

# MeASBO

The official publication of the Maine Association of School Business Officials

Summer 2015

Charter  
School

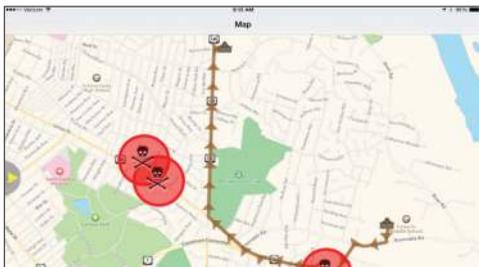
**V-I-C-T-O-R-Y:**  
**DOE paying charter schools**

**Obamacare:**  
**The fun continues**

**More Great 20th Recalls**

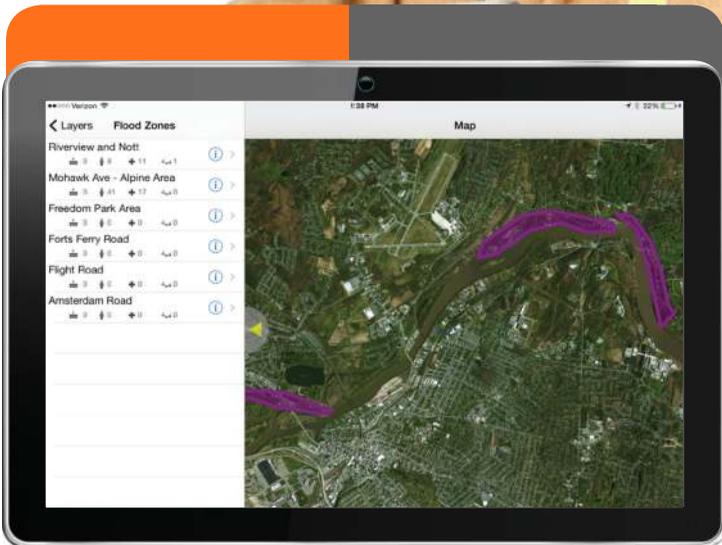


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EMERGENCY RESPONSE	BOMB THREAT
<p>In the event that the school receives a bomb threat by telephone, follow the Bomb Threat Checklist on the next page to document information about the threat. Keep the caller on the telephone as long as possible and listen carefully to all information the caller provides. Make a note of any voice characteristics, accents, or background noises and complete the Bomb Threat Report as soon as possible.</p> <p>Keep the caller on the line with statements such as "I am sorry, I did not understand you. What did you say?"</p> <p>Alert someone else by prearranged signal to notify the telephone company to trace the call while the caller is on the line.</p> <p>Notify site administrator immediately after completing the call.</p> <p>Complete the Bomb Threat Checklist.</p>	<p><b>Telephone Bomb Threats</b></p> <ul style="list-style-type: none"><li>• Remain calm/courteous.</li><li>• Read phone's visual display.</li><li>• Listen, don't interrupt.</li><li>• Keep caller talking. Pretend hearing difficulty.</li><li>• Notice details: background noise, vocal description.</li><li>• Ask: Where? When? What? How?</li><li>• Don't touch any suspicious items.</li><li>• Call 911</li></ul>



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# Already planning ahead for 2015-16

I cannot believe this year is over already. They just keep going faster and faster and there is never a shortage of issues that need our attention.

This year we continued to work on the Affordable Care Act requirements and learned about the impact the Cadillac Tax may have on us.

We also learned that once again we must tweak our account number structure, but playing with numbers is one of my favorite things to do and in this business there is no shortage of numbers.

We enjoyed some great presenter and vendor contributions to our meetings, and celebrated the 20th anniversary of our magazine. Thank you, Mark Leslie, for your tireless dedication to us!

I finally had the pleasure of attending a Tri-State Conference after 10 years. Due to my severe claustrophobia, I secured a room on the second floor (I don't do elevators, despite Deb Roberts' and Cathy Messmer's best efforts to get me in one) and had



Stacie Field

the pleasure of being right across the hall from the Tri-State Committee's command center.

The hard work and dedication of this committee is amazing. I don't think I ever saw Diane Boucher, Dean Flanagin, Alan Kochis, or Kris Pottle sit down for more than ten minutes at a time.

Thank you all for the hard work you do to bring this conference to us each year.

Adam Hanson will take over as president next year and we already have our summer planning meeting schedule for July.

We are also looking to hold another joint workshop with Drummond Woodsum in October and I hope you can all attend. After the long, brutal winter, I am looking forward to enjoying the warmth and sunshine of summer, even if I have to close out a fiscal year in the process.

Have a great summer and we'll see you in September!



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# MeASBO's School Business Certification continues to hone in on members' needs

By Deb Robert, Certification Committee Chair

The MeASBO certification program has been in place since 2009. Currently there are four certified SBO IIIs and one SBO II. Professional development was provided on April 3, 2015, for 50 business managers. The training covered seven hours of the Introduction to School Business course.

The committee will meet over the summer to develop a training schedule for the upcoming school year. We will be focusing on another full-day workshop which will cover the other seven hours of the Introduction to School Business course as well as any other areas that current active applicants may need.

As a reminder to anyone interested in certification, below is a description of the requirements for each of the three levels.

**SBO I** — Requirements are an associate's degree including six credit hours of business/finance courses, with no work experience or a minimum of 10 years work experience with a portfolio\* as well as completion of the following:

Introduction to School Business (14 contact hours)
Cash Management (3 contact hours)
Introduction to Ethical Principles and Decision Making (3 contact hours)
Principles of Education (3 contact hours)
Team Leadership (3 contact hours)
Technology (3 contact hours)
Wrap-up (2 contact hours)
Elective (3 contact hours)

**SBO II** — Requirements are a Bachelor's degree including 9 credit hours of business/finance courses with no work experience or an Associate's degree including 9 credit hours of business/finance courses with 10 years work experience with a portfolio\* as well as completion of the following:

Introduction to School Business (14 contact hours)
Cash Management (3 contact hours)
Introduction to Ethical Principles and Decision Making (3 contact hours)
Labor Relations/Employment Law (6 contact hours)
Payroll & Related Personnel Issues (3 contact hours)
Principles of Education (3 contact hours)
Effective Communications (3 contact hours)
Purchasing (3 contact hours)
Team Leadership (3 contact hours)
Technology for the Business Manager (3 contact hours)
Wrap-up (2 contact hours)
Elective (3 contact hours)
Elective (3 contact hours)

**SBO III** — Requirements are a Bachelor's degree including 18 credit hours of business/finance courses as well as completion of the following:

Introduction to School Business (14 contact hours)
Bonding/Borrowing/Investing (3 contact hours)
Cash Management (3 contact hours)
Facilities for the Business Manager (3 contact hours)
Food Services for Business Manager (3 contact hours)
Introduction to Ethical Principles and Decision Making (3 contact hours)
Instructional Program Evaluation (3 contact hours)
Insurance and Risk Management (3 contact hours)
Labor Relations/Employment Law (6 contact hours)
Payroll & Related Personnel Issues (3 contact hours)
Principles of Education (3 contact hours)
Effective Communications (3 contact hours)
Purchasing (3 contact hours)
Revenue, Expenditures and Budgeting (9 contact hours)
Audit (3 contact hours)
Strategic Planning (3 contact hours)
Team Leadership (3 contact hours)
Technology for the Business Manager (3 contact hours)
Transportation for the Business Manager (3 contact hours)
Wrap-up (2 contact hours)

\*Portfolio – A portfolio provides evidence of accomplishments, skills, abilities and documents the scope and quality of a person's experience and training.

A couple of points to note as we have been reviewing applications as a committee:

Please submit your application in a tabbed booklet format. An example is provided on the website.

We do not require official transcripts. Photocopies are fine. We will notify members electronically of upcoming professional development offerings that relate to certification.

Certification documents are all available on our website at [www.measbo.org](http://www.measbo.org).

# Obamacare waters still muddied

By Mark Leslie

**7**ive years after Congress passed the Affordable Care Act, parts of it are still an enigma waiting for clarification from the Obama Administration, which is problematic for people who have to plan ahead — like school business administrators.

That point became abundantly clear at the Tri-State ASBO Conference in Portland when business managers from Maine, New Hampshire and Vermont were updated by David Law, benefits and coverage counsel with HealthTrust, Inc., a pooled risk management program for public-sector employees in New Hampshire; Darlene Simmons, member relations advisor at HealthTrust who advises schools and municipalities; and Lisa Duquette, executive director of the New Hampshire School Health Care Coalition (SchoolCare).

Perhaps the biggest take-away from the session was an unspoken one: school administrators should make a powerful case for school employees to accept “Cash in Lieu”— that is, offer employees an annual lump sum of cash for jumping onto their spouses’ health-insurance plans.

As speakers were filling in the audience on the upcoming “Cadillac” Excise Tax, several business officials said a great and growing number of employees are accepting “Cash in Lieu.” And the more the better.

The paperwork involved in the ACA is so daunting that it helps greatly when employees get their coverage elsewhere.

While the ACA fills more than 2,400 pages, there are nearly 11,000 pages of ACA regulations that, if stacked, would reach nearly three feet high. Much of the law still had not been written when it was passed in March 2010 and, in 2015, that is still the case, though to a lesser degree. (By comparison, the U.S. Tax Code is approximately 13,000 pages.)

What is clear is that there are penalties — the Employer Shared Responsibility (ESR) penalties for large employers that do not offer affordable medical plan coverage to full-time employees; non-



compliance penalty (which rose to \$325 or 2 percent of income in 2015 per person and will jump to \$695 or 2.5 percent of income in 2016); IRS reporting penalties — and, looming larger with every passing day: the Cadillac Excise Tax, which on Jan. 1, 2018, will carry an additional 40-percent hit to districts with higher-end health plans.

There are also different rules for school districts with 49 or fewer employees, those with 50 to 99 employees and those with 100 or more.

For large employers, there are special methods to determine how to deal with “variable-hour” employees and with full-timers.

There are paper trails to be laid, Notice of Exchange coverage notifications to be given, Health FSAs, HRAs, HSAs and big questions like “Who will pay?”

