

# MeASBO

The official publication of the Maine Association of School Business Officials  
Fall 2013

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# INSIDE MeASBO

## FEATURES

### 8-10 Presidential Q&A

MeASBO's Sue Lambert outlines her vision of an expanded role for the association in education.

### 20-23 Obamacare Slow Boat; HIPAA Fast Fines



Portions of the Affordable Care Act delayed, but others loom with possible 'enormous penalties.'

## COVER STORY

### 13-18 Natural Gas Conversions=Big-time Savings

The new fast-and-furious savings vehicle is giving school districts return on investment 'scary fast.'

### 17 Energy Savings Performance Contracts

One way to guarantee energy savings and funding.

### 18 Funding Sources

Federal grants and QZABs, state renovation funds among the possibilities.



## NEWS ... NEWS ... NEWS

### 5 Professional Development Expanded

MeASBO streamlines, adds to its educational programs.

### 7 Not Subscribed?

Technology Committee urges business officials to sign up for forums to get notified about data, information exchanges.

### 11 Laws Impact Foreign-Student Programs

Schools must be aware of the pitfalls and laws affecting recruiting, acceptance and implementation.

### 19 Student Transportation

Transfinder expert recommends money-saving moves.

### 27 Federal Grant Monitoring

As feds, MDOE tighten monitoring on federal grant compliance, MeASBO forms sub-committees.

### 28 Security and iPads

New technology expands 'vision' of troubles at schools to iPads wherever administrators are.



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## PRESIDENT'S MESSAGE

# Goal: Tap into the 'resource' of our members

What a beautiful state we live in! People flock to our mountains, lakes and beautiful ocean on their vacations, and we get to live here and experience them year-round. I just arrived back from a crisp, open-air Jeep ride, taking in the landscape and the beautiful autumn colors. Fall and the changing of the season always make me a bit philosophical about changes in my life: past, present and future.

As I thought about my first message to MeASBO members, the topic of change seemed appropriate.

MeASBO members are well-versed in dealing with change in the past, present and future: from account-number restructuring and consolidation to the present issues of school security and new federal grant guidelines to the possible future changes to EPS and the management of our health-care benefits under the Affordable Care Act (ACA).

We have endured lots of changes that we have learned from, and down the road we know there are many yet to be implemented.

How many have seen their role or duties change because of changes with our superintendents, IT directors, facility managers or special-ed directors?

How many of these changes involved extra duties or responsibilities (sometimes temporary, sometimes permanent), or changes with how we interact with the people in these roles?

How many of us have seen changes in recent years with our relationships with the towns in our districts and with their leadership?

We all have dealt with changes in the composition of our school boards or town councils and experienced how that can bring a whole new list of challenges and adaptations.

One thing that we as MeASBO members have in common is our ability to adapt and to conquer these changes. We haven't bolted for the door when an especially difficult change comes our way (although I am sure we all have fantasized about doing that a few times). We dig our heels in, we figure it out and we endure — sometimes in the face of reduced departmental, public and community support.

The more that I work with MeASBO members, the more I realize what an amazingly talented pool of people you are. Your experience, expertise, logic and critical thinking make us stronger as a whole than any single one of us could be alone. Your endurance to stay the course and to adapt to the constant challenges and changes make you



Sue Lambert

a valuable resource. Remember the old adage "It takes a village"? That is how I feel about some of the challenges coming our way.

One of my goals as president is to tap into that resource. We already have formed a committee of MeASBO members to work with the DOE to develop a Federal Grant Handbook.

We also need to create an ACA Committee to help work through the issues and suggest the best way to implement this act and discuss such impact areas as benefit negotiations, substitutes, capturing staff hours that were not previously tracked and many more issues that we have not yet discovered.

Please consider volunteering for the MeASBO ACA Committee. Each of you has a unique perspective to bring to the table. Thanks for your support of MeASBO, and please take some time to get out there and enjoy the beauty all around us. •••



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## Team approach urged on compliance

By Adam Hanson and Stacie Lowe Field

Staying in compliance with federal grant regulations and health insurance laws has never been a piece of cake for school business officials. And things are not going to get any easier.

Changes to federal grant monitoring and compliance, as well as major changes impacting school districts under the Affordable Care Act (ACA), were on the minds of MeASBO Executive Committee members as we gathered July 12 in Auburn to start mapping out the year ahead. Rather than watch each district struggle on its own to understand changes and implement new procedures, MeASBO plans to form sub-committees to study these issues and provide tools that each district can use.

More scrutiny and stricter guidelines are coming down from the federal government regarding grant management, including the requirement that each district have a grant procedures manual in place. MeASBO has already started forming a sub-committee to develop a manual template that can be used by all districts.

Additionally, we are planning to form a sub-committee early next year to tackle the new ACA provisions that will require each district to offer affordable health insurance to all employees working 30 hours or more. That sub-committee's focus will be interpreting these rules and devising a best practice that all districts can use to implement them.

In light of these and many other issues facing all of us, we have revamped our meeting schedule this year. We are adding an extra meeting in the fall and changing up the schedule in the spring to try to maximize membership attendance and involvement.

The September meeting in Augusta focused on fiscal compliance for federal grant programs. Heather Neal, fiscal review and compliance supervisor for the Maine Department of Education (DOE), discussed increased scrutiny being passed down from the federal government, and

the requirement that all districts have a grant procedures manual in place.

Heather has agreed to work with our sub-committee on developing this manual, and we greatly appreciate her assistance. (For more on the grant compliance topic, see separate article on page xx.)

For the first time in recent memory, MeASBO will hold an October meeting. To be held at Capitol Area Voc Tech in Augusta, we will focus on the Defense of Marriage Act (DOMA) and the Affordable Care Act (ACA). We will also review the recent "Picus" report and its suggested changes to the Essential Programs and Services (EPS) model. The afternoon will feature professional development focusing on understanding the ED 279 and school funding.

We will return to Freeport just before the holiday season with our November meeting to cover such topics as employee evaluations and an update on Mainecare/Seed Billing and Employee Evaluations. There will be no afternoon session, leaving people free to shop.

Looking ahead to February, we will cover legislative updates as well as student activity funds. Joanne Allen of DOE has requested we review student activity account management as several systems have had findings in their audit regarding these accounts. April brings us back to Bangor for a Chart of Accounts update and possibly an update by Tyler Technologies on the future of the Profund and Incode software. There will be no May meeting this year, as we know it is hard for members to attend both a regular meeting and the Tri-State Conference around the same time. By moving our final meeting of the year to June, we hope more of our members will be able to attend Tri-State and benefit from the professional development it affords.

We are working on something fun for the final meeting of the year in June. Stay tuned for more details on that as they develop. We have planned many excellent professional development sessions and will be in touch with details as those are finalized.

As always, consult the website, [www.measbo.org](http://www.measbo.org), for information and suggestions. We have a discussion thread just for future meeting topic ideas, so please visit the forum often to let us know what subjects you would like us to cover. We will be sending out surveys this year after meetings so that we can best serve your needs.

Finally, if you would like to express your creative side, please consider writing an article for this magazine. The more input we receive from members, the better our publication will be.

We look forward to a great year and hope to see you at our next meeting. •••



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# Professional development program streamlined, expanded

By Cathy Messmer

Feeling that some areas of the certification process were lacking, the Professional Development Committee has added two topics and streamlined a couple more.

A three-hour course on Auditing was added to the School Business Official III (SBOIII) level and a three-hour course on Ethics was added to all three levels of certification. In order to keep the total number of class hours the same, the committee combined the two technology courses that were offered and cut the Revenue, Expenditures and Budgeting course down from 12 to nine hours. It also lowered the number of electives needed for the SBOI level. By doing that the total class time did not increase for that level.

Auditing is a very important and integral part of our jobs as business managers. Since the audit is what we all work towards every year, the Professional Development Committee felt that it was very important to add Auditing to the curriculum. This new section will provide an overview of the annual independent audit process and outcomes. Areas of focus will include: standard audit communications, the nature of substantive testing, internal control testing, analytical review and compliance testing, the Maine Department of Education audit requirements, contents of the financial

statements, and the presentation of the audit to the School Committee. Criteria on how to select an audit firm will also be included in this session.

The Ethics course was added because we all have to work ethically but do we really know what is or isn't ethical? The panel felt we all needed guidance on how to meet that goal. The new course will create awareness of ethical issues in school organizations and ensure that you know the ethical course of action to take on the job. By the time this session is over, members should be able to recognize the importance of business ethics, understand the requirements of the law and ethics policies, identify ethical problems on the job, and make ethical decisions.

The committee combined the two technology courses because of duplication.

During its meeting, the committee reviewed all of the open applications and tallied up who needed what course so that we could provide trainings that were relevant to the majority of the applicants. That review led the panel to provide trainings on Purchasing, Revenue/Expenditures/Budgeting (the last 1.5 hours), Ethics, and Principles of Education/Instructional Program Evaluation.

*Continued on next page*

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## Join in legislative vigilance

By Jude Cyr

While the upcoming Second Regular Session of the 126th Maine Legislature is expected to focus on carry-over bills or legislation germane to topics addressed in the First Session, some new bills may be introduced. MeASBO members need to be vigilant and this is where Kathy Warren and I, MeASBO's legislative representatives, can help.

We encourage all our colleagues to register on the [www.measbo.org](http://www.measbo.org) and keep abreast of what's going on through the Forum called Legislative Update. The aim is to have one

source of information upon which members can rely.

