



WattsLine from Repr. **Ralph Watts**

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national updates regarding legislative issues of constituent interest.

IOWA ASSOCIATION OF SCHOOL BOARDS

Last week, the press reported that the Iowa Association of School Board investigation would not result in any charges being brought against any of the employees or former employees of the association.

One might assume, as a result, that apparently everything is OK with the association and their activities. Having been involved on the House Government Oversight Committee while the IASB matter was being reviewed, I can say that the real story is something quite different. The committee assignments changed with the 2012 legislative session and I no longer serve on the Government Oversight Committee, but I still have a concern about issues related to IASB.

First, during the times the committee met, it was apparent from the beginning that we were being stonewalled behind various excuses ranging from Fed involvement to confidential employee contract issues, an unfinished audit etc., etc., etc. We were lied to by some of the former employees or they simply refused to answer any questions.

They were successful in dragging their feet, along with the majority party at the time, and not allowing the Oversight committee the time and funds to pursue the issue, until a new committee was put into place with the new legislative session. It would be unfortunate if the new Oversight committee failed to follow up and pursue some badly needed reforms related to this non-profit.

While some would consider the term of "non-profit" as being some sort of higher ethical level organization, the experience with CIETC, IASB, and others shows something quite different.

One common thread among non-profits seems to be that the boards are too often completely disengaged from the management process and, as a result, are ignoring their fiduciary duties. In the case of the IASB, the management deliberately built a wall between themselves and the board officers. The auditor that the board actually hired to perform an organizational audit was kept from communicating with the board by the executive director.

Their internal cash and expense control procedures were nonexistent. They had sloppy practices with respect to execution of contractual documents of the most basic nature.

The salaries of the management of the organization are grossly over-inflated, in my opinion. The executive director managed three employees in what became a 35 employee entity and she was getting paid well in excess of \$200,000 per year, plus full benefits. In order to justify the salary of the executive director, several others of the management were paid handsomely and, in my opinion, far in excess of the skills and training needed for the positions. The inflated salaries matched totally with their self-exaggerated value they consider themselves to be to the Iowa education community.

Since virtually all of their funds originate from taxpayer dollars through the dues paid to the organization from Iowa schools we deserve better accountability from them.

What needs to be done? The best way for the organization to be reined in is for local school boards to withhold membership dues until a clear vetting and accounting is made from the Association. If IASB ultimately fails as a result, it may result in a few headaches for a time but the schools will recover and will likely be better served as a result.

Again, we have been reminded that all too often the term non-profit doesn't necessarily mean "no profit", especially for the executives.

Legislative Forum

Please take some time to visit with us about your legislative concerns. This Saturday, March 19, Senator Behn and I will be at; Italian Villages in Adel from 9a-10a; Dallas Center Raccoon Valley Bank 10:30-11:30a.