

REORGANIZATION PLAN

SAU Submitting: Durham, Freeport, MSAD #62

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Proposed RSU Operational Date: July 1, 2009

This Plan proposes the reorganization of the Durham School Department, the Freeport School Department, and Maine School Administrative District (“MSAD”) #62 (also collectively referred to as “SAUs”) into a single Regional School Unit (“RSU”) District.

The Plan has been prepared by the Durham/Freeport/Pownal Reorganization Planning Committee, and is submitted by the Durham School Department, the Freeport School Department, and MSAD #62 to the State Commissioner of Education for approval before being brought to a vote by referendum. Under its terms, the Plan may not go to referendum unless and until its provisions related to cost sharing are permitted by State law and unless and until a secondary student tuition contract between Durham and Freeport is entered into by the respective governing bodies prior to calling the referendum vote on the Plan.

1. The units of school administration to be included in the proposed reorganized regional school unit.

The proposed Regional School Unit includes the following school administrative units:

- A. Town of Durham, a municipal school unit;
Town of Freeport, a municipal school unit and
Maine School Administrative District # 62 (Pownal)

2. The size, composition and apportionment of the governing body.

The regional school unit board shall be composed of eleven (11) members. Each municipality in the RSU shall elect the following number of its residents to serve on the Board and their votes shall be weighted as follows:

Municipality	Population	# of Board Members	Votes Per Director
Freeport	8,151	6	98
Durham	4,075	3	98
Pownal (MSAD 62)	1,596	2	58

Each Board member shall serve a 3-year term, except that the initial terms of the members of the first Regional School Unit Board shall be staggered and lots will be drawn for the length of term specified as follows:

- (1) Municipalities with annual elections. In municipalities with annual elections, 1/3 of the directors serve one-year terms, 1/3 of the directors serve 2-year terms and 1/3 of the directors serve 3-year terms. If the number of directors is not evenly divisible by 3, the first remaining director serves a 3-year term and the 2nd remaining director serves a 2-year term.

3. The method of voting of the governing body.

The Regional School Unit Board shall be composed of 11 members. Each municipality in the RSU shall elect the following number of its residents to serve on the Board and their votes shall be weighted as follows:

METHOD "B" WEIGHTED VOTING - that is in compliance						
MUNICIPALITY	2006 Est. CENSUS	% POP	TOTAL VOTES (995 to 1005)	# DIR	VOTES PER DIRECTOR	% DEVIATION OF VOTING POWER
Durham	4075	29.5%	295	3	98	9.8%
Freeport	8151	59.0%	590	6	98	9.8%
Pownal	1596	11.5%	115	2	58	5.8%
TOTALS	13822	100.0%	1000	11		
	1000 /	11 =	$\frac{90.91}{1000}$	=	9.1%	Average
				PLUS	2.0%	
This is in compliance 9.8% does not exceed the maximum allowable voting power of 11.1% .					11.1% =	MAXIMUM VOTING POWER OF ANY ONE DIRECTOR

Except as otherwise stated in this Reorganization Plan, all decisions of the Governing Body shall be by majority of weighted votes present at a meeting in which a quorum exist.

4. The composition, powers and duties of any local school committees to be created.

The Regional School Unit Board of Directors will have the right to create advisory, community school committees. The Regional School Unit Board of Directors will determine when and if any such committees are necessary, and their size, scope, duties, and duration. Upon formation, any such committees will remain under the direction of the Regional School Unit Board of Directors.

5. The disposition of real and personal school property.

A. Real Property and Fixtures. Except as listed below, all real property interests, including without limitation land, buildings, other improvements to realty, easements, option rights, first refusal rights, and purchase rights, and all fixtures, of the school administrative units and of any school unions of which they are members shall be property of the region. The regional school unit board may require such deeds, assignments or other instruments of transfer as in its judgment is necessary to establish the region’s right, title and interest in such real property and fixtures.

The following real property interests and associated fixtures shall not be transferred:

<u>Name of SAU</u>	<u>Description of Excluded Property</u>
Durham School Dept.	none
Freeport Public Schools	none
MSAD #62	none

All real property and fixtures not described in the above list shall be transferred to the regional school unit.

B. Personal Property. All other tangible school personal property, including movable equipment, furnishings, textbooks and other curriculum materials, supplies and inventories shall become property of the region as successor of the SAUs, except as listed below:

<u>Name of SAU</u>	<u>Description of Excluded Personal Property</u>
Durham School Dept.	none
Freeport Public Schools	none
MSAD #62	none

The Regional School Unit Board may require such assignments, bills of sale or other instruments of transfer as in its judgment is necessary to establish the region’s right, title and interest in such personal property.

