

Local Government Investment Pools: An Attractive Alternative for Cash Management



Public officials are expected to seek the best available returns when investing stakeholder dollars. However, that task has become increasingly difficult in a low interest rate environment, because cash that sits in a typical bank account does not earn a historically competitive rate.

Put simply, due to the Federal Reserve aggressively lowering interest rates, it is time to revisit the earnings credit rate (ECR) that financial institutions offer on bank balances. The current zero to 0.25% interest rate environment may result in banks offering less competitive ECRs or ECRs that barely offset balance based charges.

It is important to compare the ECR offered relative to the yield on a local government investment pool (LGIP) that might be available. LGIPs may be more appealing alternatives for cash management under current market conditions.

What to Compare

Banks have historically set their ECR to approximate the 3-month Treasury bill. In order to accurately compare the ECR relative to other alternatives, it is important to look not only at the stated rate, but associated fees on deposit balances.

Deposit balance fees include:

- Deposit Administration Fee
- Insurance Recovery Charge
- Recoupment Monthly Fee

Banks may also impose a reserve requirement, which can effectively reduce the balance available to generate earnings credits by as much as 10%. Deposit-based fees and reserve requirements should be considered because they can decrease annual earnings considerably. LGIPs do not charge these same fees; therefore these alternatives lead to increased annual earnings for public entities, even if the stated rates are the same. Consequently, it is important to compute the “net” ECR and compare the “net” rate to alternative investment options.

COMPARISON TIPS

- Check to see if the bank is imposing a deposit-based fee to recover FDIC charges (e.g., Deposit Administration Fee, Insurance Recovery Charge, Recoupment Monthly). This charge will appear on the bank’s invoice or account analysis statement for banking charges.
- Inquire if the bank is deducting a reserve requirement. If so, remember that this lowers the balance available to generate earnings credits.

How PFM Can Help

As you seek to optimize your

government earnings on operating funds, PFM’s experienced professionals can assist. PFM is a leading provider of investment advisory services to the public sector. We are not affiliated with any bank or trust company; as fiduciaries, we provide independent, objective advice.

For more information about PFM, or any information in this article, please contact Trish Oppeau directly at 314-619-1792 / oppeaut@pfm.com or Nick Kenny at 573-529-9245 / kennyn@pfm.com.

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We Need Your Photo!

Each year MASA creates a photo directory of its members. Typically, we have photos of new and returning superintendents taken by Inter-State Studios at the DESE Conference. We missed that opportunity this year and so we need your help. Please send us your professional head shot. It can be a photo taken at your schools by Inter-State, Wagner Portrait Group or LifeTouch, or it can be a photo you had taken elsewhere. Please send to david.luther@mcsa.org.

Upcoming Workshops

MASA/MoASBO Workshop: Evaluating The Budget November 11 and 12, 2020

MCSA Conference Center (MASA) & Online

This workshop will assist school administrators in identifying areas of budget concerns and will provide an opportunity for general discussion about budgeting and other school finance topics. Jason Hoffman, Chief Financial Officer for the Jefferson City School District and a MASA member representative, as well as DESE representatives, will lead the session. The session will also include a discussion of current and future formula funding issues as well as advice on how to identify potential problems in a district budget.

To register, go to www.masaonline.org and look under the “Conferences & Workshops” tab. If you have any questions or need additional information, please contact Doug Hayter at doug.hayter@mcsa.org or Ann Ainsworth at ann@mcsa.org. To contact by phone call 573-638-4825.

Fall “Drive-In” Conferences

SAVE THE DATE!

November 2, 2020
Independence School District (Kansas City)
November 4, 2020
Fox School District (St. Louis)

MASA is pleased to announce the addition of two special “Drive-In” Conferences that will focus on the professional development needs of assistant superintendents and other central office administrators. The one-day conferences are being developed by MASA staff with input from the Assistant Superintendent Advisory Group. While sessions and presenters are not set, subject matter will likely include distance learning, school finance, legal issues, mental wellness and safety issues. Currently, MASA’s hope is to hold the conferences as a hybrid of in-person and virtual.