In that one location, Kathy and I will disseminate information from the Legislature and provide a quick response. The Forum is a good place for people to review the issues and have that dialogue about them. Last year I had 100 posts apprising people about what was coming up, anything privy to me from the Maine Municipal Association and elsewhere.

The Legislature will convene on Wednesday, Jan. 8, 2014.

MeASBO members have an extremely vital role to offer within our school districts by maintaining a rapport with each other

and focusing on matters that will or could impede our individual school districts. Being vigilant is smart and could lead in our group offering or disseminating important information during the upcoming session.

It is apparent that communicating on important topics is all of our concerns, and using one portal to reach out, connect and have forum dialogue on major issues, makes common sense.

We will not use the Department of Education's List Serve; their hands are already full.

Meanwhile, members can also keep on top of legislation, hearings and schedules through the House website: [www.maine.gov/portal/government/legislature](http://www.maine.gov/portal/government/legislature).

## Improving MeASBO's prof'l development

*Continued from previous page*

The committee is still working to finalize trainings, presenters, times and locations. After the Oct. 18 meeting, Mike Cormier and Karla Miller will present a session on the ED279 and its components. This will complete the Revenue, Expenditures and Budgeting module that was started last spring. The training on Federal Grants from the MeASBO meeting of Sept. 20 will also be considered as part of the Revenue, Expenditures and Budgeting module.

A full-day training setup for the Principles of Education/Instructional Program Evaluation topics will be held Dec. 12 at the Green Ladle in Lewiston. Past trainings at the Green Ladle have all worked out quite well. The instructor for that session will be Tina Meserve, superintendent of RSU 16 (Mechanic Falls, Minot and Poland). Meserve taught these topics for MeASBO in January 2012 and did an excellent job.

The Principles of Education is a session that provides an understanding of the educational process, culture of schools, major learning theories, teaching methodologies, and school improvement. The Instructional Program Evaluation class is designed to help the business manager understand the components of instructional programs within the school district, planning and implementing program improvements, and analyzing economic factors associated with delivering and evaluating instructional programs.

For everyone who feels that teachers and administrators are talking Greek when they discuss learning theories or program evaluations, these two sessions will help.

The committee is working on having the Ethics training after the MeASBO meeting Feb. 7 at the Green Ladle in

Lewiston. At this point the intent is to have a panel consisting of an auditor, lawyer and HR professional present this topic.

The Purchasing session, expected to be held April 11 after the MeASBO meeting in Bangor, will consist of the basics of performing the purchasing function, including: related policies, the structure of a purchasing operation, reviewing contracts, electronic and cooperative purchasing, lease-purchase options, RFP vs. RFQ vs. RFB and "partnerships."

The instructors will be the five members of the Professional Development Committee who have a solid knowledge of purchasing. It is a challenge to set up all of these training sessions — figuring out who would be a good instructor, seeing if they are interested and available to teach the course. Often a good instructor is not available.

The committee currently has nine active applications and three business managers have completed the SBOIII level. Let's keep the momentum going. •••

## Professional development meetings scheduled

Oct. 18 — (PM – Augusta) – Revenue, Expenditures & Budgeting – Understandig the ED279/EPS with Mike Cormier, superintendent, and Karla Miller, MSAD 40.

Dec. 12 — (All day – Lewiston) – Principles of Education and Instructional Program Evaluation with Tina Meserve, Superintendent RSU 16.

Feb. 7, 2014 — (PM — Green Ladle in Lewiston) – Ethics, with a panel including an auditor, a human resources director and an attorney.

April 11, 2014 — (Bangor) – Purchasing, with MeASBO's PDC Committee presenting.

# Not subscribed? You won't get notified!

By Sue Lambert

Despite its continual updating and upkeep of the district forum, coordinating web-page updates with MeASBO's website designer, and work on an updated look for the MeASBO logo, the Technology Committee would like to get even more involved.

The committee wants to find a way to use technology to help members who live in areas that make it difficult to attend meetings. Finding a remote satellite site where groups could come together and attend via Tandberg or other remote communication systems has been on the panel's radar.

Not all details have been worked out yet to know if this is possible, but the committee feels it would be a great way to use technology to serve our members.

It is also important to report on new changes to technology and data management that impact most business managers.

New software developments that would impact a large percentage of our group, changes to data management for state reporting and other news in the technology and data management world are all areas where the committee can stay abreast and update the membership.

The Technology Committee is always looking for new members. If you like technology and are interested in playing a part in keeping the forum and website updated and posted with the latest information, we would love for you to join us.

Our goal is to find ways to keep technology working and improving communication for us as a group and also for individual MeASBO members in our respective jobs.

Technology helps us every day in our current positions. If you have a technology-related topic that you would like to see addressed or are interested in a technology-related topic, speakers or training, please

contact: [slambert@msad49.org](mailto:slambert@msad49.org).

**Forum Tip:** Subscribe to the MeASBO forums and sub-forums so that when someone posts a discussion you don't get left out. If you're not subscribed, you won't get notified!

To subscribe: Go to your member control panel (upper left) and then click on the Subscriptions tab. There you can subscribe to the various forums.

It takes a minute if you want to subscribe to all of them but it's only necessary once.

Having forum categories allows you to join the ones relevant to you, so if you do not have oversight of food service or transportation then you can choose to subscribe to all the others except those.

If you are familiar with RSS feeds and use those regularly, you also have the option to use RSS feeds (upper right of screen).

**Forum goals:**

- Providing up-to-date information on meeting dates/topics/speakers. As we finalize our schedule and our speakers, we

will update that information on the very top of the main forum page. If a date or location is tentative, we will mark it as tentative until we have finalized the facility rental.

- Uploading MeASBO reports (Treasurer's Report, Agenda, Minutes, Proposed By-Law Changes).
- Maintaining an up-to-date membership contact list available via the forum.
- Uploading documents/handouts/presentations from our meetings.
- Uploading the latest dates/training list from our Professional Development Committee.
- Providing an area where members can discuss pertinent issues, suggest meeting topics, share and upload documents and ask questions of the Executive Committee.

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# President Sue Lambert Sees Expanded MeASBO Role in Education

**S**ue Lambert took the fast track — you could call it the Bullet Train — getting to the presidency of the Maine Association of School Business Officials

(MeASBO) and she intends to be an able engineer. Or make that “conductor,” like the leader of an orchestra getting the best out of a talented cast.

Succeeding the popular Charlie Richardson as business manager of SAD #49 in Fairfield, she soon became involved with MeASBO, serving on its Executive Committee, then serving through the various officers’ posts before taking the presidential reins this summer.

She took a few minutes out of a busy work day to talk with MeASBO Editor Mark Leslie for the following interview:

**MeASBO:** When the MeASBO Executive Board met this summer what were the major points of discussion?

**Lambert:** We talked about forming some temporary committees for current objectives and issues. We have ongoing committees for Tri-State ASBO, legislative issues and professional development and they are all active and play important roles for us. But issues arise like the Affordable Care Act and the state Department of Education [DOE] making changes concerning federal grant monitoring and auditing. All our districts are going to be required to create a handbook for federal processing. Rather than 200 or so of us all working on something individually, we decided to form a committee to do the majority of working through the issues and creating a template. That template will work for most of us and only require minor tweaking on a district level.

The idea was to also include a representative from the state on that committee — someone from the DOE so that what we come up with complies with what they need. So we’ve asked for volunteers for that committee, which will include one state employee and several MeASBO members.

These may be temporary committees for just one project and we felt the handbook was just one such area of need.

We also thought about the Affordable Care Act needs.



How to implement it, what about substitute teachers, what about coaches. These implementation questions face all of us so we thought a committee could work together and talk through the pros and cons and devise best practices for implementation of the Affordable Care Act to keep us from being subject to penalty. That’s the next committee we plan to recruit for.

I will be sending out an email and by the next meeting we will have a good base started for that committee.

We talked about having some speakers at meetings to do with HR [human resources]. A lot of HR

issues come up. In schools HR is scattered. Administration tends to advertise, interview and hire, and then when people are hired, central office takes over with benefits and maybe some training. We feel there’s a need to have someone speak on HR issues.

We talked about changes to DOMA [Defense of Marriage Act] and how it will impact our health insurance, eligibility and 125 plans — whether the deduction will be pretax or not; Rob Nadeau from Drummond and Woodsum law firm will speak on those changes.

**MeASBO:** As MeASBO president, do you have a particular goal, or two or three that you want to accomplish?

**Lambert:** The biggest goal is to create the subcommittees to address important changes for all of us. We also talked about adding a sixth meeting because sometimes it’s hard to cover all the subject matter we’d like. We have a wide range of members and some don’t deal with all the aspects; some cover IT, some cover food service, or transportation, and some don’t. So when we get speakers we try to address the majority of people. By having a sixth meeting, we can perhaps add something we’re missing, add more options for people that relate specifically to what they do.

We also changed dates in the spring. We used to meet in January, March and May. We find that January is a very busy time; it’s calendar year-end. So we bumped that meeting to February and the others to April and early June.

That also means we’re not meeting the same month as

the Tri-State ASBO Conference. For some of us it's hard to get out of the office one or two days a month, let alone three. And we want to encourage people to attend Tri-State.

I wanted to employ a way to get feedback, so we've already implemented an electronic survey after each meeting to find out how people rated the location, subject matter and speakers; and ask what other topics they would like to see addressed. The survey is easy to complete and is automatically compiled.

We'll keep our last two meetings unspecific for now because as business managers everything is subject to change and as things come up; it will keep those dates open for any last minutes legislative or other changes that we need to respond to.

