

MeASBO

The official publication of the Maine Association of School Business Officials

Summer 2014

It's a Green World

**FARM-TO-SCHOOL 'GROWING'
PRESQUE ISLE TOAST OF U.S.**

'FINAL' ACA REGS LOSER

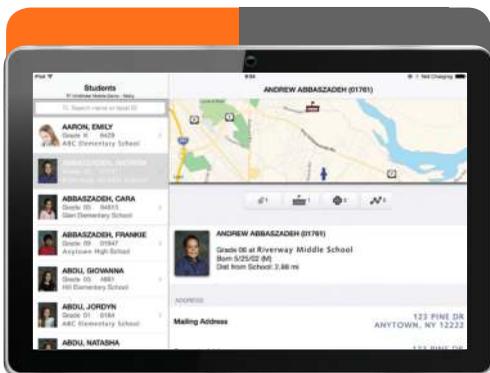
Q&A WITH COMMISSIONER RIER

JIM OIKLE IN PROFILE



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About the Cover

Daniel Rennie, farm director at SAD #17's Roberts Farm in Norway, gets wrapped up in his work — clearing out the greenhouse of snap-pea vines — along with students Colton Carson and Isabella (Izzy) Iadarola. Their next step was transitioning to tomatoes, eggplants and peppers in SAD #17's burgeoning program that has seen Rennie evolve from FoodCorps volunteer to salaried employee.

(Photo courtesy of Roberts Farm)

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PRESIDENT'S MESSAGE

Time to look back and reflect on highs and lows and lessons learned

Where did the year go? As I look back over this last year as MeASBO's president and reflect on the ups and downs, the victories as well as the lessons learned, I am reminded of the need to do that in my position with MSAD #49.

So often it seems that we are so busy dealing with issues, implementing new processes and coordinating our staff that I wonder if we always remember to take the time to reflect on the past year and use it to guide our future goals and to give ourselves a pat on the back for the successes and storms we survived.

Today I am sitting here in the airport waiting for a return flight from a vacation with a couple of relatives. I reflect on the activities of this past week and can think of many ups and a few downs.

The best ups: Great moments laughing with a couple of great ladies, music in New Orleans, food in New Orleans! Oh, and seeing an armadillo in the wild.

A couple of downs: needing more time to see it all and driving in rush hour in New Orleans/Metairie.

These are all lessons that will help for the next trip.

Like my recent vacation, my past year with MeASBO has opened up several opportunities for new experiences; great professional development opportunities, great chances to chat and connect with MeASBO members.

Several opportunities to collaborate with the state on a few committees hopefully will allow the MeASBO voice to be heard at the state level, and a collaboration with Drummond Woodsum which we hope will help direct some of



Sue Lambert

their professional-development opportunities to better serve our members' needs.

It hasn't always been straight forward and there have been starts and stops along the way.

What really makes this group special is the people. The MeASBO members that show amazing ingenuity, fortitude and perseverance.

I think we often learn the most from each other; one reason that I love the round tables that we do.

In the rough times we need each other more than ever.

I hope you get a chance to take time and reflect on this past year and while you're at it, give yourself and a colleague a much-deserved pat on the back, or maybe even take a vacation to New Orleans!



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Dave Holden Award for 2013-14 presented to Auburn's Adam Hanson

The Maine Association of School Business Officials has awarded Adam Hanson, business office supervisor for the Auburn School Department, its annual Dave Holden Award for Outstanding School Business Official for the 2013-14 year.

Last year's winner, Kathy Warren of Vinalhaven, presented Hanson the award, which includes a \$500 scholarship to a high school senior.

MeASBO President Sue Lambert said, "Adam has served as an officer of MeASBO for several years and is an active contributor, both on the Executive Committee and this year as the 2nd vice president. This recognition for his leadership is well deserved."

"When I look around the room I see so many people who are deserving. So it's a great honor to be recognized and I thank everyone for this honor," the 37-year-old Hanson said afterward. "I'm glad to be able to serve the group."



Past President Kathy Warren presents the Dave Holden Award for Outstanding School Business Official for the 2013-14 school year to Adam Hanson, the Auburn School Department's business office supervisor, at a spring meeting of Maine ASBO.

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Sherrie Small, finance coordinator for MSAD #61, receives her School Business Official II certification from Certification Committee member Scott Vaitones at the April 11th meeting of Maine ASBO at the United Technology Center in Bangor. This voluntary certification program has been in place for a few years.

RSU #39 business manager's post open

Eastern Aroostook RSU #39 in Caribou is seeking qualified applicants for the position of business manager.

RSU #39 serves the communities of Caribou, Limestone and Stockholm with a current budget of \$18.7 million.

The business manager also oversees the fiscal management of the district's nutritional services, adult education and various state and federal grants.

This position is directly responsible to the superintendent for the organization, direction and planning of the business and financial affairs of the school district.

A degree in accounting is required. Experience in school finance and accounting, Tyler/ADS ProFund accounting software, budget development, state/federal reporting, payroll and benefits administration, accounts payable/receivable, insurance and grant funding is strongly desired.

Applicants must complete and submit an Eastern Aroostook RSU #39 Non-Teaching application form and three references to:

Franklin McElwain, Superintendent, Eastern Aroostook RSU 39, 628 Main St., Caribou ME 04736.

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Ever-growing Ruth's Reusables celebrates 20th anniversary

By Mark Leslie

Ruth's Reusable Resources, a non-profit organization that has supplied more than \$50 million worth of supplies and furniture to Maine's schools, will celebrate its 20th anniversary on June 20 at its warehouse and store at 39 Blueberry Road, Portland.

Ruth's Reusable Resources (3R's) has transferred furniture, paper, books, office/school supplies, computers, and much more, to schools and nonprofit agencies since Scarborough housewife Ruth Libby began her journey out of her garage.

"The 20th celebration was set up to thank the businesses," Libby said.

"Without them donating and taking their time to set aside materials, and even using their workforce hours by putting people in charge of setting aside these things, we couldn't do this. Without them, we can't fill the teacher's store shelves."

Libby's extraordinary story has led to a 28,000-square-foot warehouse packed with school supplies and, every fall, hundreds of thousands of dollars worth of furniture to give away.

The materials are largely donated by local and national businesses, including corporate offices and retailers. When individual schools or districts buy annual memberships to 3R's for as little as \$3 per student, their teachers can shop at the store for free all year long.

Libby estimates that on each shopping trip, most teachers bring at least \$600 worth of supplies back to their classrooms.

The operation continues to be smoothly run by Libby and a number of volunteers.

"It never stops," Libby said in early June. "More stuff. More people. The hardest part is there is not more of us or more money. I had to tell everybody that from now until the next three Fridays we're not taking any donations. We

simply can't catch up."

She said Ruth's Reusables gives more away each and every year.

One event is the annual furniture giveaway. Last fall, she said, furniture worth an estimated \$500,000 filled 13 tractor-trailer trucks. Ruth's paid nearly \$27,000 to get the trucks, filled with brand-new furniture, to Portland.



Ruth Libby, center, enjoys a laugh with Janice Pecoraro-DuGuay, left, and Rosanne Stiles while stocking a shipment of books. Pecoraro-DuGuay has been volunteering for many years, while Stiles, Ruth's sister, has been with 3R's since its inception.

"Odd that it costs to give stuff away free," she said. But nonetheless, she could have brought in another 10 trucks if she had the necessary funds on hand.

Among the organization's projects is an annual giveaway of supply-filled backpacks for students at economically challenged school districts. Last year volunteers filled 5,050 backpacks.

"This has just grown and grown in ways I never imagined in the beginning – and now I see so many ways that we can grow it even more," Libby told a Portland newspaper recently.

"The event in June will be a toast to what we've done so far, and will mark the start of our next chapter." ...

**‘It never stops. More stuff. More people. The hardest part is there is not more of us or more money... Odd that it costs to give stuff away free.’
— Ruth Libby**

MEMBER PROFILE

His Navy past keeps Brunswick's 'Silver Tongue' unfazed by big budgets

By Mark Leslie

Some people entering the world of school business officials might be anxious, even fearful, about dealing with \$20-million or \$40-million budgets. Not Jim Oikle — and for good reason.

"I'm not intimidated by big numbers," said Oikle, who indeed dealt with annual budgets upwards of \$175 million back in 1990 when he was budget director for U.S. Naval Forces Europe. Also, as disbursing officer for the Navy Finance Center in 1977 he wrote checks for Navy payroll and benefits in the amount of \$125 million a week, or \$6.5 billion a year.

As business manager for the Brunswick School Department, Oikle now oversees a \$36-million annual budget, but, he said, "It's just as difficult. It's not how many commas you get to ignore, decisions are no easier.

"Small numbers require just as much due diligence as big numbers and no matter what you're doing, you have to put your heart and soul into it."

That "heart and soul" is appreciated by Superintendent Paul Perzanoski, who has worked with Oikle the past six years.

"Jim brings a heck of a lot of experience and talents," Perzanoski said. "I conceptualize and he does all of the technical work. We look at it as 'program evaluation.' It's done as an administrative team and brought to the school board."

