

ALASBO

News Link...



May/June 2004

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Association of School Business Officials
and its affiliate members.

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President's Message

*Mike Fisher, Fairbanks North Star Borough
School District*

When I first read about the legislature's desire to
"early" fund education, I did not realize they
meant early in the morning on May 11th. I am so
naïve.

And although I'm sure we all have our own
opinions and perspectives about how successful
the session ended up, the bottom line is that the
legislature provided about \$82 million in
additional funding statewide for K-12 education,
and additional funding for school construction
and maintenance projects.

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President's Message (Continued)

And thankfully, the governor has decided not to carry through with his threat to veto the increase in education funding. For the moment, most districts will be able to avoid large-scale teacher layoffs and program cuts that have been making headlines all over the state.

Unfortunately, the reprieve will be short lived. Lawmakers have rejected the governor's proposal for a public vote on spending Alaska Permanent Fund earnings for education and other state services. They were able to point to record high oil prices and avoid painful measures to address the state's long-term budget problem. Unless progress is made at the special session called to address a long-range plan, districts will again face multimillion-dollar deficits for the FY2005-06 school year.

So although I am very appreciative of all the hard work put in by legislators this past session, and the substantial increase to education funding, I am already concerned about the impact to educational programs next year and in future years.

I should probably be more critical of why we always have to wait until the very end of session before education funding is settled. Why do they always put off everything until the last minute? Then I look at my desk. Or at least look at the pile where I think I last saw my desk.



**ALASBO - Forming Friendships
and Facing Challenges
Annual Conference
December 6-8, 2004**

Somewhere in that pile is a note to myself to be sure to start planning the ALASBO Annual Conference as early as possible. I'm sure the note pointed out that the conference will be held in Anchorage on December 6, 7, and 8th, 2004, and that it will be here before I know it, so do not delay. So it's not that I'm behind, just that I have been very deliberative in the planning process.

The Annual Conference is a great opportunity to develop both personal and professional relationships. And I cannot over emphasize the importance of developing friendships in addition to "professional contacts." It not only brings out

the best in the individual, but it is what keeps our association active and professionally strong. If you, the members of ALASBO feel welcome and comfortable, then you will enjoy the experience and get the most out of your professional development.

I encourage you all to attend this year's annual conference "ALASBO – Forming Friendships and Facing Challenges." I'm sure there will be lots of friendly colleagues and I know we have no shortage of challenges. I'm sure we will continue to address on-going challenges such as: negotiation strategies, purchasing, personnel and payroll issues, foundation funding, OASIS, E-Rate, food service, pupil transportation, tax sheltered annuities, budget, GASB 34, capital improvements, health benefits and insurance issues. Unfortunately, we have any number of additional challenges we can add to the mix including: adequate yearly progress and school choice, Medicaid reimbursable services, GoalView web-based individualized education plan software, and possible changes to the TRS/PERS retirement system. Our conference sessions will depend on what you, the members want.

There is still time to let the ALASBO Board of Directors know about any particular issue you would like addressed at the annual conference, or if you have suggestions on how to make the conference better. Please contact any board member or myself and we will do our best to make this the best conference possible.

I must confess that I misled you at the beginning of this article. When I first read about the legislature's desire to "early" fund education, I suspected that was only wishful thinking. I don't think any of us are *that* naïve.

Remembering Our Purpose

Betty Zabielski, Alaska Gateway School District

Now that the legislative session is finished and we are all fiscally happy or sad about the outcome of the session, we need to finish our budgets as best as we can. Even with the increase to the Base Student Allocation, most districts are facing cuts to their educational budget. Each year we have had to deal with increased costs in salaries, health care costs, and energy. Now, this year we have increased costs for the two retirement systems. Some districts are facing a new increase cost this coming year for pupil transportation since the

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Remembering Our Purpose (Continued)

State started paying for that function through a grant based on ADM rather than geography. There is always something, old or new, for us to deal with in our office. It is very draining for us all.