**MeASBO:** What particular strengths do you bring to the MeASBO presidency?

**Lambert:** I typically am the type of person to want to investigate to come up with a plan and go through the steps to make it happen. Like other business managers, we don't throw up our hands and panic. I constructively attack the issues and am willing to ask for help. I will never say that I can do it all. There are a lot of talented, educated and experienced business managers out there. When faced with a problem, let's form a committee, combine all these assets and get something useful out of it.

**MeASBO:** What are the major challenges facing school business officials today?

**Lambert:** The biggest, obviously, are the budget reductions. Those are the hard things, especially when dealing with staffing reductions. Those are hard issues to deal with and they don't feel very good. The other thing is changes in regulations like the Defense of Marriage Act. Basically, business managers have a steep learning curve. Most things that come our way have to be done quickly and we have to have the ability to learn what we can and put it into place, often with short notice. Regulatory and

compliance issues are another challenge. HR [human resource] functions are getting more and more complicated and my office is charged with tracking more and more things every year. Some districts now have a central registrar who keeps staff & student data up-to-date. We're doing more with training, tracking Hepatitis B shots, the new federal grants, and new inventory requirements— simply a lot more tracking with the same amount of staff.

Heather Neal of the Department of Education told us at our last meeting that no longer is the grant manager doing the grant work while the financial manager plays a small role; they want us to increase our involvement.

Also, safety and security is huge right now and we're charged with finding the funds to make schools as safe as we can get them.

**MeASBO:** What can MeASBO do to address those challenges?

**Lambert:** Our role is to educate our members about the harder issues, bring in speakers who work in that industry every day, or who have the training and knowledge to help us with that steep learning curve and get us up to speed on those things — speakers who can educate us as the best way to go about it and what to

avoid.

We have a lot of people signed up on our web site forum, discussing several different topics. Most conversation has dealt with legislative issues and finance. Food service, facilities and transportation are all topics, but the majority of our conversation happens around those two issues. The legislative issues often have a short-term panic effect and sometimes do not end up being passed. MeASBO, by being aware, can have an impact and give feedback to the legislators and committees involved that make the laws

Every year Maine School Management gives us an update on what we should be aware of coming our way in the Legislature.

**MeASBO:** Are there any new ways you and your colleagues have found to save money?

**Lambert:** Here at SAD 49 we are pursuing a conversion to natural gas. Two or three years ago we did an energy-management lease-purchase: boiler, energy-efficient lighting, & other changes to save money on energy. They're laying a natural



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gas pipeline through the area and it goes right by our high school-junior high complex.

Where else can we save?

There are limited areas. Seventy-five percent of our budget is salary and benefits, which are negotiated and you have to be competitive to keep your staff. Health insurance has gone up so much since I started working here and a lot of people don't realize the full cost of a family plan.

There are some districts that have a clause that if their spouse has insurance they need to take their insurance plan.

We pay 100 percent of a single person's insurance and this year the full cost of a family health insurance plan is over \$21,000 and we pay 60 percent.

I'm hoping to do more surveys of relevant issues to see what our members are doing; pull together information about districts of similar size and in similar economic areas. Pulling together that information could help each of us. It's similar to benchmarking that is done in the private industry. It seems like we should be doing more benchmarking.

**MeASBO:** What do you hope will be the major achievements of your term as MeASBO president?

**Third initiative: form a committee made up of business managers and DOE staff for evaluating and confirming major financial moves and initiatives**

**Lambert:** A strong teamwork environment, where we work together to solve our issues. That's what I'm hoping those temporary committees accomplish: help us solve problems as a group with our combined expertise and knowledge.

**MeASBO:** If you were Maine's Education Commissioner or Queen

for the Day, what would be the first three things you would do?

**Lambert:** Well, a Queen could provide unlimited resources; doesn't that make all the difference in the world? Being Commissioner for the Day comes with the constraints that a Queen just doesn't even feel.

My top three things I would do if commissioner from my business manager perspective are:

1. Recognize and respect what business managers bring to the table.
2. Agree to attend one MeASBO or Tri-State meeting a year.
3. Form a committee made up of business managers and DOE staff for evaluating and confirming major financial

*Continued on page 24*



## Driving High Performance Schools

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### How to get started:

## Foreign students at public schools

Michael J. Murray, Esq.

The past decade has seen a marked upswing in the number of public high schools in Maine establishing foreign student programs. More than 15 schools have set up such programs and more than half of them were established in the past three years. The trend can be attributed to a growing awareness regarding the numerous benefits these programs can bring to a school, both culturally and financially.

Historically, foreign student placements were arranged via third-party cultural exchange programs such as the Rotary Club or the Council on International Educational Exchange using the J-1 Exchange Visitor Visa.

However, the current trend is for schools to become the direct sponsor of foreign students using the F-1 Student Visa.

A school must take certain procedural steps to become a certified foreign student sponsor and obtain visa clearance for foreign students. Also there are legal limitations and compliance matters inherent in the process.

### The Process

The federal government's Student and Exchange Visitor Program (SEVP) governs oversight of foreign student spon-

**Although recruitment agencies are usually beneficial to the process, schools are advised to vet the companies carefully as there may be little to no regulation of recruitment practices in the foreign country.**

sorship and visa issuance. SEVP is jointly managed by the Department of Homeland Security and the State Department.

To be approved for foreign student sponsorship, a school must file an I-17, Petition for Approval of School for Attendance by Nonimmigrant Student with the Department of Homeland Security. The petition will solicit information and documentation to prove up the school's bona fides as a licensed academic institution. The petitioning process will also include a site inspection and interview component.

A representative from Immigration and Customs Enforcement will schedule an onsite inspection to confirm that the school has the facilities and academic resources to host foreign students and will also question the school official tasked with managing the program as to his or her knowledge of the

regulations and procedures related to foreign student sponsorship.

Once approved, the school may immediately begin sponsoring foreign students. The school must identify one or more Designated School Officials who will manage the foreign student program and interface with the government via its on-line program management platform known as the Student and Exchange Visitor Information System (SEVIS).

The dual purpose of SEVIS is to facilitate visa issuance to foreign students and closely monitor the immigration status and physical whereabouts of each foreign student who enters the United States.

The school must use SEVIS to inform the government of its intention to sponsor a student, process necessary visa documentation, and regularly report the academic and immigration status of each sponsored student.

Schools generally identify foreign student candidates with the assistance of recruitment agencies located in the student's home country. These agencies will also assist the foreign student through the visa issuance process at the U.S. Consulate abroad.

Although these agencies are usually beneficial to the process, schools are advised to vet the companies carefully as there may be little to no regulation of recruitment practices in the foreign country.

The school will use SEVIS to issue a Form I-20, Certificate of Eligibility, which will form the basis of the student's visa eligibility and U.S. immigration status upon arrival. The student will present the Form I-20, along with a host of other supporting documentation, to the Consulate and to Customs and Border Protection at the Port of Entry.

Finally, the school will confirm the student's arrival and registration for the academic term. For the remainder of the student's visit in the U.S., the school will be responsible for closely monitoring the student's whereabouts, academic performance, and immigration status and will be required to report these items to the

government via SEVIS.

#### **Legal limitations**

Special legal limitations will shape the scope of a foreign student program at a public high school. A federal statute restricts the attendance of a foreign student at a secondary school pursuant to an F-1 visa to 12 months, or, effectively, one academic year.<sup>1</sup> This limitation does not apply to private schools.

Also, the student and his or her family are legally obligated to pay the school for the full, unsubsidized per capita cost

of providing education at the school for the period of the student's attendance.<sup>2</sup>

Proof of this full-cost reimbursement is a pre-condition to issuance of the F-1 Student Visa. The one-year limitation significantly restricts the scope of the school's sponsorship. However, even one year of cost reimbursement per foreign student will significantly benefit the school financially.

Federal regulations detail a number  
*Continued on page 26*



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From Randolph, above, to southern and central Maine, natural gas lines are being installed more quickly than some people can imagine.

## The new ‘fast and furious’: natural gas

By Mark Leslie

In an era where few places exist to save money, with 75 or 80 percent of the budget locked into salaries and benefits, here comes the cavalry: conversion to natural gas heating.

“It’s going as fast and furious as it possibly can,” said Doug Biggs, area sales manager at Siemens Industry Inc. in Scarborough. “Gardiner schools thought they’d have to wait three years for natural gas and all of a sudden it’s there.”

“If you can get [natural gas], you can’t convert fast enough,” said Chris Brook, director of field management for Competitive Energy Services in Portland.

His colleague, Senior Vice President Andrew Price, added, “There’s a lot of interest and it’s picking up speed. That coincides with significant expansion of the natural gas pipeline in the state. All the utilities are expanding their systems — undergoing significant build-out. That means a lot more schools are getting or planning access to natural gas pipelines.”

Alan Kochis, business manager for the Bangor School Department which has converted nine of its 10 schools to natural gas, said he’d convert the 10<sup>th</sup> “in a minute, a heart-beat” if a pipeline were available to it.

“When schools can cut their fuel bill by 40 percent, they’re interested,” said Chris Green, president of Mechanical Services, heavily involved in the action with offices from Portland to Presque Isle. He added that he’s been involved in projects whose payback periods are as short as six months, though for large buildings it’s commonly a couple of years.

**‘It [savings] is unbelievable. It’s there and it’s non-stop... Obviously it’s a low-hanging fruit.’**  
**— Joe Perryman, facilities director**  
**Lewiston School Department**

“It’s at least a two-fold win, based on the efficiencies of new equipment and the conversion of a better value per gallon right out of the gate,” said Siemens’ Area Sales Manager Doug Biggs.