Saying that Oikle does his job "with a flair of humor and goodwill," Perzanoski said, "He has a different saying for everything. You never know what will come from the 'silver throat.' We call them



Brunswick School Department Business Manager Jim Oikle, left, and Superintendent of Schools Paul Perzanoski look over budget figures for the new school year.

Oikleisms. For instance, when somebody's making a big deal out of nothing Jim will say they're 'pole-vaulting over mouse turds.'

Oikle, he said, "is always the first to arrive at work, many times the last to leave and is always asking if everybody's having a good time."

"He also goes out to the schools and

unique background.

The Worcester, Mass., native graduated from South High School in 1964, received an undergraduate degree in financial management from the University of Massachusetts-Amherst in 1968 and immediately joined the U.S. Navy. It was during his 23 years of service that he earned

Small numbers require just as much due diligence as big numbers and no matter what you're doing, you have to put your heart and soul into it'

— Jim Oikle

meets with people and counsels them, always making himself available to people should they want advice on how to donate or raise money for the schools."

When Oikle joined the Brunswick School Department in 2001 he brought a wealth of knowledge, not to mention a

a master's degree in financial management from the Navy Postgraduate School in Monterey, Calif.

His last two posts were four years as comptroller of NAS-Brunswick, then three years with Naval Forces Europe, based in London.

Trying to predict the future is tough. The only courses I flunked in college were mind-reading and fortune-telling and in this job you have to do a lot of both'
— Jim Oikle



When it came time to re-enter the civilian world in 1991, Oikle and his wife, Susan, decided to return to Brunswick because “I never found anyplace on earth I liked any better,” he said.

So they packed up sons Michael and Joshua and came back across The Pond.

First stop: Topsham, where Oikle had served on the town’s Finance Committee.

In fast order he was hired as Topsham tax collector, a post he held for 10 years.

Then came Brunswick and a new chapter dealing with the world of education.

“The best part of my job is knowing that I’m doing something for the betterment of my town,” Oikle said. But the

job comes with some stresses the Navy, with its one source of funding, never presented.

“In the Navy all our money came from one place. Here we’re dependent on state, federal and local sources. The difficulty now is state funding is going away,” he said.

While the state funding has decreased, Brunswick also suffered in an uncommon way from school consolidation. Though its student population is large enough that it didn’t have to team up with other towns, he said, “We evaluated and inves-

tigated, getting together with a number of communities in the area. The process went on and on and on.”

In the end, Brunswick decided to stand alone, but it lost its tuition students from Durham, which consolidated with Freeport.

More recently, Brunswick has lost a number of students to four area charter schools.

Losing tuition and charter students has been “a financial loss for us,” Oikle said. “We had seats we were funding, a building open and needing heat and teachers ready to teach. You get another student in and someone paying you for that student, you make money. You lose a student and you still have to pay the bills,” he said.

“But the biggest loss is state funding. A gallon of oil still

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costs as much. Salaries still cost as much.”

Having converted “just about everything” to natural gas, the town continually explores ways to contain costs and find savings.

Oikle is adept at rolling with the punches, but lamented, “One thing that does bother me is people who try to relate everything to percentages. ‘What percent increase is it?’ they ask. I don’t care. What I like to look at when I prepare a budget is, first, what is the need we have to fulfill? And, second, what are the minimum resources we need and how much do they cost?”

“The percentage change does not matter. People have to look and say, ‘Is the cost reasonable and should we do it?’ To hide behind a certain percentage is crazy.”

When crafting a budget, Oikle said, “You can say, ‘We can’t exceed this dollar amount.’ Or you can say, ‘Show us what you need,’ then price it out and start there.

“If your wants are too great for the dollar amount you set, you can say, ‘All right, give us more money.’ Or go the other way and say, ‘Your needs are too great; cut them.’ It’s an iterative process. Price the needs out. If it’s too much, you have to make reductions.”

“If you do it the first time and the money available is enough you’re all done,” he added. “Seriously, I don’t know of any other way of doing a budget. Here’s \$36 million. Do what you can do with it. You’re going to do both things eventually. It’s just where you start.”

Oikle recalled his years in the Navy, where “usually what happened to me with the Pentagon is, the first thing I got was numbers. They’d say, ‘Do what you can with this and the rest will be ‘unfunded requirements.’”

He chuckled and added, “The nice thing about the Navy in London was that all I had to say was an expense was ‘a NATO commitment’ and they gave me money — sort of a money tree.”

Asked to pinpoint the most chal-



MeASBO is a wonderful resource for business managers. Through 14 years I’ve seen it build pride and professionalism in managing the affairs of Maine’s schools.’

— Jim Oikle

lenging part of his job, Oikle said, “Trying to predict the future is tough. The only courses I flunked in college were mind-reading and fortune-telling and in this job you have to do a lot of both.”

One thing Brunswick residents can be sure of is that they can spot Oikle at 6:30 to 7 a.m. — opening the Brunswick train station for the Downeaster, where he serves onboard host coordinator — or into the night conveying the intricacies of budgeting at a school board meeting.

Listeners at those meetings might learn a thing or two.

Asked how he would “fix” the system, Oikle said: “The first thing I would do has nothing to do with finance. If I could wave a magic wand I would make people recognize that there is no litmus test for student success. We’re not going to know if we are successful teaching the students who are with us now until 10 years or so down the road. To base funding on formulas tied to artificial measures of success is always going to be doomed to failure.

I don’t know how to fix that. I wish I did.”

In that regard, it’s certain he finds compatriots in the Maine Association of School Business Officials (MeASBO).

“MeASBO is a wonderful resource for business managers,” he said. “Through 14 years I’ve seen MeASBO build pride and professionalism in managing the affairs of Maine’s schools. They have a reputation as being a non-political and very professional organization, with no other motives than to make schools better. I’m proud to be a member.”

Regardless of the challenges he shares with his colleagues, and perhaps because of them, Oikle loves what he does.

“I always liked working with numbers and making them balance. I can’t explain it. It’s worked for me. It’s been enjoyable,” he said. •••

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'Final' ACA regulations provide new flexibility for qualifying districts

By Christopher G. Stevenson

In Feb. 12, the Internal Revenue Service (IRS) released the final regulations governing the Affordable Care Act's Employer Shared Responsibility Penalties — the so-called "Play or Pay" penalties¹ — that require any school district that is a "large employer" to offer all "full-time" employees health insurance that is "affordable" and that provides "minimum value," or else face significant IRS penalties.²

The application of the Play or Pay penalties to school districts has been particularly challenging due to schools' unique workforces and the nature of the academic year. In particular, districts have struggled with how to apply these rules to various employment categories such as substitute teachers, bus drivers and other hourly employees whose work schedules often fluctuate. School districts have also faced difficult questions regarding the extent to which these requirements apply during the summer months, when teachers and other school-year employees are not performing substantial services.

Unfortunately, the IRS's final regulations do not directly address many of these issues. However, they do include a few important new developments about which school districts need to be aware.

Most significantly, the final regulations include general transition relief for districts with non-calendar-year health plans, and even more beneficial transition relief for districts meeting the requirements of a qualifying mid-sized employer (*which are discussed in greater detail below*).

However, school districts taking



advantage of either form of transition relief must come into full compliance with the Play or Pay rules as of the delayed implementation date, or any penalties assessed may apply retroactively to Jan. 1, 2015.

The regulations also include new flexibility allowing school districts to use the optional look-back measurement approach for identifying full-time hourly employees.

Transition relief for school districts with non-calendar-year health plans

For school districts that are large employers and thus generally subject to the Play or Pay rule, but who do not qualify for the transition relief for mid-sized employers discussed below, the IRS's final regulations include general transition relief that will allow qualifying districts to delay the effective date of the Play or Pay rules until the first day of the health plan year beginning in 2015 (or July 1, 2015, for school districts with a health plan year

running from July 1 to June 30).³

In order to qualify for this transition relief, a school district:

- Must have maintained a non-calendar-year health plan (or two or more such plans) as of Dec. 27, 2012.
- Cannot have changed its health plan year to begin at a later date any time after Dec. 27, 2012. For example, this rule prevents school districts from moving the beginning of their health plan years from July 1 to Sept. 1 in order to further delay the Play or Pay effective date.
- Must have a non-calendar-year health plan that is sufficiently large such that either: (i) on any day during the 12 months ending Feb. 9, 2014, at least one-third of the district's full-time employees were *covered* under those non-calendar-year plans, or (ii) the district *offered* coverage under those non-calendar-year plans to one-half or more of its full-time employees during the open enrollment period that ended

most recently before Feb. 9, 2014 (for most schools, the open enrollment ended in June of 2013).

Under this transition relief, school districts that are subject to the Play or Pay penalties and that meet the qualifying criteria outlined above but that do not meet the definition of a qualified mid-sized employer, will be able to delay the effective date of the Play or Pay rules until the first day of the health-plan year beginning in 2015, which should be July 1, 2015, for most school districts.