C. Agreements to Share or to Jointly Own Property. In cases where real or personal school property is shared or is jointly used by an SAU with a municipality or other party, the regional school unit shall be the successor in interest to the SAU, unless that shared or jointly used property has been

excepted in the above list of excepted real property or, as applicable, the above list of excepted personal property.

6. The disposition of existing school indebtedness and lease-purchase obligations if the parties elect not to use the provisions of Section 1506 regarding the disposition of debt obligations.

A. Bonds, Notes and Lease Purchase Agreements That the Region Will Assume. The region shall assume liability to pay the following bonds, notes and lease purchase agreements:

Name of SAU	Year Issued	Original Principal Amount	Asset Acquired, Constructed or Renovated	Principal Balance as of July 1, 2009	Final Maturity Date
Freeport	2001		Central Office	\$ 175,000	2022
Freeport	2002	\$4,491,000	High School	\$ 3,365,000	2023
Freeport	2001		Middle School addition/renovation	\$ 2,021,000	2020
Freeport	1990	\$5,607,000	Mast Landing School	\$ 825,000	2011

Additionally, other bonds, notes and lease purchase agreements issued by an SAU before the operative date of the region shall be assumed by the region, provided the SAU issued the bond, note or lease purchase agreement in the normal course of its management of the schools for an essential purpose to replace its existing facilities and existing items of equipment that are not longer serviceable or to keep them in normal operating condition.

B. Bonds, Notes and Lease Purchase Agreements That the Region Will Not Assume. Pursuant to 20-A M.R.S.A. § 1506(4), the region does not assume the following bonds, notes and lease purchase agreements, which shall continue to be paid by the original members of the SAU indicated, and the region shall serve as fiscal agent for the SAU for that purpose:

Name of SAU	Year Issued	Original Principal Amount	Asset Acquired, Constructed or Renovated	Principal Balance as of July 1, 2009	Final Maturity Date
Freeport	1998		various	\$ 26,950	2009
Freeport	1999		various	\$ 30,000	2010
Freeport	2002		various	\$ 69,382	2012
Freeport	2002		various	\$ 77,296	2013
Durham			Durham Elementary	\$ 480,000	2018

C. New Capital Project Debt that Region Will Issue and Assume.

If the voters or other applicable legislative body of an SAU has authorized the issuance of bonds for a school construction or a minor capital project, but the SAU has not issued all of the authorized permanent bonds for that project, the regional school unit board shall issue bonds or notes to finance the completion of that project and to refund any temporary notes that the SAU issued for that project, as required by 20-A M.R.S.A. § 1506(5). With respect to such new project debt, the region shall assume liability to pay the following bonds, notes and lease purchase agreements:

SAU	Project Description	Principal Amount	Date Authorized by SAU Legislative Body
Freeport	High School Heating System	\$570,000	06/2007
Freeport	Lighting Upgrade	\$85,000	06/2007
Durham	New Elementary School	\$21,729,709	11/2007
Durham	New Elementary School	2,176,696	11/2007

D. New Capital Project Debt that the Region Will Issue But Will Not Assume. If the voters or other applicable legislative body of an SAU has authorized the issuance of bonds for a school construction or a minor capital project, but the SAU has not issued all of the authorized permanent bonds for that project, the regional school unit board shall issue bonds or notes to finance the completion of that project and to refund any temporary notes that the SAU issued for that project, as required by 20-A M.R.S.A. § 1506(5). With respect to such new project debt, the region will not assume liability to pay the following bonds, notes and lease purchase agreements:

NONE

E. Defaulted Debt is Excluded from Being Assumed.

Notwithstanding anything in this Plan to the contrary, except where legally required to do so, the region will not assume any bond, note or lease purchase agreement as to which the SAU is in breach or has defaulted.

F. Other Debt Not Assumed. Except as provided in this section of

the Plan, the region will not assume liability for any bonds, notes or lease purchase agreements issued by an SAU prior to the operative date of the region.

G. Debt Sharing.

Principal and Interest payments from July 1, 2009 forward, on all debt for school facilities or operations incurred prior to July 1, 2009 (“Pre-Existing Debt”), shall be defined as either RSU Debt or Non-RSU Debt, for purposes of the cost-sharing formula under Section 13-B.

Any Pre-Existing Debt not specifically identified as RSU Debt is Non-RSU Debt.

Pre-Existing Debt legally assumed by the RSU shall not be classified as RSU Debt, unless specifically identified hereunder as RSU Debt.