School business managers and facilities directors confirm all the positives of conversion to natural gas and can’t name a single negative unless it’s that of perceived safety issues.

“It [savings] is unbelievable. It’s there and it’s non-stop... Obviously it’s a low-hanging fruit,” said Joe Perryman, facilities director for the Lewiston School Department, which has converted the high school, middle school, six elementary schools and the culinary arts building over the last several years.

SAD #11 in Gardiner might have the answer to the question: “What is the reverse of ‘sticker shock’?”

Business Manager Andrea Disch expects it to take only 9-1/2 months to recoup the \$100,000 cost of natural-gas conversions this fall to its high school, middle school and Laura E. Richards School.

Disch said when a decision is made on converting the

**“The payback period is ‘scary fast. My expenses for this year, going from no. 2 to natural gas and efficient burners, are at about \$302,000 less per year. And that’s forever.’  
— Jude Cyr,  
Auburn School Dept.**



district’s other four schools, it will be “a no-brainer.”

Windham Facilities Director Bill Hansen, who arrived in 2009, two years after the city’s schools were converted to natural gas, declared, “This has been an immense advantage for us ... Payback is constant and huge.”

Hansen pointed to last year’s natural-gas cost of 60 cents a therm (100,000 BTUs) plus services charges, delivery costs, etc. that put the total price at 97 cents.

“A gallon of heating oil puts out 130,000 BTUs, so it takes 1.3 therms to equal a gallon of heating oil,” he said. “That [comparison] ends up being \$1.26 a gallon for heating oil. I’d love to buy heating oil for \$1.26 a gallon.”

Hansen added that while an oil-fired boiler starts up clean and the efficiency gets worse, a natural gas boiler will run a much higher efficiency.

In Bangor, where natural-gas conversions began four years ago, Kochis reported close to a one-year payback for the \$804,710 cost of the boiler and burner changeovers and an eight-year payback for the total \$7.5-million outlay that included wide-ranging improvements in the department’s energy infrastructure.

“When we were burning oil at all 10 schools our average usage was 300,000 to 350,000 gallons of No. 2 oil a year,” Kochis said. “At 325,000 gallons at \$3.50 a gallon, we were spending over \$1 million a year in fuel oil. Our energy bill for the year just ended, including the fuel at [the un-converted] Downeast Elementary School, was \$375,000.”

Jude Cyr, business manager for the Auburn School Department which has spent \$852,000 in the last 18 months to install new boilers and boiler conversions at nine of its 10 schools as well as the transportation/facilities building and Auburn Hall, said the payback period is “scary fast. My expenses for this year, going from no. 2 to natural gas and efficient burners, are at about \$302,000 less per year.

“And that’s forever.”

Payback for Auburn: 2-1/2 years.

In Augusta, where the cost of conversion as well as improvements to the energy infrastructure at Cony High School and the Voc Tech School has come in around

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\$500,000, Director of Business Kathy Casparius predicted “a fairly quick payback.”

Quick enough to encourage the department to do four more schools as soon as “next year, hopefully,” Casparius said.

At the Brunswick School Department where all its schools were converted several years ago, Business Manager Jim Oikle simply said, “Natural gas has been great. We expected it would be worth our while and we’ve always figured it has been.”

In South Portland, where a massive \$43-million high school renovation is being finished after natural-gas conversions at Skillin Elementary and Memorial and Mahoney Middle Schools, Business Manager Rafe Forland predicted a five-year Return on Investment.

Price, of Competitive Energy Services, said, “We’ve seen paybacks measured in months — that is for burner conversions — or from one to three years for a full boiler plant. But it’s still fairly quick.”

Basing his figures on the recent renovation at Biddeford High School and projected savings for South Portland High School, Clifton Greim, president of the architectural and engineering firm Harriman in Auburn, said, “The cost savings we have seen is between 50 and 65 cents per square foot (depending on the technology being used).”

Auburn’s Cyr noted that schools are in an era where there are few places to save money and natural gas is a big cache.

“Eighty percent of our budget is locked in [to salaries and benefits],” he said. “Saving on pencils and pens isn’t going to cut it for you.”

#### **Besides Savings, There’s...**

In addition to the continual savings in the cost of the fuel, Lewiston’s Perryman said, “It’s such a clean burner, the maintenance is much better. It’s like day and night. You don’t have oil. You don’t have anything.”

Mechanical Services’ Green agreed. Asked to list the negatives of natural

gas, he said, “Actually, gas is cleaner for the environment than burning oil. Typically, gas-burning equipment needs less maintenance.

“Also, while the burners are about the same size, you don’t need an oil tank.”

Saying that Auburn’s Washburn School underwent a boiler replacement to natural gas eight years ago, Cyr said, “There are other residual savings in the operations piece as well as just the maintenance savings. Washburn experienced less wear-and-tear on the boiler and burner because of its cleaner burning, so there is less to do when

the boiler man does the annual cleaning.”

#### **Where and When Available**

The speed that pipelines are being expanded has astonished some.

Gardiner’s Disch said that at a meeting in February, natural-gas delivery companies thought Gardiner would have to wait three years for availability.

“So we started discussing other alternatives — wood chips, pellets, propane,” she said. “The next thing we knew they were digging up the streets and laying pipe. We did a com-

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Some are using compressed gas "as a bridge until the utilities bring natural gas to the street. In some places that bridge is one or two years; but in northern Maine it might be 10 or 20 years."  
 — Chris Green, president  
 Mechanical Services



look at compressed natural gas, suggested Green.

Xpress Natural Gas of Baileyville in Washington County and Global Partners of Bangor both operate compressed gas stations and truck it distances "if the quantity is large enough to justify it," said Brent Dudley of New England Energy Solutions, pointing out that Aroostook Medical Center in Presque Isle uses it.

Green pointed out that some people are using compressed gas "as a bridge until the utilities bring natural gas to the street. In some places that bridge is one or two years; but in northern Maine it might be 10 or 20

plete 180 and decided to look at financing burners."

"Gas lines are in areas they've never been before," said Biggs of Siemens. "They're all over the place. They're looking at Falmouth, North Yarmouth, Cumberland and Augusta. They're looking at running new pipelines all the time. They're being driven by Summit and Maine Natural Gas, who are subbing out the work to different companies to run these pipelines. They're trying to sign up large-based customers and branching off from them. It's like running a pipeline to BIW [Bath Iron Works] a couple years ago and taking off from there. You might find a large school or business and from there move forward to grab other businesses and residential developments."

Normally the school district contracts with a supplier, agreeing that if the company installs a natural gas pipeline to the schools, the district will pay that supplier for the distribution.

Regarding supplies of natural gas, the U.S. has ample reserves but in places too distant to help Maine in the near future. But Canada is opening new fields in addition to Deep Panuke and the Sable Islands off Nova Scotia's shore.

Areas of Maine where natural gas is not yet available may

years."

"If they're a big facility it makes sense," Green said. "By 'big facility' I mean one that uses 85,000 gallons of heating oil or more a year. Places like Portland High School, which converted two years ago."

Green said the price of compressed gas is competitive with natural gas even though it must be transported via tanker truck. Obviously, the greater the distance the higher the cost.

Location is the key, according to Kate Gerrish, a spokesman for Cordjia Capital Projects Group in Camden, who performed a heating fuel analysis for Gardiner.

"It may not be a short-term answer for many," Gerrish said, adding that propane may be the better "bridge" for some. "Propane burners are easily converted to natural gas when and if it becomes available."

Many school districts doing conversions are installing dual-purpose boilers that can also burn heating oil in case natural gas ever out-costs No. 2.

Auburn's Cyr noted ancillary savings from natural gas.

*Continued on page 18*

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# Energy Savings Performance Contracts

Energy Savings Performance Contracts (ESPCs) are used with a variety of financing options to ensure school districts achieve a specified level of energy savings. An ESPC is an agreement between a building owner and an energy-services company (ESCO) that identifies, designs and installs energy-related improvements and guarantees their performance.

ESPCs are often structured so that guaranteed energy cost savings are large enough to cover principal and interest payments for financing. If actual savings from a project underperform the guaranteed savings level, the ESCO pays for the difference between the actual and guaranteed savings. A performance contract often includes continuing operations and maintenance services.

For instance, Bangor School District Business Manager Alan Kochis said Honeywell International performed a year-long energy audit in 2007 and made recommendations that guaranteed savings.

“Those savings,” he said, “pay for our debt service.”

Auburn Business Manager Jude Cyr experienced the same guarantees in an Energy Savings Performance Contract with Siemens that “in and of itself we were saving \$52,000 a year.”

Whether an ESPC is appropriate for a school’s needs often depends on several factors:

- Large project size. Performance contracts are generally most appropriate for larger buildings or a set of buildings (projects more than \$500,000) due to their high transaction costs.

- Multiple measures. Performance contracts often contain measures with short-term paybacks that offset improvements with long-term paybacks. Schools should consider an ESPC with multiple measures that have a combined economic payback acceptable to the district (that is, up to 10-15 years).

- Stable building use. Performance contracts are most appropriate for buildings that have relatively stable use and occupancy during the contract period. Major changes in building use may significantly affect energy consumption and require modifications to the agreed-upon baseline or the performance guarantees the contract provides.

Before a school system agrees to a performance contract, it should ensure that the result of the project will either include all desired efficiency improvements for the facility, or leave unimplemented only those efficiency opportunities the school system can fund in another manner. Once a facility has used an ESPC, implementing another one can be unrealistic because: 1) the quickest return opportunities will have been accomplished, leaving only long-term payback upgrades that are not good candidates for performance contracts; and 2) changes made after the project has been implemented can affect and may void the guarantee from the original contract.

