



2025 WICPA SCHOOL DISTRICT AUDIT CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

HIGHLIGHTED TOPICS:



GASB UPDATE

Experts discuss threshold changes, testing and significant GASB updates



LEVERAGING AI IN PUBLIC FINANCIAL MANAGEMENT

Explore the basics of artificial intelligence and its transformative potential in public financial management



DPI UPDATE

Get the latest updates affecting 2024-2025 audits

THURSDAY, MAY 29 | WICPA CPE LIVESTREAM ONLY

2025 WICPA SCHOOL DISTRICT AUDIT CONFERENCE

MATERIALS AT A GLANCE

The following materials are from the afternoon sessions of the 2025 WICPA School District Audit Conference held on Thursday, May 29, including:

- Understanding & Mitigating the Ethical Risks of Using Generative AI
- Leveraging AI in Public Financial Management
- Legal Update: Hot Topics in School District Legal Obligations

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2025 WICPA GOLF OUTING

FRIDAY, SEPT. 19 – Ironwood Golf Course, Sussex



4-PERSON SCRAMBLE

\$95 per Golfer
\$380 for Foursome

REGISTRATION INCLUDES

18 Holes of Golf With Cart
Practice Greens & Driving Range
Continental Breakfast & Lunch
Beverage Vouchers
Hole & Event Contests
Entry in Prize Drawings
Awards Reception & Appetizers

SCHEDULE

8:30 a.m.
Check-In & Breakfast

9:00 a.m.
Practice Greens
& Driving Range

10:00 a.m.
Shotgun Start

4:00 p.m.
Awards Reception,
Prize Drawings & Appetizers

HOLE & EVENT PRIZES

\$1,000+ in Drawing Prizes
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\$500 Inside the Circle Contest

Scan the QR code or visit wicpa.org/GolfOuting to register.



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UPCOMING WICPA CONFERENCES & SPECIAL EVENTS



CONFERENCES

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Tuesday, Sept. 9
Brookfield Conference Center & WICPA
CPE Livestream

Not-for-Profit Accounting Conference

Tuesday, Sept. 16
WICPA Office & WICPA CPE Livestream

Tax Conference

Monday, Nov. 10 - Tuesday, Nov. 11
Brookfield Conference Center & WICPA
CPE Livestream

Accounting & Auditing Conference

Thursday, Nov. 20
WICPA Office & WICPA CPE Livestream

Accounting Technology Conference

Thursday, Dec. 4
WICPA Office & WICPA CPE Livestream

SPECIAL EVENTS

WICPA special events are unique opportunities to connect with fellow members and provide a great way to socialize and have fun!

New CPA Banquet

Friday, June 13
Brookfield Conference Center

Golf Outing

Friday, Sept. 19
Ironwood Golf Course

Bowling Night

Thursday, April 30, 2026
New Berlin Ale House

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* To receive free conference registration:

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- select topics
- contact speakers
- introduce speakers at conferences

2025 CONFERENCES Accepting Volunteers

SEPT.
9

BUSINESS &
INDUSTRY FALL
CONFERENCE

SEPT.
16

NOT-FOR-PROFIT
ACCOUNTING
CONFERENCE

NOV.
10-11

TAX
CONFERENCE

NOV.
20

ACCOUNTING &
AUDITING
CONFERENCE

For more information or to join, email tammy@wicpa.org.

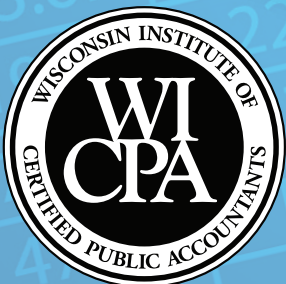


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12:20 – 2:20 p.m.

Understanding & Mitigating the Ethical Risks of Using Generative AI

John Higgins, CPA, CITP, *Strategic Technology Advisor,
Higgins Advisory, LLC*

Understanding & Mitigating the Ethical Risks of Using Generative AI



Set your browser to
HIGGINS.CNF.IO
For interactive polling
and Q & A

Presented By
John H. Higgins, CPA.CITP
Rochester, Michigan



Learning Goals

- Recognize the ethical dilemmas associated with generative AI applications that CPAs can encounter
- Identify practical guidelines for resolving these ethical dilemmas and mitigating the risks

Set your browser to

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For interactive polling
and Q & A

Presentation Outline

- Why AI Ethics is an Important Topic
- The Source of AI Usage Ethical Risks
- Review of the CPA Professional Ethics Framework
- AI Ethical Risks and Mitigation
- Guidelines for Using AI Ethically
- Wrap-up

What's
wrong with
this
picture?



WHY AI ETHICS IS AN IMPORTANT TOPIC?



“AI will probably most likely lead to the end of the world, but in the meantime, there'll be great companies.”

Sam Altman
CEO, OpenAI

“The new spring in AI is the most significant development in computing in my lifetime. Every month, there are stunning new applications and transformative new techniques. But such powerful tools also bring with them new questions and responsibilities.”

Sergey Brin

Co-founder Google

“What all of us have to do is to make sure we are using AI in a way that is for the benefit of humanity, not to the detriment of humanity.”

