

What is the Veazie Agreement?

The Veazie Agreement is a set of one year contractual agreements renewed annually between the RSU 22 Board of Directors and the Town of Veazie School Administrative Unit (SAU). Starting in the 2013-14 school year, RSU 22 and the Town of Veazie SAU entered into an agreement to have Superintendent Lyons provide administrative services to Veazie. By law every school must be overseen by a superintendent. In 2016, Veazie contracted with RSU 22 to obtain business services as well. Finally, in 2016-2017, Veazie asked if RSU 22 could further provide technology services. Each year that these contracts have been in effect, RSU 22 has not spent district money on Veazie but has received a profit.

The Superintendent's service portion of the **Administrative Agreement** began in 2013-14 and has been in force for four years. 2013-14 (year 1) and 2014-15 (year 2) Superintendent Lyons received compensation for the Veazie services and utilized accrued RSU #22 vacation time while serving Veazie. Mr. Lyons was no longer paid a stipend from the Administrative Agreement for the 2015-16 and 2016-17 school years. Therefore, RSU #22 received greater profit for those last two years. Services rendered during the years of the Administrative Agreement included Superintendent attendance at monthly board meetings, support and oversight of the school principal, negotiations, occasional Veazie Community School visits and attendance at Veazie's annual Town Meeting.

In the 2017-2018 school year, Veazie's principal has taken over as Superintendent.

The **Business Office Agreement**, which started in January 2016, includes provisions such as postage, supplies, check stock, maintenance agreement on the accounting software and activities such as development of budget, accounts payable, payroll, human resources services and negotiations, run of contract and assistance with business contracts (i.e. School Revolving Renovation Fund management). As part of this agreement, one of the RSU 22 part-time employees was moved to full time. All of the cost for the increased hours was paid for by Veazie. Other employees in the central office received stipends for the additional work they perform. As with the Superintendent's Agreement, all bills have been and are fully paid for by Veazie. RSU 22 also makes a profit on this agreement which goes into our general fund.

The **Technology Agreement** began in mid-year 2016-17. The RSU 22 technology department provides technology assistance and decision making experience in the area of technology to the Veazie School. These services include but are not limited to network infrastructure, the Maine Laptop Technology Initiative program, laptops and other devices within the school.

What are the "designated" and "undesignated" fund balances?

Cumulative fund balance is a continuously running account that is recalculated annually for June 30 (the end of our fiscal year). The Board approves some of that cumulative fund balance each year to be used as revenue towards the next year's budget - that amount becomes the "designated fund balance".

What remains in the cumulative fund balance is the "undesignated fund balance".

At the end of each budget year, if RSU #22 received more money than expected and/or if the district didn't spend everything as planned, this amount returns to the cumulative fund balance.

The cycle continues in that manner.

If a budget-busting expenditure is anticipated (i.e. many outside placement students move into the District) that cannot be covered in the existing budget or a significant revenue shortage arises (i.e. considerably fewer tuition students enrolled than originally planned) that cannot be covered by other anticipated revenue, the District must obtain voter approval to access the undesignated fund balance to cover an increased budget or decreased revenue level.

The only case where undesignated fund balance may be tapped without voter approval is if the State curtails an already enacted subsidy for a fiscal year. In that case, the Board may approve use of the undesignated fund balance as replacement revenue.

State law relating to undesignated fund balance requires that amounts over 3% of the previous year's budget be expended over the next three budget years to reduce the local share.

What is the process to create a school district budget in RSU 22?

The process of creating a school budget involves reviewing and anticipating two main areas: Needs (or expenses) and Resources (or revenue), with the ultimate goal of matching the needs and resources. Creation of a budget is a months-long process that starts in the fall and ends when a budget is passed via public referendum (vote).

October-November: School administrators (principals and directors) begin to assess and anticipate school needs for the following year. They take into consideration many things including, but not limited to, current and projected enrollment, student needs, and district/school initiatives.

December: Administrators (principals and directors), provide their assessment of needs to the Assistant Superintendent and Superintendent.

January: Assistant Superintendent and Superintendent, begin to compare anticipated resources (revenue or money coming into the District) with the list of anticipated needs (expenses) provided by administrators.

January-February: Assistant Superintendent, Superintendent, and administrators meet (on several occasions) to discuss areas where the needs (expenses) outweigh the resources (revenue). The team works together to find creative solutions about how to best meet all needs of the district. Administrators are also asked at this time to begin to prioritize needs in preparation of providing guidance to the Budget Committee of the Board of Directors. The prioritization may include those resources the district cannot function without, those that are very important to the integrity and quality of the district and those items, that while important, would have the least amount of impact to students and learning if not included in the budget.

March: The Administrative Team meets with the Budget Committee for the first time to present anticipated resources (revenue) and anticipated needs (expenses) with a prioritization of resources. This is the meeting at

which point the public may become involved and are welcome to attend every Budget Committee meeting. The number of Budget Committee meetings is dependent upon the decisions and discussions that occur.

April: Typically, the Budget Committee and Administrative Team have received finalized information about resources (revenue) the District will receive from the State and any insurance premium increases (which can be a significant expense). The Budget Committee agrees on a final budget to bring to the Board for Board approval.

May: The final budget is presented to the full Board. If the Board does not vote to approve the budget, the Budget Committee reconvenes to present another budget to the full Board for approval. The full Board approves the budget.

June: The Board-approved budget is presented at District School Budget Meeting, where the public votes on each article (section) of the budget. If the budget passes at the District Budget meeting, it is then “validated” or voted on as a referendum (question) in each town.

When can the public become involved in the the budgetary process?