It is important to note that an ESPC is a way to pay a third party for taking on project performance risk. Schools need to consider if it is worth paying this premium, or if they can

manage this risk on their own.

Strategies for success include:

- Look for more than the low bid. Select an ESCO with a good track record that can provide other necessary services, such as project design, installation and maintenance. Get references.

- Consider hiring a third-party consultant to guide you through the ESPC process, especially if you lack previous experience or significant expertise on staff, to ensure creating a contract that meets the need of the school district.

- Require the ESCO to take a comprehensive approach rather than a cream-skimming.

- Ask the ESCO to incorporate product warranties and personnel training into the bid.

- When the contract is signed, organize an in-house team to work with the ESCO to choose energy measures, prepare bid specs, qualify prospective bidders, and perform other tasks.

- Document both the energy and non-energy benefits of the project and publicize its success.

— *From Financing Energy Upgrades for K-12 School Districts: A Guide to Tapping into Funding for Energy Efficiency and Renewable Energy Improvements, released in April by the U.S. Department of Energy and authored by Merrian Goggio Borgeson and Mark Zimring.*



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# Funding possibilities numerous for natural gas

A variety of funding is available for natural gas conversions and other energy-efficiency projects and, using leverage, sometimes one can be used to fund the other.

“Schools don’t traditionally have a lot of money to make capital investment,” noted Tom Seekins, energy account manager for Siemens Technology. “In a lot of districts we’ve been talking about leveraging energy projects with natural gas conversions.

“The idea,” he said, “is that you use savings from converting to fund other things in the district — a roof or other boilers, or indoor air-quality improvements. Why not use energy savings to get other energy projects done?”

“You’re only converting to gas once and you need to use that leverage.”

For instance, Lewiston and Auburn school departments have both leveraged their savings into improving ventilation in classrooms, converting to heat and hot water, things that cost millions of dollars.

“It’s not new money, there’s no mil rate increase, but it’s all based on that savings,” Seekins said.

Meanwhile, schools can tap into various funding possibilities. Business Manager Jude Cyr said the Auburn School Department acquired:

- City Council-approved Capital Improvement Bonds to improve the schools’ infrastructure.

- QZAB (Qualified Zone Academic Bonds) at zero-percent interest from the federal government. (“The last one we purchased was from a lending institution that agreed to loan the money and they get a tax credit at year-end. This gives us the mechanism to borrow cheaply. Not every banking institution will participate in QZAB funding, but they are out there, as well as brokers, similar to McLiney and Company from Kansas City, Mo., who is able to assist in obtaining the 10-percent matching fund necessary to procure the Federal QZAB requirement. You can’t go to just any bank.”)

- State Revolving Renovation Funds (SRRF), based on state-approved renovation projects where the school district gets zero-percent-interest financing and a percentage of the amount is forgiven based on the state subsidy formula. (“In our case 55 percent didn’t have to be paid back”).

Bangor School Department Director of Business Services, Alan Kochis said that over the past seven or eight years Bangor has borrowed approximately \$15 million for energy-related projects: \$8.4 million in QZAB funds and \$6.6 million in an Energy Performance Contract with Honeywell International.

“In our case,” Cyr said, “when the opportunity presented itself we had to be almost shovel-ready. It was fortuitous we could get State Revolving Fund money and combine all these funding sources together. That doesn’t always happen.”

## Natural gas conversions

*Continued from page 16*

“Last summer and this summer we changed five of our kitchen units to natural gas. The savings won’t be in no. 2 fuel but in electrical usage,” he said.

“Our maintenance department can tweak the system off-campus from Taiwan to Timbuctoo and alter the temperatures in the individual classrooms,” he said.

### Some Advice

Windham’s Hansen recommended installing a condensing-style boiler which allows higher efficiency.

“It’s very challenging to do with oil, but easy with natural gas,” he said. “Rather than exhaust an exhaust gas at 300 to 400 degrees, it is at a much lower temperature and the heat that would have exhausted out can be used to heat the water.”

Hansen also suggested schools have telemeters installed, so that you can have the opportunity to go out to the open market.

His systems were installed before telemeters were available, and “now it will cost more money and down time to put those in,” he said. “So much has changed. The whole world is different now.”

As Biggs said, “School systems are very anxious to find ways to continually improve the way they’re managing their plant or reinvesting for better efficiencies tomorrow.



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# Fuel Source Alternatives Comparison to Coal

The table below compares the cost of historical fuel sources. Alternative energy sources are only included indirectly under the assumption that alternative energy sources such as wind and solar power are typically used via the electricity that they are configured to produce. Note that the price of electricity can vary widely.

## How to use this chart...

Check the price of Anthracite coal in your area. Find that price in the Anthracite Coal column below. In the row corresponding to that coal price, you will find the prices of other heating fuels necessary to match the BTU/h output to price ratio for coal.

*If coal costs \$130 per ton, to get the same amount of energy (BTU/h) for the same cost, heating oil would have to cost \$0.65 per gallon and propane would have to be \$0.42 per gallon.* Information from US Dept. of Energy.

## Fuel Cost BTU Conversion Chart (Assuming Equal Efficiency)

Anthracite Coal \$/ton	Heating Oil \$/Gal	Direct Electric ¢/kWh	Natural Gas ¢/ft <sup>3</sup>	Propane \$/Gal	Wood Pellets \$/ton
600	3.00	7.3	2.2	1.96	350
580	2.90	7.1	2.1	1.89	340
560	2.80	6.8	2.1	1.83	325
540	2.70	6.6	2.0	1.76	315
520	2.60	6.3	1.9	1.70	300
500	2.50	6.1	1.8	1.63	290
480	2.40	5.8	1.8	1.57	280
460	2.30	5.6	1.7	1.50	270
440	2.20	5.4	1.6	1.44	255
420	2.10	5.1	1.5	1.37	245
400	2.00	4.9	1.5	1.31	230
380	1.90	4.6	1.4	1.24	220
360	1.80	4.4	1.3	1.17	210
340	1.70	4.1	1.2	1.11	200
320	1.60	3.9	1.2	1.04	185
300	1.50	3.7	1.1	0.98	175
280	1.40	3.4	1.0	0.91	160
260	1.30	3.2	1.0	0.85	150
240	1.20	2.9	0.9	0.78	140
220	1.10	2.7	0.8	0.72	125
200	1.00	2.4	0.7	0.65	115
150	0.75	1.8	0.5	0.49	85
130	0.65	1.6	0.4	0.42	75
100	0.50	1.2	0.4	0.33	55



# The ACA boat is slow leaving shore

By Mark Leslie

**W**ith a slew of delays and waivers, the boat known as the Affordable Care Act or Obamacare, may appear like a ship just off the shoreline held back from being launched.

Even as the insurance exchanges are muddying up on the Internet, the Obama Administration has waived or delayed various portions of the mandate.

The delays:

- Medicare cuts are delayed until 2015, after the 2014 midterm elections
- The employer mandate has been delayed until after the 2014 midterm elections.
- Caps on out-of-pocket insurance costs, such as co-pays and deductibles, will be delayed for at least a year.
- Enforcement of a number of key eligibility requirements for the law's health insurance subsidies is delayed, relying on the "honor system" instead.

The waivers:

- Deadlines for State Exchanges
- Congress

- Small Business Exchanges

- Hundreds of waivers granted by Health and Human Services Secretary Kathleen Sebelius to selected businesses, unions and others.

Now, the latest dark cloud is the possibility that a yet another lawsuit may render Obamacare unlawful.

On Oct. 8 the State of Indiana filed a lawsuit against the Obamacare IRS Rule that extends federal subsidies (and thereby employer mandates) into states that elected **not** to establish exchanges.

Indiana is joined by 15 school corporations that claim they will suffer harm because of the employer mandate. From the Attorney General's press release:

"The costly and burdensome employer mandate the IRS wrongly applies to government employers such as our school corporation interferes with our ability to efficiently manage our workforce. We always strive to be good stewards of tax dollars in educating our community's students, but our school corporation's efforts are undermined by the IRS overstepping its bounds that Congress set. As public servants who revere

*Continued on page 23*

# Obamacare moves ahead, increases fines under HIPAA

By Rob Nadeau

Over the past several months there have been several updates relating to employee benefits laws and regulations, and many more loom on the horizon. These changes relate to the Affordable Care Act (ACA) and the Health Insurance Portability and Accountability Act (HIPAA). While some of these changes impact schools directly, others like HIPAA will have a less direct impact, but some familiarity with them will make sense for schools. These regulatory changes are described below.

## ACA Requires Notice to Employees

First, the ACA obligates all employers, including schools, to send notice out to all employees informing the employees of the availability of health insurance coverage options. Those employees included substitute teachers, coaches and other part-time employees. See, Section 1512 of the ACA.

The notice should have been sent by Oct. 1. The DOL has announced that it will not assess penalties associated with failing to send out the form.<sup>1</sup> Please see, US DOL [FAQ on Notice of Coverage Options](#). However, it is still advisable to send the notice to employees to avoid any potential liability or audits arising out of an employee's failure to receive the notice.

The Oct. 1 notice must have notified employees of coverage options available in the Health Insurance Marketplace which is defined by federal regulators as a new competitive private health insurance market beginning Jan. 1, 2014.