Speaking of ESRs and HSAs, there are new acronyms to be learned: MEC (minimal essential coverage), SHOP Exchange (for small employer groups), QHPs (qualified health plans), FFM (federally facilitated model), ALE (applicable large employer), FTE (full-time employee).

There is the “fluid” nature of the ACA. Indeed, the loudest laugh during the presentation was the statement: “The

exchanges are behind in this requirement.”

And then there is this: several of the ACA’s particulars and timeframes have been unilaterally changed by the President over the years.

As SchoolCare’s Duquette said, “The ACA was passed all of five years and two months ago and ... it’s all clear as mud. What would we be doing if we weren’t talking about health-care reform?”

To which someone quipped: “Probably our jobs.”

## Any Reversal Coming?

**7**or any school business officials holding out hope that the ACA will be overturned or waylaid to some degree, Law capped accounts of four challenges by saying, “None of these have gotten significant traction.”

- The first, *King v. Burwell* is at the U.S. Supreme Court to determine whether ACA subsidies/tax credits are available on federally funded exchanges (not established by states). A decision is expected in June and it could seriously undermine the ACA by denying subsidies and tax credits for individuals in 37 states, including Maine and New Hampshire.

- In January, one bill passed the U.S. House and another was introduced in

the Senate that would change the ACA's definition of "full-time employment" from 30 hours per week to 40 hours. One is S. 30, the "40 Hours Is Full-time Act," sponsored by Maine's Susan Collins. The other is HR 30, the "Save American Workers Act."

- Two bills were introduced that would repeal the Cadillac Tax: HR 879, sponsored by New Hampshire's Frank Guinta and called the Ax the Tax on Middle-class Americans, and HR 2050, called the Middle Class Health Benefits Tax Repeal Act of 2015.

- The House's Feb. 23 vote to repeal or defund the ACA, the 54th time it has done so since 2010, has each time hit the brick wall that is the Senate, even with its current GOP majority.

Meantime, school officials struggle to keep up with the rules, the paperwork and the man hours involved in keeping abreast of the totality of what has become known as Obamacare.

### ESR Penalties

According to Law, the Employer Mandate, or Play or Pay rules became effective for most on Jan. 1, 2015, and for some on Jan. 1, 2016.

Large employers, that is with an average of 50 or more full-time employees (FTEs who work at least 30 hours per week or 130 hours per month), may be subject to penalties unless the district offers group health-plan coverage to "substantially all" (at least 95 percent) of its FTEs, those averaging 30 hours or more per week) and their dependents; and the coverage is both "affordable" and provides "minimum value."

Penalties could apply if even one affected FTE purchases from an Exchange and qualifies for a premium tax credit or subsidy.

The penalty? \$2,000 annually times the total number of FTEs if the district did not offer coverage to 95 percent of full-time employees, or \$3,000 annually per each FTE who is not offered affordable coverage and enrolls on the marketplace and receives credits/subsidies.

In all of this, special Transition Relief may apply for the 2015 plan year if the employer average is 50 to 99 FTEs during 2014. Transition Relief is an additional one-year delay for large employers with 50 to 99 FTEs. For them, the ESR Penalties will not apply until the 2016 plan year for large employers with fewer than 100

FTEs if the district can certify the certain workforce size and coverage offerings.

Districts with 49 or fewer employees do not have to offer health coverage at all but must complete the Large Employer Test each year. Nevertheless, those districts must give all new employees a Notice of Exchange and satisfy other ACA requirements including the Cadillac Tax.

### Nightmares

Determining to whom a district has to offer insurance is most difficult with variable-hour employees, Law said, adding, "Part-time and seasonal employees,

coaches and athletic trainers are the ones that are giving most school business managers nightmares.

"How are we going to deal with them, how are we going to apply the measurement period to them?"

The answer is a "look-back" measurement method that allows business managers to pick a period of time to evaluate a new variable-hour employee to determine whether over that measurement period they are going to average 30 hours or more and therefore be considered a full-time employee.

"If you have a measurement period or

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Among those listening to the Obamacare update were MeASBO leaders, left to right, 1st Vice President Adam Hanson, President Stacie Field, past President Deb Holland and 2nd Vice President Kati Hunt.

measurement method picked [for variable-hour employees], then you can actually not cover them from the outset,” Law said.

Look-back periods were established because “otherwise you’d have to use the monthly period and the problem is that you don’t know until the end of the month whether the person met the full-time standard for the month but the requirement is that if they did, you were supposed to cover them for that month,” he said.

The “seasonal employee” definition says the employee is hired generally the same time every year and are expected to work six months or less.

“Part-time employees” also can be figured under the measurement method. Clearly, from the start, they are not expected to work full-time.

Administrators need to actually track

hours for both hourly and salaried employees unless the employer intends to calculate hours using eight-hour days and 40-hour weeks.

#### The No Offer Penalty

**U**nder the Offer Penalty, for 2015 only, large employers must offer coverage to 70 percent of full-time employees. After that, 95 percent of full-time employees need to be offered coverage.

In calculating the offer penalty, for 2015 only, if a district is subject to the penalty it is \$2,000 times the number of full-time employees less 80 full-time employees.

“They back out the 80 because they are giving Transitional Relief to the employers of between 50 and 100 size. But after 2015 it will be a reduction of 30 in calculating that penalty,” Law said.

Employers are not required to pay premium, only to offer coverage to all FTEs (and dependent children up to age 26, but not spouses).

Health-plan options offered may or may not be “minimum value” for purposes of this penalty. Minimum value means: the plan is expected to pay 60 percent or more of the costs of covered medical services; employee non-premium cost sharing (copays, deductibles, etc.) are not to exceed 40 percent.

Law noted that most all employer-provided health plan options satisfy the “minimum value” standard.

#### The Affordability Penalty

**E**ffective Jan 1, 2015 — or the 2016 plan

year if the Transition Relief applies for districts of 50 to 99 FTEs in 2015 — if the large employer offers coverage to “substantially all” FTEs but the coverage is either not “affordable” or does not provide “minimum value” and the FTE obtains Exchange coverage and qualifies for a tax credit, then the large employer will owe a penalty of \$3,000 per year for each such FTE.

This penalty assumes that a school district has offered coverage to substantially all its full-time employees, but questions if that coverage is affordable.

As long as the low-cost single (employee-only) coverage does not cost the employee more than 9.5 percent of their income, than it is “affordable,” Law said.

“If a specific employee goes to an Exchange for coverage and gets coverage on the Exchange and the coverage qualifies for subsidy, then you have a \$3,000 penalty per year that is indexed for inflation,” he added.

Law also reminded business managers that they were mandated in 2013 to issue employees a Notice of Exchange coverage — a letter of options.

While employees are not required to give this notice to all employees each year, “You’re still supposed to be giving this to all new employees,” he said. “It is intended to be offered to all [not just eligible] employees because it’s clearly aimed at people who are not covered. And they should be aware that the Exchange coverage is out there.

Referring to that form’s optional page 3, which provides information to the employee about what is the lowest-cost single plan option available from the employer, Law said districts do not have to fill that out, but it actually is part of the form that employees fill out if they sign up at an Exchange.

“They have to fill out what you offered and what was the premium cost to the employee for single coverage. They have to establish that they didn’t have affordable coverage offered to them,” he explained.

Asked if it would be a good idea to have employees who are not eligible sign off on Notice of Exchange every year, he said, “It certainly wouldn’t hurt.”

Law added that for employees eligible for employer coverage, “In the annual enrollment it would be helpful for them to acknowledge that they’ve been offered coverage. It’s not a requirement, but it’s

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“Part-time and seasonal employees, coaches and athletic trainers are the ones that are giving most school business managers nightmares.”  
— David Law, HealthTrust, Inc.

certainly something that you can use to document that you’ve made the offer.”

**Reporting Penalties**

Meanwhile, employer IRS reporting requirements, due for the 2015 tax year in early 2016, are looming.

“Large employers are going to have to report the cost of coverage, what offers you’ve made and whether you think it’s affordable,” said HealthTrust’s Simmons. “You have a transmittal form. You have a form for the employees. You’re going to have to get them the form by Jan. 31, 2016. And Jan. 31 is coming very quickly. Plus you’re going to have to file the transmittal to the IRS by the end of February, or the end of March if you do it electronically.”

The intent is to help the IRS administer and enforce the Individual Mandate, ESR Penalties and the premium tax credit eligibility. The IRS has issued final 2014 Forms 1094 and 1095 (B and C Series) and reporting applies to all size employers, with initial reporting due in early 2016 for CY2015, regardless of plan year. This applies, Simmons said even if the applicable large employer has 2015 Transition Relief from ESR Penalties.

All self-insured employers must report to the IRS and each covered employee about individuals enrolled in Minimum Essential Coverage (MEC) from the employer by month. Applicable Large Employers (ALEs) must also report additional information about offers and cost of coverage, etc. for FTEs.

Potential penalties may be levied if a district fails to file or provide forms with correct information, while no penalties will apply for initial forms filed in 2016 (for 2015) if done so in “good faith” efforts to comply.

**Steps for 2015 IRS Reporting**

Simmons said school business officials preparing for the 2015 IRS reporting should:

- Review the IRS guidance, final forms and instructions.
- Determine Large Employer status.
- Review their human resources and payroll software and speak to vendors, tax or payroll professionals.
- Collect dependent SSNs based on IRS rules; this encompasses three separate requests (an initial request and two annual requests) in order to avoid IRS penalties.

- For Large Employers develop procedures for determining and documenting each employee’s full-time or non-full-time status and offers/coverage by month.

“Reporting is coming up pretty quickly,” Simmons said. “You’re going to need this data by December and most of you probably have to start looking at your ’16 now.”

She stressed the importance of tracking the hours because business officials “are going to have to report on each and every one of your variable-hour employees ... Every month of the year you’re going to have to show that you offered everyone insurance who was eligible. That’s where it’s going to get a little tricky...”

“You need to know what hours they [employees] have worked in order to know if they have triggered that full-time status.

The number of FTEs a district employs “will dictate which forms you’re going to use. Every year that could change. If you have 49 [employees] this year and you’re a small employer and next year you hire a few more subs and have more part-timers, you might trigger over that number.”