Tim Cook
CEO, Apple

THE SOURCE OF AI USAGE ETHICAL RISKS



The Three Levels of AI

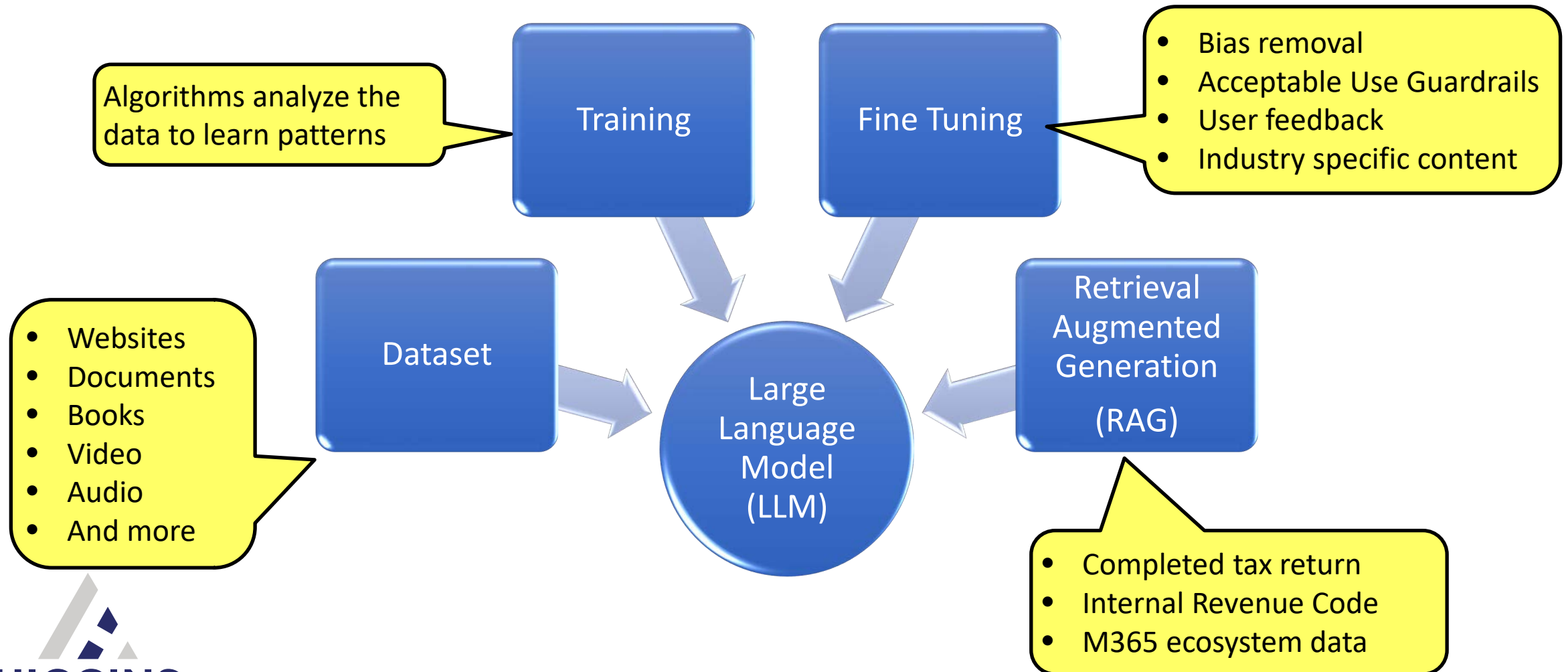
| Narrow AI aka Weak AI | General AI aka Strong AI | Super AI aka Artificial Super Intelligence |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Only form of AI that exists today• Limited to a defined task• Chatbots• ChatGPT | <ul style="list-style-type: none">• AGI – Artificial General Intelligence• Exists in theory only• Can accomplish new tasks without human training• Intellectually on par with humans• Current predictions are around 2030 | <ul style="list-style-type: none">• Exists in theory only• Think / reason / learn / make judgements• Cognitive abilities surpassing human beings• Understand human feelings and feel emotions• Develop own beliefs and desires• No consensus prediction on arrival timeline |

A Simple Generative AI demo

- ***Prompt:*** What is AGI?
- ***Response:*** AGI stands for Artificial General Intelligence.
- ***Prompt:*** In the context of income taxes.
- ***Response:*** In the context of *income taxes*, AGI refers to *Adjusted Gross Income*.

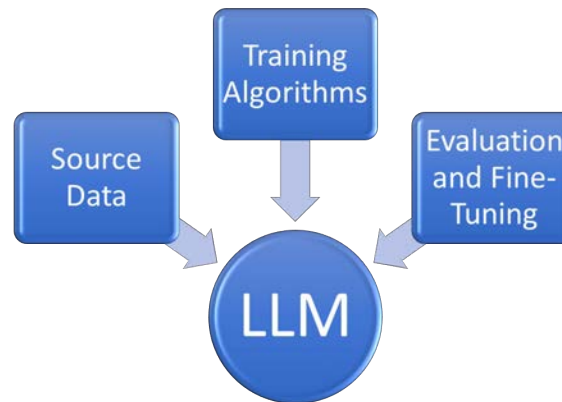


Building a Large Language Model (LLM)



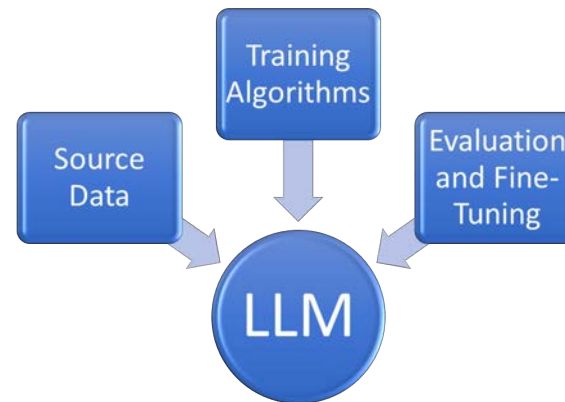
LLM Source Data Ethical Risks

- AI application developer determines the source of the data
- The source data will have inherent biases
- Source data may have copyright issues



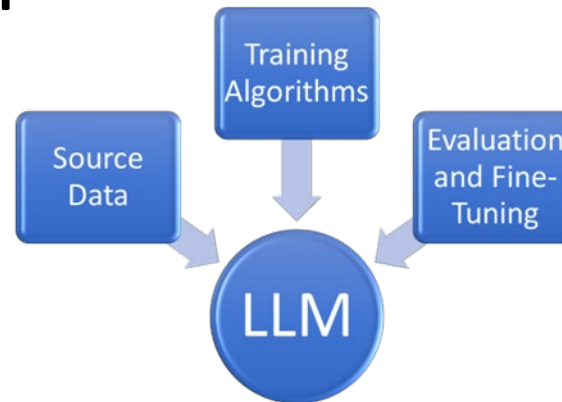
LLM Training Algorithm Ethical Risks

- AI application developer defines the algorithms that train the data
- Different weightings can be assigned to different classifications of data to remove / embed biases



LLM Evaluation and Fine-tuning Ethical Risks

- AI application developer defines the parameters of the “guard rails” to exclude/prevent inappropriate data
- AI developer defines “acceptable use” policies for user prompts