The notice must satisfy the following requirements:

The notice should inform employees:

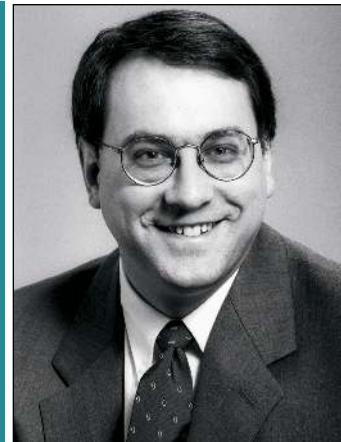
- About the Health Insurance Marketplace;
- That, depending on their income and what coverage may be offered by the employer, they may be able to get lower-cost private insurance in the Marketplace; and
- That if they buy insurance through the Marketplace, they may lose the employer contribution (if any) to their health benefits. See, DOL [FAQ on Notice of Coverage Options](#).

Notice by e-mail is not advisable, but may be acceptable under certain circumstances. The school district should be certain that the e-mail address it uses is still used by the employee and that the district satisfies the DOL electronic disclosure requirements found at 29 CFR 2520.104b-199(c).<sup>2</sup>

If a school has an employee who is not currently working but will begin work later in the school year (such as a baseball coach who coaches no other sports) we suggest you send out the notice now to avoid having to monitor whether the notice has

‘  
The  
penalties  
could be  
enormous.’

— Rob Nadeau



been sent when the employee actually begins work. Please note that the new employees should receive the notice at the time of hire and no later than 14 days of the employee's start date. The federal Department of Labor has produced a model notice that is available at [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform). Drummond Woodsum has also drafted a notice tailored to school districts.

We will have to keep an eye on this issue.

## ACA May Impose Non-discrimination Testing

Questions have arisen as to whether the ACA imposes non-discrimination requirements on fully funded health plans. While self-insured health plans generally must not discriminate with regard to benefits offered, most schools have fully insured plans and have not had to worry about non-discrimination. Under the ACA, fully insured plans must not discriminate. If a fully insured plan violates the non-discrimination rule, the penalty is \$100 per day multiplied by the number of employees who do not receive the discriminatory benefit. The penalties could be enormous.

However, the ACA rules have not yet been published or released for review and, according to the IRS compliance with the new non-discrimination rules, will not be required “until after regulations or other administrative guidance of general applicability has been issued....” Please see IRS Notice 2011-1 for more information on this.

## Schools Not Subject to HIPAA

HIPAA is a multifaceted regulatory regime compliance that was recently made more difficult. Please keep in mind that HIPAA does not apply to school districts, but nonethe-



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less it is important for schools to be aware of this law since businesses that must comply with HIPAA, such as physician offices, will undoubtedly be changing documentation and may be asking schools to sign documents that are not in the best interests of schools and that schools should not sign.<sup>3</sup> This is explained in greater detail below.

Last January HIPAA regulations were finalized that drastically increased penalties under HIPAA. For example, the maximum penalty for a violation of HIPAA under the older regulations was \$50,000 but under the January 2013 regulations the maximum penalty is \$1.5 million, a startling and almost Draconian increase. Under the new regulations, entities that are responsible for complying with HIPAA can also face increased audit risk and scrutiny if HIPAA is violated or if protected health information is disclosed.<sup>4</sup>

The new regulations also impose stringent requirements on business associates. Business associates are entities that generally 1) assist a covered entity with some function or activity, and 2) have access to individually identifiable health information. It is possible that certain covered entities such as physicians' offices that provided services to students may, out of an abundance of caution, consider schools to be business associates and ask schools to execute business associate agreements.

Schools are *not* subject to HIPAA and should *not* execute business associate agreements.

Even if a covered entity does not ask a school to sign a business associate agreement, it is possible that a contract with a physician, therapist or hospital could contain business associate language that would obligate a school to comply with certain provisions of HIPAA or indemnify the physician's office in the event a breach of protected health information occurs.

It is important for schools to

avoid signing any agreement that obligates the school to comply with any aspect of HIPAA. Although the school is not obligated to follow HIPAA, the agreement could obligate the school contractually to comply with provisions of the law or could needlessly expose the school to liability.

*For more information on these issues, please call Rob Nadeau or Chris Stevenson at 772-1941.*

1. The US DOL FAQ on Notice of Coverage Options reads as follows: Q: Can an employer be fined for failing to provide employees with notice about the Affordable Care Acts new Health Insurance Marketplace?

A: No. If your company is covered by the Fair Labor Standards Act, it should provide a written notice to its employees about the Health Insurance Marketplace by October 1, 2013, but there is no fine or penalty under the law for failing to provide the notice.

2. The DOL's electronic disclosure requirements include the following:

The person sending out the e-mail must take steps to ensure:

- The e-mail results in actual receipt (e.g., use return/receipt);
- The e-mail protects confidentiality of personal information;
- The e-mail contains a notice that apprises the individual of the significance of the document sent;
- If requested, a paper copy of the e-mail is provided to the recipient; and
- Is only sent to an individual who has consented to receipt by e-mail.

Please note this list of requirements is not exhaustive. For further information please consult with counsel.

3. HIPAA does not apply to schools since the definition of protected health information under HIPAA excludes records covered by FERPA, and schools must comply with FERPA. The regulation reads

“Protected health information excludes individually identifiable health information: In education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g....”

4. As an example, the State of Alaska was fined \$1,700,000 when a state DHHS flash drive was stolen from a DHHS worker's car. ...

## The ACA boat

*Continued from page 18*

the Constitution, we join with the State in asking the federal court to correct the IRS's overreach,” said Assistant Superintendent Randy Taylor of MSD of Martinsville.

Although the IRS rule is already being challenged in the Pruitt and Halbig lawsuit — which claims the IRS lacks the authority for its May 2012 rule to deliver subsidies and tax credits to federally operated exchanges — the Indiana case is unique because public school districts are among the plaintiffs.

Another, perhaps stronger, lawsuit that may deem the entire ACA legislation

**It is important for schools to avoid signing any agreement that obligates the school to comply with any aspect of HIPAA.**

illegal was filed by the Pacific Legal Foundation. The PLF contends that the ACA is unconstitutional because the bill originated in the U.S. Senate, not the House.

Under the Origination Clause of the Constitution, all bills raising revenue must begin in the House. Yet U.S. Supreme Court Chief Justice John G. Roberts Jr. voted to rule the ACA legal on the grounds that it is a tax, not simply a law passed under the Commerce Clause.

If these legal actions reach the Supreme Court, delays and waivers may be the least of the ACA's problems. ...



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## Q&A with MeASBO President Lambert

*Continued from page 10*

moves and initiatives. An example would be during consolidation. We were not furnished any background information as to how the state would save \$250 million through consolidation, yet that is what the Governor predicted. Business managers could have helped keep that figure to something more realistic. We also can sometimes think of repercussions that the DOE staff do not recognize from their perspective.

**MeASBO:** What sort of impact do you foresee MeASBO members having on the future of Maine education?

**Lambert:** I feel that our role is becoming more important. We aren't just the "bean counters" any more. Even on the local level I see increased involvement as part of the administration team, and I think that we're becoming more active and involved in that team. I think our collaboration with the state will be more of a constructive relationship because

at times it has felt it was "them against us." There is a sense of that at DOE as well, I think. Heather Neal said if we have a problem to call them up and tell them what they can do to help us make it right. Sometimes we've avoided that face-to-face and we want it to work better.

Our Certification Committee has done a wonderful job, being proactive with the professional development and certification track they created for us to be certified through MeASBO. I don't know if members want certification at the state level. In the past it was pursued and some people saw certification as an opportunity to participate in Maine PERS. I am not sure if the membership will want to move in that direction again in the future but we have certainly established our own respectable certification program.

• **MeASBO:** Does MeASBO now have a place at the stakeholders table in state-wide financial discussions?

**Lambert:** During the consolidation period, we were frustrated and said, "Share the numbers with us, how that \$250-million savings was arrived at,"

**“ I feel that our role is becoming more important. We aren't just the “bean counters” any more.”**

but we could never get the answer. Maybe they weren't sure their numbers would hold up.

I feel business managers have some crucial knowledge that could be helpful if the state would interact with them. They added Business Managers at the PICAS meetings some of our Executive Committee members, both Kathy Warren and Cathy Messmer were involved and a few others. I certainly see it as a good move, for our voice to be heard. Perhaps we now have a place at the table in those issues in which we have a fair amount of background.

**MeASBO:** What has been the single most helpful change in school business in the past few years?

**Lambert:** For me probably technology and the access to data, which certainly helps me do my job. Data collection — students, staff, financials — is a work in process.

MEDMS is far better than doing the 02 Report [a special-education year-end report] and the 45 Report [a year-end financial report] Uploading to MEDMS systems definitely simplified that process.

Now we don't do those reports each year. We upload all of our account numbers. It pulls out transportation, revenues, and all the things you used to have to spend a fair amount of time compiling.

**MeASBO:** When you're not working, how do you fill your time?

**Lambert:** Around nature with my husband, Scott, and our two grandsons, who are 7 and 4. I love Maine, especially its mountains and ocean. I grew up at the base of Bigelow Mountain next to Flagstaff Lake. We truly live in a beautiful state. •••



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# Best practices in student transportation

The importance of minimizing the ride time students spend on buses was a focus of a workshop led by Dan Roberts, director of professional services at Transfinder's Annual Client Conference.

A veteran of more than 40 years in school transportation management, Roberts discussed transportation operational management; various bus routing techniques that increase efficiency; best practices in vehicle maintenance; and benchmarking standards for the industry.

Minimizing ride time diminishes the chances that students will be involved in a crash, he said.

Staff should evaluate all routes under both safety and efficiency criteria. Trained staff using a computerized routing package should create routes with stops, service time, and left and right turns, and list students by stop. Many changes in routes can be handled on existing buses when efficiency is one of the criteria.

