

# Better than expected

*Schools breathe easier*



**Tom Grabill, ESC  
Executive Director**

Phewww! We dodged a financial bullet during the Indiana General Assembly's spring session. After much hand-wringing and debate, legislators approved 2.3 percent in additional funding — more than anyone anticipated.

Schools were also given flexibility to transfer money from their capital project funds or to increase taxes for those accounts to pay for higher utility and insurance premiums and relief for teacher retirement payments. There will be some challenges with the loss of ADA flat grants and transportation state support. Although schools now have more breathing room, it

doesn't make managing budgets any less complicated.

Other news coming out of the General Assembly included an extension on the SEA 199 bond deadline until Dec. 31, 2004. Changes to the law will enable schools to increase the amount they can bond, and to create a separate debt service fund to repay the pension bonds. Since the legislation was first approved, we've been involved with a host of SEA 199-related services, from actuarial studies to plan and conversion consulting and finally, serving as financial advisors for the bond issues. We've found that there are many nuances to the new rules and of course, other challenges ahead as schools adjust to the state's overhauled property-tax system.

As always, we are here to assist you as you navigate the complexities of running a school corporation. Give us a call if we can help.

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## Hammond contract negotiations show ESC's strength on both sides of table

When ESC consultants Jerry Moore and Anthony Broadwell recently assisted the School City of Hammond with its teachers' contract, they found themselves in an unusual position — on opposite sides of the bargaining table.

"It was the first time that we've represented both parties in negotiations," said ESC Executive Director Tom Grabill. "We were initially hired by the Hammond Teacher's Federation and then the administration asked us to help them, too. Our primary goal was to make sure both sides were working from a common set of financial facts. We've built a lot of trust with both the administration and the Teacher's Federation over the years, so both sides were comfortable with us also representing the other."

Grabill said that ESC has been asked by several schools to develop an accurate financial picture. "Schools and teachers may have agreements on what needs to be done but not a lot of confidence in the facts and that's where we can add value," he said.

Establishing financial facts to smooth the way for negotiations is only one of the ways that ESC is able to help schools with collective bargaining.

### Bargaining-related services include:

- Personnel studies
- Health insurance analysis
- Retirement planning
- Actuarial service
- Financial studies

# Across the board

## *School happenings*

### **SEA 199 Bonding tally**

**50 school corporations out of 293 have received approval for \$225 million in pension bonds**

#### **Financial advisory work grows**

As more schools pursue SEA 199 pension bonds, ESC's financial advisory work is picking up steam. Recently, ESC served as financial advisor for **Mount Vernon Community School Corp.** (Hancock County), **Clark Pleasant Community School Corp.**, **Smith Green Community Schools**, **Greenwood Community School Corp.**, **North Montgomery Community School Corp.**, **Eastern Howard School Corp.**, and **Bartholomew Consolidated School Corp.**

ESC's **Jerry Moore** is providing bond assistance to **The County School Corp. of Brown County**, **MSD of Wayne Township** and **The School City of Gary**.

#### **Consultants equip schools**

**Pete Apple** has been putting his 38 years of school purchasing experience to work for **Franklin Township Community School Corp.** intermediate school and the **Franklin Central High School** addition.

**Larry Renihan**, who has 27 years of school purchasing experience, is working with **Evansville-Vanderburgh School Corp.** on planning equipment for the new **Southern Indiana Career Center**. He is also working with **Fayette County School Corp.**

#### **Budget school wraps up**

ESC has been assisting the Indiana Association of School Business Officials with a four-day workshop on "Building a School Corporation's Budget." This is the eighth straight year ESC has participated in the workshop.

The first session began Jan. 28 and the last one will be June 17.

"The purpose of the workshop, which sold out, is to educate and train superintendents and business managers on the nuts and bolts of budget making," said ESC's **Tom Grabill**.

#### **Other news**

ESC budget expert, **Bill Roberson**, the former superintendent of **Mooreville Consolidated School Corp.**, is assisting **Franklin Township Community School Corp.** with budget planning.

ESC consultants have been conducting numerous

financial health analyses including **North Gibson School Corp.**, **South Gibson School Corp.**, and **Marion Community Schools**, where consultants are also performing a personnel study.

ESC's **Beverly Walters** continues to be a valued consultant to business offices. With 37 years of school business office experience, Walters trains and guides new treasurers. She recently assisted **Options Charter School** and **Tipton Community Schools**.

#### **Consultants prepare landmark IAPSS General Fund study**

The **Indiana Association of Public School Superintendents** recently released an ESC-conducted study that showed 90 percent of General Fund dollars go directly for classroom use.

The report "A Study of Public School General Fund Costs/Expenditures Allocated to Classroom Instruction, General Administration, and Support Services in the State of Indiana For Calendar Year 2001," was as lengthy and detailed as its name. It included 40,000 lines of General Fund Form 9 data, representing almost \$5.5 billion in school expenditures. IAPSS released the report to its members at its annual fall conference.

ESC consultants **Pearson Miller**, **Tom Grabill**, **Bill Roberson**, **Pete Rump** and **Anthony Broadwell** began working on the study in July.

#### **Study findings and conclusions**

- **75.82% of GF expenditures go to direct and supportive classroom instruction**
- **5.69% is average corporate expenditure**
- **18.49% is employee benefits average**
- **More than 90% of GF dollars are used for instructional purposes. Even if school building administration is added to the corporate amount, close to 88% of GF dollars still reach the classroom**
- **Spending supports Indiana's efforts for continuous school improvement**

# Personnel studies

## *Not just for tough times*

When budgets are tight, the efficient use of personnel becomes a critical issue for schools. That's where ESC's Bill Conner can help.