In any given year, a Pre-Existing Debt may be allocated so that it is partially RSU Debt and partially Non-RSU Debt. Such Pre-Existing Debt is Allocated Debt. The portion of Allocated Debt that shall be RSU Debt in each year is as follows:

Year	RSU Portion
2009-2010	20%
2010-2011	40%
2011-2012	60%
2012-2013	80%
2013 and after	100%

RSU Debt

The following Pre-Existing Debt shall be RSU Debt:

From Section 6.A:

SAU	Year Issued	Asset	Maturity Date
Freeport	1990	Mast Landing School	2011
Freeport	2001	Central Office	2022
Freeport	2002	High School	2023

From Section 6.C:

SAU	Project Description	Principal Amount	Date Authorized
Freeport	High School Heating System	\$570,000	06/2007
Freeport	Lighting Upgrade	\$85,000	06/2007
Durham	New Elementary School	\$21,729,709	11/2007

Allocated Debt

The following Pre-Existing Debt shall be Allocated Debt:

From Section 6.A:

SAU	Year Issued	Asset	Maturity Date
Freeport	2001	Middle School addition/renovation	2020

From Section 6.C:

SAU	Project Description	Principal Amount	Date Authorized
Durham	New Elementary School	\$2,176,696	11/2007

Non-RSU Debt

Non-RSU Debt shall include but not necessarily be limited to the items of debt listed above in Section 6.B

7. The assignment of school personnel contracts, school collective bargaining agreements and other school contractual obligations.

A. School Personnel Contracts. A list of all written individual employment contracts to which each of the existing Durham School Department, Freeport School Department, and of MSAD #62 is a party is attached as Exhibit 7-A.1. Pursuant to Section XXXX-43(5) of Title 20-A M.R.S.A., individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of the operational date, and their contracts shall be assumed by the RSU on the operational date. This provision does not prevent the existing Durham School Department, Freeport School Department, or MSAD #62 from terminating or non-renewing the contracts of employees in accordance with applicable law before the operational date of the RSU. The list shall be updated and made final no later than the day before the operational date of the RSU.

A list of all employees of each of the existing Durham School Department, Freeport School Department, and of MSAD #62 who do not have written individual employment contracts is attached as Exhibit 7-A.2. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of its operational date. This provision does not prevent the existing Durham School Department, Freeport School Department, or of MSAD #62 from terminating employment of the employees in accordance with applicable law before the RSU's operational date. The list shall be updated and made final no later than the day before the operational date of the RSU.

The duties and assignments of all employees transferred to the RSU shall be determined by the Superintendent of the RSU or his/her designee.

B. School Collective Bargaining Agreements. The collective bargaining agreements listed in Exhibit 7-B, as to which the Durham School Department, Freeport School Department, MSAD #62 be assumed by the

RSU as of its operational date. All of the employer's rights and responsibilities with respect to collective bargaining shall be fully assumed by the RSU as of the RSU's operational date.

C. Other School Contractual Obligations. A list of all contracts to which the Durham School Department, Freeport School Department, or MSAD #62 is a party and that will be in effect as of the RSU's operational date is attached as Exhibit 7-C.1. The RSU shall assume the contracts listed in Exhibit 7-C.2 as of the operational date.

The Durham School Committee and Superintendent, Freeport School Board and Superintendent, and MSAD #62 Board of Directors and Superintendent shall seek to terminate or negotiate for termination the contracts listed in Exhibit 7-C.3 prior to the RSU's operational date.

8. The disposition of existing school funds and existing financial obligations, including undesignated fund balances, trust funds, reserve funds and other funds appropriated for school purposes.

A. Existing Financial Obligations. Pursuant to Section XXXX-36(5) the disposition of existing financial obligations is governed by this plan.

Existing financial obligations shall include the following:

- (i) all accounts payable;
- (ii) to the extent not included as accounts payable, any financial obligations which under generally accepted accounting principles would be considered expenses of the SAU for any year prior to the year the RSU becomes operational, whether or not such expenses were budgeted by the SAU in the year the obligations were incurred, including for example summer salaries and benefits; and
- (iii) all other liabilities arising under generally accepted accounting principles that can be reasonably estimated and are probable.

Each SAU shall satisfy its existing financial obligations from all legally available funds. If an SAU has not satisfied all of its existing

financial obligations, the SAU shall transfer sufficient funds to the region to satisfy its remaining existing financial obligations, and the regional school unit board shall be authorized to satisfy those existing financial obligations on behalf of the SAU. If the SAU does not transfer to the region sufficient funds to satisfy its existing financial obligations, then to the extent permitted by law, the regional school unit board may satisfy those obligations from balances that the SAU transfers to the region. If the available balances transferred are insufficient to satisfy the SAU's existing financial obligations, or are not legally available for that purpose, the regional school unit board may take any action permitted by law so that all of the municipalities of the region are treated equitably with respect to the unsatisfied existing financial obligations of an SAU. For example, to the extent permitted by law, the regional school unit board may satisfy the unpaid existing financial obligations of an SAU in the same manner and with the same authority as for unassumed debt under the provisions of 20-A M.R.S.A. § 1506(4).