Roberts said districts may be able to find considerable efficiency by expanding student walk-to-stop distances. In some instances, districts may find they are not taking advantage of existing district efficiency guidelines. Districts that have door-to-door pickup may be able to create congregation stops and reduce the number of stops and streets traveled.

Expectations for student walkers vary with age, environment and handicapping condition. Generally, a maximum 10-minute walk-to-stop should be considered as a minimum for stop placement. In 10 minutes, the average elementary student walks .25 miles, while a secondary student walks .5 miles.

Regarding vehicle maintenance the course reviewed school buses as long-term investments.

Roberts said care should be taken to obtain buses that meet the district's needs over the projected life of the vehicles. Managing vehicle maintenance can be a daunting task and without direct knowledge of repair practices, many supervisors abandon any hope of controlling maintenance expenses.

In order to control repair costs, he said the first thing is to check the overall status of the department. Preventive maintenance is also the backbone of school bus repair. Good preventive maintenance will save the department seven times the cost of a breakdown.

Roberts also discussed key performance indicators.

"You can provide a sense of the financial impact the transportation program has on overall district operations, if you analyze total transportation expenditures as compared to overall district expenditures," he said.

According to Roberts, district transportation generally should be less than 5 percent of overall district expendi-

tures, but many of the country's large districts frequently exceed this percentage. This analysis can be viewed as a comparison for similar districts for the same budget year or viewed as a trend where several years of data for a district can be viewed to determine historical budget changes.

Another indicator, he said, is buses versus utilization. This KPI provides the total number of buses used (district-owned or contracted) in the transportation program for a district, including spares, divided by the number of buses used in daily to-and-from services. This resulting number shows the percentage of spare buses available in the fleet. Every bus in the fleet must be maintained with the associated repair costs included in the department budget. Evaluating the percentage of spare buses is helpful in potentially reducing the number of total buses in the fleet and potentially reducing the expenditures of the department.

Roberts' course, which has been offered the last two years, has been so well received that it is on schedule to be offered again at the 2014 Annual Client Summit in Albany, N.Y. next May 7.

Darla Dicken of Oakwood, Ill., a Transfinder client who attended the 2012 conference said after leaving the class, "You won't be the same. The knowledge this man has is amazing and he wants us to know as much as he does."

The course was offered to both current and prospective clients of Transfinder, and attendees received a free copy of Roberts' book, *Best Practices in Student Transportation*.

Transfinder is offering two attractive cost saving benefits. The first is a 25-percent discount on the list price of the book at [www.lulu.com](http://www.lulu.com). The second is an opportunity to be included in a lottery for a scholarship to the 2014 Annual Client Summit.

Those interested are encouraged to email their name, title, and district information to Bridget Swick at [marketing@transfinder.com](mailto:marketing@transfinder.com).



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## Foreign students

*Continued from page 12*

of additional requirements, including a qualifying admissions process, host family arrangements, training of school officials in visa and immigration rules, and establishment of partnerships with recruiting agencies and other vendors.<sup>3</sup>

These regulations, as well as the practical mechanics of hosting a foreign student in the U.S. far from home and family, will require the sponsoring school to develop thoughtful policies for the management of the program. Developing these policies and the on-going day-to-day oversight of the program require a long-term commitment by the school and the staff assigned to the project.

### Summary

A school that decides to become a direct sponsor of foreign students using the F-1 Student Visa and SEVP will need to devote time and resources to developing a comprehensive Foreign Student Program, many aspects of which must hew closely to regulatory requirements.

Despite the initial challenges of establishing the program, opening a school's doors to foreign students is often very rewarding for the foreign students, the student body at the recipient school, the local community, and the administrators who make it happen. •••

## Federal grant compliance

*Continued from page 27*

guidance document as a "base" and then work in procedural details that would tie the manual in with policies and procedures at the individual district level. She hopes the subcommittee can begin its work in November.

Lambert's goal for the subcommittee is to complete a manual template by the end of the school year so that MeASBO members can begin using and building upon it in their own districts.

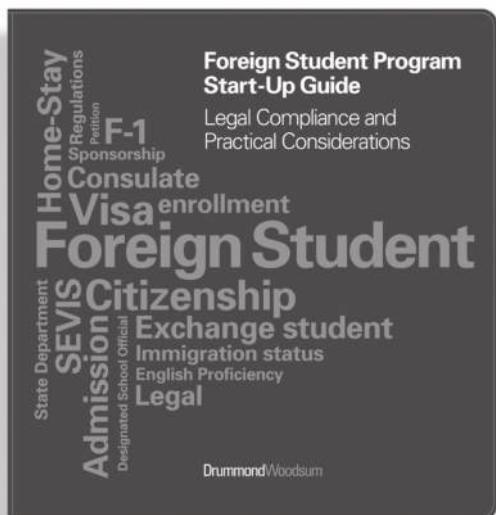
Neal's advice for districts?

"The biggest thing is, become aware," she said. "If you haven't attended ASBO or the other workshops, reach out to those who did, or reach out to me. Become aware of the expectations. Take them back to your district and start identifying areas of weakness. Because the feds say ignorance is no excuse."

The fiscal guidance working document, along with many other resources, is now available on the MDOE "Fiscal Review and Compliance" website at <http://www.maine.gov/education/audit>. Directly beneath the link is a date "last updated" so districts will always know when changes have been made to the document.

Neal also will use Commissioner's Updates, the MeASBO e-mail list and School Nutrition e-mail list to communicate changes to the document as they happen. •••

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# DOE ramps up monitoring of fed'l grant compliance

By Adam Hanson

Over the past year and a half, the Maine Department of Education (MDOE) has stepped up efforts to comply with all requirements tied to the receipt of federal grants. That means school districts must do the same.

As the pass-through agent or “grantee” for all federal grants, the MDOE must prove it is doing enough to monitor all “sub-grantees” (i.e. school districts). This is an area where MDOE has fallen short, according to Heather Neal, fiscal review and compliance supervisor for MDOE.

A news item in the Commissioner’s Report dated April 26, 2012, announced that districts would soon “be subject to new monitoring policies and procedures designed to ensure compliance with federal auditing requirements.” An MDOE sub-recipient monitoring committee was formed to perform risk assessments of school administrative units.”

“There was a lack of enforcement on DOE’s end,” said Neal. “We don’t want to take funds away, we don’t want to see any school struggle. Our inadequate procedures left us with inadequate enforcement. We’re going to give due diligence to any sub-grantee willing to work with us, to make sure that none are subject to unnecessary enforcement.”

This new emphasis on compliance first hit home for some districts last spring, when an MDOE team presented a series of ESEA/NCLB regional updates. Some very specific aspects of compliance were discussed. It was clear many districts fall short in those areas.

Compliance areas that have generated some buzz include:

- a written operational procedures manual needed for every district;
- inventory management system tracking every piece of equipment costing \$500 or more, as well as “highly walkable” items (cameras, laptops, etc.) below that threshold;
- periodic need to submit backup documentation with online reimbursement requests (new for FY 14);
- “Time and Effort” documentation, including semi-annual certification and monthly or biweekly Personal Activity Reports (PARS); and
- strict regulations on allowable purchase of food for meetings, workshops, etc.

Neal sees the heightened focus on grant compliance as a highly collaborative effort between the state and districts. In that spirit, she has agreed to join a new MeASBO subcommittee that will create a template for a “grant operational procedures manual” usable for all school districts. Both Neal and MeASBO President Sue Lambert have expressed their desire that individual districts not “create the wheel on their own.”

When asked for tips to help business managers with compliance, collaboration was Neal’s number-one focus.

“Don’t reinvent the wheel; use resources,” Neal said, encouraging everyone to call her or the appropriate grant personnel with questions relating to compliance.

She has started to compile her own list of districts that

are doing well in particular areas, so when school employees call with questions on best practices, she can refer them to colleagues who are already excelling.

Neal also stressed that collaboration has been happening at the MDOE through a “cross-cutting” approach that brings together the fiscal-compliance and program-compliance sides of grant-program personnel. Gone are the days, she believes, when a call to two different MDOE representatives would get two answers to the same question.

Her final point is that none of the “common problems” being highlighted by the MDOE are “new” requirements for grant compliance. What is new is the heightened monitoring by MDOE that includes some new steps that will allow the department to prove to the federal government that districts (and thereby the state) are in compliance.

Neal said, “There are two elements to this guidance: federal regulation as cited, and then state interpretation and policy. Federal regulations are not new; the state interpretations and policies may or may not be new. What they are now is consistent. Previously, each team may have had its own interpretation or set its own policy.”

The ultimate goal of the monitoring, Neal said, is to ensure that districts continue to receive these funds. She said grants are not gifts; lots of strings are attached. By being the enforcer, MDOE can help keep the money flowing.

“We’re not supposed to be making things harder, just more efficient and effective in being accountable for meeting requirements,” she said, “both for the state and the local districts, both grantee and sub-grantee... It’s not a them-against-us agenda. It’s them (school districts) and us working together.”

Neal believes a few districts have “flown under the radar” and will need to make drastic changes to come into compliance. However, she believes many districts are largely in compliance and may not even know it.

“Now it’s just making it mindful and keeping their procedures and policies going so they continue to meet compliance,” she said.

The MDOE has posted a fiscal guidance “working document” to help with different areas of compliance. Neal says the document will be updated as the department and school districts continue to gain input from each other and from the federal government regarding best practices.

The MeASBO subcommittee will use that working document as it works on its procedures manual template.