The public can become involved in the budgeting process at the first Budget Committee meeting which usually occurs in March. This is the meeting where the Administrative Team presents the district’s prioritized needs (expenses) and resources (revenues). While the first Budget Committee meeting is the first public discussion and presentation of the budget, RSU 22 Administrators are always happy to hear public opinion of what needs, initiatives, areas, etc should be prioritized. Additionally, the public is always welcome and encouraged to attend Board Committee Meetings where all year discussion of district needs and initiatives are discussed, and taken into consideration when the Administrative team assesses and anticipates school needs for the following year.

Why is the budget broken into the warrant articles the way it is?

Maine State law mandates that all Regional School Units (RSUs) break down their budgets into 11 specific categories or “articles”. Furthermore, the law outlines specific rules about what expenses must be included in each category.

The categories or articles are as follows:

- (1) Regular Instruction;
- (2) Special Education;
- (3) Career and Technical Education;
- (4) Other Instruction, including summer school and extracurricular instruction;
- (5) Student and Staff Support;
- (6) System Administration;
- (7) School Administration;
- (8) Transportation and buses;
- (9) Facilities Maintenance;
- (10) Debt Service and other commitments; and
- (11) All Other Expenditures, including school lunch; [2007, c. 240, Pt. XXXX, §13 (NEW).]

The mentioned law is as follows: Title 20-A Education, Part 2 School Organization, Chapter 103-A: Regional School Units, Subchapter 4 Financing, §1485 Cost Center Summary Budget Format.

Do we receive subsidy for the pre-K students? If so does that cover the cost of the program?

Yes, RSU 22 receives funds for the Pre-K program through the state school funding formula in the same way we do for K-12 programming. There are approximately 78 students enrolled in RSU 22's public Pre-K program. Included in RSU 22's FY 18 calculation of state funding, the state share of our total subsidy that is outlined related to Pre-K enrollment figures is \$411,824.00. In order to receive this funding amount, a required local share of \$187, 716.00 must be raised. Additionally, there are numerous studies that show significant educational and social benefits to public Pre-K program on which it is difficult to assign a price.

RSU #22 contracts with Waldo Headstart (and previously Penquis*) to provide partnership services to both Headstart qualified students and community member students. Headstart bills RSU #22 for instructional services provided through the partnership contract.

Recently RSU #22 was notified that Penquis Headstart was unable to enroll the necessary number of Headstart qualified students at our Newburgh site. Penquis made the decision to conclude the partnership based on the inability to enroll 16 or more Headstart students in the program which would make the program viable for them based on their federal funding stream. RSU 22 has secured alternative sources of funding to close the expense gap created by the dissolution of the Penquis partnership for the 2017-18 school year.

What is RSU 22 doing now to promote financial transparency?

Line by line budget reports are posted on the district website and cost center budget documents are posted to show how costs have increased or decreased from previous years. Contingency lines are all but erased from the FY 18 budget with two lines serving as such: health insurance and special education outside placements.

All board and committee meetings are open to the public and publicized on the district's website as well as the sign at the Hampden Academy entrance. The Community Relations Committee has now begun to use available platforms such as social media (Facebook), website modifications and is also developing new platforms to make sure the public is aware of all meetings. RSU #22 is getting the word out on what is happening in the district.

RSU #22 acknowledges that the district needs to continue to improve communications. Efforts toward that end are listed above and the district will continue to strive forward in this area.

Other RSU #22 Frequently Asked Questions

What is the Board's role in the district?

Simply put, the board sets policy, budget, selects the Superintendent and hires personnel (teachers). The board does NOT oversee the day-to-day operations of the schools.

What is the Administration's role in the district?

The Administration's role is to carry out directives of the board in the following areas: finance; personnel; curriculum; and school law. The administration ensures there is an assessment system in place for all components such as auditing, student assessments and all reporting requirements for the state of Maine Department of Education as well as the Federal Government.

What is the administrative structure of the district?

The administrative structure of the district is as follows:

Superintendent, Assistant Superintendent for Business & Operations, Director of Curriculum, Director of Special Services, Assistant Director of Special Services, Director of Technology, Director of Food Service, Director of Wellness, Director of Adult Education, Director of Gifted and Talented, building administrators (Principals) and Hampden Academy Assistant Principal/Athletic Director. Physical plant and transportation are overseen by the Assistant Superintendent of Business & Operations.

This group of administrators is often referred to as the Administrative Council or the Administrative Team.

RSU #22 is led by a Board of Directors (BOD) comprised of 14 elected members from each of the four towns in the RSU. Board membership is determined by the population of each town. The following breakdown is the current configuration of the board: Hampden 7 members, Newburgh 2 members, Winterport 4 members, Frankfort 1 member along with two non-voting Hampden Academy students members.

How is a board or committee agenda constructed?

Per the Board [Policy BEDB](#) the agenda for Board Meetings is prepared by the Secretary of the Board (Superintendent). Anyone can suggest items for the agenda, but if a district resident wants to put an item on the agenda the request has to be in writing and received on the Thursday before the next meeting.

The Chair or a majority of Board can decide to take up an issue that is not on the agenda. However, this is rarely done.

For Board sub-committees, the process is different for each committee. Typically agendas are prepared in conjunction with the Chair and administrative staff personnel assigned to the committee.

What is collective bargaining?

In Maine, public sector bargaining is governed by Maine state law. If the teachers of a district form a union, the Board is legally required to enter into bargaining with them over a contract called a collective bargaining agreement. The Board doesn't have the right to control how teachers are paid, what their benefits are or what some of their working conditions are. These things must be agreed upon by both parties. State law does give some control to the administration on how teachers are assigned.