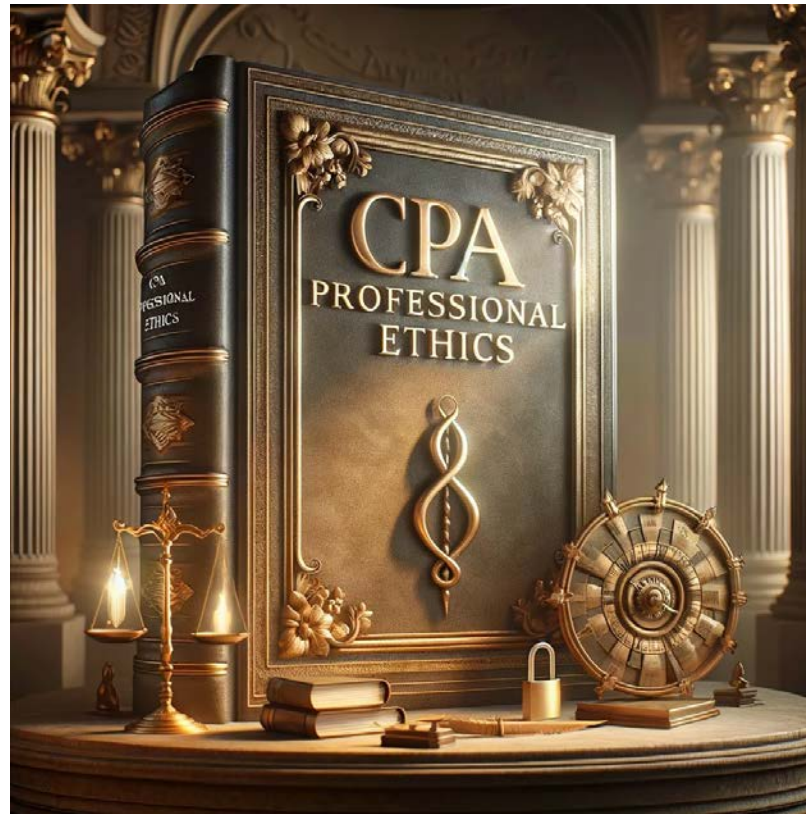
“Artificial intelligence is like electricity; it has application everywhere”

Andrew Ng
Co-founder Google Brain



Generative AI for Everyone

REVIEW OF THE CPA PROFESSIONAL ETHICS FRAMEWORK



AICPA Code of Conduct

- Adopted by members of the AICPA
- Provides guidance and rules for CPAs in their performance of professional responsibilities
- Disciplinary repercussions for failure to comply

Key Principles of Professional Conduct

- Act in the public interest
- Integrity
- Objectivity and Independence
- Due care



AICPA Code of Conduct
Full Text



ChatGPT Summary

Additional Regulatory Entities to Consider

- State Board of Accountancy
- SEC (Securities and Exchange Commission)
- PCAOB (Public Company Accounting Oversight Board)
- DOL (Department of Labor)
- GAO (Government Accountability Office)
- Federal, state and local taxing authorities

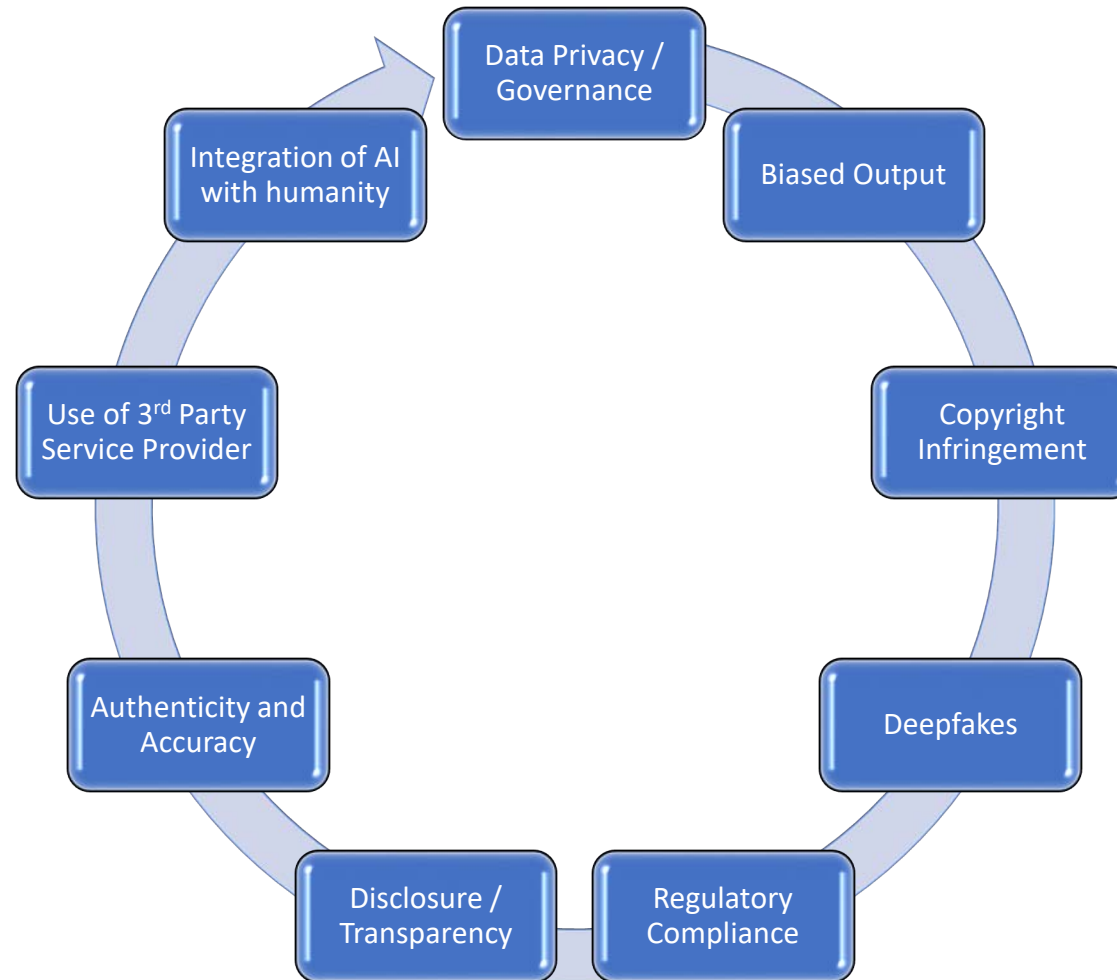
Government Accountability Office (GAO) AI Usage Framework