Neal said her role on the committee will be to help “as a facilitator and liaison between our sub-grantees and DOE, and with the federal agencies.”

Jennifer Hall of Kittery will chair the subcommittee, joined by Neal, Katherine Hunt of AOS #93, Luci Milewski of SAD #58, Jim Oikle of Brunswick, Kathleen Pearce of AOS #9, Barb VanDeventer of RSU #3, Holly Vining of RSU #50 and Scott Wyman of Sanford.

Hall said she anticipates the group will use the state’s

*Continued on page 26*





*When flooding struck in the middle of the night at Brewer High School, ServiceMaster rushed in a dozen employees and had the disaster dealt with by the time teachers and students arrived in the morning.*

## ServiceMaster serves Brewer well

What started with a casual conversation some time around the fall of 2009, has blossomed into a multi-level relationship. Harrison Clark, owner and president of ServiceMaster Contract Services, a ServiceMaster Clean franchise, believes that being connected and committed to the communities his company serves, is not only the right thing to do, but the essence of his company's success.

The plan for a new community school in Brewer was the dream of many within the school system, and under the direction of Superintendent Dr. Daniel Lee, it reached fruition in 2009. ServiceMaster Contract Services came on board soon after the building was under construction.

Harrison recalls, "I remember walking through this maze of infrastructure with Dr. Lee as he illustrated what the finished building would look like as construction workers were busily making this dream come true all around us. We toured the building and saw where the state-of-the-art community theater would be, where the kitchen and cafeteria would be, the wings where the classrooms would be, and I realized how much effort a project of this nature takes from so many different service providers. I knew that I wanted us to be part of it."

Meetings began with the general contractor, Nickerson O'Day, where blueprints, plans and timetables were analyzed, and budgets were discussed. Then the management team at ServiceMaster Contract Services formulated a blueprint for the post-construction/final cleaning manager and crew.

The plan was to ensure the team had all necessary equipment and supplies ready, was aware of the process and timetables, and the importance of being fluid with time and staffing.

"We understood the importance of being there when needed, yet not impeding the progress of the other trades as they constructed this beautiful facility," Harrison says. "The goal was to come in under budget and with superior results."

While all this was happening, and with ServiceMaster Contract Services' post-construction crew working in conjunction with Nickerson O'Day and other sub-contractors, meetings with Dr. Lee continued. The discussions focused around what it would take to clean this facility on a day-to-day basis once it was turned over to the school district and was operational.

GS-42 compliance — green cleaning — was a critical component. Having the ability to respond all hours of the day or night was also a priority. And, as important, having the right people who not only produce outstanding results in cleaning the facility every day and night, but people who understand the importance of "fitting in," being accepted as part of the school community.

After these discussions and more budget analysis, the contract to clean the school was granted. Today, ServiceMaster Clean has a staff of 10 responsible for janitorial services and other related building facilities maintenance, from 6:30 a.m. to past midnight every day, Mondays through Fridays, and on weekends when there are events taking place that

need its services.

ServiceMaster Contract Services proudly leads the commitment to clean facilities with green cleaning technology, state-of-the-art equipment and people who receive ongoing education and training and are ever-ready to respond to any situation. This commitment was highlighted one night last February.

Around midnight, a hot-water main broke in the lobby of the school and the steam created from the hot water caused the sprinkler system to engage, thoroughly drenching that area of the facility. ServiceMaster Contract Services had completed the daily cleaning, with only a floor technician left in the building. He alerted the management team and within 30 minutes, the entire project crew and management staff of the company was on the scene mitigating the damage.

“By 5:30 that morning, the situation was under control, the water was extracted, and our sister company, ServiceMaster Restore, was brought on site to mitigate the damage and help with restoration,” Clark says. “The results were two-fold. The time

and cost of restoration were minimized by the immediate response delivered by our team.”

Either for general contractors, and/or the schools districts themselves, ServiceMaster Contract has been involved in many projects for the educational systems in Maine, including several at the University of Maine’s Orono and Machias campuses, Husson University, Unity College, College of the Atlantic, the new state-of-the-art Hampden High School, and school districts in Old Town, Ellsworth, Jefferson, Orono, Trenton, Carmel and Indian Island.

While ServiceMaster Contract provides services to a wide variety of businesses and facilities in its service area, Clark said, “We feel our ability to provide the multi-level green cleaning services, being able to provide emergency first-responder services, and forging and maintaining the partner-relationships needed to clean educational facilities in Maine, makes us the clear choice in central and eastern Maine for cleaning educational facilities from the time the construction or renovation period begins, to the on-going daily process of maintaining a clean and healthy environment for our schools and our children.” •••

## What would Kucsma do?

*Continued from page 28*

changed before the program is finally implemented. The issue around the learning results, common core, standards-based education — all require a tremendous amount of effort and resources that take away from students.”

Saying he understands local control is “a huge issue,” he said, “The sooner folks are willing to relinquish some control, the quicker more opportunities will be available to combine and share the limited resources.

A major issue, Kucsma said, is providing affordable health care for employees. The recent state legislation [LD 1326] that helped create a more open market by releasing Anthem’s experience data for each school district was a stab at that issue.

I contend that if folks thought macro, the state of Maine and the money that business, industry, public and private are paying for health care could create a state-wide health care plan that would address the needs of all citizens.

Kucsma also pointed out the savings potential if the state went to bid for heating oil.

“It’s hard to have one statewide price due to delivery costs, but the oil itself could be put out for bid and then the organization could negotiate delivery,” he said. “That’s precisely how it works with electricity: we buy energy from one source and pay another entity — CMP or Bangor Hydro — to deliver it.”

Taking full aim at the state Legislature, Kucsma declared, “The state needs to fully fund the 55 percent of the cost of education that was legislated [in LD 1] years ago. In addition, they need to avoid the nickel-and-dime thinking around the allowable education costs under Essential Programs and Services [EPS].”

## Security monitors now on I-Pads

WINDHAM — Improvements in security systems advance at a furious pace. One of them — revealed after MeASBO magazine’s summer-edition feature on security — is a video surveillance system that can be monitored on administrators’ iPads, not just desktop and laptop computers.

“The person in charge of security can be walking the halls, or even be away from the school, get a message there is a problem in the school yard and immediately see that problem on their iPad,” said Harty Norris, president of Norris, Inc., which installed such a system at RSU #14 (Windham-Raymond schools). “That remote access greatly enhances security.”

RSU #14 specified bids for a network solution for access control and video surveillance at all of the district’s eight buildings. It included installation of significant door hardware and Aiphone audio/video door stations. Due to the school schedule and budgets, the majority of the work had to be completed over the summer months while the school was unoccupied.

Norris’s solutions were S2 for the access control and Exacq for the video surveillance. These programs integrate, allowing video information to be passed to the access control system when events such as card transactions occur. The Aiphone system is AX series that allows for expansion and multiple monitoring points.

S2 allows for district-level control of all building access as well as local monitoring of individual building access, Norris explained.

Meanwhile, since the Aiphone system is fully integrated, all door-opening events are logged as access-control events.

“Norris provided a great team to implement these solutions and the project met the critical timelines required to complete the work before school started,” said Facilities Director Bill Hansen. •••

# 2013-14 MeASBO leadership



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## Upcoming MeASBO meetings

**Nov. 22** — Hilton Garden Inn, Freeport. Topics: Employee Evaluations and Mainecare/Seed.

**Feb. 7, 2014** — Green Ladle, Lewiston. Topics: Legislative Update and Student Activity Accounts.

**April 11, 2014** — United Technology Center, Bangor. Topics: DOE Chart Account update and, possibly, a Tyler Uupdate.

**June 6, 2014** — Portland or South Portland - TBD/Maine PERS Update and End-of-Year Celebration.

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## MeASBO Magazine

The *MeASBO Magazine* is published for the  
Maine Association of School Business Officials by:

The Leslies  
30 Ridge Road  
Monmouth, ME 04259  
T: 207-312-4495  
E-mail: gripfast@roadrunner.com

**Publisher/Managing Editor**  
Mark Leslie

**Editorial Director**  
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The publisher assumes no responsibility for unsolicited material or prices quoted in the magazine. Reprints and permission to reprint may be obtained from Managing Editor Mark Leslie. The views expressed in the MeASBO Magazine are not necessarily those of the Maine Association of School Business Officials. The magazine is a forum for ideas.

MeASBO encourages all of its members to participate in the publication. It welcomes their thoughts and opinions.

The MeASBO Magazine is distributed by MeASBO at no cost to its members and other selected readers.

It is printed at Snowman Printing in Hermon, Maine.

## Advertisers Index

### Architectural Services

Harriman..... 3

### Building Technologies

Mechanical Services..... 14

Siemens..... 10

### Bus Sales & Service

O'Connor ..... 9

W.C. Cressey..... 16

### Communications

Canfield Systems..... 25

### Custodial Services

Benchmark ..... 1

ServiceMaster ..... 18

### Dental Insurance

Northeast Delta Dental ..... 15

### Energy Procurement

Maine Power Options ..... 24

### Engineering – Full Service

Allied Engineering, Inc..... 17

### Environmental Testing

RFP Environmental ..... inside back cover

.....inside back cover

### Insurance

Clark Insurance..... 11

Horace Mann..... 22

United Insurance ..... 23

### Investment Services

Gorham Savings Bank..... 5

### Leasing/All-Purpose

Maine Municipal Bond Bank..... 7

### Modular Buildings

Vanguard/Schiavi.....back cover

### Retirement Planning

Maine PERS..... 4

### Security Systems & Service

Norris, Inc..... 2

### Student Routing & Transport

Transfinder.....inside front cover

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