Transition relief for qualified mid-sized employers

For school districts that are subject to the Play or Pay rules and meet the requirements of a qualified mid-sized employer, the effective date of the Play or Pay penalties can be delayed until the first day of the health-plan year beginning in 2016 (or July 1, 2016, for a school with a health-plan year running July 1 to June 30).

Although any school district qualifying for this transition relief will not have to provide affordable, qualifying health insurance to their full-time employees until July 1, 2016, (assuming a July 1 through June 30 health plan year), if the school district does not come into full compliance on that date, any Play or Pay penalties that apply to the district can be imposed retroactively to Jan. 1, 2015. School districts taking advantage of



“Unfortunately, the IRS’s final regulations do not directly address many of these issues. However, they do include a few important new developments about which school districts need to be aware.”
— Christopher Stevenson

this transition relief should be particularly careful to ensure full compliance with the Play or Pay rules for the school’s health-plan year beginning in 2016.

In order to qualify for this transition relief, a school district:

- Must be a “mid-sized employer” such that the school district averaged between 50 and 99 full-time equivalent employees during the applicable measurement period in 2014. There are detailed rules regarding measuring the number of full-time equivalent employees, and school districts seeking to qualify for this transition relief should seek the help of outside advisors with significant knowledge of these rules.

Generally, any employee providing an average of 30 hours of service or more per week for the month in question counts as one full-time equivalent employee for the month, and those employees working less than that amount count on a pro-rata basis, based upon a 120-hour month. Also, solely for qualifying for this form of transition relief, the school district can choose a measurement period of any consecutive

six- to 12-month period during 2014.

- Must not, from Feb. 9, 2014, through Dec. 31, 2014, reduce the size of its workforce or the overall hours of service of its employees in order to meet the 50-to-99 full-time equivalent employee size limitation. However, any reductions in workforce or employees’ hours of service that are for bona fide business reasons are permitted.

- Must, from Feb. 9, 2014, through June 30, 2016 (assuming a health-plan year that ends June 30), generally maintain the level of health benefits it offered as of Feb. 9, 2014.

A school district will meet this requirement if during this period, for each employee eligible for coverage, the district: (1) continues to contribute at least 95 percent of the amount it contributed for self-only coverage as of Feb. 9, 2014, or the same or higher percentage toward the cost of each employee’s self-only health insurance coverage



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that it contributed on Feb. 9, 2014; (2) continues to offer self-only coverage providing minimum value; and (3) does not narrow or reduce eligibility for health insurance coverage for any class of employee (or dependent) that was offered coverage on Feb. 9, 2014.

Schools that are qualifying mid-sized employers and that take advantage of this transition relief will have to certify in writing to the IRS that they meet these requirements.

Optional look-back approach for

measuring full-time hourly employees

7he requirement for school districts to offer affordable health insurance to full-time employees has been particularly problematic in regards to substitute teachers, bus drivers and other hourly employees whose work schedules often fluctuate. These individuals often either do not receive employer-paid health insurance benefits, or they receive only limited benefits that would not qualify as “affordable” health insurance for purposes of avoiding the Play or Pay penalties. Also, in certain months these individuals

may cross into full-time status and thus potentially trigger the Play or Pay penalties.

The IRS’s prior regulations attempted to address these problems by including an optional look-back measurement approach for identifying an employer’s full-time employees in the upcoming year based upon actual hours worked in the prior year.

However, under those prior regulations this approach could only be used if the employer used this method for identifying all full-time employees, both hourly and salaried. This restriction limited the usefulness of the look-back method for schools because for any salaried employee who worked a full-time schedule in a prior year but switched to part-time status in an upcoming year, the school would have been required to offer that individual affordable health insurance benefits in the upcoming year notwithstanding his or her new reduced schedule.

Fortunately, the final regulations removed this restriction and now school districts have the option to use a look-back measurement approach solely to determine the full-time status of its hourly employees.

In other words, school districts may now identify which hourly employees will be considered to be “full-time” for an *upcoming* school year based upon how many hours the employee, in fact, worked during a *prior* 12-month measurement period.

This optional look-back/measurement approach provides certainty for a given school year regarding which on-going hourly employees must be considered full-time, and therefore must be offered “affordable” coverage, and which hourly employees can be considered part-time, and therefore need not be offered affordable health insurance coverage.

If the hourly employee averages 30 hours or more per week during the prescribed look-back period, the school district must treat the hourly employee as full-time during the upcoming school year and offer that employee qualifying, affordable health



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insurance or else possibly trigger the Play or Pay penalties.

If the employee averages less than 30 hours per week during the prescribed look-back period, the school district may treat the employee as part-time for the entire upcoming school year, and not offer the employee qualifying health insurance coverage, without the risk of triggering the Play or Pay penalties on that employee. This applies even if the employee crosses into full-time status during that upcoming school year.

For many districts, although their variable-hour employees may cross into full-time status during a few months of the school year, on average they do not work a full-time schedule and would be considered part-time when the entire measurement period is considered.

These schools should consider adopting a look-back/measurement approach for identifying full-time hourly employees in order to avoid possibly triggering the Play or Pay penalties for those few months when certain variable hour employees who are not offered qualifying health insurance coverage may cross into full-time status.

School districts considering this approach should adopt written procedures governing its implementation in order to help ensure compliance with the complex requirements of the regulations, and would be well-served to consult with an experienced advisor before doing so.

Conclusion

Although the IRS's final regulations governing the Play or Pay penalties do not directly address many questions regarding the Play or Pay rules, they do include the important forms of transition relief discussed above, as well as the optional look-back/measurement approach to identifying full-time hourly employees.

These are important developments for school districts to be aware of and understand. However, because the Play or Pay rules are complex, we strongly recommend that school

districts considering taking advantage of any of the developments discussed in this article seek the advice of a qualified advisor before doing so.

Endnotes

1. 79 Fed. Reg. 8544 (Feb. 12, 2014).
2. For a detailed discussion of each of these requirements please see the Fall 2012 School Law Advisory article entitled *ACA's Health Insurance Mandate and What it Means for School Districts*.
3. Prior to passage of the final regulations, most schools were generally required to come into compliance with

the Play or Pay rules by Jan. 1, 2015.

Chris Stevenson is a member of Drummond Woodsum's Business Services Group, practicing primarily in the areas of tax and employee benefits law.

This article was originally published in the Spring 2014 issue of the School Law Advisory and is reprinted here with permission from Drummond Woodsum.



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MeASBO President Sue Lambert chats with Maine Commissioner of Education Jim Rier after an interview at the department's offices.

Charter and virtual schools, EPS, Picus Report on commissioner's full plate

Rnown for years among Maine school business officials as the man in Augusta with the answers to all things financial, James E. Rier, Jr. was sworn in as commissioner of the Maine Department of Education (DOE) on Feb. 20.

Rier, who had been deputy commissioner since 2011, succeeded Stephen Bowen, who left to become director of innovation for the Council of Chief State School Officers, a nationwide non-profit membership organization that has overseen the creation and implementation of the Common Core State Standards.

Rier has been recognized for outstanding leadership and service to education in the state by the Maine School Superintendents Association, Maine Coalition for Excellence in Education, Maine Municipal Association and American

Lung Association. The Governor's Office twice honored him as Maine DOE's Manager of the Year.

Following two terms on the State Board of Education during which he led the overhaul of Maine's school construction process and served as board chairman from 1997 to 2000, Rier joined the department in 2003 as director of finance and operations.

In his tenure at Maine DOE, Commissioner Rier has established himself as the state's foremost expert in education funding, and has headed reforms to the School Funding Law, Child Development Services and the department that have increased transparency and accountability. In addition to overseeing day-to-day operations, he has been responsible for implementing and managing the Essential Programs

Part 1

and Services (EPS) funding model and the 2005 School Funding Law; school audits; all school facilities, transportation and nutrition programs; teacher certification; data management; and state and federal reporting.

Prior to joining Maine DOE, Commissioner Rier was a senior project engineer at Buick and worked for 25 years as president of Rier Motors Co., a car dealership in his native Machias founded by his father

The commissioner took time out from his busy schedule to speak with MeASBO President Sue Lambert and *MeASBO Magazine* publisher Mark Leslie in mid-May. Here is the first of two parts of that conversation:

MeASBO: There is a lot of concern among Maine's school business managers in regard to charter schools.

Jim Rier: I can certainly talk about that, and with lots of frustration because we didn't do anything [in the Legislature] this session.

For those of the districts that have any students in charter schools you know the way the law requires funding. The law passed two years ago and it's important to make the point that we didn't design the funding. It's something that was a part of the legislation that passed. We, along with the local districts and charter schools, have struggled with how to manage it, let alone the fiscal impact there is on local school units because of the way it's done. Just to set the stage a bit for what we hope to happen, I'm still thinking that it can in the future. We certainly tried a year ago in the session to get a different approach to funding charter schools.

It's probably seen as complicated legislation by most people. We would have written the legislation a year ago and were very involved in writing most of it this time and tried to get it through.