- [GAO AI usage accountability framework](#)
- *Data* – document sources / ensure reliability
- *Governance* – establish processes to manage, operate and oversee implementation
- *Monitoring* – Continuously monitor performance and document results
- *Performance* – Define metrics and assess performance and outputs

AI ETHICAL RISK AND MITIGATION



AI Ethical Risks



Data Privacy / Governance

Risk

- Prompt data, including RAG, may be passed over to the language model for training purposes
- User may unintentionally access company data for RAG due to weak data access controls

Mitigation

- Anonymize data by removing any entity or personal identifying information
- Audit internal data access controls to ensure users only have access to data they are authorized to access

Biased Output

Risk

- AI generated output may contain biases

Mitigation

- Scrutinize the output for objectivity and independence
- Include prompt data that specifically requests that any specific types of bias be prevented

Copyright Infringement

Risk

- AI generated output may have originated from copyright protected data

Mitigation

- Review the language model developer's policy regarding protections against this
- Investigate indemnification policy regarding copyright infringement litigation

Deepfakes

Risk

- AI generated content, including images, video and audio that convincingly depict real people doing or saying things they never did

Mitigation

- Educate your staff on this risk and how to identify a deep fake
- Establish a “zero-trust” mindset regarding online information
- Investigate deepfake detection tools

Regulatory Compliance

Risk

- Failure to comply with applicable regulatory rules, wittingly or unwittingly

Mitigation

- Identify regulatory and standard setting entities that you are required to comply with
- Monitor these entities continuously to identify applicable compliance requirements

Disclosure / Transparency

Risk

- Potential to impair your professional integrity by presenting AI generated output as if it is your original work

Mitigation

- Rely on your core ethics
- Consider the AICPA Professional Code of Conduct guidelines on integrity
- Stay tuned to professional standard setters for developments in disclosure requirements

Authenticity / Accuracy

Risk

- AI generated content may be inaccurate, or illegitimate content.

Mitigation

- Use your professional knowledge and judgement to assess the veracity of all output.
- Obtain citations or links to source data to gain confidence in the output
- Use alternative process to validate facts and figures, relative to dependence on the information

Use of 3rd Party Service Provider

Risk

- 3rd party may have a data breach, exposing confidential client data
- Clients may not be aware of their data being shared with a 3rd party service provider

Mitigation

- Ensure appropriate contractual terms are in place with 3rd party regarding data privacy
- Conduct appropriate due diligence with 3rd party; competence, history, systems controls (SOC2)
- Disclose 3rd service usage in client engagement letter

Integration of AI & Humanity

Risk

- Over reliance on AI to replace professional judgement
- Employees feel threatened about job security
- Employees lack the skills to use AI effectively and feel left behind

Mitigation

- Provide employees with comprehensive AI education
- Communicate your company's AI strategy clearly and continuously to keep your staff informed
- Develop and communicate an effective AI usage policy

Machines are getting more like humans



Humans are getting more like machines



Current Day Examples

- [Amelia](#)
- [HeyGen](#)
- [Figure 03](#)
- [Neuralink](#)

GUIDELINES FOR USING AI ETHICALLY



Guidelines for Using AI Ethically

Establish an AI usage policy

Educate your staff on AI technology and associated risks

Provide guidelines for submission of confidential and personally identifiable information (PII) into AI applications

Read and understand AI vendor data usage policies

Comply with applicable laws and regulations

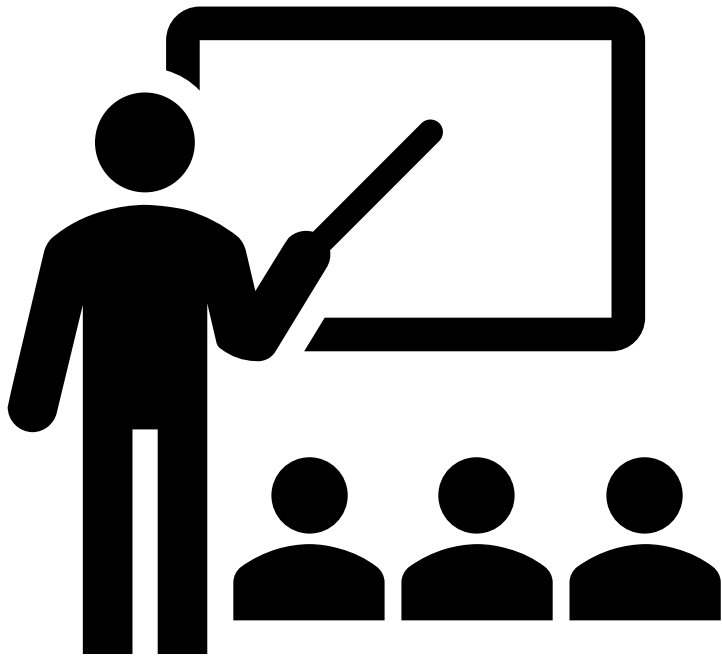
Additional Resources

- [Every company needs a corporate AI policy](#)
- [Sample AI Usage policy from Microsoft Copilot](#)
- [CPA.com generative AI resource center](#)
- [OpenAI Privacy Policy](#)
- [OpenAI Usage Policy](#)



Sample ChatGPT usage policy for
an accounting practice

WRAP-UP



In Summary

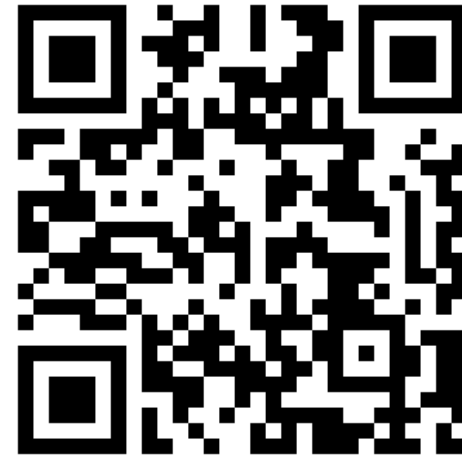
- There are many ethical implications associated with using generative AI technology
- Specific standards and regulations are currently limited
- Develop an AI usage policy for your organization
- Educate your staff on the risks of AI
- Stay tuned to regulatory developments and accounting standards
- Use your core ethics as your foundation to guide you!