That is why I am writing to remind everyone of our purpose – the kids. A few issues ago, I encouraged all of you to become involved in some way with the students in your district. Whether you help with reading, coach an athletic team, help cook a spaghetti feed for a fund-raiser or attend the spaghetti feed fund-raiser, you will be supporting the very people we work so hard for everyday. If you have the opportunity to visit schools in your district, be sure to take a moment and visit with at least one student. That will delight both of your days and, surely, bring energy to your step as a result of that connection.

Our motivation, and our boards' motivation, should come with the answer to the question: "Is it good for kids?"

We think of the bottom line the entire day we are at work. Remember our purpose as we wend our way through each day. The true bottom line of what we do is help kids. I encourage you to become involved with a particular student or a number of students. Our motivation, and our boards' motivation, should come with the answer to the question: "Is it good for kids?" And spending time with kids is good for them, and GREAT for us!

Annual ALASBO Legislative Fly-In

Lucienne Harger, North Slope Borough School District

Although ALASBO representation numbers were small, we were welcomed by all legislators and their staff during our April fly-in and were able to meet with most members of the Senate and House leaders of Finance and HESS or their staff.

This session's message from ALASBO was the request for a substantial increase in the base student allocation to cover the PERS and TRS increases as well as inflation, and a plea to work on a fiscal plan. The ongoing communication among school business officials across Alaska

this session was just one more indication that we work together for **all** Alaskan students.

A note of appreciation goes out to all those who kept in touch with their legislators during this session. It is very important to continue to be in contact via email or phone on the need for a State fiscal plan, and addressing the PERS/TRS increases for FY06.



At this writing the education bills that were passed this legislative session are awaiting the Governor's consideration. (See Legislative Wrap Up insert).

AML/JIA invited ALASBO to a reception they had scheduled for the cities and municipalities. APEI contributed \$500.00 toward scholarships in lieu of hosting a reception. Eddy Jeans and Mindy Lobaugh of the Department of Education and Early Development provided valuable input and assistance. Thank you to all of these organizations for their continued support of the Association of School Business Officials. Together we make a difference in the lives of children.

Executive Director Message

Tammy White, Yukon-Koyukuk School District

As schools are closing for the summer, the business official of the district is gearing up for the long hot summer. We work on closing out this school year, ordering for next, construction projects, preventive and deferred maintenance of all buildings, and the ever-evolving budget.

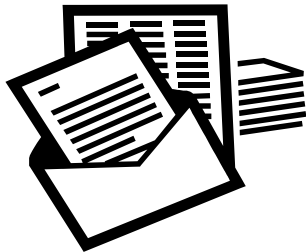
Early in the calendar year most districts were looking at layoffs of teachers, administrators and support staff. March brought us news that funding would increase early in the legislative session. Of course April and almost half of May went by before they approved the increase. Hopefully, by the time you read this, the Governor will have signed the bill. Then a budget will be in place at least until schools reenroll students. By February or March of next year, we will be able to set the exact amount.

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Executive Director Message (Continued)

So how many times have you changed your budget during the last five months? I have done so many "what ifs" that tracking where we really are becomes a maze. How can a group like ALASBO help each other? Of course keeping informed is the key, but also as you are questioning the next step, feel free to give your board liaison a call. They may not have the answer but they will be able to direct you to someone who can help. I am always willing to share information and/or work completed so others will not have to "reinvent the wheel". I know many have shared with me and I am very thankful.

I feel very fortunate to belong to a group of professionals that are willing to help one another as we do. It really means we are keeping the children's education first. Enjoy your summer vacation (away from teachers & principals) as you close out the current school year and prepare for the next. Of course try to get a little sun and fishing in when you can.



HELP!! Newsletter Production Assistance Needed

Amy Lujan, Nome Public Schools

This is my fourth year as editor of the ALASBO "Newslink" – amazing! Production of the "Newslink" has been made possible by the assistance of Jan Ames of North Slope Borough School District. Now Jan has taken a new job at North Slope Borough!!