It would have begun in 2014-15 to have us create the allocation for

charter schools based on this funding law; we wouldn't change the way we've created it, but we would create the allocation and ultimately post 279s for it; fund them here directly by 1-12 payments just like we do for everybody else; make adjustments depending on enrollments and so forth through the year so it would take the burden completely off local school districts who are trying to, first of all, budget for what you don't even know yet next fall as to what you might have to support.

And sort of similar to what happened last year — we went through this last year — there were two versions of the bill a year ago. We wrote both of them. One was a majority report which was supported and actually passed in the Legislature.

The reason it did was because it was purposefully creating a line in the state budget for charter schools. And it was not anything the governor would support and many others wouldn't because we had history in New Hampshire where creat-

ing a separate line like that was very problematic because the Legislature could go in, reduce it and not figure out how it was going to impact what was required otherwise.

It was a way of putting more pressure on what folks who are against charter schools want to see (those kind of difficulties) and would have subjected it to annual adjustments of that line. So, the governor vetoed that last year... The only difference between the two bills last year was that one line creation that they would have required ...

MeASBO: The second was the same but put that line in the state budget.

Rier: Yes. The one that we supported and the governor didn't had a separate line for funding for charter schools.

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**‘ No matter how much people think they’re going to kill the charter approach, it’s not going to happen. There’s too much going on.’
— Commissioner Rier**

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It's a Green World, After

School gardens help districts in multiple ways

By Mark Leslie

It's a 21st century "revival" — not in religious terms but in agricultural. Not only has Maine reversed its downward spiral in the number of operating farms, but an inspiring number of its schools have taken to starting student gardens; greenhouses; hoop houses; sugar houses; raised beds; blueberry, raspberry and strawberry fields; and even orchards.

Responding to a push for healthier nutrition for the nation's students, Maine's schools are taking advantage of numerous government, corporate and private grants as well as expertise from such programs as AmeriCorps, FarmCorps, Farm-to-School, Healthy Maine Partnerships, Maine Organic Farmers and Growers Association, the Maine Nutrition Network, Maine's Department of Agriculture, and the University of Maine Cooperative Extension Service.

Indeed, the newly minted Maine School Garden Network reports a near doubling in school members, from 63 to 112, since it hired part-time coordinator Ryan Fahey along with an accompanying office in Augusta.

While SAD #1 in Presque Isle is in a stratosphere all its own (see sidebar), among other Maine schools, Fahey said, "Some have just a couple of raised beds. Some are growing an acre of vegetables to sell at co-ops and farm stands."

While the garden programs are mainly geared to educating students



Students at Medomak Valley High School in Waldoboro (SAD#40/RSU#40) tend this outside garden among other areas that grow the school's heirloom seed collection.

about agriculture, horticulture, food and nutrition, there's no mistaking the value to schools' lunch programs and budgets.

Falmouth School Department Business Manager Dan O'Shea said the middle school and high school's gardens, greenhouse, raised beds and high-bush blueber-

ries provided about 500 pounds of free produce to the nutrition program last year and is hiring a district garden manager this year.

50-foot heated greenhouse, two smaller unheated greenhouses and three dozen raised beds. RSU #24 Business Manager David Bridgham said all of the Ellsworth-area schools have grant-funded gardens that send food to the kitchens as well as serve

“A few schools are successful enough that they're hiring garden coordinators the way you would a basketball coach.”

**— Ryan Fahey,
Maine School Garden Network**

ries provided about 500 pounds of free produce to the nutrition program last year and is hiring a district garden manager this year.

The 23-year-old Heirloom Seed Project at RSU #40's Medomak Valley High School in Waldoboro, led by horticulture instructor Neil Lash, ships produce into its school lunches year-round from its 20-

by as outdoor classrooms in life skills and the sciences.

Fahey said the Garden Network's presence is "to offer statewide support for school gardens so schools wouldn't have to reinvent the wheel."

The Network started with training workshop and a newsletter, then hired Fahey to

Continued on page 18

r All — in Maine Schools



RSU #1's 38-acre Student Farm includes a store, apple-processing building, vegetable and berry gardens and 2,500-tree apple orchard.

Presque Isle's farm a national model, earns \$200,000 a year

By Mark Leslie

With the burgeoning interest in school gardens and greenhouse projects, Maine school officials might want to look to The County for their operations model. Indeed, for years colleagues from as far away as New Mexico, Michigan and Florida have been doing just that — flying to Presque Isle to observe the largest public school-owned farm east of the Mississippi River.

Wherever a school stands at this point in its march toward more gardens, greenhouses, hoop houses, raised beds and even orchards, its officials might want to tour the Presque Isle facilities.

"What they've done is simply remarkable," reported Business Manager Karla Miller, who toured the SAD #1 School Farm a few years ago and whose own

Medomak Valley High School in Waldoboro operates an impressive program of its own.

Indeed, the SAD #1 School Farm in Presque Isle encompasses 38 acres, earns \$175,000 to \$200,000 a year and sports its own logo as seen in the school lunch program, 30-by 80-foot farm store and the region's grocery stores on products ranging from vegetables and apples to apple cider, strawberries, raspberries, blueberries, jams, maple syrup and honey.

Superintendent of Schools Dr. Gehrig Johnson is the father of the farm program. In 1984 he took over the reins at SAD #1, buying a home across the street from 38 acres that had been bequeathed to the school system. There were no commercial orchards in Aroostook County, so two years later he traveled to Michigan, met

with Hilltop Orchard experts and bought 12 apple trees bred for northern Maine's climate, then planted those trees in his yard. They lived. So, in 1991 and for many years afterwards, the school bought and planted 200 more trees every year.

They, too, lived. And thus was born the SAD #1 Student Farm.

All student-driven, with students brainstorming ideas and devising marketing plans, the farm has started new "value-added" products. First on the market in the late 2000s was 300 to 400 nine-inch blueberry, raspberry and apple pies a year, prepared and flash-frozen, then sold to area stores ready for people to take home and bake. Then came jams.

Under full-time director John Hoffses, an SAD #1 (and School Farm) graduate, who came on board in 2011, next onto the shelves was bees-wax lip balm, thanks to the

Continued on page 21

“We’ve grown really fast. We had to slow down and say, ‘OK, what do we do very well and how do we make it sustainable, and what is our mission?’ — Daniel Rennie, full-time farm director SAD #17

visit sites and give firsthand advice.

“A few schools are successful enough that they’re hiring garden coordinators the way you would a basketball coach,” Fahey said.

A case in point: Finance Manager Bridgette Williams said School Union #42 and CSD #10 in Readfield have built a greenhouse at Maranacook High School, are hiring a manager and will use the produce in its lunch program.

Another case in point: Daniel Rennie, full-time farm director at SAD #17’s Roberts Farm in Norway, who said, “We’re the school’s farm. We hope to supplement as much of the school lunch program as possible, especially the summer feeding program.

“We’ve grown really fast,” he added. “We had to slow down and say, ‘OK, what do we do very well and how do we make it sustainable, and what is our mission? Are we a learning center, a place for professional development for teachers, an agricultural program ...”

Summertime Challenge

Fahey, whose husband, Michael Bennett, has been hired to teach the Maranacook program, is excited by the growth of projects that some day might aspire to replicate Presque Isle’s success.

Fahey, whose salary is paid by a USDA grant, said the Network’s schools are getting into greenhouses and hoop houses, which “makes sense because the biggest challenge

is maintaining the crops through the growing season. We focus on spring and fall so you can grow during the school year when students are there.”

But because of the need for summer care, several schools hire students to work the crops during the summer.

Medomak Valley’s Lash, who also directs the Heirloom Seed Project and the two-year-old Teen Ag Crew, said four students are employed full-time during the summer, augmented by a complement of regular volunteers. Many are drawn from the school’s horticulture classes, he said.

Medomak Valley is one of many schools in Maine taking advantage of the expertise offered by FoodCorps service members.

Genna Cherichello, a FoodCorps service member who works out of the University of Maine Cooperative Extension Service in Knox and Lincoln counties, said Maine is home to 10 of the 125 FoodCorps members in 15 states around the country.

A national nonprofit organization in its fourth year, FoodCorps focuses on two things, Cherichello said, “helping connect youths to healthy food; and training the next generation of food industry leaders, putting promising young people into schools and after-school programs.”

FoodCorps helps schools with “the nuts and bolts” of their farm operations. Typically a FoodCorps member works with schools for two or three years, at which point the schools will be able to take over the programs,” Cherichello said, adding, “At FoodCorps you are working yourself out of a job, although some of us are now full-blown employed at schools that have had successful programs.”

One of those former FoodCorps members is Rennie at SAD #17. A substitute teacher who joined FoodCorp in the fall of 2010, he is now full-time at the district’s Roberts Farm, his wages paid by grants. His immediate task in May was unearthing funding for the school’s Youth Employment Program that runs the entire summer and is partially paid for with income from its Community Supported Agriculture (CSA) program in which families pay a share to the farm

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and, in turn, share in its produce.

“Last year we employed eight students. This year, so far we have funding for three full-time and are still waiting to hear from other grants,” Rennie said in mid-May.