Questions ?



Thank you!!!

Let's connect on LinkedIn →



2:30 – 3:30 p.m.

Leveraging AI in Public Financial Management

Brock Bowsher, *Principal, Baker Tilly Advisory Group, LP*

Ponce Duran, *Senior Manager, Baker Tilly Advisory Group, LP*



Leveraging AI in public financial management

May 29, 2025 | WICPA School District Audit Conference

Welcome and introduction



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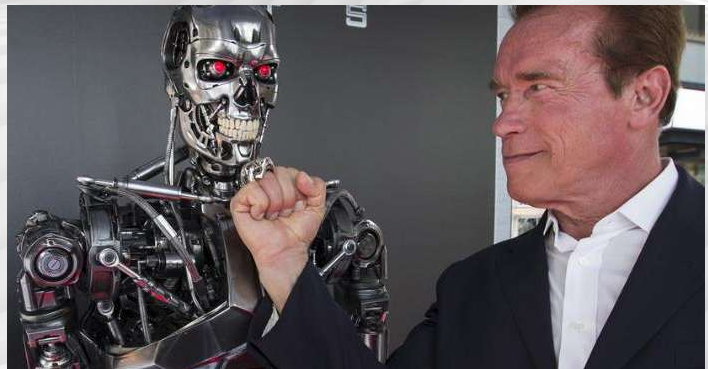


Agenda

- AI essentials
- Applications for AI in the public sector and in public schools
- Benefits and impacts of AI
- Beginning to assess AI readiness

3

AI essentials



Movie star AI after Skynet invasion of 1992

AI is really NOT this at all.

AI nomenclature



Intelligent process automation

IPA is designed to assist human workers by performing tasks that were previously performed by humans

Includes:

- RPA
- DPA
- BPA
- AI



Artificial intelligence

Ability of machines to perform tasks that typically require human intelligence:

- Learning
- Reasoning
- Problem-solving
- Perception
- Language understanding



Machine learning

Algorithms with the ability to learn without being explicitly programmed:

- Supervised
- Unsupervised
- Reinforcement



Deep learning

Neural networks automatically learn patterns and representations from large amounts of data.



Generative AI

creates new content—such as text, images, audio or code—by learning patterns from existing data.

AI quotes

“AI is going to change everything, but it’s going to be a partnership between humans and AI, not a competition.”

— Mark Cuban

“The key to success with AI is not just having the right data, but also asking the right questions.”

— Ginni Rometty

“AI will not replace jobs, but it will change the nature of work.”

— Kai-Fu Lee

“AI will be the most transformative technology since electricity.”

— Eric Schmidt

“By far, the greatest danger of Artificial Intelligence is that people conclude too early that they understand it.”

— Eliezer Yudkowsky

“I’m sorry Dave, I can’t do that.”

— HAL



Applications for AI in the public sector and in public schools

CASE STUDIES: AI IN THE PUBLIC SECTOR

School districts are using AI to solve common problems

Automating tasks

- AI generates complex financial documents
- Analyzing Excel spreadsheets in real-time
- AI agents automating AP/AR, HR and other administrative workflows

Making better decisions with data

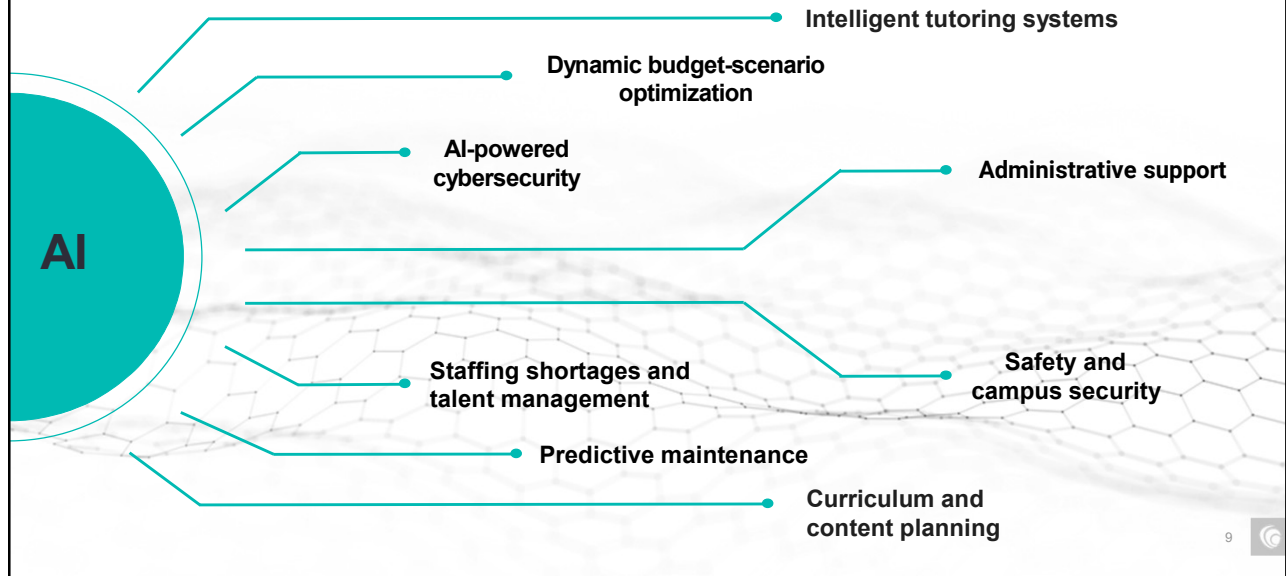
- Predictive AI models spot student needs before problems escalate
- AI-based enrollment and revenue forecasting help leaders decide when to build schools or hire staff
- AI and analytics make budgeting data-driven. By plugging district and state financial data into predictive models, finance teams get instant forecasts.

Enhancing Student Services and Equity and Improving Instructional Support

- Districts are deploying AI-based “counselors” and tutors to support students anytime
- Generative AI bridges language and ability gaps. Districts use AI translators and generators to customize communication and content.
- Teachers are developing creative lesson plans with AI assistance
- AI-powered tutoring platforms tailor learning to each student
- Some districts piloting AI to grade and review student work faster



Artificial intelligence use cases in public schools



Benefits and impacts of AI

CASE STUDY 1

Fulton County Schools (FCS) is the fourth largest school system in Georgia with +10,900 employees, serving 87,000 students across 104 schools.