I am looking for a volunteer to assist with newsletter production. In brief, I send the completed newsletter in Word via e-mail, and the production person makes the copies, labels and sends them out, by US Mail or PDF, as requested.

Access to a "sophisticated" copier is a big help. At a minimum, the machine needs to handle 11x17 paper. You or your district would be reimbursed by ALASBO for copying and postage

costs. Jan says the production generally takes 5-6 hours for our quarterly edition. The next newsletter will be done in August.

The quality and consistency of our newsletter communications has improved greatly over the past few years, and I need help to keep it going! If you're interested in helping with this task, please contact me at 907-443-6190, or stanandamy@aol.com.

**THANK YOU, JAN! GOOD LUCK IN YOUR
NEW POSITION!**

Networking With ALASBO

Pam Chenier, Anchorage School District

As business professionals for our respective school districts, we are often asked to investigate a new way to provide a particular service or business process. This research usually leads us to other districts within our state with contacts either developed over the years or new contacts just made at a conference or by a recent contact. The contacts that we develop become invaluable to both our employers and to us. Especially in these restrictive budgetary times, the sharing of information between districts is vital to the delivery of educational programs and the business systems that support them.

We have all discovered over time that the techniques and processes that are used in the Lower 48 are not always conducive to the geographical and population considerations of Alaska school districts and the communities in which they exist. Those considerations often require us to think and process more creatively than districts that are directly connected by major freeways throughout the nation.

Professional organizations such as ALASBO are the best resource for finding our peers throughout the state. With the ease of email, it's often a short period that we can speak or correspond with a person that has had experience with the particular topic at hand. After the initial contact, sharing what works well and what doesn't provides a great deal of insight in how we will approach our local requirements.

In short, ALASBO provides an extensive network of school business professionals that can be easily contacted for specific or general information that help all of our districts to become more effective and efficient to serve the needs of our children.

McClain J. "Mack" Easton Memorial Scholarships

Nancy Munoz, Matanuska-Susitna Borough
School District

It is a pleasure to announce the winners of the McClain J. "Mack" Easton Memorial Scholarships for FY2003-04. Once again, it was difficult to choose from many qualified applicants. The scholarship committee selected the following students for awards:



\$1,000 Award Winner

Matthew Jones, Cordova High School



\$ 500 Award Winner

Adriane Riddle, Bristol Bay High School



\$ 500 Award Winner

Kelsey Jacobsen, Sitka High School

Best of luck to the winners and to all the applicants! And thanks to this year's Scholarship Committee: Nancy Munoz, Matsus; Mike Fisher, Fairbanks; Holly Holman, Unalaska; Lisa Keown, Hoonah; and Cindy Reilly, Yupiit.



ASBO International News

Melody Douglas, Vice-President
ASBO International

Serving on ASBO's Editorial Advisory Board, the Policy Committee and the Bylaws Committee has kept me busy this spring. At Dr. Anne Miller's request, I attended the American Education Finance Association Annual Meeting. This organization primarily serves members involved in the public policy and research arenas. This meeting provided the opportunity to reinforce the need for collaboration between researchers and practitioners to affect positive change for students. Members of this Association serve as editorial advisors to the *Journal of Education Finance* published by

ASBO. If you aren't familiar with this publication, you may want to look into it as a resource. The *Winter 2004 Edition: Special Issue – Rural Education Finance* contains such articles as:

- Rural Factors in State Funding Systems
- Stalking Cost-effective Practices in Rural Schools
- A Critical Introduction to Useful Works about Rural Life and Education

Although ASBO's Policy Manual provides for review of one section of the policy manual annually, it was decided a complete policy review was timely, given the many changes that have occurred in recent years. Also, most of the policy was originally developed using extremely formal language with policy repeated in numerous sections of policy. Chairing this process has been an interesting project to say the least, but ASBO's policy will be understandable and concise in the end. After this year's election process, there may be need for a final policy update to address issues related to the recent change that allows all members the right to vote on Association matters. The ASBO Board will address policy changes at the July Board meeting.