“Students are paid to work as farm hands and are also mentored in helping to facilitate small groups of children that take part in our summer programming,” he said.

Rennie, who has a daughter in the school system, said the gardens “haven’t taken a dime from the school budget. We’ve depended solely on nonprofit grants — Elmina B. Sewall Foundation, USDA and a number of others.”

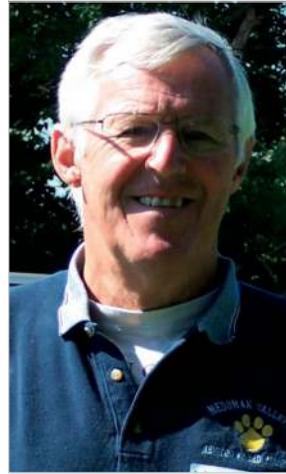
Of all his colleagues around the state, Rennie has perhaps the best opportunity for expansion. That is, available land.

SAD #17 has a partnership with the Western Maine Land Trust which owns the property, more than 100 acres that is also open to walking trails, cross-country skiing and snowshoeing.

“The footprint we’re occupying is close to two acres,” Rennie said. “The Forestry Department in our technical school cleared this large parcel for the most part. We have some apple trees and, as time goes on, we will plant more.”

In nearby Sumner, Rennie and his students are working every Wednesday as part of an experiential learning program with Bisbee Orchard, which will become a sister site to the Roberts Farm.

Rennie and his crew started last fall pruning, picking and generally rejuvenating Bisbee Orchard’s trees, which haven’t been pruned in a number of years.



Neil Lash, horticulture instructor and director of the Heirloom Seed Project at Medomak Valley in Waldoboro., which ships produce into its school lunches year-round from its 20- by 50-foot heated greenhouse, two smaller unheated greenhouses and three dozen raised beds

It will be used, he said, as a business model and to create a program offered to the technical school.

The latest project is building a sugar house “so we don’t have to outsource our sap,” Rennie said.

School Lunches

Rennie, who boasts four hoop houses, had already delivered six pounds of greens and a pound of radishes in early May when many Mainers were only charting out their summer gardens. Yet his colleagues at other Maine schools were on the same growing wave length.

“Our hoop houses are under production with greens, radishes, snap peas,” Rennie said. “In the summer they’re full

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of tomatoes, eggplants, peppers, et cetera. We also have 25 to 30 raised beds, several raised earth beds, three-quarters of an acre of fields under cultivation. We grow a lot of squash and the whole gamut.”

At RSU #24 Bridgham said that in one year, with grants from the Maine Healthy Partnership, “gardens and greenhouses have been built at Ellsworth High School, Sumner Memorial School and the k-8 Ella Lewis School in Stuben.

“We have programs at just about every school, either in the form of grant-funded programs to build or operate food-related facilities or gardens or connections with local farmers who provide land or expertise to our students to engage in gardening activities, some of which ends up as food in our kitchens,” Bridgham said.

“We haven’t measured the financial impact,” he added. “Most were started for educational purposes and nutritional awareness purposes, making students aware of farming and growing and where their food comes from more than an effort to save the district money. But the food

goes straight to the kitchens.”

Cherichello said Medomak Valley’s produce goes directly into school lunches.

“It’s amazing when schools have \$2.80 a meal and there is increased pressure to have healthy food,” she said. “In the past we provided lettuce almost all year-round; and in the fall tomatoes and cucumbers, primarily.

“Entering this season, our relationship with the cafeteria is growing stronger and we hope to have even more things available.”

The program sells its produce to the schools at a discount and uses the revenue to support the Teen Ag Crew “so we don’t have to rely so heavily on grant funds,” she added.

As a member of the Heirloom Seed Project, Medomak Valley can also boast in being the oldest high school seed-saving program in the United States — preserving more than 800 vintage seeds, including 350 varieties each of beans and tomatoes in several greenhouses.

Of course a major result of the farm programs are tasted in the lunch programs.

“It’s a higher-quality and higher-impact produce costing less than normal,” said Cherichello. “It’s a win-win that way.”

School nutritionists agree, singing the praises of the school gardens.

Martha Poliquin, director of food services for the Falmouth School Department, said farm-to-school purchases now comprise 35 percent, about \$78,000, of all program food purchases — not including the 500 pounds of produce from the school’s three-year-old three-quarter-acre garden plot.

“When bringing food in from our own school gardens we’re certainly saving money as well as connecting kids to where your food comes from. Here’s what a carrot looks like, not that peeled thing you see in a bag,” she said. “When purchasing locally grown, it does mean we spend more, but I believe it’s worth it. It’s good nutrition. It supports local economy. And using anything from our school gardens makes it full circle in the education of where our food comes from.”

Ellen Demmons, director of food and nutrition services at RSU #21 in Kennebunk for the past 30 years, said, “I firmly believe that we’re coming to crossroads in nutrition and people really caring what we eat and where our foods come from. If we can market to the parents that we have a garden and we work the farmers and how much food is *not* processed, it helps our reputation.

The more we can increase the numbers of meals we’re serving without increasing labor, the better off we are financially as well.

Demmons and others are now able to do more of what she calls “speed-scratch cooking” — for instance, starting with chicken broth base and adding fresh farm ingredients to make soups, or adding seasoning and fresh produce to canned beans.

Norway’s Rennie said, “We’re trying to put an educational spin on everything we do. We’ve compiled data that supports the success of what we’ve done so far.”

That’s ammunition school business officers around the state might load up with when discussing what ways to feed the students, expand their education — and keep budgets down at the same time. •••



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A Presque Isle student fills honey jars for school and for sale at the school's and area stores.

school's dozen beehives, whose honey is poured into containers ranging from two ounces to three pounds.

Coming this summer: SAD #1 School Farm strawberries and blueberries in the ice cream at Houlton Dairy's chain of outlets.

Taking this synergy to a new level, while its 10-year-old hydroponics operation continues to produce cucumbers and tomatoes, the school will move its aquaculture infrastructure — raising trout and salmon — this summer to the farm, where its water outflow will be used to irrigate the crops in the greenhouse.

“The students are involved in 100 percent of the cycle —planting, cultivation of the crops, care of the farm, selling in the store,” said Johnson. “Our ag-science and career center continue to grow. The curriculum includes marketing and a variety of other courses that relate to practical hands-on experience.”

Early on, the vocational education students built a 30-by-120-foot greenhouse with moneys raised from the business community.

As the product line grew, so did the facilities.

With more support from local businesses and the com-

“The students are involved in 100 percent of the cycle —planting, cultivation of the crops, care of the farm, selling in the stor. Our ag-science and career center continue to grow. The curriculum includes marketing and a variety of other courses that relate to practical hands-on experience.”

— Dr. Gehrig Johnson, RSU #1 superintendent

munity at large, the School Farm added a significant store.

“We needed a store front for the public because people were coming in on a regular basis,” Johnson explained.

In 2004 a \$500,000 apple-processing building was constructed, making it possible to commercially produce apple cider every other day from Sept. 1 to New Year’s Day.

“It’s become pretty sophisticated over time,” Johnson said.

Hoffses said he will hire 50 to 60 students to work the farm and store this summer, a number that will swell to 90 during the three-to four-week strawberry-picking season.

Johnson said every bit of the \$175,000 to \$200,000 annual gross revenue has been put back into growing the farm.

“It’s not self-sustaining yet,” he said. “It sustains itself in terms of the costs for running the farm, including student labor and start-up costs each spring. We have three farm instructors, paid by SAD #1, and the district employs those teachers as well as ag-science.”

The farm does, indeed, save money for the school lunch program, especially in the fall when fresh fruits and vegetables abound.

Indeed, the school’s original 38 acres has been transformed into an agricultural phenomenon, with 2,500 apple trees, four to five acres of strawberries, blueberry and raspberry bushes, and beehives. Johnson expects the additional acreage will be turned into an apple orchard, adding to the farm’s unique story. •••



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‘ This past year, 2013-14 ... 50-plus districts have students in charters... Those schools are impacting districts all over the place, so the concern went up significantly.’
 — Commissioner Rier



Continued from page 15

MeASBO: So instead of going through the towns the funding went directly from the DOE...

Rier: Yes. Both of the bills would have done that. The problem was that each year when we create the funding, like we do for all the school districts and the Legislature approves it, we would also have to have one line only, separate, that had to do with those allocations and the costs associated with charter schools.

I would have seen all kinds of problems with that because of the history we had with them last year when we did the curtailment. We spent weeks trying to figure out how to impact charters with those curtailments. It was just an indication to me of how far the folks who don't support charter schools would go because it was a very small amount, like \$50 per kid.

But they kept that anti-charter approach going anyway.

So that didn't pass last year. And I could argue that as hard as we tried, the committee didn't understand what the bill was doing and didn't have a lot of time to spend on it, so ultimately it didn't go anywhere. And the

governor vetoed it and that was the end of the conversation.