As the former director of personnel and chief negotiator for MSD Lawrence Township, Conner now assists school corporations across the state with personnel studies and other related services such as handbooks and developing employee evaluations.

"There are obvious times when financial concerns force schools to take a hard look at personnel and staffing," said Conner "But there are other personnel issues — such as consistent policies and due process — that are just as critical. Often times, people don't look at these issues until there's a crisis."

In the past year, Conner has worked with a number of schools on a variety of personnel issues. He provided candidate screening at Greenfield Central Community School Corp. For Southwest School Corp., he did a personnel study for the elementary and middle schools and at Elwood Community School Corp., he assisted with contract compliance as the school prepared to cut its

workforce.

Recently, he helped Kokomo Center Township Consolidated School Corp. with job descriptions for several non-teaching classifications.

"Bill's experience was very helpful," said Steve Bailey, who was director of personnel for Kokomo and is now superintendent of Northeastern Wayne School Corp. "He had to interview many of our employees and he was flexible, knowledgeable and easy to work with. He also came up with good ideas on how to use our resources more effectively."

Conner has also worked as part of a team of ESC consultants, to evaluate all aspects of a school's operations from transportation and personnel to budgets and financing.

"When I do my part, I look at everything — class sizes, certified and non-certified personnel, policies and procedures, and a host of other things," Conner said.

The time involved varies from school to school. "Some studies have taken as little as 20 hours while others were double that amount. It just depends on what the school wants us to do."

## Twiss joins ESC as actuarial consultant

Timothy Twiss is the latest actuary to join the ESC team, bringing the number to three since ESC began offering actuarial assistance last year.



**Timothy Twiss**

"Tim has the breadth of experience that will be helpful to schools," said ESC Executive Director Tom Grabill.

In addition to his ESC duties,

Twiss works for the Veterans Administration, where he is responsible for evaluating all aspects of customer service.

Prior to that, he worked for several insurance companies, where he designed and priced individual life reinsurance programs to ensure they were profitable.

So far, Twiss has worked on 13 actuarial studies since joining ESC in the fall.

"I'm impressed with the package that ESC has put together

to help schools with their benefits programs," said Twiss. "I'm enjoying working with figures that represent real people as opposed to just statistics. It's been interesting looking at all the different benefits packages schools offer. It's definitely not one-size-fits-all."

Twiss lives in Fort Wayne with his wife. The couple has four children and one grandchild. In his free time, Twiss enjoys playing soccer "I participate in an adult league which is fun because I can play with my (grown) children."

## Burke: The first voice you hear

When school officials call ESC, the first voice they'll often hear is that of Peggy Burke. For almost five years, she's been answering phones and taking care of administrative duties at ESC.



**Peggy Burke**

Because she talks with some of the clients on a regular basis, she said that "it seems as though they are old friends," Burke said.

Prior to coming to ESC, Burke spent more than 19 years at Thomson Consumer Electronics in Indianapolis, where she worked as an administrator in various departments such as engineering, accounting and customs.

"ESC is a more personal environment with varied responsibilities and I love it," Burke said.

She has been married to her husband Dennis for more than 12 years and between them they share four children and eight grandchildren.

As a member of a ladies' ministry at Hope Baptist Church in Indianapolis, Burke volunteers a lot. "The best thing is when you can see that your time is having an impact," she said.

Since joining ESC, Burke said, she has seen the company blossom. "When I first started, we had about 12 consultants and now we have 30," said Burke. "I'm thankful to have a good job in a field that continues to grow."

## Collective bargaining

(CONTINUED FROM PAGE ONE)

"We have consultants with decades of school bargaining experience who can represent schools at the bargaining table. We've also been brought in for fact-finding when schools find themselves at an impasse."

ESC collective bargaining consultant Duane Fleener, who was interim superintendent and director of financial services at MSD Wayne Township prior to joining ESC in 1997, said that he anticipates that things will be tougher at the bargaining table this year.

"There isn't as much money on the table and schools can't afford to make mistakes because budgets are so tight," said Fleener. "It's a tightrope trying to balance the needs of teachers with fiscal responsibility to the public. Public Law 221 and SEA 199 are also complicating factors. Some of the language that is being recommended isn't in the school corporation's best interest, so that's something they'll want to look at."

Health insurance is another stumbling block, Fleener said. "We've seen premium increases as high as 35 percent and it couldn't come at a

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— Duane Fleener,  
ESC bargaining consultant

worse time considering the state's fiscal crisis."

ESC and Fleener were recently hired by The County School Corporation of Brown County to handle contract negotiations.

Grabill said that ESC has the expertise to assist schools with a variety of bargaining-related issues, such as personnel studies, financial studies and actuarial services, but that schools need to contact ESC soon.

"We have a limited number of consultants available and with budgets being as tight as they are, we anticipate a high demand for our bargaining consultants."

### ESC's Services

- Personnel studies
- Treasurer support and training
- Interim superintendents & business managers
- Construction management
- Curriculum consulting
- SEA 199 planning
- Retirement planning & actuarial service
- Bargaining
- Accountability planning
- Equipment specs
- Benefits assistance (Group insurance)
- Personnel studies