



VERMONT ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

SERVING EDUCATION THROUGH SOUND BUSINESS PRACTICE

www.vasbo.net

Brenda Fleming, President
Rutland Northeast S.U.
bfleming@rnesu.org

Frank Rucker, President-Elect
Windham Southeast S.U.
frucker@wsesu.org

Lisa Perreault, Vice President
Barre S.U.
lperrbsu@u61.net

VASBO Meeting Minutes

October 13, 2017

VSBIT Office Building

52 Pike Drive

Berlin, Vermont

Brenda called the meeting to order at 9:32

Introductions

Secretary's Report-Posted on website, approved.

Treasurer's Report-Posted on website, approved.

Announcements and Correspondence-

ACT 166: Northeast Kingdom has limited resources in terms of partners. Impact on management to administer has been burdensome and expensive, some Districts/SUs have hired coordinators to administer. Students are not receiving fair access because student is low socio-economic areas/regions are not participating. Brenda will attend meetings to be the VASBO representative, Rebecca will be the back-up. Michelle's district is finding it difficult to find qualified pre-k teachers. Nathan in Burlington has public and private, challenges have been the additional needs of the preschoolers and the impact on special education services. Echoed in Brattleboro, private providers' approach is different than trained public school personnel and inconsistent approach to certification process. Brenda to share with VCSEA partners to clarify responsibility to serve those students who are special education eligible. An ideal situation would be to build a facility to provide services to students. Household income information request, must consider confidentiality when asking partners to gather personal information from parents.. Winooski Valley Regional Coordinator is proving to be very beneficial to members.

Committee Reports-

Cert- announced overdue and those who are up soon! One certification earned.

BM 101-First meeting Sept. 29, 7 or 8 involved. 1st Nicole spoke about SEERs, John Leu, Brad James, Budget building, Oct 26th next meeting.

Tristate in Portland May 23-25. Program input is that members would like it to be more robust.

Potential idea is to collaborate with other states on work that VT has started financial accounting software. Michele is wondering about HRAs. How are people going to be accounting for HRAs or HSAs.

Brittany Gillman, Secretary
Rutland Central S.U.
brittany.gillman@rcsu.org

Heather Wright, Treasurer
Orleans Central S.U.
hwright@ocsu.org

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Springfield S.D.
shier@ssdvt.org



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VEHI-VSA-VSBA

HRA/HAS Laura will need this information. Health care recapture will assume 75% of people and use 65% in a year, or 30% in the year in the recapture calculation. HRAs don't change buying power. Strongly recommend a way to pull a data point on HRAs. Political discussion, 60% came from Dave Davis at Future Planning. Not a reliable data point. 60-65% was evident, data point got raised verified that was a reasonable data point. Premium, HRA, and HSA how many object codes per dept? Does VEHI need to be the power source. Can VEHI write the rules instead of us all needing to gather more data? Several years out no data, union won't stay. VEHI has the ability to offer something, Laura can recommend to the Board premium differential. Need data to make the recommendation. Peter Sterlings research. Typical that HRAs never cover copays or coinsurance but help with deductibles. Coinsurance can change habits. Nationally HRAs help with part of deductibles. Mechanics of this, debit expense, credit liability, settle up and classify as prior year revenue for any remaining funds. Brenda is going to budget full amount, suggesting less than current year. Concerned about 8% increase. Governors statement was a political deal. Changed conversations at bargaining table. Will the commission come up with something? Suggestion from Nicole, health benefits commission Tuesday, October 17, 4:00-6:00 Rick will attend and represent VASBO's position-STATE-WIDE Health plan. NEA representation is strong on commission. VASBO treats the cost of education a serious matter. Recent information from Secretary Holcomb regarding attrition and ratios, questionable date but everyone has a story. Many failed initialize on cost containment, allowable growth, 0 percent, etc. We need to be aggressive with healthcare and collective bargaining. This is fiscal issue and should be cited that way. VASBO will compose a letter, Rick to deliver, all understanding the challenges these negotiations being dependent the rationale, dynamic is financially unsustainable, list the cold hard facts. Take the approach, when making decisions, legislature and others need to have present at the table those who are steeped in knowledge and expertise to make important thoughtful decisions for sustainability. Knowledge needs to be solid, well-meaning board members don't necessarily have understanding or expertise. Labor attorneys are caving because they work for the boards. We need uniformity to avoid political decision and move in the direction of fiscal cost containment. The charge of the commission, organize points 6 or 7 things they will likely to emerge with suggestions. VASBO members will go to support the position of the membership.