School business officials also should start talking to their HR and payroll vendors, or payroll professionals, she said, because you need to know that you can track that data that go on these forms.

“As a large employer you want to document all of your efforts to collect the data on your employees who are full-time because you’re going to need that data going forward. You’re going to want good documentation to support your reporting,” she said.

**Cadillac Treatment**

SchoolCare’s Duquette said the so-called Cadillac Tax, is “the

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next thing to be very focused on thinking about and spending time talking about with your colleagues and unions. The excise tax goes into effect Jan. 1, 2018,” and many agreements will extend past that date.

“Be thinking about this as you’re doing negotiations that are going to cross over that Jan. 1, 2018 date.”

Duquette said a little more information has been released in early 2015 about the Cadillac Tax. IRS Notice 2015-16, issued on Feb. 23, identifies issues that will be subject to proposed regulations.

“It is not a regulation yet but solicited comments about the draft that will be forthcoming,” she said. “The feedback deadline was May 15. The point of sharing this with you is, we have a little less information on this. In 2018 there could be adjustments in these calculations.”

The Cadillac Tax is a 40-percent tax on high-cost plans with an aggregate cost of applicable coverage that exceeds \$10,200 for single coverage or \$27,500 for two-person and family coverage. Also, 2018 limits may be increased based on a “health cost adjustment percentage” as well as certain age and gender adjustments yet to be determined by the IRS.

The “applicable coverage” is:

- Primary medical plan.
- Health FSAs.
- HSAs (after-tax contributions excluded)
- HRAs (cost determination subject to further IRS guidance)
- Retiree coverage (includes Medicare-eligible retirees)

It excludes dental, vision benefits, employee assistance programs (EAPs) and any costs attributable to the excise tax.

“When we talk about the costs of a medical plan we’re talking about the total premium cost regardless of whether it’s the



“Every month of the year you’re going to have to show that you offered everyone insurance who was eligible. That’s where it’s going to get a little tricky.”

— Darlene Simmons, HealthTrust, Inc.

*M*

employer or employee paying the full cost,” Law said.

He added that many questions are being raised about how to value coverage.

“It might not be as clear as your total premium, so we’re going to have to see how that evolves,” he said.

When asked how return of prior-year excess surplus may affect these calculations, Law said, “This is certainly an issue: the idea that if a school uses a rate stabilization in lowering the rate as opposed to giving the money back as a surplus, that’s one of the questions we don’t know yet [in New Hampshire].”

#### Substantial Calculations

School districts must calculate excess benefits subject to tax for

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“You as the employers are going to have to do these calculations,” said Duquette. “We do not have all of these details in terms of your account contributions, HRAs, HSAs, how much they’ve used, because part of it would be that as well.

“The next big question,” she said, “is who will pay?”

“The payment is interesting. If you’re in a fully insured plan ... the insurance company would pay it. For the HSA, the employer pays it. And if you’re self-funded and in a sponsored health plan like a risk pool, the person who administers the plan is the one who sponsors the plan.”

“That,” said Law, “is going to be a huge issue that’s going to be addressed. With the pool, who is going to pay? Is it going to be the employer or, for a self-insured pool, is it going to be the claims administrator? We don’t know that yet.”

### 2018 Is Looming

**A**s school administrators approach their union contract negotiations, Duquette said, “Make sure you have this information. It’s really important to look at the costs of your health plans today, where they fall in terms of the threshold... Talk to your plan sponsor or provider about the triggers to the Cadillac Excise Tax. What’s really important in terms of employee cost-sharing obligations is, who’s going to pay it?”

“We do know that there are some collective bargaining agreements with built-in language regarding the excise tax. There is certainly more than one way to address it. Are you in a position where you as the employer can bear the burden for that full excise tax?”

“That’s an important consideration. Statutory-mandated benefits that many of us have that add to the cost, is a consideration. Also, retirees’ health costs and union plans.”

In the end, Duquette said, “The more we can do to talk about it and continue to be generally educated is the only approach we have at this point to the 2018 excise tax.”

One question posed at the session and which continues to go unanswered is, If school districts are not taxable entities why are they facing an excise tax?

“That’s another discussion that’s going on,” said Law. •••

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# Complying with ‘The 3 Percent Law’

By Greg Im

**S**ection 15689-B(6) of Title 20-A imposes a requirement on school units to keep unallocated fund balances at 3 percent or less of the previous year’s school budget (the “3 Percent Rule”). For fiscal years ending 2009 through 2015, this 3 Percent Rule had been suspended by the Legislature. With this moratorium ending soon, however, school business administrators should be mindful of the statute, and take steps to avoid potential reductions in state subsidy.

The 3 Percent Rule has been interpreted as requiring school units to:

- Carry forward its end-of-year general operating fund balances to meet the school unit’s needs within 3 years;
- Limit carry forward of its end-of-year unallocated fund balances to 3 percent of the previous year’s school budget;
- Carry forward and disburse unallocated fund balances in excess of this 3-percent limit within three years; and
- Apply unallocated balances in excess

of this 3-percent limit to reduce the state and local share of the total allocation for the purpose of computing state subsidy.

It is not difficult to comply with the requirements to carry forward general operating fund balances and excess unallocated fund balances and expend them within three years. Because money is fungible, accounting firms may consider that surplus funds (fund balances carried forward) are expended first, before taxes and other revenues that are received during the year.

Since the 3 Percent Rule was enacted in 2005, we are not aware of a situation where the Department of Education has applied a school unit’s excess unallocated balances to reduce the state and local share of the total allocation for the purpose of computing state subsidy.

Nevertheless, because the statute contains this provision, to avoid a negative impact on state subsidy, it would be prudent going forward to reduce carry forwards of end-of-year unallocated fund

— Reprinted with permission from Drummond Woodsum from its summer edition of School Law Advisory.

balances to the 3-percent limit.

Unallocated fund balances are generally regarded as the equivalent of “unassigned fund balances,” as that term is defined by Governmental Accounting Standards Board (“GASB”) Statement No. 54.1 Under this definition, for example, funds assigned for use in the subsequent budget, funds assigned for encumbrances, and funds assigned for reserves are considered allocated.

In many instances, unallocated fund balances are allocated to the subsequent school budget to reduce the amount of the local property tax assessment. Fund balances can also be encumbered for summer salaries to be paid in the next fiscal year. Unallocated fund balances can also be reduced by placing funds in statutorily authorized reserve funds with legislative body approval. These include reserve funds for school construction projects, capital improvements, capital equipment, maintenance of plant, minor remodeling, and fuel cost stabilization.<sup>2</sup> In addition, reserve funds that are not authorized by statute are considered as allocated as long as they are established by a budget warrant article approved by the school unit’s legislative body. For example, although not authorized by statute, the Department has allowed school units to establish high-cost special education reserve funds to guard against budget disruptions caused by mandatory out-of-district special education placements.

Please consult with your accountant or auditor if you have questions about how specific fund balances are properly classified under GASB.

*Endnote* — “Unassigned” fund balance is a residual classification that includes all spendable funds that are not “restricted,” “committed,” or “assigned” fund balances.

— Greg Im represents schools in the areas of finance and general school law.



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# Victory!

## Charter schools' tuitions moved to DOE's care

By Mark Leslie

School administrators may not be doing virtual cartwheels, but they are indeed enthused by the Maine State Legislature's May 5 vote — and governor's signature three days later — on financing the growing number of charter (including some "virtual") schools. L.D. 131 softens the onus of paying sometimes disabling tuition to the state's growing number of charter schools, especially the troubling "virtual" variety which has attracted many homeschoolers who have never been on any school's radar, let alone "count" list so important to their state subsidies.

Since the charter school law was passed in 2011, school districts have paid tuition for all charter students living within their boundaries. In some cases this bill has been formidable (\$461,000 for SAD #49 in Fairfield) if not extraordinary (\$800,820 at SAD #75 in Topsham and \$996,000 for SAD #54 in Skowhegan).

Starting July 1, the state Department of Education (DOE) will make monthly payments directly to the charter schools for all the students attending them. In effect, the money will follow the student wherever he or she goes.

Each charter will be considered a school district and the funding will come out of the total DOE budget, so the cost will be spread over all Maine's schools. Public schools won't be financially penalized for their proximity to charter schools but all will bear the burden together.

### The Pie Remains the Same

Auburn School Department Business Manager Jude Cyr pointed out: "It's still taking away money from the pie and the pie is only so big... From the local standpoint it's easier because charter schools are so hard to budget for. First, you don't know how many kids are going to enroll in those schools. Then you find in September that you owe the charters so much for so many students, but the budget's already made."

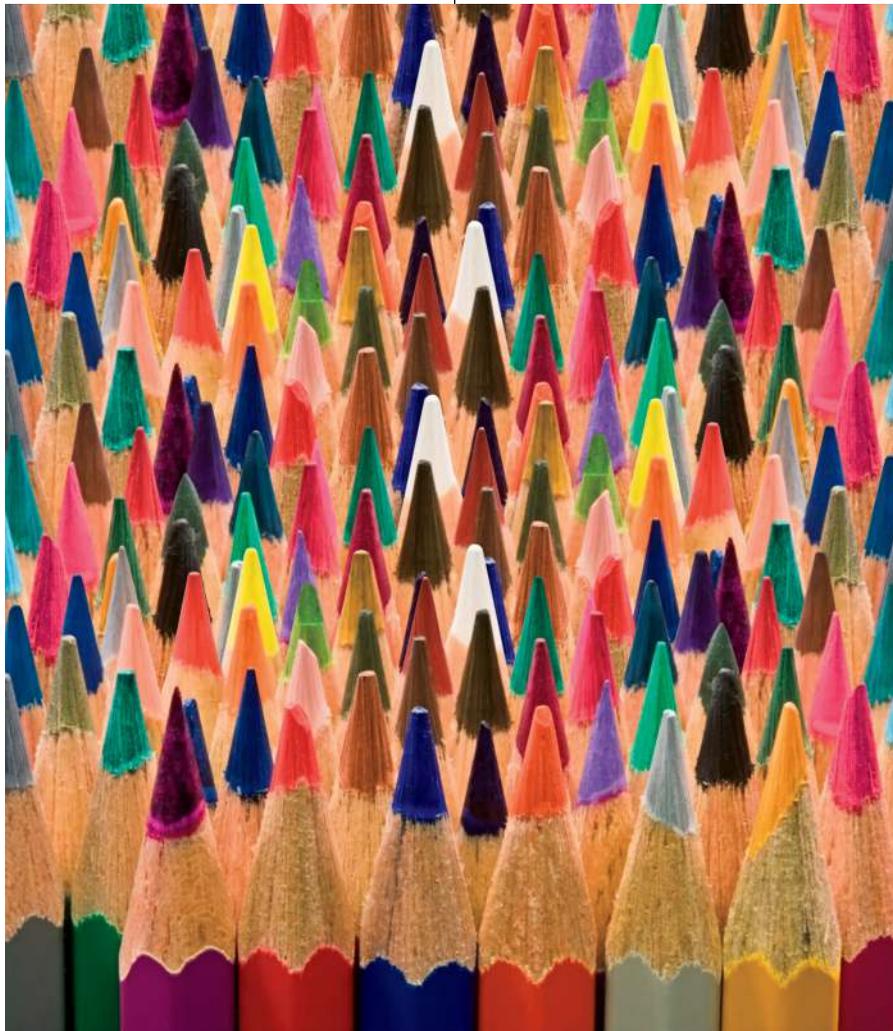
"It's not a godsend," Cyr said, "but it is an improvement... What [DOE] said is that for next year is a 'Safe Harbor.' We don't have to budget for those students, nor will we be penalized if we lose more [students to charter schools] next year."