Additionally, to the extent permitted by law, if in the judgment of the regional school unit board it must raise funds from all its members to satisfy existing financial obligations of an SAU, the regional school unit board also shall be authorized to raise additional amounts for the purpose of making equitable distributions (which may be made in the form of credits against assessed local shares of the region's approved budget) to those region members that would otherwise bear costs attributable to unsatisfied existing financial obligations of an SAU for which they had no financial responsibility. The intent of the preceding sentence is that financial responsibility for unsatisfied existing financial obligations of an SAU be borne by its members and not by the other members of the region.

B. Remaining Balances. The balance remaining in the SAU's school accounts after the SAU has satisfied existing financial obligations in accordance with this plan shall be paid to the treasurer of the regional school unit, verified by audit and used to reduce that SAU's contribution as provided by Section XXXX-43(4). Unless the Legislature otherwise provides, in the case of a school administrative district, community school district or other regional school district (collectively, "district"), the school board of the district shall specify in writing to the regional school unit board how the region shall allocate transferred remaining balances between district members. Unless the Legislature otherwise provides, if the district board

has not specified in writing to the regional school unit board how this allocation shall occur, then the transferred remaining balances shall be credited to the district's members in proportion to their respective shares of that portion of the total local costs of the region allocable to all of the district's members for the operational year.

Transfers of remaining balances may occur within the period specified by Section XXXX-43(4), or, as may be preferable in the case of a district, at any time before the district has closed its accounts and ceased normal operations.

C. Reserve Funds. SAUs shall transfer remaining balances of reserve funds to the regional school unit. Unless otherwise provided by applicable law, a transferred reserve fund shall be used in accordance with its original purpose to benefit a school or schools of the SAU. Transferred reserve funds shall be subject to Title 20-A M.R.S.A. § 1491, except that the transfer of funds in a reserve fund or a change in purpose of the fund may only occur in such manner that the funds continue to benefit the members of the SAU that transferred that reserve fund to the region.

D. Scholarship Funds. SAUs shall transfer remaining balances of scholarship funds to the region. Scholarships shall be limited to the original pool of potential recipients unless otherwise provided by the donor or by applicable law.

E. Trust Funds. SAUs shall transfer trust funds to the region. The regional school union board shall be deemed the successor trustee for all purposes, except as provided by the trust or by applicable law.

Freeport School Department
Agency, Scholarship & Special Revenue Funds
June 30, 2007

	<u>Amount</u>	
<u>Student Activity Funds (Agency)</u>		
Freeport Middle School	\$52,252	
Freeport High School	\$116,033	
Total Agency Fund		\$168,285
<u>Scholarship Funds</u>		
Fitts Award	\$2,319	
Salomon Plummer	\$7,134	
Wallace True	\$4,888	
Millard and Enid Crooker	\$23,399	
Alice Pollock	\$10,721	
Auldis Foster	\$1,880	
Kenneth Thompson	\$7,814	
Christine Small Cushing	\$171,761	
Total Scholarship Funds		\$229,915
<u>Special Revenue Funds</u>		
School Reserve Funds	\$178,722	
Title IA - Disadvantaged	\$7,886	
Local Entitlement	\$27,091	
Local Entitlement Preschool	\$4,691	
Title IIA Teacher Quality	\$23,334	
Carl Perkins	\$4,502	
Transition Pilot	\$8,522	
Title II Technology	\$0	
Medicaid Reimbursement	\$38,500	
Title IVA Drug Free Schools	\$0	
Katrina Relief Grant	\$0	
State Agency Clients	\$9,366	
Per Pupil Professional Dev	\$1,257	
Donations	\$24,098	
Aspirations	\$2,759	
CE Camp Scholarship	\$26,143	
Dollars for Scholars	\$3,940	
Auditorium Fund	\$9,734	
Teen Center	(\$2,582)	
Community Ed Football	\$13,230	
SAMHA	\$3,980	
Other	\$7,237	
Total Special Revenue		\$213,688
Grand Total		\$611,888

Durham School Department
Agency, Scholarship & Special Revenue Funds
June 30, 2007

Student Activity (Agency) Funds

Durham Elementary School Activity Account	\$14,423.00	
Total Agency Funds		\$14,423.00

Scholarship (Trust) Funds

Leta Crafts memorial Music Fund	\$396.00	
Margo Stevens Memorial Fund	\$1,507.00	
Total Scholarship Funds		\$1,903.00