So this year — and I would have been a strong proponent of doing this because I was mostly trying to react to school districts — the most important example is Skowhegan, which next year has \$175,000 they are going to have to budget for that purpose with kids that are in charters.

Irrespective of the fact that I might support charter schools, I was trying to focus on just a funding of them in a way that would be less impactful. So rather than have the governor propose a bill this year, I worked with folks from both parties — Brian Hubbel who is on the Education Committee on the Democrat side and Mike Langley who is on the Education Committee on the Republican side — to essentially use the language we had proposed last year. But I agreed to go a little further than I did last year in that it would not include a separate line in the budget but it would require the commissioner to publish the cost of not only the 279 postings so everyone could see how many students were in each unit, but also a requirement for us to articulate the costs associated with charters in the same way we do with public schools.

So that bill struggled through the session and ultimately died at the very end

of the session.

MeASBO: Any ideas why?

Rier: Oh, yes, I have a lot of ideas! I'm working to try to get it corrected. The MEA [Maine Education Association] came in at the last minute and condemned the whole approach. Ultimately, they were very influential in getting the bill killed.

MeASBO: Are they essentially simply opposed to a charter school, period?

Rier: Yes. What they hated to hear from me was that, just like last year, part of their philosophy is to cause the significant financial burdens on school districts in order to help, in the future, kill the charter approach.

Well, no matter how much people think they're going to kill the charter approach, it's not going to happen. There's too much going on. We've got a number of them now. Next year we'll have maybe 500 or 600 kids involved. I don't think there's any legislation that's going to shut that down. There's too much in play, so my focus was to try to get the funding to be less impactful. Anything short of that, in this coming year since this bill didn't pass, it's not just Skowhegan. Brunswick budgeted \$500,000 for kids they'll have in charter schools next year. SAD 75 has both Baxter in Portland and the Harpswell School. They had to budget over \$450,000.

And when you know now there will be 'virtual' kids who can attend from anywhere. You don't have to be near one — to attend.

MeASBO: That was my question. There was a vote about the virtual high school this week.

Rier: The Charter Commission already approved one charter school for next year: Maine Connections Academy. That one's done and they're already enrolling kids.

MeASBO: We were discussing the fact that the home schooling kids, who did not receive subsidy the previous year, might enroll in

an organized curriculum. It would be beneficial for them, but we'd be passing on subsidy we didn't actually have.

Rier: You would get it eventually because once they enrolled they wouldn't be home-schooled any more.

The town pays for the virtual education just like it does the brick-and-mortar charter school.

MeASBO: Whereas now towns don't have to pick up any of the bill for home-schoolers, now they will.

Rier: Yes. Just the same as if they came back into the public school and weren't home-schooled any more. That count wouldn't be picked up until the following year either, but it would be going to the charter school. The count begins to impact the local district in regard to funding and so forth. But there's no way to justify the way the funding works now. That even aggravates more because in some cases the ones you might be having enroll in your charters now at

least count is in your subsidy and is there available to be paid.

There are a number of important subjects that relate to that. It isn't just funding. It's the quarterly payments that are a nightmare. It's how do you budget in the spring? I have no idea how you budget in the spring for what's going to happen in the fall, especially if it's a virtual school and the others as well because we don't know and those final enrollments aren't required to be known until the first of September. And you're responsible for them whenever they occur.

MeASBO: A few children from my district are going to two charter schools. We budgeted \$55,000 next year for six kids, but with the virtual high school the concern of business managers is that you can't say, 'Likely we'll have some kids' or 'Likely not.' We just don't know.

The cost per student is the same per student that you use with 8279 and you use the same targeted funds assessment, technology and then free-and-reduced, transportation and special-ed are all factors for that.

Rier: In many cases the allocation has been created for the resident district to be able to be forwarded. So, depending on where the student's coming from, the charter allocation might be different, not because of special-ed and so forth but the base per-pupil amount from EPS. It's not dramatically different. It's trying to predict all of those things. And even after you build a budget and predict them, based on your best knowledge about those enrollments, you still have to react in pay even if those things are different when it occurs.

And then, if that isn't enough, those payments are required to be made to the charters on a quarterly basis. They're made the first of September, the first of December, March and so forth. It is just extremely difficult, based on the way the law reads now, to have everyone go back to the last quarter now. The charter school doesn't like having to deal with it either because it has to get new invoices out, or at least explain what's going on. And the unit send-

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ing to them now... It's just one more way to influence what's happening.

MeASBO: We end up double-checking to make sure people are passing on to special-ed, disadvantaged and I had an instance where they had billed for economic disadvantaged but I looked up the information from the previous year and they were not. So I contacted them and they did correct it, but it is time-consuming.

Rier: The other confusing part of it is, when they first enroll, 'economically disadvantaged' is determined by whether they were when they left your district, say. So that's the same information that's being used to calculate the allocation to support them. Once they get in the charter school there will be a determination as to whether they are still eligible.

in Gray. Those schools are impacting districts all over the place, so the concern went up significantly. Believe me, it didn't matter whether you had 20 kids or two, those districts were just as upset because they didn't like the fact they had to pay for those students.

The whole idea behind what was proposed and ultimately died at the end of the session would have been to have us allocate that, we'd take it off the top of GPA and we'd handle it all here in the Department, which is no small amount of work. It would have been a significant amount of work for us, but it still would have been better than what we have to manage with 50, 60, 75 units where we're having to work with the charter and the public units.

MeASBO: Suzan [Beaudoin] had to give us individualized templates to start with and we had to get our individualized numbers.

were here, someone made a motion to indefinitely postpone the bill.

MeASBO: When we first started, there was the question about we had to pass the transportation on **if** they were providing transportation. Then I contacted our charter schools and asked, 'Are you transporting the student?' because I thought it was based on that. And one of them indicated it was passed on without them having to do that.

Rier: The key is when they present their proposal to the Charter Commission, in that proposal they indicate how they are going to provide transportation to students. They will, at that time, unless something different happens, go by what it says [in the law] which allows them to take the transportation allocation divided by the number of students.

In most districts that's \$500 or \$600 per student.

Usually, when they present their case to the commission, if they were going to have a charter school where they didn't transport anyone that would be a problem, especially if it was k-8, because the law requires them to transport k-8. That's something the commission has to address going in. The best example is Cornville. There's nothing in the law that requires them to determine who's getting transported every day. They're going to build a budget and build a commitment to the Commission to transport kids, and if they do, they have to find a way to do that somehow. And in most of those cases, what happens is those charters like Cornville would come to the Commission and propose how they'll do that. It's not hard to imagine, at \$500 to \$600 per kid there's no way they're spending less than that the way they do it.

The example where they **do** spend less is Portland. If there are kids attending the Baxter School who are from Portland, if I divide Portland's transportation allocation by the number of students, it isn't \$500 or \$600. It's about \$250.

So that gets calculated in and

**‘The MEA [Maine Education Association] came in at the last minute and condemned the whole approach. Ultimately, they were very influential in getting the [charter school funding] bill killed.’
— Commissioner Rier**

They will ultimately report that and we will have that data so that your school's allocation will continue to support that student, whether it is economically disadvantaged or free-and-reduced.

We'd be so much better to be managing all of that here because we have all the data, we wouldn't be doing these quarterly things, we'd just be paying. The interest around this subject ratcheted up significantly during this legislative session, or this year, because, in the first year when we just had Cornville and Means, there were school districts with kids there but not a lot of them. There were a handful of students.

But this past year, 2013-14, there are in the neighborhood of 50-plus districts that have students in charters — Portland, Harpswell and Fiddlehead Art & Science Center

Rier: It's a lot of work for the district as it is for the charter school trying to stay on top of it and, of course, our team here is going through the same thing.

It's an unfortunate set of circumstances, but we're going to have to live with it for another year anyway.

MeASBO: So, next year let everyone know they should talk to their legislators?

Rier: Yes. Unlike last year there would have been a significant number of — the Maine Superintendents Association was very much in support of the change. The School Board Association took a little bit more time because there wasn't broad agreement about taking it off the top of GPA versus doing it like we were. But we made considerable progress with a number of folks, including legislators around all of that — until, at the last minute, the MEA lobbyist was very influential making sure it didn't happen. At the very last day they

ultimately the requirement to go here says that if they present to the commission something that would indicate that they're going to spend less than those amounts they can get from schools, they can only charge what they can build a case that it costs.

MeASBO: But that's between them and the commission, not the local school unit.

Rier: Yes. So with the contract the commission said they can only charge a certain amount per student for transportation and that would have to be what prevails for that particular charter school. But none of that has happened up until now...

It's always significantly more. Because like in the case of Cornville they were collecting the first year at (\$50,000 or so) and there is no way in the world that you would contract with anybody to transport kids for that kind of money. So they were having to cover that cost otherwise; it wasn't coming out of the school unit. That is the way the finance law reads.

MeASBO: About special ed. There are two issues. One is the fact that with the way special-ed is determined, it happens without any intervention of the school district they're coming from. Do you see any changes there?