"We're very relieved," said SAD #54 Superintendent Brent Colbry, whose district of Canaan, Cornville, Mercer, Norridgewock, Smithfield and Skowhegan had 107 students go to charter schools. "Our

strategy all along has been to advocate for change. We were hoping [L.D. 131] would pass. Obviously it made a huge difference for taxpayers here. It's all about having a system that's fair and predictable."

Predictability has indeed been a sticky matter. Cyr said Auburn had nine students in charter schools last year, doubled that number to 18 in its budget this year, but saw it skyrocket to 29. The difference: \$135,000 was budgeted, \$254,701 plus transportation costs was expended.

At SAD #75, officials expect that the number of students



attending five charter schools will jump from this year's count of 75-77 to 105-110, which would have been a budget hit of \$1,204,284.

SAD #49 School Business Manager Sue Lambert said the news of the law's passage brought a chorus of "It's about time!" in the hallways.

"It was down to the wire with our budget," she said. "We had charter schools in our budget until the night the bill as passed."

SAD #49 district had five students in charter schools in 2013-14, so budgeted for six in 2014-15. When 19 students left for charters, it meant a nearly \$200,000 shortfall, Lambert said.

To make the matter worse, four of the six students who had registered at the virtual school dropped out within 30 days, but the district had already paid their half-year tuition, she said.

### Finding the Cuts

Losing all those funds has been challenging, especially since such a high percentage of any budget is locked into salaries and benefits.

Auburn's loss of 29 students over 13 grades does not translate into a lower student:teacher ratio and being able to drop a teacher.

"It's tough to take money away from events and activities for charter school

expenditures," Cyr said.

Lambert said SAD #49 dealt with the shortfall like it has with various DOE subsidy cuts: each administrator chose a line item and curtailed it for a year.

At Skowhegan, when the new bill appeared on its way to passage Colbry pulled the \$996,000 line item out of the budget and put it into tax relief along with insurance coverage, salaries and other costs. The net effect, he said, is a budget increase of "only" \$50,000 for 2015-16.

The new regulation "is not a free pass," Colbry said. "Part of the legislation is, we're going to lose those kids in the student 'count.'

"This year it is not affected. But next year the counts will be less those kids. We will ultimately lose state subsidy, but it will give us some time to deal with that."

About student count: Cyr said homeschoolers were "the piece they missed when they wrote the new law.

"Here in Auburn, homeschoolers who weren't even in our count are now in charter schools and counting against us where we have never recorded any reimburse-



**Here in Auburn, homeschoolers who weren't even in our count are now in charter schools and counting against us...'  
— Jude Cyr**

ment for them at all. These kids have never been on our books at all."

At SAD #49, which last year budgeted \$55,000 for charter schools but was billed about \$192,000 when more students attended charters than anticipated, this year's \$461,000 will disappear.

Vicki Wallack of the Maine School Management Association said public schools would be sending more than \$5 million to charter schools in the coming year.

"The Maine School Board Association," she said, "supports this cost-sharing, while continuing to advocate for increased state funding to help cover the cost of charter schools."

The shift in financing may also lessen

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**‘It was down to the wire ... We had charter schools in our budget until the night the bill as passed.’  
— Sue Lambert**



well, like kids going to Baxter and needing special equipment. Also, not every student is free-and-reduced, or has special needs, or ELL.”

Cyr spelled out another actual scenario which may be played out in various ways around the state.

Auburn had one student this year, he said, who was registered both at the city’s Edward Little High School and at a virtual school.

Cyr discovered this in

mid-September when the virtual school billed Auburn for tuition. Cyr refused to pay for the first two semesters and guessed, caustically, that the student will withdraw from the virtual school but only after Auburn pays for the second semester.

Lost in the charter school debate is the dream of the historical LD 1, where Maine’s citizens voted for 55-percent state education funding is still a fantasy. So, no. The money factor remains unresolved. •••

## The DOE’s planned phased rollout for charter schools

Current: No change. In the current 2014-15 school year (FY15), the local school district must continue to forward the local and State shares of their Essential Programs and Services (EPS) funding allocations to the public charter schools for those resident students attending these charter schools.

The prior year subsidy counts for the majority of these students were included in the school unit’s FY15 funding calculation.

Phase I: Starting in the 2015-16 school year (FY16), the local school district will no longer need to forward the local and State shares of their EPS funding allocations to the public charter schools for those resident students attending these charter schools.

The prior year subsidy counts for these students will be included in the school unit’s FY 16 funding calculation. This will result in a one-time savings to the school unit without loss of subsidy.

Phase II: In the fall of 2015, students attending public charter schools will be counted as residents of the charter schools and no longer residents of their former school district. This will have a similar effect as a student moving out of the school unit. As a result, the subsidy counts (used for FY17 funding calculations) will no longer be included in the former school district.

any animosity public school administrators have had toward charter schools.

“We’re very happy to see the bill go through. We’re happy to see the controversy go away,” Roger Brainerd of the Maine Association of Charter Schools told the Central Maine Morning Sentinel.

Will all the problems go away with this legislation?

Not nearly. Auburn’s Cyr said, “It’s not just tuition. It’s the other expenses as

## Maine’s approved and operating charter schools

Six public charter schools in Maine are currently in operation. They are:

- Baxter Academy for Technology and Science in Portland;
- Cornville Regional Charter School in Cornville;
- Fiddlehead School of Arts and Science in Gray;
- Harpswell Coastal Academy in Harpswell;
- Maine Academy of Natural Sciences in Hinckley; and
- virtual school Maine Connections Academy.



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# MeASBO continues its

**7**his is MeASBO's 20th anniversary of transforming its newsletter, much like any other state's, into a true magazine — covering the myriad issues that affect school financing, following the exploits of the association's members and introducing vendors who offer everything from “A” (attorney services) to (well, no “Zs” but) “S” (security systems and student routing).

From federal overreach (see Obamacare and Healthier Hunger-free Kids Act and No Child Left Behind and you-get-the-picture) to state under-reach (see LD 1, then LD 1 again ... and again), we at MeASBO Magazine have had the pleasure of getting to know an association of people who daily tackle what must be one of the toughest, most challenging jobs on earth.

As MeASBO officers have worked their way through the chairs to the presidency, they've passed through the fires of being the 2nd vice president and, therefore, the magazine's liaison to their colleagues. Not always an easy task.

From Kris Pottle to Carol Kinney, Donn Davis, Ann Stinchfield — and the list goes on to today's Kati Hunt — we at the magazine thank you immensely.

Now, a continuing look at the job, the issues and the stars of the Maine Association of School Business Officials, *20th Anniversary style.*

## What's it all about?

“**E**very year seems to be just a little more to do than there was the year before — a new report from the state or a new building project application for approval, a new idea from the superintendent or school board, etc. And of course, there is dealing with everyday stuff. But it is fun and challenging. You never know what you're going to be doing when you come to work. It is not a boring job by any means.”

— *the late Anne Stinchfield, then-MeASBO president (Fall 2000)*

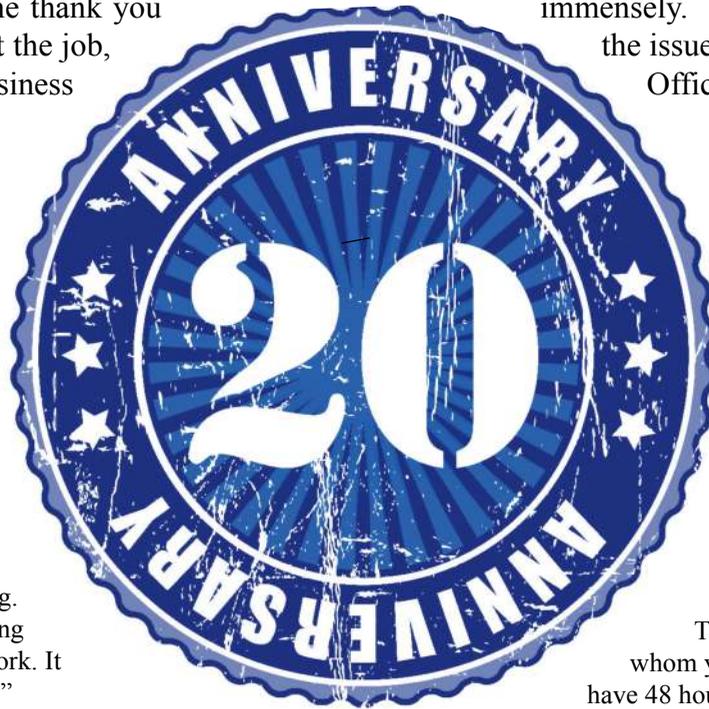
“It's unbelievable how it has grown. It has done more programs and invited people to its meetings who bring the current hot topic to us. It has set up a far better interaction, so business officials can talk to each other. And the state has established a list-serve where you can send out a question on the Internet and your peers answer with helpful information. It's a great resource.”