Special Revenue Funds

Title IA Disadvantaged Grant	\$0.00	
Title IIA Teacher Quality Grant	\$0.00	
Title IID Technology Grant	\$40.00	
Title IV Drug Free Schools Grant	\$0.00	
Title V Innovative Ed Grant	\$4,256.00	
Local Entitlement	\$15,419.00	
Local Entitlement - Preschool	\$1,007.00	
Rural Small Schools	(\$4,066.00)	
Art Club-PTA	(\$216.00)	
Exxon Mobil Grant	\$3,415.00	
National Semiconductor Grant	\$101.00	
Telecommunications Grant	\$4,000.00	
PPFD Learning Results	\$0.00	
Total Special Revenue Funds		\$23,956.00

Enterprise Funds

Food Service	\$6,733.00	
Total Enterprise Funds		\$6,733.00

Total Balance June 30, 2007 (all funds)

\$47,015.00

MSAD #62
Agency, Scholarship & Special Revenue Funds
June 30, 2007

Audit as of June 30, 2007

Principal's Account	\$9,852
Special Revenue Funds	
Local Entitlement	\$21,340
REAP Grant	8,798
Unemployment Comp	12,199
School Lunch	3,627
Grand Total	\$55,816

9. A transition plan that addresses the development of a budget for the first school year of the reorganized unit and interim personnel policies.

A. Transition Plan for Budget Development: Durham, Freeport and MSAD # 62 Board of Directors shall establish interim rules of procedure and shall elect interim officers who shall serve until officers are elected at a meeting following the operational date of the District.

The RSU Board shall select a Superintendent of Schools in accordance with Section 1051 of Title 20-A. During the interim period, the salary, office and other expenses of the Superintendent, as well as the cost of the RSU Board, including insurance, shall be allocated to the SAUs as provided below.

The RSU Board shall propose and approve a recommended budget in accordance with 20-A M. R. A. 1482-1489. The RSU Board shall have all necessary authority for those purposes. This shall be considered the first year of use of the budget validation referendum process for purposes of determining the continued use of the budget validation referendum process every three years pursuant to Section 1486(1).

The RSU Board shall be authorized to take all other actions and shall have all other authority provided under State law to prepare for the RSU to become operational on July 1 of the first operational year; including the authority to open and maintain accounts, to incur expenses not to exceed \$74,275 to be allocated among the SAUs in accordance with the following manner; Freeport 50%; Durham 30%; and MSAD #62 20%.

08-09 RSU Budget

Position	Explanation	Cost
Interim Superintendent Administrative Assistant	Use existing Superintendent (25 days) 30 days at \$24.11 per hour (FICA, Workers Comp. etc.)	\$10,800 \$ 5,800
Liability Insurance	Board Liability	\$5,000
Office Staff	There will not be a local budget for business managers to develop/ utilize their skills on RSU budget. Overtime \$12 at 30 hours (FICA, Workers Comp. etc.)	In Kind \$400
Legal Expenses	Drafting deeds and transferring assets -\$5,000 General Legal- \$7,000 Preparation of Agreements-\$2,000 Development of Budget- \$2,000 Validation Referendum -\$4,000 Hire Superintendent-\$1,000 Board Elections- \$2,000 (Indicates high side of legal costs)	\$23,000
Moving Expenses	Moving Expenses -\$3,000 (Documents etc.)	\$3,000
Software/Training	ADS Software and Training Credit will be applied to Pownal and Freeport	\$15,000 ADS or BudgetSense Software
Advertising	Recommend that staff openings for 09-10 be advertised and paid for by individual schools in 08-09 Advertising for RSU school board members Other general expenses including supplies, travel, printing, envelopes and other administration costs.	No cost to RSU \$500 \$5,000
Other- stamps, travel, printing supplies, envelopes and overtime for office staff if needed.		
School Board Stipend	@\$25 per board meeting for 21 meetings (Eleven member board)	\$5,775
School Board Elections	Paid by each municipality	0
Total Estimated Cost		\$74,275

B. Transition Plan for Personnel Policies: All personnel and other policies existing in the previous Durham, Freeport and MSAD #62 School Departments shall continue to apply (and with the personnel policies, to the same employment positions) after they become part of the New RSU and

until such time as the RSU Board and Superintendent develop and adopt District-wide policies in accordance with applicable law, for application after the District's operational date.

C. General Authority of the RSU Board to Implement the Plan:
The new RSU Board shall be authorized to take all other actions and shall have all other authority provided under State law to implement fully the reorganization Plan, including the authority to open and maintain accounts, to incur expenses in accordance with the approved budget to be allocated among the member municipalities in accordance with the provisions of Section 13-B.1, and to file applications for school construction projects and revolving renovation fund loans and other available funding.