VAOE-Emily Byrne-Ed. Fund Deficit: 47 million issue. Chart of accounts RFP close on Oct 20. Service plans due on October 15th, Grantium is back up and running, payments rolling out soon. Why the 8 cent property tax increase, 1 time reserve. See spreadsheet.

VSBIT-Multiline, contract review program, website survey upload contract. Redline from legal counsel. Member luncheons are coming up! Agenda items, coverage aspects, builders risk, crime coverage. finances of program, outlook of program, loss ratios. Districts consolidating must contact Tim to have Boards liability coverage. VSBIT U, emerging legal issues, Nov 14,15,16.

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Laura-Trumps executive order will have an impact others in BC/BS. Nothing but VEHI could have someone to compete with VEHI. Collective bargaining. IRS reporting for 2017. Nov. webinar, dental will be filed, 2% decrease for almost all. 11/15 approaching, will not accept any changes after 11/15. FMLA, had opportunity but did not hear from them, come back, will talk. Grid for those who change plans. Go to richer plans. If merging with HRA be sure you have all the details. Multi-line, reinsurance market, catastrophes! WC-loss ratio has been getting better overall.

VMBB-Bond bank since 2012 issued 312,000,000 issued. Refunded loans saving money. Interest rates are fixed for the life of the bond. PUT, when approach a bank not wanting to go 20 or 30 year, 10 year put, banks will keep rate, borrower will need to review loans. Tax exempt interest rates on the rise, schools borrow long, impact less, 3.25%. Midwinter pool, summer pool, app due mid end Dec., closing proceeds available Feb.

Michael G. starting Monday, Bob to stay on, Mike to come to the Nov. VASBO meeting.

Cost Containment conversation...Potential savings in negotiations, property tax implications. State-wide licensure, health insurance, ability to access health insurance should not be subject to geographic location, long term focus is to save on health insurance, HSAs will save in the end, centralized state-wide plan is far greater benefits than a fragmented approach. Health insurance for all...is a NEA slogan. We need to have committees, VASBO who are steeped in the knowledge and expertise with data and researched we've incurred far too many legal, administrative fees. Centralizing Health Insurance Promotes Equity, Emotional impact for local Boards gets in the way, Approved plan from the department of federal regulatory, Ratios need to be directed by legislature and until buildings are closed due to enrollment we continue to keep increasing costs, because of the people not operational cost. Perhaps reuse the facility. Political coverage to require school closing, but could save real money. Legislation to protect special interest. Act 49 not global. VASBO needs to have a voice. Natural attrition of staff. Data may not be correct that went out. But the facts are there, declining enrollment. Net lost of SUs is 3 next year. We need to get a handle on staffing, principals often hinder progress in this area as they advocate for their staff. Turnover in Superintendents-losing knowledge, initiative, change in attitude good and bad. Governance issues that allowed the enrollment. Jeff and Nicole suggest we work with Sec. of Ed. VSA and other leadership entities, transfer the authority to a consolidate Board at a higher level to change the undermining to these effective practices. Boards lack the will to make necessary cuts. Making good decisions. Eliminate programs that are not successful. VASBO must have a seat at the table active, involvement, to coordinate. Money is there if given the ability. Lack of expertise in management, at the building principals level, most don't have the fiscal knowledge. Legislature needs to come up with direction we must assist them in doing so. Richard believes he could cut, programs, ratio, health benefit, Melanie said there must be a cultural shift and understanding. Has to be state-wide. Rick statewide contract and data management and support staff. Laura believes if offering JY plan no HRA no HSAs employees pay 50% of the premium there would not have been the stress and disruption. Non instructional and educational services like social emotional

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increase this should be a state issue but local school districts are taking it on. Ratios, total staff is an issue, be specific to teacher and para ratios.