Rier: I have concerns on both sides of that issue. Ultimately, the first year the student enters special-ed, the bump in allocation for that purpose can be determined by the IEP where the student came from. Where the question continues to come — and the law doesn't address it at all — is when a charter school gets a student who was not identified as special-ed and they are not getting any allocation for that purpose, and if there is an IEP at the outset of that school year at the charter, the way we've been addressing that is that the IEP student needs to be supported with the additional funding even though the school where the student came from didn't provide the IEP.

Again it's important to remember

that the charter school has to establish that by the same means that the school they came from would have. I don't believe there's any kind of significant change in the identification through IEPs in charter schools. I'm sure that there are those who will allege that they're doing it so that they can collect more; but you have to provide services that most charter schools are not prepared to do.

There shouldn't be an incentive not to identify a student as special-ed and there shouldn't be one to identify them as such. It just should be that that's what the law requires and we'll do it.

But it's another one of those things that if we managed that here, we could react to it and it wouldn't have to impact the

school districts involved.

In some cases the charter school is not necessarily highly interested in identifying special-ed kids because they don't always often have the program for them. But in some cases they might have a student (and I don't know that this would happen very often) that was identified coming in and they don't identify them going forward.

It's also important to remember that the confusion comes in that first year in because they were identified and now they're not, or maybe they're not identified before but now they are. Once that identification occurs, by the charter school for

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instance, it's going to automatically be reflected in the local school district's allocation for special-ed. And the payment is going to be required also.

MeASBO: It would all be resolved if this happened at the DOE level.

Rier: Yes, so that those kinds of uncertainties— as though you don't have enough issues with budgeting in the spring about the number of students involved — it's whether that student happens to be economically disadvantaged (because that bumps up the number) or special-ed once you learn who they are. There's no way to budget for that. You're either budgeting too much because you don't want to get caught short. And if you budget too much, it impacts whatever else you're doing. These are all arguments I would be making about why it's so ineffective, inefficient and just plain not fair to be reporting these aspects of the budget locally.

I have no idea how you budget in the spring for what's going to happen in the fall, especially if it's a virtual school and the others as well because we don't know and those final enrollments aren't required to be known until the first of September. And you're responsible for them whenever they occur.

— Commissioner Rier

MeASBO: About MaineCare Seed, we understand and have gotten to the bottom of where all the funds are going. One of our concerns is the timeliness of the information. Especially if there are a lot of changes in the number of students they have, the dollars are huge.

Rier: I wish I knew... Districts are struggling. We are here. Suzan [Beaudoin] puts pressure on me all the time to change the way we're doing it. I am not satisfied yet that we can't — together with MaineCare and DHHS — be more efficient about how we're doing it because it still is in the best interest, I think, well-documented with good oversight, to have the information that you're getting. You're getting it later. That's been for a number of reasons; right now, you just got the first of two quarters. It's important to remind folks why this is happening. Because what you all were doing before was completely non-compliant with federal law.

MeASBO: There were so many of us unaware of that, not just in the school districts but the special-purpose private schools weren't aware.

Rier: They were all over the map. I assume that they

were on some kind of consistent approach, but they were all over the place in what they were doing. That part had to get cleaned up. The only way we could effectively approach it was to do it the way the feds would see as compliant, which leads to this intergovernmental transfer. The [intergovernmental transfer] is problematic for us because — like last summer when we transferred \$12 million to cover those costs to the DHHS who then pays the special-purpose private or other school — we're up-fronting all that money with the anticipation that we will be able to document it and be able to get it back to the districts. The way I look at it is that we're paying it on their behalf.

I believe some of the bigger districts will scream that it's way too much data and they don't want to deal with it. My take on it is that it's millions of dollars and are you not interested in what's being paid on your behalf for those students, for your services?

It's cumbersome, but it's a way to be sure that the charges are correct. I don't see any way to go back to the way it was done before. You think the load on local districts is a problem now. It would be significantly more if we went back. You'd have to be reporting all that and getting adjusted at the end of the year by DHHS. That's the way that all works. It's hugely cumbersome. You'd have to be not only in your own local program that you're providing but the ones that special-purpose privates are providing. All those things would have been subject to dramatically more troublesome accounting in local units in a way that the federal requirements would demand.

The other thing is that you would be paying those on a monthly basis as opposed to later, after we've gone through all this process. There's a balance of all those things going on. Ideally, we would have gotten to a point where we were providing those quarterly details to you sooner. We would never get them all in one year, but we should be able to manage fourth quarter like last fall from the previous year and then three quarters from this year so that it is on an annual basis but it would be behind a quarter all the time.

Some of that has to do with DHHS and the timeliness that we get the information. But it is also due to the burden it creates here to process it. We're getting better at it. But any time data is moving from one agency to another it is cumbersome for us. If you can imagine the thousands of lines.

MeASBO: I know how many pages we have for one quarter. Think of how long it took to fully implement MEDMS. This is similar.

Rier: This was a dramatic change in the way we would have been able to access and provide data from DHHS because as much as you would expect that to be something that was routinely shared between agencies, it was not because all the individual student protection is the kind of information they have. So by moving to this approach — called intergovernmental transfer — where we provide

the money upfront to DHHS instead of paying the special-purpose private school 65 percent, then the local school paying the rest, they pay the whole 100 percent. And we would make the subsequent subsidy reduction to account for that later on.

MeASBO: So, each year you would upfront an estimated amount and then at the end of the year you would reconcile it?

Rier: Yes. And at the same time reconciling to make sure we've accounted properly for (what students) either belong to you or don't. We continue to have issues because some of those billings are coming from summer months where districts haven't given us accounts as to when in fact they have kids in special schools and private schools. They are not used to ratcheting up any of that until they get into the October account, so we continue to struggle with identifying kids early enough.

MeASBO: My understanding is that the special-ed information, instead of being just for December that now as of this October needs to be ready for both April and October. Some of the schools' special-ed departments thought they need to have December count because that's what is used for special ed.

Rier: Are you talking about the seed?

MeASBO: No, just in general as far as having the special-ed information updated. They were looking at December 1 and that's when I have to have everything updated. And as of this October, it's got to be all...

Rier: It's been that way for a while.

MeASBO: I think there's been some misunderstanding.

Rier: Even though we would have stressed how the October count should be for the most part correct, early on we waited until we got December. But for the most part those things should have been reported.

There will be some things that can't be reflected until December first but they should be minimal compared to if you were trying to report all those things on December first. The focus has moved away from that to the October count for a while.

MeASBO: Is the rate set by the federal government?

Rier: Yes.

MeASBO: When is that available for the next year?

Rier: They don't publish it like that. You'll see what applies at that moment when it is provided to us because it's additionally not helpful when you have that percentage changing.

MeASBO: But I believe the rate was good for the year — at least in the past when we used to do the C Forms. I think that rate was the rate for the year.

Rier: Prior to two or three years ago that probably was the

‘ It's important to remind folks why this [MaineSeed issue] is happening. Because what you all were doing before was completely non-compliant with federal law.'

— Commissioner Rier

case because rates were more established. What happened two years ago is that we started going through the ARRA stuff on the fed side they changed that percentage up and down.

It would change three or four times within a year. That's why we only knew what the percentage was when they actually did the service and applied whatever period that was to it. So it's another hard thing to predict. It's not moving dramatically, but there's no way to know.

Five years ago, it was somewhere in the neighborhood of 75/25. Then it got reduced. Then they came back with the ARRA funding and provided more federal support percentage-wise, and then it has moved away from it again.

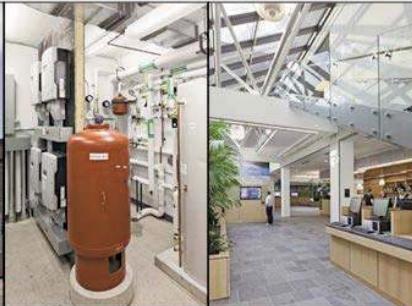
So, I don't know exactly what the number is, probably close to 35. ...



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Critical issues in frequency of disinfection

By Leo Bifulco

In the previous issue, the discussion of setting a frequency schedule for disinfecting high-touch surfaces for a healthier learning environment was brought into play. In order to put an effective frequency schedule in place, several factors need consideration:

- ✓ the proper protocols of disinfection;
- ✓ the difference between sanitizing and disinfection; and
- ✓ the proper condition a surface should be in before applying a disinfectant.

The first thing to make clear is the difference between disinfection and sanitizing. Disinfection is the killing of germs, while sanitizing is just the removal of them. In schools it is important to kill as many germs as possible and not just remove them.

Also, sanitizing will not kill bacteria such as MRSA or STAFF, or any other potent bacteria. While sanitizing is a good procedure to use when disinfection is not possible, it should not be used to replace disinfection.

Another important factor is the condition a surface should be in before applying a disinfectant. All surfaces should be thoroughly cleaned before applying disinfectants.

A disinfectant will not penetrate dirt, grease and oils that

build up on the surfaces from human touch. Before a surface can be effectively disinfected, it must first be cleaned with a detergent. Disinfectants are not made to clean surfaces and should not be used as such.