The Bylaws Committee met recently with the same objective – a complete review. Committee recommendations to the ASBO Board include the elimination of nominations from the floor, requiring a candidate to have affiliate support of their candidacy and a change relative to candidate declaration due-dates. Clarification of how and when an active member transitions to emeritus status and implementation of more use of technology (use of email) for some Association meetings are also recommended changes. The ASBO Board will address these changes in July. The ASBO membership will vote on these Bylaw changes this fall.

Mark your calendars and plan to attend the 90th Annual Meeting & Exhibits in Cincinnati, Ohio, October 15 - 19, 2004! The list of professional development opportunities, presented by ASBO's committees for this fall's conference, is powerful and timely. More detailed information is available on the ASBO website, www.asbointl.org. Don't miss this professional development and networking opportunity for you and your district; register today!

Please let me know of any concerns, suggestions and ideas you would like addressed concerning ASBO International. I can be reached at 907-714-8888 or mdouglas@kpbsd.k12.ak.us.

Is Your District in Compliance with the FLSA?

Rebecca Garcia, Lackland ISD Personnel Committee

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According to the Department of Labor (DOL) website, enforcement in the Fair Labor Standards Act (FLSA) Wage and Hour area during fiscal year 2003 has increased over the prior year. During 2003, the back wages collected by DOL exceeded \$212 million, which was a 21% increase over the prior year. In addition, the total number of employees who received back wages was 342,358, which represents a 30% increase over the prior year.

The December 2003 issue of the Fair Labor Standards Handbook, published by Thompson Publishing Group, specifically addressed lawsuits and DOL audits in school districts across Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina and Tennessee. The DOL investigations and audits over the past three years in just five of these states resulted in \$11.2 million of back wages recovered for 6,919 employees at 837 school districts (Source: DOL-Wage & Hour Division).

You may have already read or heard some of the advertisements in newspapers, radio and television that encourage school district employees to seek legal recourse regarding possible violations of the FLSA. Even if you have not read or heard of these advertisements – your district's employees may have.

A quick review of the some FLSA provisions follows:

- Major provisions – Minimum wage, overtime pay, child labor and recordkeeping
- Minimum wage - \$5.15 must be paid to covered, non-exempt employees for all hours worked (*Editor's note: Alaska minimum wage is \$7.15*)
- Overtime pay – Due to covered, non-exempt employees. Must be calculated at time and one-half at the employees regular rate of pay, required for all hours in excess of 40 in a workweek; excludes payment for time not worked such as vacation and holidays, and includes compensatory time
- Child Labor – age 18 and above – no limitations; ages 16 & 17 – general minimum or employment at non hazardous occupations with no limitation on hours or

time; ages 14 & 15 – minimum age in specified occupations, limited to work outside school hours, total hours worked limited per day and week; and under 14 years of age – must work in jobs that are exempt from or are not covered by FLSA

- Recordkeeping – Records need not be kept in any particular form and time clocks are not required; however, an accurate record of the hours worked each day and total hours worked each week is critical to avoiding hours-worked problems; required records include: hour and day when workweek begins, total daily or weekly straight time earnings, total overtime pay for the workweek, deductions from or additions to wages, total wages paid each pay period, and date of payment and period covered; all payroll records must be kept for 3 years—time cards and wage computation records must be kept for 2 years

The DOL website [www.dol.gov] has much more information about the Wage & Hour provisions. Whether you are in finance, payroll, personnel, or another department, compliance with all FLSA provisions is critical to your district. Failure to comply with FLSA could result in a substantial financial liability for the district if subjected to a lawsuit and/or DOL investigation and audit. The financial liability could include back wages, interest, payment of retirement or social security contributions for back wages, and/or penalties assessed by the DOL.

Please take a few minutes to answer the questions below to determine if your district might have exposure to FLSA violations.