Lunch

AFTERNOON AVAILABLE FOR COMMITTEE MEETINGS-

Meeting adjourned 12:03

Future Meetings:

November 17, 2017 –Half Day

December 8, 2017 – Half Day, draft cost containment discussion, new food service contract bidding process

January 12, 2018 - Full Day, How to write an MD&A

February 9, 2018 – Full Day, VSBIT Sponsors, business office best practices staff evaluation model

March 9, 2018 – Full Day, AOE Federal Programs, Procurement, Compliance & Monitoring

April 11 – April 12 – Taconic Manchester VT – VSBIT Annual Conference, ½ day Friday VASBO

May 23 – 25 – Tri-State ASBO Conference, Portland Maine

June 8, 2018 – location tbd – VASBO Annual meeting – Full day – afternoon STATBook review

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VASBO Oct. 13, 2017

Lisa Penauer
Marilyn Frederick
Mitt Clark
BOB FAHEY

Bare SU
SOS
WFSU
CESU

April Touhale
Melanie Elliott
Tisha Hankinson
Gloria Hankinson

NEAU
QESU
CNSU
NCSU

Randy Morton
Brenda Fleming
Richard Seaman

BVSU
RNEU
WCSU

Jim Vezina
Robert Coakley
James Senechal
Chap Senechal
Karen Atwood
Kob Goss

SO Burlington
Wino
Windham Central
AREU
Windham SW
Grand Isle SU

Peter Amara
Grant Geisler
Robin Pembroke
Dee Kay
Christopher Adams
Heather Wright
Josh Quinn

Parsons
Montpelier
OSSD

FNW SU
TRSU

Kathleen Barry
Joni Blood
Howard Mansfield
Maggie Kay
ANDY LUNDEN
NATHAN CAVERLY

OCSU
ACSD
EWS D
Blue Mountain
ANESU

Burlington
LSSU

Lora McAllister
Pat Amodeo
Kara Greaves
Renee Gordon
Chris Ammer
Rick Pembroke

FNWSU
CCSU
ECSU
SVSU
FWSU
OSSU

Sue Wilborn

BRU

Laura Saxe

VSOIT

Ashley Banthart

WRVSO

MORGAN DANCE

PNESU

EDIE LOU COLE

WPNESU

DONALD J. JOHNSON

MILTON JI

STIEVE MIER

(SPRINGFIELD)

Frank Ruelin

WSESD 48

Martha Hagner

~~WSESD~~ MRS D

Louis Mitazo

RSWSU

Delma Simmons

ST Johnsbury

Miranda MacDonald

CVSD

Update on the FY 2018 Education Fund Budget - August 30, 2017

Note: Numbers may not add due to rounding

Box 1 - As Passed Education Fund		
reference	outlook	Sources
1	Net Homestead Education Tax	416.2
2	Non-Homestead Education Tax	641.3
3	Sales & Use	139.4
4	Purchase & Use	35.6
5	General Fund Transfer	314.7
	One-time FY 18 GF transfer	3.3
6	Lottery Transfer	24.8
7	Medicaid Transfer	8.6
8	Other	1.6
9	Total Sources	1,585.5
Uses		
10	Education Payment	1,352.2
	VEHI Health Care Savings	(8.5)
11,16	Special Education Payment & EEE	187.1
12,13	State Placed Students & Transportation	35.4
14,19,20	Tech. Ed, Adult Ed, & Flexible Pathways	23.5
15	Small Schools	7.6
21	Community High Schools	3.2
22,23	Renter Rebate & Reappraisal & Listing	10.9
24	Teacher Pension - Normal Cost	7.9
25	Other	1.1
26	Total Uses	1,620.7
27	Operating Surplus/(Deficit)	(35.2)

Box 2 - Use of One-time Funds in FY 2018		
	Prior Year Reversions	1.3
	Transfer from the Stabilization Reserve	7.8
	Transfer from Unreserved/Unallocated	26.1
	Total Use of One time Funds	35.2