It is possible to clean a surface and kill germs if using a disinfectant; but the results will not be as thorough as if the surface were first cleaned with a detergent.

The next important issue regarding disinfection is “dwell time.” Dwell time is the amount of time a disinfectant should stay on a surface to completely kill all bacteria. The EPA (Environmental Protection Agency) suggests a 10-minute dwell time, but there is no study that has demonstrated improved efficiency of disinfectants with a 10-minute dwell time versus a one-minute dwell time.

It is important to ask your supplier what the recommended time frame is for the product you use. The recommended dwell time can also be found on the MSDS label for that particular product.

A common misconception with disinfectants is that increasing the dilution of the disinfectant does not increase its potency or improve its dwell time. Research on this subject found that increasing the dilution of disinfectants

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Knowledge, Clark Insurance believes, allows all of us to make well-informed decisions. The insurance agency supports more than 100 civic and charitable organizations in Maine and New Hampshire that provide food, clothing, shelter, education and health services.

In 2013, the agency dedicated half of its television advertising budget to support human services, including teachers and education.

Members of Maine’s K-12 community also have come to know Clark Insurance through its advocacy for health-insurance reforms — a long and complicated public-policy process that has created new opportunities to lower costs and provide flexible insurance coverage.

“We saw changing public policy as a chance to open the school health insurance market in a way that could benefit both the users of health insurance as well as the taxpayers who fund it,” said David Hamilton, vice president and sales manager of Clark’s Employee Benefits Group. “So much has changed in the years since the one-size-fits-all health plan was introduced.

“Unfortunately, most teachers, staff and administrators have been missing out on some very exciting opportunities to lower their health costs and put away real dollars over the course of their employment.”

In Maine, Clark Insurance took the lead in helping to pass LD 1326, an act of the Maine Legislature that ended the decades-old monopoly on health insurance available to school units. The reform allowed individual



Harvard Pilgrim Health Care Vice President Ed Kane, far right, presents Clark Insurance officials Harvard Pilgrim’s Healthy Workplace Award for its production of an ad in support of teaching as part of a series in support of various human services. Left to right are Vice President Dave Hamilton, Senior Vice President Gail Lind, President Ken Ross, Business Development Director Tony Payne, Senior Account Executive Chad Cote and Kane.

school districts to have access to their own health insurance experience. With that information in hand, school units can now secure competitive bids from multiple health insurers.

Despite challenges to the new law, a federal judge ruled in favor of transparency as did a federal appeals court. The question of school units accessing health insurance data is now settled law.

“Even if the marketplace were unable to provide competitive options, we believe that transparency provides an honest and thorough understanding of this essential but expensive employee benefit,” said Hamilton. “The new law is good public policy and the courts agree.”

Since the final ruling, Hamilton and

his team have been working with numerous school units to explore their options. One recent proposal by Clark Insurance to cover teachers and staff provided several plan options with excellent coverage, while reducing insurance costs by \$300,000 to \$400,000. The range of savings was dependent on which plans were chosen by each participating family.

“Had the contract with the teachers been in place allowing for competitive bids, the district and participants could be enjoying those benefits today. We are hopeful that all school districts will eventually adopt the language necessary to allow those

options to be presented and provide the transparency that will benefit everyone,” said Hamilton.

Perhaps the most exciting opportunity previously unavailable to teachers and staff is the health savings account (HSA) option. Much like a 403(b) retirement account, annual contributions are made by both the employer and the employee to an individual personal savings account. The amount that is funded each year with pre-tax dollars should be enough to pay the health plan’s annual deductible.

However, if the participant doesn’t spend all or some of that year’s contribution, it stays in the savings account. For many, the HSA is a way to build up a tax-free nest egg for the inevitable medical expenses we all will face, including the cost of supplemental Medicare coverage.

For example, if a person’s health savings account was funded annually with \$3,000 but the participant only spent \$1,000 each year, they could be sitting on \$20,000 of tax-free savings plus interest in 10 years. As long as that money is used for medical

expenses, it remains tax-free.

Hamilton said the HSA isn’t necessarily suited to everyone, but it is an option that isn’t even available under the plan used by most school districts today.

“We think teachers deserve to at least have the option to choose a plan that works for them. That’s why we always try to present traditional health insurance plans along with the HSA options,” he said.

The other aspect of health savings that Hamilton believes will become far more common is wellness — helping to change diets and add regular exercise.

“We’re seeing more and more employers create incentives to lower cholesterol, lose weight and exercise regularly,” Hamilton said. “The data is irrefutable — changes in diet and exercise keep us healthier and lower the cost of health care. When you make healthy living an incentive and charge a higher price to those people making no effort, most folks usually will choose to improve their lives.”

One public employer has worked closely with union representatives to



Dave Hamilton

change the funding of health insurance based on changes in participant behavior. The proposal was to charge participants 15 percent of their total health insurance premiums. A participant, however, could “buy down” all of their contribution by getting a health risk assessment, regularly exercising, quitting

smoking and doing other activities that improve health.

Whether it is health insurance or protecting your home and auto, understanding the risks associated with the things we own, insurance is a complicated and centuries-old endeavor; it is the business of transferring risk. When several insurance companies compete for business, the price tends to drop. Without competition, prices tend to rise.

“Our company also provides property/casualty insurance,” Hamilton said. “We represent dozens of insurance companies, which means we can figure out the risks a person or company faces and then go out to a variety of insurance companies to see what they will charge. That process helps keep rates low while providing the coverage people and employers need.”

The agency also has invested in online resources that help risk managers and human resource professionals stay abreast of industry trends and comply with ever-changing regulations. In addition, it posts a weekly blog on its web site and Facebook page.

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A 'thank-you' and 'farewell' from Toby Cook

I write this article as a "thank-you" to an organization that I have belonged to for more than 20 years.

I had been in the finance and leasing business for about 15 years when in 1993, I had the good fortune to do my first municipal lease purchase with Bruce Powell at MSAD #44.

I was very wary because of the requirement for what was known as a "Non-Appropriation Clause." For a lender, the idea that you can non-appropriate and terminate an agreement didn't seem right. After 21 years and hundreds of millions of dollars in municipal lease purchases, I have never had a non-appropriation.

Bruce Powell was also the person who suggested I might want to join the Maine Association of School Business Officials (MeASBO), which I did. I have been attending the meetings for more than 20 years.

Back then there were usually 25 to 30 people in attendance. I was amazed by the amount of knowledge and experience in this group.

I have watched the association grow and the meetings get larger, with 50 to 70 people in attendance. I continue to be amazed at the amount of information required to perform your jobs.

A business manager must have a working knowledge of construction projects, property management, proper handling of chemicals and dangerous materials, transportation management, school lunch programs, OSHA requirements, air quality, HVAC systems, HR requirements, labor law, collective bargaining, contract negotiations, public finance, cash management, risk management, insurances of all types, public accounting, payroll, health care, budgeting, board management, computer technology, security systems, emergency procedures for every conceivable crisis.

The list is almost endless and you must be able to do this in an environment of changing school committees, school administrations and never-ending state and federal requirements or mandates.

You do all this not for the "big bucks" but for your schools and communities, in the effort to make things better and serve the public.

I could not be more impressed by the quality and substance of this group and the association. Many of you have heard me say that I keep coming to these meetings because it makes me feel better about my own job.

As a vendor in a MeASBO meeting, I have always felt welcome. This is rare and not the norm in most trade organizations. I thank you for that.

I have had the pleasure, over the years, of doing business with many, if not most of you. I thank you for that.



Toby Cook, longtime MeASBO member

I have also had the privilege to develop relationships and easy friendships with many of you. I thank you for that.

By now you are probably thinking, this sounds like a good-bye. Well, it is. I will be retiring this summer. I have been fortunate in my career in that I have been able to start and manage two leasing companies. My first company I started in 1982 was Northeast Leasing Co. Inc., now known as TD Equipment Finance.

Ten years ago I joined Gorham Savings Bank and started Gorham Leasing Group.

A new "Leasing Guy" named Rick Proctor will take over and continue to do municipal leasing for GLG. I believe GLG will continue to meet your needs with a

level of service you all deserve.

I will continue to be involved for a period of time as a consultant or "Of Counsel." I can still be reached by my cell phone: 207-838-7258.

I should tell you that if you thought I was going to pack up and head to Florida like most retired leasing guys, you would be wrong. My place of retirement will be Montana.

Again, thank you for making me part of your group. I have been both proud and humbled to be a member of Maine Association of School Business Officials. I thank all of you for your service to the state of Maine and the education of all our children.

With admiration and respect,

Your friend,

Toby

Critical issues concerning frequency of disinfection

Continued from page 28

actually helped some forms of bacteria multiply. It is critical to dilute disinfectants to the manufacturer's recommendations.

The proper cleaning and disinfection of surfaces is becoming a more prominent concern in schools across the country. Children's developing bodies are more vulnerable to infectious bacteria than adults. Comprehensive cleaning and disinfection programs are a viable solution to this problem.

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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
Adam Hanson, MeASBO

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.

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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.

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