- () Yes () No Does your district have a job description for each employee?
- () Yes () No Do the job descriptions include the exempt/non-exempt status?
- () Yes () No Has your district established the workweek in writing?
- () Yes () No Do your non-exempt employees receive an uninterrupted lunch?
- () Yes () No Does your support staff, including paraprofessionals, sign/clock in and out daily?
- () Yes () No Does your district pay for unauthorized work, but follow-up with disciplinary action? [Unauthorized work is defined as time worked by an employee before or beyond their normal schedule even though they were not instructed to work at those times.]

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FLSA Compliance (Continued)

- () Yes () No Does your district pay bus drivers for waiting time when they are at an all-day extra/co-curricular event?
- () Yes () No Does your district pay support staff for on-call duty?
- () Yes () No Does your district track compensatory time for support staff?
- () Yes () No Does your district accumulate compensatory time at time and one-half if an employee works over 40 hours in a workweek?
- () Yes () No Does someone in HR or payroll verify that all student workers meet the minimum age and work time requirements?
- () Yes () No Does your district pay support staff to attend required training that is attended during their normal work schedule and other than their normal schedule?

If you answered one or more of these questions with a "No", the HR, finance and payroll departments [at a minimum] should consider: 1) drafting procedures that address the area(s) of deficiency; 2) training all supervisors in implementing the procedures; and 3) distributing the procedures to employees. Remember that communication across all departments and with all employees should go a long way towards avoiding litigation and/or audits in the area of FLSA.

The DOL is willing to assist school districts by performing self-audits in the area of FLSA compliance. Keep watching the DOL website because regulations are expected to be changed later this year.

Update on Medicaid Reimbursement for School-Based Services

Melody Douglas, Kenai Peninsula Borough School District

The Department of Health and Social Services (DHSS) is in the process of implementing Medicaid reimbursement for occupational therapy, physical therapy, speech/language pathology and audiology services. This is a complex process designed to help districts recover some of the cost incurred in the delivery of these services to students with IEP's who qualify for Medicaid.

Representatives of Anchorage, Mat-Su, Fairbanks, Juneau, Kenai, Kodiak, Copper River and other school districts have been involved in developing this new program at various points along the way. It is yet to be determined if districts will generate more revenue than they are presently receiving through the Medicaid Administrative Claiming Process, when costs of implementing this program are known.

Kenai Peninsula Borough School District (KPBSD) has been working to implement the program throughout this year as a pilot project. Although KPBSD is well down the path of implementation, claims have yet to be filed. Full implementation of this program will likely occur this fall. KPBSD is trying to identify students with IEP's receiving the services noted above, who are Medicaid eligible, with life as we know it under HIPAA. We need to find a reasonable way to estimate the potential revenue, to determine if entering this program is a sound financial decision. (Please note: there may come a time when participation in this program is not an option.)

A project status meeting was held recently, where tasks were assigned and a next steps time line was established to address such questions as the financial reporting of the program in a district's annual financial report, a billing procedures checklist, a step-by-step process for a prescription/referral process, primary insurance billing process (if a student is eligible for insurance coverage it must be billed, resulting in a claim denial before a claim may be submitted to Medicaid). Remember the 'complex process' note above? It is!

DHSS is in the process of gathering information relative to additional services to be added to the current list. The survey may be found at http://www.partners.hss.state.ak.us/gcdse/related_services/index.cfm. Please take time to respond. Even though the project has yet to be implemented, we need to move ahead with the next phase. The development of this project has been slow, exacerbated by negative federal audits of school-based-services programs in other states, enactment of HIPPA and the fact that the clinical model used by Medicaid doesn't mesh well with the delivery of service model used in school systems. A step-by-step explanation of the program, from a district's perspective, will be available to districts wishing to implement the program when the remaining questions have been addressed. In the meantime, I'm happy to address any questions you may have.

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**Alaska Association of
School Business Officials**

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Upcoming Conference Dates:

- ASBO International Annual Meeting & Exhibits: October 15 - 19, Cincinnati, Ohio
- ALASBO Annual Conference: December 6 - 8, Anchorage, Alaska

MARK YOUR CALENDAR!