least 95% of Full Time Employees to Avoid Penalties**

In order to comply with the Employer Shared Responsibility Provision of the Affordable Care Act (ACA), employers must offer full-time employees and their dependents insurance which provides “minimum essential coverage.” We recommend districts ensure existing offers of insurance do not exclude groups of “eligible employees” (typically those who work at least 30 hours/week during the school year) even if those employees have coverage through other plans. This ACA penalty/payment can be avoided by offering coverage – even “unaffordable” coverage – to substantially all full-time employees. Failure of an employer to offer ACA compliant insurance to at least 95% of full-time employees could subject the district to steep penalties. This penalty is triggered if any full-time employee receives a premium tax credit for purchasing coverage through the Marketplace. For tax year 2018, this penalty is equal to $2,320 for each full-time employee in the workforce, even if only one person actually went to the Marketplace. Note that penalty relief of nearly $70,000 is available, which covers 30 employees.

Absent few exceptions, most districts would benefit from offering coverage to substantially all full-time employees. Districts should review their policies and make sure the district is not prohibiting persons covered by other insurance from the opportunity to enroll in the district’s plan.

2. **Avoid a Medicare Mess**

Some employees may be eligible for, or covered by, Medicare. Dual coverage under employer group health insurance and Medicare can be a minefield of compliance issues for employers. Districts should avoid singling out Medicare-covered employees for different treatment in insurance policies. Consider the following:

- While employees may voluntarily choose to enroll in Medicare while still on an employer-sponsored group plan, Medicare Secondary Payer Rules are initiated and the employer’s insurance remains the “primary payer.”
- Employers generally must offer the same benefits to Medicare-eligible employees that it offers to younger employees or else the employer risks a claim that a health benefit for current employees based on Medicare-eligibility creates an adverse action that violates the Age Discrimination in Employment Act (ADEA).
- It is generally inappropriate to allow a Medicare-eligible employee to decline coverage under the district’s group health plan and receive some type of payment or other incentive in exchange for declining employer-sponsored coverage and enrolling in Medicare. Such an arrangement would likely be considered an illegal subsidy by the federal government.

In other words, districts cannot have policies that fail to offer district-sponsored insurance to Medicare-eligible employees and districts cannot incentivize its employees to choose to drop district-sponsored coverage and shift that cost to
Medicare. For this reason, and others, we recommend that insurance coverage under the district’s group health plan be offered to substantially all full-time employees, regardless of age of the employee or ability to receive coverage elsewhere. Note that different rules apply to retirees. Additionally, we recommend that if an opt-out payment is offered, it be available only to individuals who can show proof of coverage under a spouse or parent’s employer-sponsored group health plan. Medicare coverage should not entitle the employee to an insurance opt-out payment.

3. Mitigate the Risk of Receiving an ACA Penalty Due to a Cash-in-Lieu of Insurance Offer

Many schools offer employees the choice between enrollment in the district’s group health plan or an “opt-out” payment for declining coverage under the district’s plan. Cash opt-out payments may affect whether a district’s offer of insurance is considered “affordable” under the ACA. In tax year 2018, the annual penalty for failure to offer employees affordable coverage was $3,480 per employee who received a premium tax credit. Unlike the penalty discussed above, this penalty is assessed based only on those individuals who are actually receiving insurance through the Marketplace and not based on the total full-time employee count. Please note, however, that although Iowa’s Marketplace does not offer many options, other states have competitive offers of insurance; individuals coming from other states may be covered under Marketplace insurance and inclined to keep it if they are able to receive a tax credit from the feds along with a cash opt-out payment from the district.

One way to mitigate the penalty risk is to limit eligibility for the opt-out payment to only those employees who can show proof of coverage through a parent or spouse’s employer-sponsored group health care program. Limiting eligibility for opt-out payments in this manner also removes the opt-out payment from the calculation of IPERS-covered wages.