(a) + (b) = 0

Box 3 - Revenue Changes Adopted by the Emergency Board			
	As Passed	E-Board	Change
Sales & Use Tax Change	139.4	136.8	(2.6)
Purchase & Use Tax Change	35.6	35.4	(0.2)
Lottery Change	24.8	25.3	0.5
Other Sources	1.6	1.1	(0.5)
Total Revenue Changes			(2.8)
As Passed Operating Deficit			(35.2)
Adjusted Operating Deficit			(37.9)

(c)

Box 4 - One-time Closeout Adjustments			
	As Passed	E-Board	Change
Prior Year Reversions	1.3	2.7	1.4
Transfer from the Stabilization Reserve	7.8	8.8	1.0
Transfer from unreserved/unallocated	26.1	26.4	0.3
Subtotal Closeout Adjustments			2.8
Total Adjusted Onetime Funds		37.9	

(d)

(c) + (d) = 0

Box 5 - Estimated FY 2018 Fund Position		
Stabilization Reserve		
FY17 Closeout - 5%	33.5	
Transfer out of stabilization reserve	(8.8)	
FY 2018 Projected Reserve - 3.6%	24.7	
Unreserved Unallocated		
FY 2017 Closeout	26.4	
Use of Unreserved/Unallocated	(26.4)	
FY 2018 projected unreserved/unallocated	-	

Box 6 - 2019 Estimated Budget Gap Drivers		
One time Money	37.9	
Refilling the Reserve	8.8	
Bring to reserve to 5%	0.6	
Expenditure Pressures	???	
Total	47.3	



219 North Main Street, Suite 402
Barre, VT 05641 (p) 802-479-1030 | (f) 802-479-1835

Summary of the Education Fund

August 30, 2017

Box 1 - As Passed Education Fund Status

This box represents a summary of the sources and uses of the Education fund, appropriated and approved by the Legislature and signed by the Governor at the end of June 2017. The box demonstrates that the net of the base sources and uses of the education fund result in a \$35.2M operating deficit.

Box 2 - Use of One time Funds In FY 2018

The Legislature passed, and the Governor signed a balanced budget. The operating deficit was mitigated through the use of \$35.2M in one-time funds, including, an assumed reversion from FY 2017, transfers from the stabilization reserve, and the use of unreserved/unallocated funds. The net of the sources, uses, and the use of one time money result in a balanced FY 2018 Education Fund. However, the use of one-time funds will create a challenge in FY 2019 (discussed below).

Box 3 - Revenue Changes Adopted by the Emergency Board

On July 21, 2017 the Emergency Board adopted an updated revenue forecast for the Sales and Use Tax, the Purchase and Use, and the Lottery transfer. The net change in revenue for the education fund adopted by the Emergency Board was reduced \$2.8M; the adjusted operating deficit is \$37.9M.

Box 4 - Closeout Adjustments

In addition to changes adopted by the Emergency Board, some estimates from FY 2017 were finalized. This adjusted the amount of unreserved/unallocated available by \$0.3M, increased the amount transferred from the stabilization reserve by \$1M and increased available prior year reversions by \$1.4M. The adjusted one-time sources match the operating need of \$37.9M.

Box 5 - Estimated FY 2018 Fund Positions

At the end of FY 2018 the stabilization reserve is projected to be funded at 3.6%, with a balance of \$24.7M. Statute dictates that the fund must be between 3.5 and 5% (16 V.S.A. §4026). It is projected that the unreserved/unallocated balance the end of FY2018 will be zero.

Box 6 - FY 2019 Estimated Budget Gap Drivers

In FY 2019 the Governor will have to propose a plan, and the Legislature will have to adopt laws, that reconcile the potential financial challenges. First, they will have to manage replacing one-time funds. Second, they will have to determine what level to fund the stabilization reserve. If increased to the statutory maximum of 5%, it require additional resources. These two issue will need to be reconciled with cost pressures as well as the rate of revenue growth.

Note: numbers may not add to do rounding