— *Charlie Richardson, then with SAD #49 (Fall 2003)*

“The challenge is to continually strive to be organized enough so that we spend just enough time on the needed things and hit home runs on the really important things.”

— Gary Smith, then business manager at SU #52 in Winslow

*Continued on next page*



## Profiles in excellence

**7**t's astonishing what you can learn from one magazine profile about a colleague you've known for years. Voilà, *MeASBO Magazine's* Member Profiles. Here are some leads to enlighten.

### Winter 2003-04

There are some people in this world whom you look at and think, “They must have 48 hours in their days!” To this list, add

Bruce Powell.

As business manager for SAD #44 encompassing five communities, and several tuition towns, in the Bethel area, Powell is responsible for a \$9-million-a-year budget and all the tasks that encompasses.

In his spare time, he and his wife of 38 years, Shirley, are in their 20th year of operating a year-round campground called Stony Brook Recreation on the Androscoggin River. In Powell's other spare time he teaches financial accounting as an adjunct professor for the University of New Hampshire's College for Lifelong Learning....

In his further spare time Powell is chairman of the Hanover Select Board. Oh, yes, he is active in the Bethel Rotary Club and District 7780 of Rotary International, serves on the Tri-Town Solid Waste Committee, works with the River Valley Growth Council, and is partner in the real-estate firm Mt. Will Associates.

*Continued on next page*

# 20th anniversary bash

## Profiles in excellence

### Fall 2004 ... Scott Vaitones

On a wall of **Scott Vaitones'** new office hangs a banner that reads: "Oops. We'll do better."

Tacked to the wall beneath is a handful of photographs taken around the SAD #40 school system and illustrating "really bad business," he says.

Here is a tipped-over bucket of tar on a rooftop. Here, an 18-month-old rolled roof that is already disintegrating. Here, where a window at the high school was replaced, the contractor never replaced the siding.

Also on the wall are two large Number 1s, designating that while in his 18 years as a business manager Vaitones had fired only three people already two custodians have lost their jobs at SAD #40.

### Winter 2004-05 ... James Jurdak

Not for a long time have school districts been the little guys in town. But to illustrate how far they indeed have come in high finance, witness the City of Augusta's plan for a new Cony High School: a \$25-million project that, with architectural and various other costs attached, will cost close to \$30 million.

Therefore, it was with trepidation that Augusta officials carried out their search to replace longtime school business manager **Roger Levesque** and find someone to oversee such a major multifaceted and costly construction project. When the dust settled, they had settled on **James Jurdak** from SU #42 in Readfield, who had like a master conductor not only coolly directed construction



James Jurdak

of a new middle school and renovations of the high school and elementary school, but helped the system transition from K-6 elementary and 7-12 secondary schools to a K-5 elementary, a 6-8 middle school and a 9-12 high school.

### Fall 2005 ... Jackie Barrett

Dedicated. Diligent. Professional. Caring. These are some of the qualities that describe **Jackie Barrett**, according to her colleague. And they are qualities that have served her well as she enters her 14th, and final, year as business manager of SU #44, serving Sabattus, Litchfield, Wales and the Oak Hill Community School District.

### Winter 2006-07... Barbara Van Deventer

**Barbara Van Deventer** is an interesting diversity — some would say conundrum — of a person:

- Born and raised on Long Island, N.Y., but now living in the town of Unity, population 1,800, and involved with a 20-acre working family farm.

- The fulltime finance director of SAD #3, but one of the volunteers, along with her husband and extended family of the non-profit National Emergency Response Team that has responded to Hurricane Katrina and other disasters around the country.

- In charge of what might seem a small-budget district — if you look only at the size of the towns: Brooks, Freedom, Jackson, Knox, Liberty, Monroe Montville, Thorndike, Troy, Unity and Waldo. But preparing for the \$40-million — that's 4 followed by seven zeros — construction of a new pre-K-to-12 school for 1,100 students.

- A pragmatist: "Whether we think Essential Programs and Services, or the Accounting Handbook is good or not, we have to do it.

And yet a healthy skeptic: "Once you get everybody trained [to handle data-collection software] state requirements are going to change again."

*Continued on next page*

## What's it all about?

"I knew the job was difficult and involved balancing many different things. For some of them [business managers], who have a lot more responsibilities — a smaller system means more responsibility — my hat is truly off to them. I'm amazed that they get done all that they do."

— *Now-retired Michael Kucma, then with the Westbrook School Department*

"What always impresses me when we get together is that each and every one of you seems to do this almost effortlessly and somehow you all are able to remain in good spirits. The only way this can happen is that you have mastered the art of "re-inventing yourselves." Only by constantly learning, relearning, and adapting are you able to perform these roles throughout the year

and keep your districts running. By doing our jobs, school business officials in the background make our schools turn out students ready to move on to the next phase of their lives.

— *Gary Smith, then business manager at SU #52 and President of MeASBO (Fall 2015)*

"I have found that most business managers are very frugal. They help make the argument to the public about what amount of money it will take to run their school system and then they spend the budget as if it were their own money."

— *Paul Kelly, then with the Gorham School Department*



Gary Smith



### Summer 2007 ... Paul Kelly

Amidst the turmoil brought on by the consolidation debate in legislative and educational circles, **Paul Kelly** has added some tumult to his own career: he is switching jobs.

Now, dividing his time between the duties he has carried out for seven years at the Gorham School Department and his new post at Thornton Academy in Saco, the 10-year school business management veteran is juggling two of everything. Good that that Thornton's outgoing chief financial officer, Cathy Coffman, is still in the building, having moved into a different position but remaining a mainstay in the business operation until Kelly becomes a full-timer this summer.

### Fall 2007 ... Sherrie Small

For a person who loves "hands-on" work — baking, sewing, quilting — it's no surprise that attention to detail has been a hallmark of **Sherrie Proctor Small's** rise to finance coordinator for SDAD #61, encompassing Bridgton, Casco, Naples and Sebago.

Check out her ascension in her career: After a year at Casco Bay College and while still working on her associate's degree, the 1985 Lake Region High School alumna started work at her hometown SAD #61 in



Sherrie Small

accounts payable in August 1988. Just a month later, the payroll manager left and she earned the promotion. At certain times she handled both jobs; that is, until the bookkeeping job opened up. Telling her boss that she wanted to expand her knowledge, she was promoted to that post in 1995.

Small's upward career oath continued when the business manager left and she was chosen to replace him in January 2002.

### Winter 2007-08 ... Diane Blanchard

Balance. That's key to **Diane Blanchard's** life and philosophy.

"A lot of what I do and my beliefs — especially balance — get to be practiced in my job," says Blanchard, business manager for the Waldo County Technical Center in Waldo. "I get to practice balance in my life, my career, my family, my time for me.

"I'm 'here for the show' with my family. That's the most important to me. So I have to balance it all out."



Diane Blanchard

### Summer 2008 ... Michael Kucsma

"Luck is the intersection of preparation and opportunity."

At some point **Michael Kucsma** should have met the author of those words. That person is the one who coined the phrase. Kucsma is the one who has lived in.

When in 2004 the school business manager's position opened in the Westbrook School Department, opportunity intersected with Kucsma's preparation better than anyone else's...

If a Dr. Frankenstein were creating a school business official he might see the 60-year-old Kucsma's credentials as the perfect convergence of combined experience in business administration, teaching and state DOE "inside knowledge."



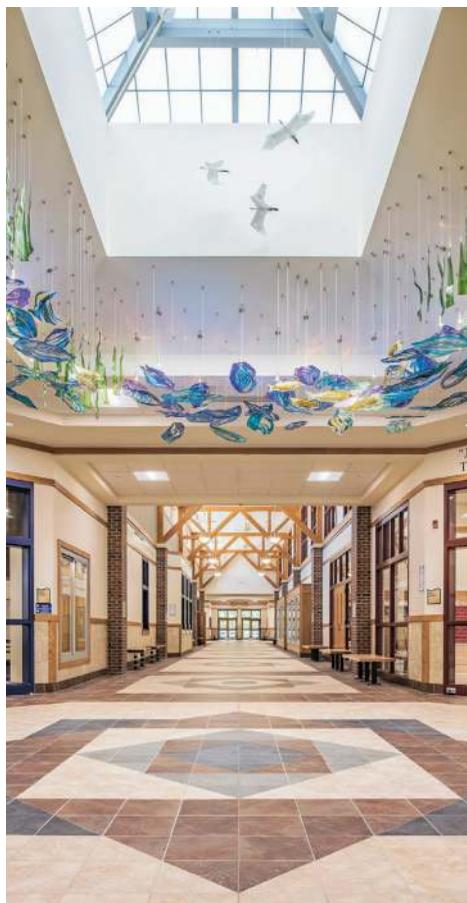
Michael Kucsma

### Winter 2008-09

Some might think that a business expert moving from the least-taxed state to one of the most-taxed states would be suspect. Or that a New Hampshire Fisher Cats fan sitting on the Portland Sea Dogs side of the field might draw skewed attention. Or that the frazzled world of school-consolidation might scare a normal person away from the chaos.

Those people don't know **Peter Gray**.

The New Hampshire native has not only moved to Maine, he has adopted it as his own, claiming deep affection for Portland's Sea Dogs, high respect for his Maine ASBO colleagues and a thorough belief in his own abilities to tackle the many challenges he is facing as **Ron Lavendar's** successor as school business



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manager for SAD #75 in Topsham.

**Summer 2009 ... Lester Young**

For a man who retired 12 years ago, **Lester Young** looks



Lester Young

remarkably busy. And though the now-duly-employed Young is sort of) semi-retiring on July 1 with the idea of (truly) retiring again in two years, he has time to consider doing it right this time.

Confused? Perhaps the blame belongs with Brewer School Department officials who apparently don't like the idea of Young leaving their employ.

"I could play with numbers 24 hours a day and be satisfied, he says. "I do an absurd amount of paperwork; its required. But working with numbers is what fulfills me."