10. Documentation of the public meeting or public meetings held to prepare or review the reorganization plan.

Minutes of the following public meeting(s) held to prepare or review the reorganization plan are attached as Exhibit 10-A:

Date of Public Meeting	Time	Location
7/17/2007- Regional Mtg.	6:30-8:30 pm	Brunswick
7/19/2007- D/F/P	6:30-8:30 pm	Freeport High School
8/8/2007- D/F/P	6:30-8:30 pm	Durham Elementary
8/22/2007- D/F/P	6:30-8:30 pm	Pownal Elementary
9/12/2007- Durham RPC	5:00-6:30 pm	Durham Elementary
9/19/2007- Durham Public Mtg.	6:30-8:30 pm	Durham Elementary School
9/27/2007- Durham School Cmt.	5:00-6:00 pm	Durham Elementary School
10/3/2007- RPC	7:00-9:00 pm	Morse Street School-Freeport
10/9/2007- Pownal Caucus		Pownal
10/10/2007- RPC	7:00-9:00 pm	Pownal Elementary
10/16/2007- Pownal Caucus		Pownal
10/17/2007- RPC	7:00-9:00 pm	Durham Elementary
10/24/2007-RPC	7:00-9:00 pm	Freeport High School
10/30/2007-Freeport Public Forum		Freeport
10/30/2007-Pownal Caucus		Pownal
11/7/2007- Durham RPC	6:30-7:30 pm	Pownal Elementary
11/7/2007- RPC	7:00-9:00 pm	Pownal Elementary
11/14/2007- RPC	7:00-9:00 pm	Durham Elementary
11/19/2007-Education Subcommittee		
11/20/2007- Durham Public Mtg.	6:30-8:30 pm	Durham Elementary

11/21/2007- Pownal Public Caucus		Pownal
11/26/2007- Education Subcommittee		
11/26/2007- Collective Bargaining Subcommittee		
11/28/2007- RPC	7:00-9:00 pm	Freeport High School
11/29/2007- Durham School Cmt.	7:00-7:30 pm	Durham Elementary
11/29/2007- MSAD 62 Special Board Mtg.	7:00-9:00 pm	Pownal Elementary School
12/5/2007 – RPC	7:00-9:00pm	Pownal Elementary School
12/10/2007-Education Subcommittee		
12/17/2007-Education Subcommittee		
12/17/2007- RPC	7:00-9:00pm	Durham Elementary
1/7/2008-Education Subcommittee		
1/9/2008 – RPC	7:00-9:00pm	Freeport High School
1/22/2008-Education Subcommittee		
1/23/2008- RPC	7:00-9:00 pm	Pownal Elementary School
1/23/2008- Pownal Public Caucus		Pownal Elementary School
1/29/2009 – Finance Subcommittee		Pownal Elementary School
2/4/2008-Education Subcommittee		
2/11/2008-Education Subcommittee		
2/20/2008- RPC	7:00-9:00 pm	Freeport High School
2/25/2008-Education Subcommittee		
2/27/2008- RPC	7:00-9:00 pm	Freeport High School

11. An explanation of how units that approve the reorganization plan will proceed if one or more of the proposed members of the regional school unit fail to approve the plan.

If the Plan is rejected by one or more SAUs, the region shall not be formed under this plan, and the SAU's shall re-start the process to form a regional school unit with the same or other school administrative units and may seek assistance from the Department of Education to form another reorganization plan pursuant to Section XXXX-36(11).

12. An estimate of the cost savings to be achieved by the formation of a regional school unit and how these savings will be achieved.

The Reorganization Planning Committee does not include with the Plan an estimate of cost savings to be achieved by the formation of the new Regional School Unit such as will not have an adverse impact on the

educational program. The March 28, 2008 deadline for submitting the Plan did not provide the Committee sufficient time to complete reliably such a complex analysis of projected transition costs and long-term savings. The Reorganization Planning Committee will undertake a methodical, detailed and comprehensive analysis to project such transition costs and longer-term savings, if any, and how such savings will be achieved and/or cost avoidance. This analysis is to be completed in time for review by voters prior to the June, 2008 referendum.

Without providing numeric projections, the Reorganization Planning Committee anticipates that the start-up costs of forming the new Regional School Unit, including the cost of financial audits, legal services and system reconciliation, will offset any initial cost savings. The Committee also anticipates that the economies of scale of a larger school district may result in longer-term savings and/or cost avoidance.

13. Such other matters as the governing bodies of the school administrative units in existence on the effective date of this chapter may determine to be necessary.

Under its terms, the plan may not go to referendum unless and until its provisions related to cost sharing are permitted by State law and unless and until a secondary student tuition contract between Durham and Freeport is entered into by the respective governing bodies prior to calling the referendum vote on the Plan.

13-A. Plans to reorganize administration, transportation, building and maintenance and special education.

For the reasons stated in Section 12, the Plan does not submit plans to reorganize administration, transportation, building and maintenance, special education costs and identify cost savings. Such plans are to be included in the analysis completed by the Reorganization Planning Committee as described in Section 12.