Summary: Fulton County Schools adopted Microsoft 365 Copilot Chat to enhance student learning and reduce administrative tasks while promoting ethical AI usage and future career readiness.

- FCS formed an AI task force to evaluate +200 potential use cases for AI in education. After thorough evaluation, FCS decided to join a preview for students 13 and older for MS 365 Copilot Chat.
- FCS educators and administrators are also using Copilot Chat for lesson planning, student reports and action plans, as well as streamlining facility maintenance and capital planning.
 - For example, FCS fed facility condition assessments for its buildings into Copilot Chat. The tool helped staff create a prioritization list for the district's long-term capital plan. Copilot Chat condensed a process that typically takes nine to 11 months into only two or three days.

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CASE STUDY 2

A large public school district faced declining enrollment and increasing operational costs

Challenge: A large public school district faced declining enrollment and increasing operational costs.

- **Strategy:** By adopting a comprehensive budget analysis tool that integrated real-time financial data and predictive analytics, the district identified redundant expenditures and reallocated resources to critical programs such as STEM education.
- **Outcome:** Within two fiscal years, the district reported an overall savings of 12% while still improving educational outcomes.

Source: Numbers Analytics – Smart Budget Analysis for Modern Education

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CASE STUDY 3

Mt. Lebanon, PA & Spanish Fork, UT using AI-enabled platform to electronically process invoices

Summary: AI-enabled automation is streamlining financial processes in Mt. Lebanon, PA, and Spanish Fork, UT. Mt. Lebanon began using the Stampli platform in April 2022 for invoice coding and electronic processing.

- **Benefits and efficiency gains:** Invoice processing time reduced from a week or longer to just 1-2 days; Spanish Fork tasks from 12 to 1 hour
- **Implementation process:** Implementation started at the approval level to set expectations and clarify roles
- **AI regulation and policy:** Current use of AI in Mt. Lebanon is not for decision-making or full automation
- **Considerations for other municipalities:** Understanding existing enterprise resource planning (ERP) software is crucial when selecting new tools. Not all processes require automation; human insight remains valuable.

Source: *AI-Enabled Automation Streamlines Local Government Finance*, *AI-Enabled Automation Streamlines Local Government Finance*. November 8, 2023.

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CASE STUDY 4

New York City AI action plan

Summary: First of its kind for a major U.S. city, outlines seven key initiatives to responsibly harness AI for public benefit while mitigating potential risks. Through these initiatives, NYC aims to improve government services, operational efficiency and social equity while addressing concerns such as transparency, accountability and potential biases in AI technologies.

7-step initiative includes:

1. Developing a robust governance framework
2. Build external relationships
3. Foster public engagement
4. Build AI knowledge and skills in city government
5. Support AI implementation
6. Enable responsible AI acquisition
7. Ensure ongoing updates and progress reporting

Source: *The New York City Artificial Intelligence Action Plan*, [artificial-intelligence-action-plan.pdf](#)



3D LiDAR-derived image of midtown Manhattan. This image shows change detection of new buildings highlighted in red, using 2010 and 2014 nDSM LiDAR data. Detected changes were used in a Department of Finance pilot program to identify property assessment changes.

Source: NYC Department of Finance

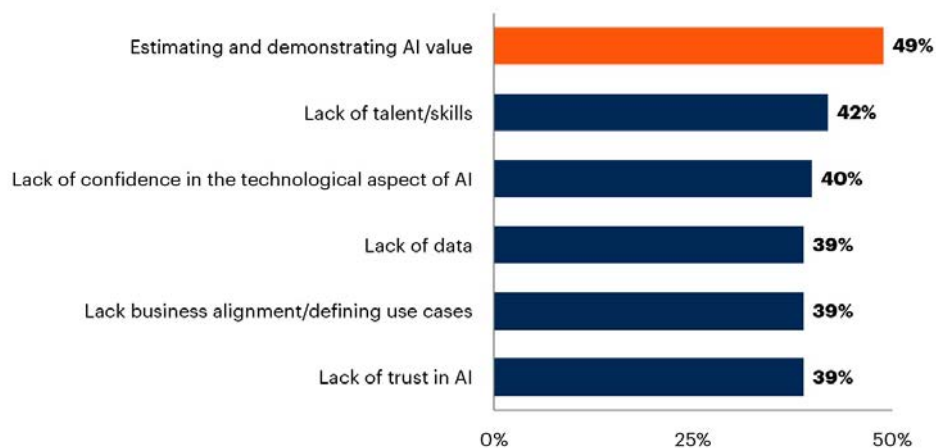
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Beginning to assess AI readiness

Top barriers to implementing AI techniques

Sum of top three ranks



n = 632, leaders highly involved in AI; excludes "unsure"

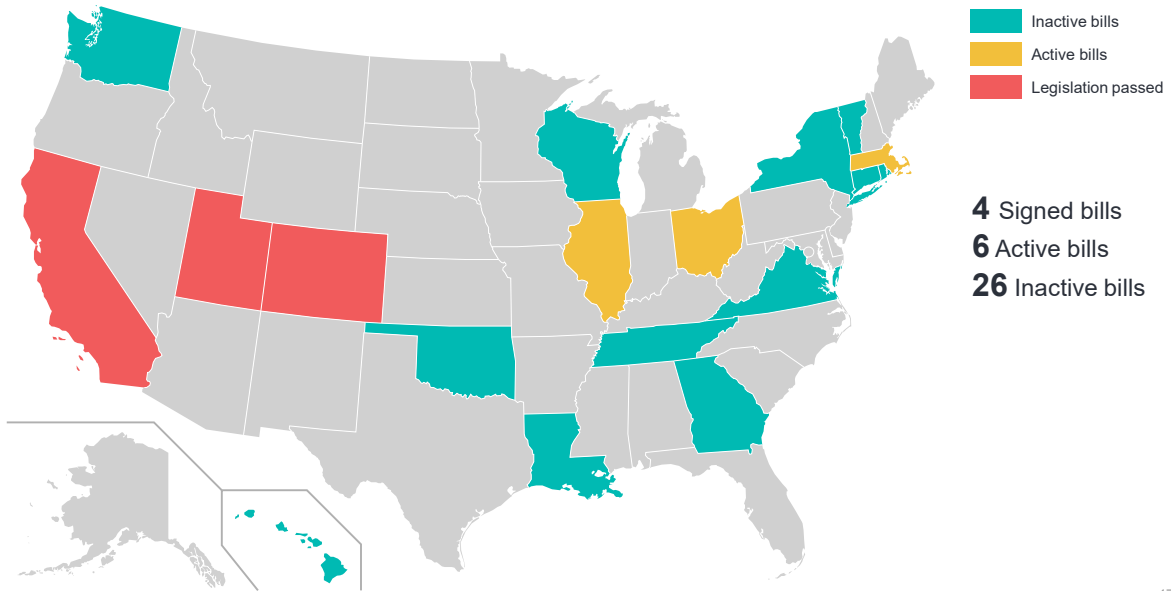
Q. What are or will be the top 3 barriers to the implementation of AI techniques within your organization?