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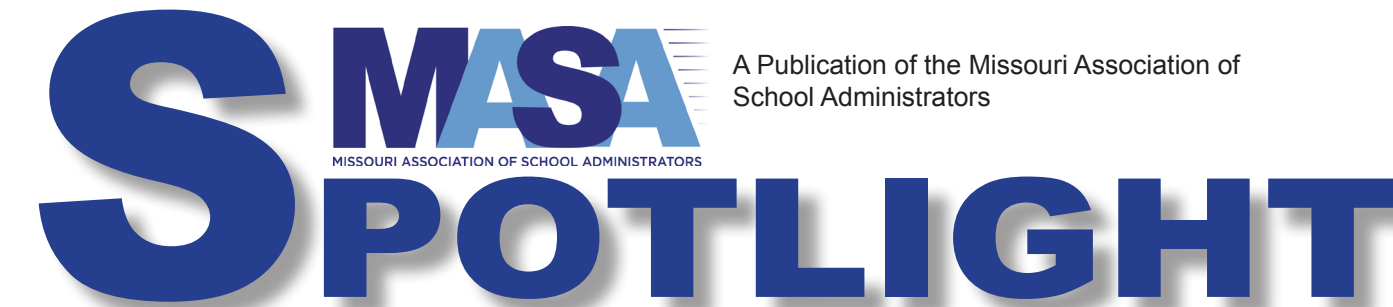
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2020 MSBA/MASA Annual Conference Going Virtual



In response to the increasing COVID-19 pandemic, the 2020 MSBA Annual Conference in Cooperation with MASA is going completely virtual.

The virtual Conference will have on-line, interactive programming September 24-26 and will continue providing programming throughout the year for all registrants. To meet your expectations of rich programming, the conference will include traditional pre-conference sessions, general sessions, and other conference events, as well as sessions related to issues surrounding the coronavirus pandemic.

Approximately 30 sessions will be presented live during the virtual annual conference on September 25-26. Additionally, a series of online sessions will be offered weekly throughout the year free to registered conference participants beginning October 6. Registration will remain the same and members will have access to all Conference archived content all year.

Conference registrants will receive an email from MSBA regarding the status of your current registration and additional information on hotel cancellations.

For more information or to register: www.mosba.org

General Session Speakers



Dr. Robert R. Redfield, Director of the Centers for Disease Control

COVID-19 has significantly impacted the K-12 education system, including our students and staff. What do we need to know to be prepared for the uncertainties caused by COVID-19 during the 2020-21 school year? What does the future look like? Join a leading national expert for this important conversation.

Missouri’s Teachers of the Year Panel Discussion

How are teachers coping? How is the virtual format affecting our students? Join our Teachers of the Year for this important conversation.

Women in Leadership Initiative Regional Networks

Working with members, MASA has developed a Women in Leadership Regional Network Program to provide an opportunity for women in central office leadership roles to meet informally on a quarterly basis. The program is part of MASA’S *Women in Leadership Initiative*. The focus of the networks is on relationship building and on women supporting women in their current and future leadership roles. Additional opportunities will be provided throughout the year for women to come

together to learn and grow together.

The regional networks are asked to gather virtually or in person quarterly. They plan to meet in August, October, February, and June. Specific topics are suggested for each meeting. In addition, the network may want to add topics that are specific to the needs of their members. Topics for this year include:

- August:** Communicating and Connecting with Your Community as a Female
- October:** Encouraging and Supporting Other Female Leaders
- February:** Budget

June: Loneliness and Balance

Special thank you to the Network Facilitators for the 2020-21 school year: Susan Crooks, Sharonica Hardin, Gretchen Guitard, Leslie Jones, Toni Hill, Amy Britt, Tonya Woods, Tennille Banner, and Sandy Steggall.

Currently, over 100 women in leadership positions have enrolled to participate in a network. Please contact Sarah Riss for additional information: sarah.riss@mcsa.org.