**Summer 2010 ... David Bridgham**

In golf, playing partners sometimes allow a mulligan or do-over for an especially poor shot. There's no such thing in real life. And if there were, **David Bridgham** a golfer and avid fisherman, would have thong to do with it.

"I'm pretty pleased with my life in the grand scheme: the way my boy7s were raise; my job..." says the finance director for the new RSU #24. "If there were a do=over it would be a mini do-over — not the full-blown manicure but the pedicure. The one thing I regret is never taking enough time off. I get those 25 days a year and never take them. Maybe I'll do that now."

**Fall 2009 ... Brigitte Williams**

**Brigitte Williams** flinches from any form of self-promotion, but you needn't go far to discover quite a it about the finance manager for the new RSU #38 in Readfield.



Brigitte Williams

"The School Board has unwavering trust in her understanding and knowledge of what is going on financially," said Superintendent Rich Abramson "During budget season, I know where my bread's buttered and I try to stay out of her way.

"She made it look easy," said James Jurdak Williams' predecessor who moved to the August School Department in 2002.

**Winter 2010-11 ... Adam Hanson**

Something in **Adam Hanson's** character engenders faith — the kind that trusts him with new duties and challenges. The latest example: Business Manager Jude Cyr and the Auburn School Department have entrusted him with replacing retired, longtime Business Office Manager Don Martel.

Other instances preceded this latest. School Union #74 (Damariscotta area) Superintendent Bob Bouchard "took a chance on me in three different positions," Hanson said, referring to positions he was given in accounts payable payroll/HR and, finally, business manager.

**Summer 2011 ... Sue Lambert**

Colleagues at Maine SAD #9 in Fairfield are surprised that **Sue Lambert** could take on yet one more assignment: first vice president of MeASBO. It's not that she did not already have a plenteous plate: as finance director she oversees payroll, AP,

**Winter 2009-10 ... Brian MacFarland**

One moment his fingers are flowing over organ keys playing the melodious notes of *Amazing Grace*. At another they are punching calculator keys as he crunches numbers to keep the financial boat of RSU #20 afloat over



Brian MacFarland

troubling waters.

After a stint in the U.S. Air Force and 2-1/2 years at Westminster Choir College in Princeton, N.J., **Brian MacFarland** discovered 26 years ago that he loved crunching numbers. At that point the direction of his career was established.

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accounting sub scheduling, budgeting human resources, reporting, complains and food service; she serves on the district committees for technology, wellness and safety; and she is enrolled in computer information systems program at the University of Maine-Augusta.

But that decision, to help her MeASBO colleagues at least partially defines Sue Lambert. Tackling new challenges, learning innovative software an, indeed, new technologies is at her core.

**Fall 2011 ... Jennifer Soper**

There is one warning for moose in Maine’s Zone 9 west of Moosehead Lake: **Jennifer Soper** is as proficient at hunting as she is at school business operations. And she’s heading your way.

Soper, who numbers her off-hour interests as church fishing and hunting won her first moose raffle this year. As a member of the Big Buck Club, she is primed for the challenge. And “challenge” is something you hear a lot rom the Waterville native who has been the school business manager for SAD #4 in Guilford for the past nine years.

**Winter 2011-12 ... Catherine Messmer**

**Catherine Messmer** is proof positive: It’s in the genes. As sure as Ken Griffey Jr. can trace his grand baseball skills to his father Ken Sr., Messmer can trace her mathematics talents to her dad, the late John Brace, an internationally respected mathematician who was a professor at the University of Maryland.

**Summer 2012 ... Kate Bolton**

What attracts **Kate Bolton** to finance prompts a trivia question. Namely, what do mystery novels and spreadsheets have in common?

Bolton a mystery buff who once even took a crack at writing a mystery novel, has the best answer: “I really do like to sit here with a spreadsheet and have everything tie up and come to zero. I like mysteries that tie things all together in the end”

Here’s one mystery: How did a Princeton University graduate with a degree in Romance Languages and Literature become a school business official in the Scarborough School Department?

**Fall 2012 ... Scott Eldridge**

Many golfers come armed with tales that impacted their lives while on t he golf course. For **Scott Eldridge** — whose daughter Korynne was born on Jack Nicklaus’ birthday and whose son Blake was born on Arnold Palmer’s birthday — it is appropriate that he had a career-changing moment in July 2010 while playing Springbrook Golf Club in Leeds with RSU #4 Superintendent of Schools James Hodgkin.

With 3 years experience in private business and 11 years as a special-education teacher Eldridge listened closely when Hodgkin mentioned an opening for school business manager in his district.

Eldridge had just earned a master’s degree n education administration, envisioned a new career as a school superintendent and this position fit like a glove — even a taut golf glove.

**Winter 2013-14 ... Lucianne “Luci” Milewski**

Some might say **Lucianne “Luci” Milewski** tap danced he way to where she is today. But Maine SAD #58’s dance-loving business manager says it hasn’t ben all fun; she’s done it through hard work — lots and lots of hard work.

Since taking over the reins as business manager from her mentor Anne Stinchfield, Milewski has grabbed the initiative and labored to become only the third certified school business official in Mane has been elected secretary of MeASBO.

**Summer 2014 ... Jim Oikle**

Some people entering the world of school business officials might be anxious even fearful, about dealing with \$20-millioin 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.

**Fall 2014 ... Katherine “Kati” Hunt**

As business manager of AOS #93, **Katherine “Kati” Hunt** may not need to draw upon her grasp of French, Indonesian or Arabic. Indeed, the Central Lincoln County School System ... is far removed from Jakarta where Hunt earned her high school degree. And it is on the other side of the earth from where she was born (Singapore) and where she grew up (Indonesia, Africa, Haiti, Yemen) — “places most people don’t even visit.”she said.

But it’s where she now calls “home.” And although AOS #93 presents difficult economic challenges because it lies in the “oldest” county in the oldest state, population-wise, it is where she has made her roots, found her niche and proven her mettle. •••



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# What superintendents say...

**7**he question is: who best knows the character and professionalism of school districts' business officers?

The answer: the individuals who work most closely with them: the superintendents.

So, here is what some of them say:

"I would be shocked if we could find someone who could do the job and do it with the sense of value, integrity all of those characteristics [**Jackie Barrett**] embodies."

— *then-Superintendent Paul Malinski at SU #44 in Wales-Sabbattus-Litchfield about Jackie Barrett, now retired*

"I've had a good deal of experience with her [**Sherrie Small**] and she certainly fulfills her responsibilities to the 10th degree. Her work ethic is probably her most important attribute. She's very, very dedicated to the position very knowledgeable, and makes herself knowledgeable about everything that comes along concerning the financial picture of the district."

— *SAD #61 Superintendent Frank Gorham (Fall 2007)*

"I have absolute trust in **Diane [Blanchard]**. We trust each other and that's real important in the close roles that we have. She's very bright and understands the intricacies of all that we do in terms of business, whether taking apart the audit or dealing with Handbook 2R."

— *Waldo County Technical Center Director Paul Cochrane (Winter 2007-08)*

"If you know **Michael [Kucsma]** at all you know he is a very professional individual. He has a niber of strengths but probably the greatest is that i]he is very dedicated to jos job and has a very strong work ethic, putting n extremely long house... No matter how busy i]he is, he will always take time out of his day to talk to anyone who has an issue or problem or concern."

— *Westbrook Superintendent Stan Sawyer*

"The School Board has unwavering trust in her [**Brigitte Williams**'] understanding and knowledge of what is going on financially. During budget season, I know where my bread's buttered and I try to stay out of her way."

— *Superintendent Rich Abramson of RSU #38 in Readfield (Fall 2009)*

"There's no question **Brian [MacFarland]** is extremely important to us and given the tight financial margin right now his expertise becomes even more important."

— *Superintendent Bruce Mailloux of RSU #20 in Belfast (Winter 2009-10)*

"**Adam [Hanson]** had an air about him that he could learn anything. There was something about his demeanor that told me he meant it when he said he could learn things, get along well and be a great team member in an office. I had the feeling that if I stuck with him it would be great for all of us. Of course that proved to be true, in spades."

— *Bob Bouchard of SU #74 in Damariscotta*



"Scott [Eldridge], left, has a solid background in terms of finances and as a school teacher for quite awhile he understands the school side. It's a unique combination and it has worked well. Certainly his banking background has been very beneficial," said *James Hodgkin, right, superintendent at RSU #4 in Wales (Fall 2012)*

"She [**Sue Lambert**] is a bit like our tech experts. She can work with people with different levels of understanding and make them feel very comfortable. She's very supportive of people at any range of expertise who come and seek her help."

— *Nora Murray, assistant superintendent at SAD #49 in Fairfield*

"Without **Jen's [Soper]** help I'd be in a much worse place without a doubt. The way she goes about her work, in my opinion, is stellar. She helps me to provide information to people in a format that is consumable. By that, I mean, rather than throw out an Excel spreadsheet and expect people to find their way around it, we've built a system where she provides colored documents so the reader can easily decipher some very complex information."

— *Superintendent Paul Stearns at SAD #4 in Guilford.*

"**Cathy's [Messmer]** involvement in funding and finances is crucial to our success. I always knew how important her job was, but she does a lot of other things, too: handling personnel, human resources and supervising the central office... She's professionally driven nd works hard to make sure the information we hve is correct and accurate because it changes all the time. And she is always on top or ahead of those changes."

— *Superintendent Richard Green of the Lisbon School Dept.*



“**Kate [Bolton]** is my partner in both analyzing and creatively thinking through some of the challenges we have in trying to stretch the dollars as far as we can ... and get better results with less resources.”

— *Dr. George Entwistle III, superintendent of the Scarborough School Department (Summer 2012)*

“**Terry [Gauvin]** is absolutely rock solid. She runs a great department. They’re efficient. Every ‘I’ is dotted and every ‘t’ is crossed on her work. The other thing that really is remarkable about her is she has done such a good job keeping records over time and as a new superintendent that is invaluable. I’ll ask her what happened three years ago and immediately she give me the last 12 years on a spreadsheet.”

— *Jeremy Ray, superintendent at the Biddeford School Department (Winter 2012-13)*

“I couldn’t do my job without her [**Luci Milewski**] — absolutely couldn’t do it. She’s incredible with intuitively knowing what you need in front of you when you go to a board meeting and fluent in translating numbers in an understandable, informative format.”