13-B. Cost Sharing in Regional School Units

Definition of Terms

Additional Local Money shall mean Total RSU Spending Budget minus Total Outside Contribution to the RSU minus Total Required Local Contribution, each as defined below

Total RSU Spending Budget shall consist of all monies budgeted to be spent by the RSU in a given year, minus principal and interest payments on state-participating debt.

Total Outside Contribution to the RSU shall consist of all revenues received by the RSU from sources other than municipal tax revenues for a given year, minus an amount equal to principal and interest payments on state-participating debt.

Total Required Local Contribution shall be the member's total state valuation multiplied by the Applicable Mill Rate. The Total Local Required Contribution for a member may exceed the member's local cost share expectation under the Essential Programs and Services provisions (Title 20-A, Chapter 606-B) of the Maine Revised Statutes.

Applicable Mill Rate The Applicable Mill Rate shall equal the full-value mill rate, as defined under 20-A M.R.S.A. § 15671-A or any successor statute. Should the State cease calculating a full-value mill rate, the Applicable Mill Rate shall be the prior year's Applicable Mill Rate. The Applicable Mill Rate shall be identical for all members in any single year.

Cost Sharing

Members shall pay the following shares of each year's total Additional Local Money for the RSU:

Durham:	21.42%
Freeport:	65.98%
Pownal:	12.60%

In addition to its obligation to pay its share of Additional Local Money, each member must pay to the RSU its Total Required Local Contribution (as defined above), and a member whose Pre-Existing Debt (or any portion

thereof) is Non-RSU Debt in a given year must further pay to the RSU the total for that year of any such Non-RSU Debt that has been paid by the RSU (for example, where by assumption or otherwise the RSU pays in the first instance the entire principal and interest on Allocated Debt, the non-RSU portion of such debt must be paid by the member to the RSU).

Changes to the Cost-Sharing Method

The Cost Sharing Method shall not be changed for the first three years. Following that transition period, the Cost Sharing Method may be changed, but shall not be required to be changed, by the RSU Board. The Cost Sharing Method may be changed only by a vote of the RSU Board meeting the following criteria:

- at least one Board member from each member community must be present;
- Board members representing two-thirds or more of the RSU population must vote in favor of the change.

The foregoing voting requirements shall not be changed by the RSU Board, except by a vote meeting the foregoing criteria.

Non-Exclusive Criteria for Changing the Cost-Sharing Method

In the exercise of its discretion to determine any change to the cost-sharing formula to be used at any time following the transition period, the RSU Board shall consider all factors it deems relevant, but must consider the following criteria:

- the fairness of the cost-sharing method in light of at least the following factors:
 - relative state valuations, representing each town's ability to raise revenue;
 - relative populations, representing each town's board representation in the budgeting process; and
 - student headcounts, representing each town's student usage of RSU facilities and programs;
- the effect of the cost-sharing method on the RSU's ability to raise sufficient funds to sustain educational programs deemed to be in the best interests of RSU students;
- clarity of the method, including ease with which the public can understand the method, ease of administration and implementation of the method, and avoidance of uncertainty over the method's application;

- consistency of the method with the operation of the RSU as a single, cohesive entity;
- effect of the method on stability of RSU revenue streams and local taxpayer obligations.

13-C. Election of initial board of directors.

Within 30 days of the issuance of a certificate of organization for the regional school unit by the State Board of Education, the members of the school boards of the school administrative units within the regional school unit shall conduct a joint meeting for the purpose of electing an interim secretary of the regional school unit and determining a date for the election of the initial board of directors of the regional school unit. The interim secretary shall notify the municipal officers of the member municipalities of the regional school unit of the date of the election. The election shall be conducted in accordance with Title 30-A Chapter 121 of the Maine Revised Statutes, as amended by Section 1473(2) of Chapter 103-A of Title 20-A of the Maine Revised Statutes, except that the election duties of the secretary and board of directors of the regional school unit shall be performed by the interim secretary. The duties of the interim secretary shall include:

- 1) notification of the municipal officers of the date of the election;
- 2) furnishing nomination papers at least 10 days before the deadline for filing nomination papers;
- 3) receipt of completed nomination papers in accordance with 20-A M.R.S.A. §1473;
- 4) preparation and distribution of election ballots in accordance with 20-A M.R.S.A. §1473;
- 5) receipt of town clerk's certification of the results of the voting in each member municipality;
- 6) tabulation of the town clerk's certification of the results of the voting in each municipality;
- 7) accepting any recount petitions that may be filed pursuant to 20-A M.R.S.A. §1473; and

- 8) totaling the votes cast for each candidate and notifying the clerks in each municipality, the candidates, and the Commissioner of Education of the final results of the voting and the names and addresses of the persons elected as directors.