The Pandemic Journey

By Doug Hayter, MASA Executive Director

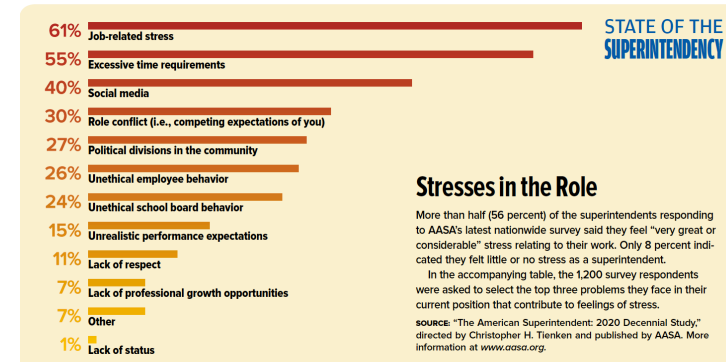
accordingly;
 *Focus on the “why” of good instructional leadership and your instructional program;
 *Build capacity in teachers, other leaders, and staff to help lead;
 *Give yourself grace. This is a unique time with unique challenges;
 *(Ans) Lead as needed . . .

Where does your school district’s COVID-19 journey begin? For those of us at MASA headquarters, it was around the second week of March. Yes, we were hearing news stories starting back in December 2019. By mid-January the virus started to spread beyond China; by January 21, the first case was confirmed in the United States; and by February 19 the virus was officially named COVID-19.

Like many of you, we knew that this was a serious health issue, but we were still grappling with how to best address the matter. On March 10 MASA announced that we would still be holding our annual conference, but

Let me begin my comments with a little prelude into our current situation. In a 2020 American Association of School Administrators (AASA) survey of the nation’s superintendents, they were asked what issues create the most stress for them?

As you can see from the graph below, there are a wide range of items listed. That said, the past six months and the Coronavirus pandemic relates to and has accentuated almost every one of the stressors mentioned!



How do you as school leaders deal with, manage stress, and stay focused? In an article in The Learning Professional (Frag, Becker, Orlowski, Cranston, Mahfouz, 2019), several key aspects are listed.

- *Connect consistently with other school leaders at the local, state, and national levels;
- *Take time to invest in your out-of-school relationships and interests;
- *Recognize stressors in your life, then find ways to reflect and respond

year has started. For some districts, the opening has been similar to past years, though with greater attention to school cleanliness and attention to CDC guidelines; other schools have had to open virtually or in some form of hybrid. And, unsurprisingly, nearly every decision has been questioned, second-guessed, or outright challenged. We could get angry about this, but we try to accept it because in most cases, people just want what is best for the children.

I've seen the ugliness that is sometimes on display on social media, but I have also seen stories that emphasize how much people care about their schools and those who work in the education profession. I've also watched as teachers, principals and administrators have worked to lift each other up.

Our pledge to MASA members is to continue to provide support and resources to help you be successful in your efforts. Whether it's a panel discussion on reentry plans, Zoom webinars provided by health professions, insights into the financial impact of state and local budgets, or just helping members network with their peers to let them know they are not alone, MASA is here for you.



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I Believe in Public Education – The Cornerstone of our Democracy and Fabric of Our Communities

Guest columnist, Karla Eslinger



I recall when Maynard Wallace, a long-time school leader, legislator and champion for public education, was presented an award and asked to say a few words. He walked to the podium, took a moment, and said all he had to say: “I support public education.” Best speech ever.

I too support public education. More so, I believe in it. My belief in public education is a foundational aspect of who I am and has motivated me to work tirelessly for children, for parents, and for my community. My belief has motivated me to lead school systems and to run for political office. I also know that throughout my career, the public has not always

shared my passion and support for public education.

I started teaching in 1982. That year, the *Nation at Risk* report was released. This report proclaimed our nation was in jeopardy due to the failure of public schools. Each year after, news reports were released that portrayed public schools as horrible failures. **But... that was never my school.**

During the past 40 years, I have seen a constant stream of various reform initiatives. As a result, we required state student assessments, the MMAT and then the MAP. We reformed the MSIP process to accredit school districts and changed the way we certify educators. We required all kinds of new things to monitor, measure, and incorporate into the school day. In addition to these reforms, we have experienced a push to privatize public schools through charter expansion and other initiatives that focus on the market of educating children. We have been reforming and working to privatize public schools for over 40 years. Despite these efforts, the general perception remains that public schools have failed.