Source: 2023 Gartner AI in the Enterprise Survey

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AI regulation is expanding



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AI READINESS

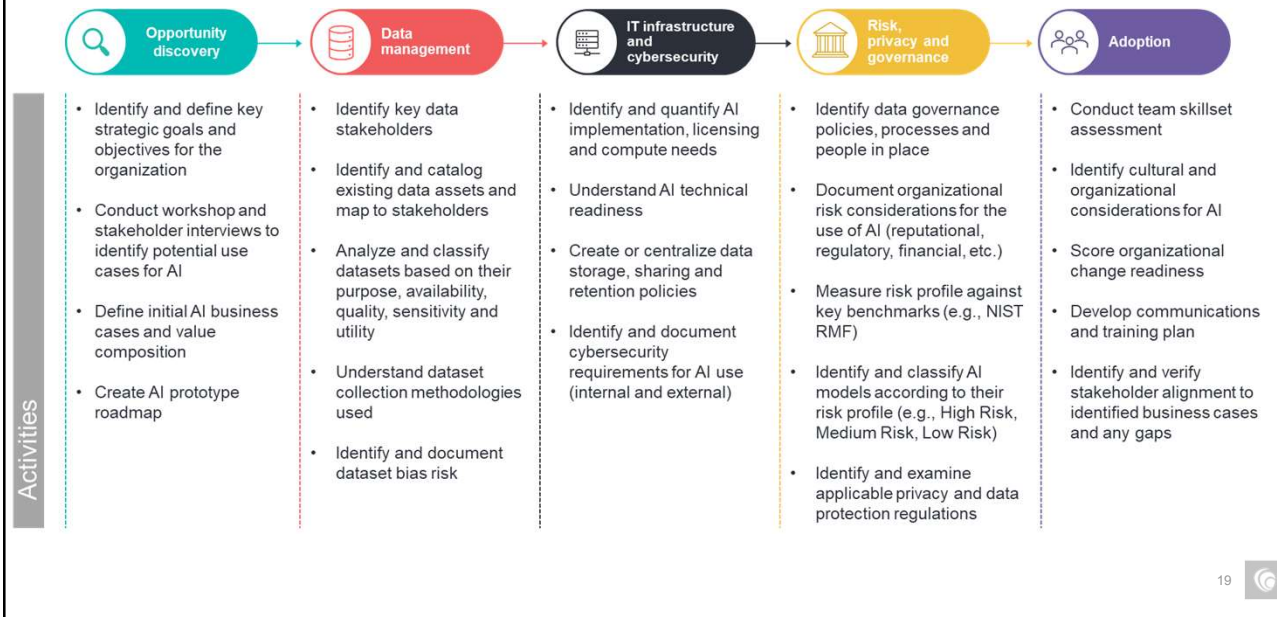
5 dimensions of AI readiness



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Getting started: AI readiness assessment



AI READINESS

Key questions to consider

- Do you possess the necessary financial resources for AI?
- Is there support from leadership for the AI initiative?
- Are there specific needs that AI can effectively address?
- Do you have an IT department capable of managing AI technologies?
- Are your staff/faculty members prepared and willing to implement AI in your organization?
- Is there appropriate governance and cybersecurity established?



Calls to action

- What are your organization's needs for AI? Make an AI readiness plan
- Pick clear specific targets for AI to solve and get an AI platform
- Begin pilot programs and pick point person or group
- Refine your AI's use/plan/functions and scale up
- Remember to check with legal and compliance
- Establish AI governance policy framework
 - e.g., City of Kirkland, WA: [Generative AI Use Policy – Kirkland \(2024\)](#)

Source: Harvard Business Review: How U.S. Cities Are Using AI to Solve Common Problems, Bitton, Mathis, Haas, Elizabeth and Hirshberg, Peter, How U.S. Cities Are Using AI to Solve Common Problems, December 3, 2024.

Questions? Stay in touch



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3:40 – 4:40 p.m.

Legal Update: Hot Topics in School District Legal Obligations

Laura Pedersen, JD, *Associate Attorney, Renning, Lewis & Lacy s.c.*

Chad Wade, JD, *Shareholder, Renning, Lewis & Lacy s.c.*

Legal Update: Hot Topics in School District Legal Obligations

WICPA School District Audit Conference

May 29, 2025

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Hot Topics in School District Legal Obligations

1. Growth of Charter Schools.
2. Potential Impact of Act 10 Reinstatement.
3. A New/Old Title IX Update.
4. Legal Opinions for Loss Contingencies to Auditors.

Growth of Charter Schools

▪ President Trump's January 29, 2025, Executive Order, "Expanding Educational Freedom and Opportunity for Families."

- Directs the Secretary of Education to issue guidance on "how States can use Federal formula funds to support K-12 educational choice initiatives."
- Directs the Secretary of Defense to submit a plan detailing how military families can use Defense funds to send their children to choice schools, including public charter schools.
- Directs the Secretary of the Interior to submit a plan detailing how families with students attending the Bureau of Indian Education Schools can use funds to send their children to choice schools, including public charter schools.

▪ White House Statement January 30, 2025.

- "President Trump promised during first term to "bring school choice to every family in the Nation."
- Invested \$1.5 billion to develop public charter schools, resulting in 7,500 charter schools, with more than 3 million students.

▪ Department of Education Statement January 31, 2025.