4. Ensure a Compliant Section 125 “Cafeteria Plan” is in Place if Using Cash Opt-Out Payments

Cafeteria plans under Section 125 of the Internal Revenue Code are generally considered optional plans. However, if the district is offering employees the choice between non-taxable insurance, or taxable cash in the form of an opt-out payment, the district must have a cafeteria plan in order to avoid taxation on those participants who select the insurance. Please note that a cafeteria plan may not include the choice between insurance or a 403(b) contribution. District policies that allow employees the choice between insurance or a 403(b) contribution should be revised to avoid tax consequences.

5. Don’t Forget the IPERS Section 125 Certification Requirement

School districts who operate a Section 125 Plan and make employer contributions to the Section 125 plan must certify to IPERS by December 31 that those Section 125 plans comply with the Internal Revenue Code, as amended. To be valid, a cafeteria plan must be established in a written document that complies with the Code. Even if a written cafeteria plan appears to comply with the requirements of Section 125, it may nevertheless be administered in a manner that is not permissible under Section 125.

If a school district cannot certify to IPERS that the district’s cafeteria plan complies with Section 125 of the Internal Revenue Code, the contributions to that plan cannot be covered by IPERS. The IPERS certification must be completed annually and is available on the IPERS website.

6. Employee Participation in Group Health Plan Must be Optional

Iowa Code Chapter 509A.4 requires that participation in any group insurance plan be optional. Prior to the bargaining change in Chapter 20, some union contracts may have required participation in group insurance. To the extent those practices exist in current contracts, they should be revised to make participation in the group health plan optional.

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have moved into district policy, schools should clarify that participation in the district’s group health plan, as well as participation in other insurance arrangements, is optional. We encourage review of policy documents as well as language in opt-out forms to ensure language reflects the optional participation in insurance plans.

7. **Cadillac Tax is Delayed until 2022.**
Additional guidance is expected prior to the implementation of the 40% excise tax on certain “high cost” health plans. Stay tuned!

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**Local Election Law Changes Effective July 1, 2019**
By Maria Brownell, Ahlers & Cooney, P.C.

Two bills affecting local elections take effect on July 1, 2019. House File 566, which was signed into law on May 11, 2017 (“2017 law”), and House File 692, which was signed into law on May 16, 2019 (“2019 law”), include changes to election dates and the administration of local elections.

**Special Election Dates**
Effective July 1, 2019, special election dates in both odd and even-numbered years have changed. The Secretary of State recently issued guidance regarding the status of certain dates in 2019 due to the timing of the law change. The following special election dates remain for school districts in 2019:
- June 25 (schools only)
- September 10 (counties, cities and schools)
- November 5 (counties, cities and schools)

For election years after 2019, special elections for school districts may be held according to the following schedule:
- In odd-numbered years, the first Tuesday in March, the second Tuesday in September, or the first Tuesday after the first Monday in November.
- In even-numbered years, the first Tuesday in March or the second Tuesday in September.

The 2017 law also changed regular school district elections from the second Tuesday in September to the first Tuesday after the first Monday in November in odd-numbered years, beginning with elections held on or after November 5, 2019.

**Administration of Local Elections**
Both the 2017 law and the 2019 law make changes to the administration of elections. In school districts located in more than one county, the county auditor of each county in which a portion of the city or school district calling an election is located must conduct the election within that county. For example, each county auditor will be required to publish a Notice of Election and form of ballot for elections instead of the current practice of one county auditor publishing those documents one time for the election. The new law designates a “controlling commissioner” as the auditor of the county with the greatest taxable base within the political subdivision in which the election has been called. The controlling commissioner is delegated oversight and administrative responsibilities, including certification of the ballots and election results, serving as the designated filing office for nomination papers and public measures, and conducting canvasses.
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Future Dates To Remember

- June 26, 2019 – Boot Camp, Gateway Hotel, Ames, IA
- August 8, 2019 – Student Activity Fund Conference, Gateway Hotel, Ames, IA
- September 24-25, 2019 – Fall Conference, Meadows Conference Center, Altoona, IA
- October 25-28, 2019 – ASBO Intl – National Harbor, Maryland
- March 25-26 2020– Annual Meeting & Trade Show, Scheman Center, Ames, IA
- October 2-5, 2020 – ASBO Intl – Nashville
- October 27-28, 2020 – Fall Conference, Meadows Conference Center, Altoona, IA
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