By working together, we can tell the real success stories about my school and your school - about Missouri public schools, because **these are our schools.**

data and have witnessed success. I judge our public schools by my experiences, not by stereotypical perception. **This is what I know.**

Public education today is a testament to our communities, volunteer board members, educators, and students, who by working together and making decisions on the local level, have created student-centered programs and community partnerships that have resulted in success. Our educators facilitate learning and build trust and support throughout the community. Our students own their learning. **This is my school.**

COVID-19 has changed our daily lives in so many ways, and I believe there will be some long-lasting impacts to public education as well. I look forward to working with school districts to continue to give them the necessary tools to adapt to these changing times and to deliver a first-class education to all Missouri students.

By working together, we can tell the real success stories about my school and your school - about Missouri public schools, because **these are our schools.**

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Vote Like Your Life Depends On It!

Earlier this year, MASA urged all members to be sure to vote in the primary elections. Now the general elections are fast approaching. There are multiple statewide and national races and issues that will impact many facets of our lives including our profession. Please take time to exercise your civic duty either by going to the polls or casting your vote by other means.



MASA Gale Bartow Memorial Golf Tournament September 21, 2020

Be sure to register for the Annual MASA Bartow Memorial Golf Tournament, Monday, September 21, Lake Valley Country Club, Lake Ozark, Missouri. This year we are honoring past MASA presidents John McMullan (1991-1992) and Scott Downing (2015-



2016). Fees are \$90/person which includes green fees, cart, and a meal.

To register, go to www.MASAOonline.org and view under the Resources,

News & Publications > MASA News and Press Releases.

MASA President’s Report Better Together!

Susan Crooks, Superintendent, Leeton R-X School District



After 25 years in public education, I can honestly say these past six months have been the most difficult. I know for myself, trying to finish a school year in late June and plan for another one when I wasn't sure students would be learning within the school district or virtually, has definitely been a challenge. I read once that saying “I don't know” is sometimes the smartest thing one can say. Well, I must have hit genius status this summer. The one thing I do know is our network of current and retired superintendents are collectively the most collaborative and helpful individuals in education.

I do not know if I had ever attended a Zoom meeting before March, but when people talk about new norms, participating in virtual meetings has topped my list. Although there were weeks I felt I did nothing but join in virtual meetings, I was never so **thankful.**

- **Thankful** that we have an organization like MASA that linked so many superintendents together to share ideas;
- **Thankful** that we have retired superintendents that still care so much about public education that they'll share their thoughts and concerns and give us an open

forum for further discussions;

- **Thankful** we have amazing partnerships with lawyers, educational companies, and local businesses and organizations that allowed us to work together to come up with viable solutions for our staff and students;
- **Thankful** that our network of school administrators across the state strives to do the right thing for all students.

I am sure we would all agree that COVID-19 has changed our school systems forever. Striving for innovation and constant improvement has always been our goal, but continuing this during a pandemic greatly accelerates the paradigm shift. In six months we have determined how to open schools under various health and safety restrictions. We have communicated with parents and community members, developed plans, ordered masks and other PPE equipment, purchased additional technology, learned how to correctly sanitize facilities, set

up virtual platforms, provided professional development for instructional staff to teach virtually, built or purchased physical barriers, devised fun ways to say “stay six feet apart,” done further communications with key groups, and the list goes on all while continuing to take care of our “normal” summer responsibilities.

We all know this school year will be challenging. You as the school leader will be in the center of it all. The decisions that you make will please some and upset others. However, I have every confidence that schools will continue to provide safe and supportive learning environments for all students in all settings. Stand strong and believe in yourself to make the best decision for your students, staff, and community. Remember you have a great network of administrators to call on for support. Be sure to take care of yourself both physically and emotionally and know that we are all in this together.



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