- "[I]n accordance with President Trump's Executive Order, the U.S. Department of Education today announced the withdrawal of two burdensome and misaligned Notices Inviting Application (NIA)," which "included excessive regulatory burdens and promoted discriminatory practices."
- "The Department is [] fast-tracking the release of \$33 million in [Charter School Program] grants... that were previously stalled by the Biden administration," to "support the expansion of high-quality educational opportunities for students and families."

▪ Financial considerations

- Legal
- Funding source

School Employee Unions

- In 2011, Wisconsin passed significant public sector labor reforms that restricted collective bargaining rights.
- Under Act 10:
 - Collective bargaining is limited to annual total base wage increases/decreases;
 - Public sector unions must recertify annually by secret ballot election;
 - Recertifying unions must receive "yes" votes from 51% of the union's membership.
- Post Act 10, the activity and influence of school employee unions varies significantly across school districts.

Current Act 10 Litigation

- Current litigation was filed by a collection of existing public sector unions
- Alleges that Act 10's distinction between general municipal employees and public safety unions draws an unconstitutional distinction amongst public sector employees and that the unconstitutional provisions cannot be extracted from the law.
- At least some legal pundits believe that the liberal majority of the Wisconsin Supreme Court will overturn Act 10.

Current Act 10 Litigation

- What does that mean for Public Sector School Districts?
 - Certification Elections.
 - The internal systems (school districts) and external systems (WERC) do not have the capacity to recertify and bargain all wage, hours, and working conditions in the short-term.
 - Labor costs (wages and benefits) will undoubtedly increase significantly in the short and long term.

Title IX Changes

January 9, 2025 – District Court in Kentucky issued an order vacating the 2024 Title IX regulations.

- Held that the U.S. Department of Education (DOE) exceeded its authority in expanding the definition of discrimination on the basis of sex to include gender identity and requiring school officials and employees to use “names and pronouns associated with a student’s asserted gender identity.”
- The vacatur permanently set aside the 2024 regulations.

President Trump’s January 20, 2025, Executive Order, “Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government.”

- Establishes that the policy of the United States is to recognize two (2) sexes and states that “gender ideology” is not synonymous with “sex.”
- Directs federal agencies to take steps to “end the Federal funding of gender ideology.”
- Directs AG to issue guidance to federal agencies to correct the misapplication of *Bostock v. Clayton County* (2020) (i.e., the United States Supreme Court decision that protects employees under Title VII of the Civil Rights Act of 1964 against discrimination on the basis of sexual orientation and gender identity).

Department of Education Statement January 31, 2025.

- Advised public school districts that the Department’s Office for Civil Rights (OCR) intended to enforce the Trump Administration’s 2020 Title IX Regulations.
- Stated, “[t]he department will be returning to enforcing Title IX protections on the basis of biological sex in schools,” and called “[t]he Biden Administration’s failed attempt to rewrite Title IX [] an unlawful abuse of regulatory power and an egregious slight to women and girls.”

President Trump’s February 5, 2025, Executive Order, “Keeping Men Out of Women’s Sports.”

- States that when educational institutions allow men to compete in women’s sports it is “demeaning, unfair, and dangerous to women and girls, and denies women and girls the equal opportunity to participate and excel in competitive sports.”
- Prevents institutions who receive federal funds under Title IX from “deny[ing] women an equal opportunity to participate” and charges the Secretary of Education with rescinding Title IX funds to such institutions.

Title IX Changes

Seventh Circuit Court of Appeals Case Law.

- *Whitaker v. Kenosha Unified Sch. Dist.* (7th Cir. 2017).
 - Transgender male student required to use a female or gender-neutral restroom.
 - The court held that the school violated Title IX.
- *A.C. by M.C. v. Metro. Sch. Dist. of Martinsville* (7th Cir. 2023).
 - Two school districts denied restroom and locker room access to students that were consistent with their gender identities.
 - The court held that the schools violated Title IX.
 - “Applying *Bostock*’s reasoning to Title IX, [the court] ha[d] no trouble concluding that discrimination against a transgender person is sex discrimination for Title IX purposes, just as it is for Title VII purposes.”

▪ **Wis. Stat. § 118.13(1)** states, “no person may be denied admission to any public school or be denied participation in, be denied the benefits of or be discriminated against in any curricular, extracurricular, pupil services, recreational or other program or activity because of the person’s sex, ... [or] sexual orientation...”

Legal considerations

- Athletic eligibility
- Restroom/locker room use
- Pronoun/name changes and parental rights

Financial considerations

- Legal
- Support services
- Instructional services
- Administrative services

Loss Contingency Opinion Letters

- Attorneys representing public sector clients are often asked to provide an opinion letter on potential loss contingencies for financial audits.
 - Client consent for disclosure.
 - Legal counsel may limit the scope of the response.
 - The scope of loss contingencies.
 - Limits on the Use of the Response.

Loss Contingency Opinion Letters

- Client Consent
 - The client's consent is required.
 - The letter request may not be sufficient.
 - Responses that require disclosure of client confidence or secrets, or the evaluation of a claim may require further consents.
 - Audit letters are not privileged. Thus, adverse parties may assert that an evaluation of potential liability is an admission.

Loss Contingency Opinion Letters

- Limited Scope of Response.
 - Limitations as to the scope of response must be stated in the opinion letter.
 - As to dates
 - Matters which have been given substantive attention by the lawyer.
 - If a firm, the auditor may assume that the firm asked lawyers currently in the firm who have performed services for the client during the audit period.
 - Matters that are considered material to the presentation of the client's financial statements.

Loss Contingency Opinion Letters

- Definition of Loss Contingencies:
 - overtly threatened or pending litigation, whether or not specified by the client;
 - a contractually assumed obligation which the client has specifically identified and upon which the client has specifically requested, in the inquiry letter or a supplement thereto, comment to the auditor;
 - an unasserted possible claim or assessment which the client has specifically identified and upon which the client has specifically requested, in the inquiry letter or a supplement thereto, comment to the auditor.

Loss Contingency Opinion Letters

- Limitations on audit response use:
 - Unless otherwise stated, the opinion letter is solely for the auditor's information in connection with his/her audit
 - It cannot be quoted or otherwise referred to in any financial or related documents, nor is it to be filed with any governmental agency or other person, without the lawyer's prior written consent.
 - However, it can be provided to a court to defend the auditor against a challenge by the client or a regulatory agency, if the lawyer is given written notice at least 20 days in advance or as far in advance as possible if 20 days is not feasible.

Thank You.

QUESTIONS?