— *Brenda Joy Stevens superintendent at SAD #58 in Kingfield, Phillips and Strong*

“**Kati [Hunt]** has unbelievable dedication to the job. She’s



“**Jim [Oikle]**, left, brings a heck of a lot of experience and talents. 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... Jim does his job with a flair of humor and goodwill,” said Superintendent *Paul Perzanoski, right, of the Brunswick School Department.*

here early, stays late is very committee to the towns, and communicates strongly with the town officials.”

— *Superintendent Steven Bailey of AOS #93, Damariscotta •••*

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The advertisement features a background image of a rocky coastline with waves crashing against the shore. The logo for Benchmark Cleaning & Supply is prominently displayed at the top. Below the logo, there are four bullet points highlighting key services and achievements. A circular graphic on the right side of the ad indicates the company has been in business since 1966. At the bottom, contact information is provided.



# Chiming in on (and by) the inimitable Charlie Richardson

**N**o look back at two decades of MeASBO history would be complete without an encyclopedia (well, a few paragraphs) on Charlie Richardson, the erstwhile longtime business manager at SAD #49 (Fair field, Benson, Albion and Clinton), who retired some years ago... but not without leaving his mark — and humor — like a huge wake following an oceanliner.

### From Charlie himself:

“I believe in the Five Ps: Prior Planning Prevents P—poor Performance.

“PhD stands for Pile It Higher and Deeper. PhDs are often highly intelligent but don’t have common sense and wisdom. Without those, you’re lost.”

“We had one board member who always wanted us to go to Army surplus to buy discarded Army buses and paint them yellow to save money.”

“If God didn’t need a committee, I don’t need one, either.”

“The two greatest virtues in a person are patience and attitude. Why would you want to be depressed? I tell everybody I hate Fridays. It means I have to wait almost three whole days before returning to work.”

“The biggest change over the years is the many rules and guidelines that make it almost a full-time job just keeping up with them all. It’s the regulations that are made by different entities, like the government accounting standard gao4ds and their idiotic GASB 34, or it’s Integrated Pest Management, for which you have to log every time you see insects on the property.”

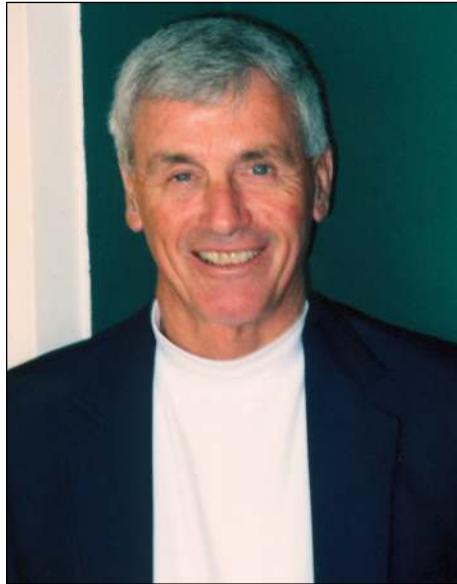
“If the people who made those rules and regulations applied ... common sense, wisdom, knowledge and actual experience, half of these rules and regulations wouldn’t come down the pike.”

“You have to get up seven days a week. The cows don’t take days off. They have to get milked every day.”

“If you have the intelligence and knowledge to get through college, you have it to do most any job unless it’s really technical, like physicist or doctor.”

“As a boss, you should never forget that you can learn a lot from your people... You learn every single day of your life.”

“Most taxpayers just ride by your buildings, or hear from other people. So, if your grounds are filthy and your buildings look



Charlie Richardson

in bad condition they will probably vote ‘no’ on your budget because they say, ‘I’m giving you \$2 million to maintain your buildings and they look like a dump.’”

“The cost of implementing the thou-

“He really takes things in stride. And he gives you a provocative point of view that makes you stop and think about things.”

— Scott Vaitones

“He’s a maverick, not wanting to to by the rules when he thinks the rule is not right. For instance, with GASB 34, he has said it serves no good to anybody, so why do it? He has been making our congressmen aware of the problems and pushing to repeal. He’s like a bull in the China closet. He will rattle the cages to make sure somebody hears him.”

— Jude Cyr, Auburn School Dept.

sands of laws, rules and regulations are taking away from the monies that should be allocated to the education of the child. In many cases, there is no wisdom or common sense used in making up these

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requirements. I have been a school business manager for 27 years and have always held out the hope that wisdom and common sense would always be a factor in any decisions, especially ones that affect the education of a child. Once again, this hope has been smashed.”

— Charlie Richardson, then-business manager at SAD #49 in Fairfield

“Funding for school systems by the state has never had a plan that was cast in stone. It has been more like quicksand.”

“I believe that education will always be in flux because of governmental interference, politics and, most of all, experts. If we break the word ‘expert’ into two parts we have its definition:

EX — To irritate greatly — provoke to anger — infuriate; and

PERT — Showing disrespect in speech or behavior — saucy — imprudent. It is my opinion that ‘experts’ are just a drip under pressure.”

“Changing politics and expectations have had a profound impact on education in Maine. Because of this political pressure, superintendents are finding it more

difficult to be educational leaders. They are politicians now.”

“This ruling [GASBY 34] conservatively cost school systems in the United States hundreds of millions of dollars without any direct or indirect benefit to the students. It is still costing systems additional dollars for auditors who perform the yearly audit.”

“The frustration among many is the requirement to take low-bid construction projects. To me, that is like saying that I have to marry the first girl I date!”

“Issues that I will miss: Y2K, cracker control, school funding, air quality, Essential Programs and Services, fungal contamination, 403b GASB 34, efm 45, Accounting Handbook 2R, budget time, politics, tax caps, consolidation, audits, school funding, finger printing, No Child Left Behind, negotiations alarms at 2 a.m., the Nutrition Assistance Reform Act of 1995, OSHA, workers comp, 4 a.m. wakeup to check on winter storms, school bus drivers, alcohol and drug testing!”

“I am actually hopeful that common sense and wisdom will garner wider acceptance on which to base decisions.”

## Reflections on the job

“One thing we have to remind ourselves of is what we do. We’re the support staff for education. Anything we can do to make things as transparent as possible to support the staff, to make sure what we do has an optimum impact on them, so they do’t have to call down here and ask about things like payroll and supplies. The biggest thing we can do is support the teachers.”

— Scott Eldridge of RSU #4 in Wales

“Being a business manager is you never have the same thing.

Everything is new and changing — like a moving target. And I need change, not routine. I enjoy my job because it’s personnel, it’s negotiations, it’s budget.”

— Terry Gauvin of the Biddeford School Department



Terry Gauvin

The key to success? “Motivation and ambition. I like to see things done right and encourage my staff to be more and do more, and pursue advances of their own.”

— Luci Milewski of SAD #58

“Living overseas and dealing with different cultures and my work with the elderly and their families has helped a lot. It’s making people comfortable with decisions that can be painful at times.”

— Kati Hunt of AOS #93 in Damariscotta

“Our school systems have become increasingly more complex as we’ve had to tackle what previously were more social-type issues. Where there may have been other resources outside of schools, now people look to schools for a myriad of social services in addition to our primary mission which is to teach the students.”

— Donn Davis, then Me-ASBO president (Fall 1999)

“What were issues 18 years ago are nothing compared to today in terms of safety and traffic and parental determination.”

— Scott Vaitones (Fall 2004)



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# A battle worth fighting

In 2011 the Maine state Legislature passed LD 1333 and LD 1326 that allows school districts access to their health-claims data. Until then, the Maine Education Association Benefit Trust withheld claim information from school units, preventing other insurance companies from accurately bidding for the business. The new law broke what had been considered a monopoly controlled by the MEABT and Anthem.

Falmouth and Cape Elizabeth school systems each projected annual savings of more than \$300,000 for this past year had they been able to go to the marketplace for comparable benefits.

The Maine Education Association Benefits Trust opposed LD 1326's demand that it release its health data, which schools could use in putting out RFPs for health insurance — a cost of \$400 million annually in Maine where districts pay 75 to 100 percent of the premiums.

While the MEABT claimed Maine school employees have “a very well-operated system now,” one that could not be improved, school business officials and others objected.

“The issue is: Without the data, no one knows... The last couple years haven't been so bad, but we've had years of double-digit increases in premiums...”



Alan Kochis

“Groups of districts like the Penquis Superintendents Association with more than a dozen districts might see significant savings.”

— Alan Kochis of the Bangor School Department (Fall 2012)

“They've [teachers] realized that it might be in their best interests to sit at the table and learn about the options that might be available in the insurance world.”

— Andrew Dolloff, RSU #21 superintendent

“It's exciting to me. We have well over \$2 million tied into health insurance [annually]. I can't imagine anyone with that kind of expense not doing their due diligence and finding out whether they're getting a good deal in the marketplace — for employees as well as taxpayers who are paying the rates.”

— Connie Brown, superintendent of the Augusta School Department

“We did not want to do this. We wanted to remain fair to everybody. Altruism is

done... Some districts will say, ‘Yahoo!’ We won! And will go somewhere and get a better deal. What most don't realize is that they are not in the higher-performing segments. Districts in the 200s will literally see a doubling if they are on their own by themselves.”

— Christine Burke, MEABT executive director (Winter 2012-13)

“I view our plan as richer even though it's a higher deductible.”

— Cheryl York of Erskine Academy in South China

“It's fairly lucrative for them (MEABT), so it's not surprising they are challenging a law that would take that money away.”

— Melissa Hewey an attorney with

Drummond Woodsum

“It's always a matter of timing. That said, districts should begin the education process now to ensure everyone involved understands the opportunities for different coverage plans and individual needs. A health plan can be tailored to different ages and different incomes.”



Tony Clark

— Tony Payne of Clark Insurance (Winter 2012-13)

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# Equal treatment of the sexes

## Getting a handle on Title IX before you're hit with an audit

By Melissa A. Hewey

Articles in the press and on social media have highlighted a case in Michigan where — in order to bring the school's athletic program into compliance with Title IX — the Office of Civil Rights (OCR) required a public high school to tear down new bleachers that had been donated to the school by a booster club.

In that case, the baseball team's booster club had spent six years raising funds to improve the baseball bleachers, but similar fundraising efforts were not undertaken for the softball team, and there were no public funds available to make comparable improvements to the school's softball bleachers.

Consequently, the school was unable to provide equivalent opportunities to its boys' and girls' athletic programs without eliminating the new bleachers. Faced with an OCR audit of its athletic programs, the Michigan school district's only was to take down the new bleachers in order to come into compliance with the law and avoid the time, expense and likely adverse outcome of an enforcement action.

Lest school business officials believe this is like the Mac-Donald's coffee burn case — a rare example of the legal system going awry that will never happen to you — think again. OCR, which is the federal agency charged with ensuring compliance with Title IX, performs hundreds of audits every year, and it takes its obligation to ensure equality in athletics very seriously.

Although the obvious intention of the drafters of Title IX was to promote athletics and, in all cases, OCR will encourage expansion rather than contraction of programs and resources devoted to athletics, because of the limited resources that public schools have to devote to athletics, equality sometimes means reductions in programs or benefits rather than additions.

Indeed, there are numerous examples nationwide where schools have been required to forgo the largess of donors to a male team where they lack sufficient resources to provide comparable benefits to a female team, or where schools have had to cut male teams in order to equalize opportunities provided to males and females.

Achieving equality in today's environment of limited resources will likely be difficult for many Maine schools. However, it is always better if the tough choices that Title IX often requires a school to make are made deliberately and with input from all stakeholders rather than under the threat of an enforcement action by OCR. Therefore, schools are well-advised to try to get a handle on Title IX compliance before they are faced with an audit by OCR that may require them to take draconian measures.

The requirements for interscholastic athletics under Title IX

Title IX prohibits discrimination on the basis of sex in programs or activities receiving federal financial assistance from the

*This article was reprinted from Drummond Woodsum law firm's SchoolLaw Advisory newsletter with their permission.*

Department of Education.

The law provides that, "[n]o person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance . . . ."

It is intended to prohibit gender-based discrimination in any educational program or activity that receives federal funds. Because athletics are considered an integral part of schools' education programs, they are covered by Title IX.

The Department of Education, as a federal department empowered to extend federal financial assistance to any education program or activity, has been directed to promulgate rules and regulations consistent with the objectives of Title IX. Pursuant to this directive, the Department of Education promulgated the following regulation:

No person shall, on the basis of sex, be excluded from participation in, be denied the benefits of, be treated differently from another person, or otherwise be discriminated against in any interscholastic, intercollegiate, club or intramural athletics offered by a recipient, and no recipient shall provide any such activities separately on such basis.

This directive provides for equal opportunity for boys and girls to participate in interscholastic sports: "[a] recipient which operates or sponsors interscholastic, intercollegiate, club or intramural athletics shall provide equal athletic opportunity for members of both sexes."

The Department of Education regulations establish two components to Title IX's equal athletic opportunity requirement: 1) effective accommodation of athletic interest and abilities; and 2) equal treatment.

As one federal court of appeals has explained it, "[effective accommodation claims . . . concern the opportunity to participate in athletics, while equal treatment claims allege sex-based differences in the schedules, equipment, coaching, and other factors affecting participants in athletics."

With respect to the first component, OCR looks first at whether interscholastic(1) level participation opportunities for male and female students are provided in numbers substantially proportionate to their respective enrollments.

If the requisite proportionality is not present, OCR will likely require a school to identify if there are unmet interests and abilities in the underrepresented sex. This is usually done through surveys presented to middle and high school girls (or boys, as the case may be) to see if there are additional athletic opportunities that the surveyed students are interested in. If data establishes

*Continued on page 26*

# Mechanical Services offers Maine schools smart energy solutions

**M**echanical Services, Inc. has been providing energy-saving solutions to schools in Northern New England for nearly 60 years.

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Employing 100 individuals in offices in Portland, Augusta, Bangor and Presque Isle, Mechanical Services is the region's leading energy services provider, committed to energy conservation, helping schools save energy and protect the environment.

### A Local Business

**E**nergy efficiency is vital in a state like Maine, where climate and energy prices conspire to drive up the cost of doing business," says Mechanical Services President Chris Green. "Keeping a lid on operation costs is especially important to public school systems. Helping schools conserve isn't just a business for us, it's a passion. We want Maine schools and students to succeed."

In addition to efficiency solutions, Mechanical Services offers financing and performance contracts that help schools and businesses start saving energy — and paying off project costs — immediately.

### Class Leader

**M**echanical Services is the leader in natural-gas conversions in Maine. The company's innovative solutions have helped businesses enjoy the benefits of this clean, efficient fuel — even in the absence of a traditional pipeline.

The company helped The Aroostook Medical Center in Presque Isle convert to compressed natural gas, because the area does not have a pipeline. The project paid for itself in less than a year. Motivated by TAMC's success, Carey Medical Center in Caribou did the same.

### Cool with School

**I**n addition to compressed natural gas heating solutions, Mechanical Services has been recognized for its high-profile school projects, including oil-to-gas conversion at Hyde School in Bath.

"The transition from oil to gas was seamless," said Hyde School Executive Business Manager Cindy Morgan.

Fourteen buildings on campus are now heated with natural gas from the Hyde Mansion to the newly constructed residence hall.

"Each building presented a different set of issues and Mechanical Services worked with us to create unique solutions," says George Paton, Hyde School facilities manager.

"The Hyde School conversion to natural gas is a perfect example of how new technology is helping save energy and money in ways unimaginable when the facility was built a century ago," says Green.

"The original heat source was coal, and our team thrived on creating solutions to meet each job's specifications" he said.

Underneath the mansion's gracefully appointed rooms, previously oil-fired steam boilers are now equipped with state-of-the-art Webster natural gas burners with an Auto-flame® Combustion Management system. In addition, Mechanical Services installed a code-compliant stainless steel lining system in the 100-year-old chimney.

The project paid for itself within 12 months.

### Green Energy from the Deep Blue Sea

**M**echanical Services also helped design and implement an innovative ocean-based geothermal — or "sea-o-thermal" HVAC system in the Lighthouse building at Southern Maine Community College.

The energy-efficient system either absorbs or rejects heat from nearby seawater to bring a closed-loop glycol-heating coil to temperature.

The system is completely environmentally friendly: It releases no byproducts into the water and requires no fossil fuels. The system makes regulating the building's temperature easy and is three times more efficient than conventional heating and cooling systems.

The project was designed to use only electricity and energy harnessed from Casco Bay, no other fuel required. It's 100 percent clean, producing no greenhouse gas emissions other than those created by electricity generation.

"This is a zoned facility with true heat recovery technology," says Green. "Each room has its own thermostat, allowing occupants to control the temperature in each zone."

The system is the only one like it in Maine. Previously, the college used about 2,000 gallons of oil a year to heat the essentially unoccupied Lighthouse. Now, the building is used full-time and doesn't require any fossil fuel for heating, saving the school about \$7,200 each year.



Chris Green

*Continued on next page*

# Title IX

*Continued from page 24*

that there are potential unmet interests and abilities, OCR will likely require that the school district add teams to meet those interests and abilities.

However, if the district lacks sufficient resources to add girls' teams, for example, OCR may then require the elimination of opportunities provided to boys in order to bring the numbers into proportion.

With respect to the second component, OCR looks at a range of factors, including facilities, coaching, game and practice times, and other benefits provided to male and female athletic programs to determine if the programs are treated equally.

A typical OCR audit will thus look at size, location, and condition of facilities such as locker rooms and shower facilities, the condition of practice and playing fields, and the quality and number of coaching staff provided to boys' and girls' teams. In addition, OCR will look at other benefits of the type traditionally provided to teams by parents and other members of individual booster clubs, such as team banquets, uniforms, and trips. Any inequality between benefits provided

to male and female teams may throw a school's entire athletic program out of compliance with Title IX.

In monitoring the level of benefits provided to teams of both genders to ensure Title IX compliance, booster clubs often pose one of the biggest challenges for public schools. This is because, on the one hand, the analysis of whether a school is providing equal treatment to male and female teams takes into account resources received from all sources—including booster clubs and other donations—and on the other hand, schools have traditionally exercised very little control over what groups boosting their athletic programs are doing.

Thus, for example, in Maine, where football and boys basketball programs are often very popular, not just in the school but in the wider community, those sports may attract significantly more dollars from outside the school. However, unless the school is able to equalize those private donations to boys' teams, with public funds or other benefits for the girls' teams, it will likely be required to refuse contributions to the boys' teams.

What schools should be doing now

High school athletics play an important role in Maine communities. The sudden

elimination of a program, or a refusal to accept donations that well-meaning parents and other volunteers want to provide—especially when imposed by OCR pursuant to an audit—can be divisive and difficult to manage. Schools should thus begin the process of identifying any issues that currently exist and moving toward compliance now, before they are the subject of an OCR audit, so that necessary changes can be made gradually and after discussion. Some steps that schools may want to consider include:

- Surveying all students (not just females) to find out their interests and abilities every two or three years;
- Self-auditing facilities so that plans can be made for gradual changes if necessary; and
- Adopting and enforcing specific policies for boosters and any other individuals or entities who may contribute toward the school's athletic programs. n

*1. The Policy Interpretation references "intercollegiate" sports, but this reference has been made applicable to all recipients of federal education funds, including high schools, and is applicable to interscholastic high school sports as well as intercollegiate sports. See 34 C.F.R. §106.11.*

## Mechanical Services equals smart energy

*Continued from previous page*

In addition the "sea-o-thermal" system is being used to air-condition the building during summer months, a comfort that was not part of the old HVAC system.

### High Honors

Efficiency Maine, the independent administrator for energy efficiency programs in Maine, has recognized Mechanical Services for its scope of efficiency work. In 2013 Mechanical Services was named Efficiency Maine's Qualified Partner of the Year for Mechanical Projects. And in 2012, the company was honored as Contractor of the Year by Efficiency Maine.

"We're honored to be recognized by Efficiency Maine," says Green. "And we're gratified by the results our customers achieve, every time, thanks to innovative best-in-class efficiencies that save an incredible amount of energy and money. It's what efficiency, and innovation, are all about." •••



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