In accordance with 20-A M.R.S.A. §1473(1), the clerk of each municipality within the regional school unit shall forward the name(s) and address(es) of the director(s) elected to represent that municipality to the State Board of Education with such other data with regard to their election as the State Board of Education may require. On receipt of the names and addresses of all of the directors, the State Board of Education shall set a time, place and date for the first meeting of the directors and give notice to the directors in writing, sent by registered or certified mail, return receipt requested, to the address provided by the municipalities.

13-D. Tuition Contracts and School Choice

1. Tuition Contracts

This Plan is submitted in anticipation of the fact that the following secondary student tuition contracts will be in existence prior to the calling of the referendum vote on the Plan. If not, the Plan will need to be reconsidered.

SAU	Other Party	Description
MSAD # 62	Freeport School Department	For all Pownal secondary students
Durham	Freeport School Department	For all Durham secondary students with some exceptions

Each of the above tuition contracts will be assumed by the RSU unless terminated prior to the operational date.

2. School Choice

The following SAUs anticipate offering some or all of their students limited choice of which school to attend according to the following terms:

Durham School Department

1. Students Attending Other Public Secondary Schools.

a) The Town of Durham will continue to pay tuition at the State-approved rate and provide the most economical form of transportation for those students residing in the Town of Durham as of July 1, 2009 who attend a public secondary school other than Freeport High School during the 2009-10 school year, for so long as the student continues to attend that public secondary school; and

b) The Town of Durham will pay tuition at the State-approved rate for those students residing in the Town of Durham who have been enrolled in Durham Elementary/Middle School as of July 1, 2009 who are in grade 6-8 during the 2009-10 school year and who choose to attend a public secondary school other than Freeport High School at the start of the 9th grade, for so long as the student continues to attend that public secondary school; and the Town of Durham will provide the most economical form of transportation for those students through the 2012-13 school year.

2. Students Attending Private Secondary Schools.

a) The Town of Durham will pay tuition and insured value factor at the State-approved rate but not provide or pay for transportation for those students residing in the Town of Durham as of July 1, 2009 who attend a private secondary school during the 2009-10 school year, for so long as the student continues to attend that private secondary school; and

b) The Town of Durham will pay tuition and insured value factor at the State-approved rate for those students residing in the Town of Durham who have been enrolled in Durham Elementary/Middle School as of July 1, 2009 who are in grades 6-8 during the 2009-10 school year, and who choose to attend a private secondary school at the start of the 9th grade, for so long as the student attends that private secondary school.

MSAD # 62

1. Students Attending Other Public Secondary Schools.

MSAD # 62 will continue to pay tuition but not provide or pay for transportation

(a) for those students residing in MSAD # 62 as of July 1, 2008 who have attended a public secondary school other than Freeport High

School during the 2007-08 school year, for so long as the student continues to attend that public secondary school; and

(b) for those students residing in MSAD # 62 as of July 1, 2008 who were in grade 8 during the 2007-08 school year and who choose to attend a public secondary school other than Freeport High School at the start of the 9th grade, for so long as the student continues to attend that public secondary school.

2. Students Attending Private Secondary Schools.

MSAD # 62 will pay one half the tuition but not provide or pay for transportation

a) for those students residing in MSAD # 62 as of July 1, 2008 who attended a private secondary school during the 2007-08 school year, for so long as the student continues to attend that private secondary school; and

b) for those students residing in MSAD # 62 as of July 1, 2008 who were in grade 8 during the 2007-08 school year, and who choose to attend a private secondary school at the start of the 9th grade, for so long as the student attends that private secondary school.

Grade levels in the existing SAUs that have choice of schools as of the operational date shall continue to have the same choices in the RSU.

13-E. Claims and Insurance

Disclosure of claims

The parties are aware of the following lawsuits, administrative complaints, due process proceedings, notices of claim and other claims existing as of March 11, 2008.

None at this time; will be updated prior to referendum

13-F. Vote to submit reorganization plan to Commissioner.

Before submitting a Reorganization Plan to the Commissioner of Education, the governing body of each school administrative unit shall adopt the following vote:

Vote to be Adopted by [School Committee/Board] to Submit Reorganization Plan to Commissioner:

VOTED: That the provisions included in the school reorganization plan prepared by the _____ Reorganization Planning Committee to reorganize (*insert legally correct names of affected school administrative units*) into a regional school unit with an operational date of July 1, 20__, are determined to be necessary within the meaning of Section XXXX-36(5)(M) and that the Superintendent of Schools be, and hereby is, authorized and directed to submit the school reorganization plan to the Commissioner of Education on behalf of this school administrative unit by December 1, 2007.

13-G. Section for RSUs with fewer than 2,500 students

(See Exhibit B.)

13-H. Reorganization Plan Addendum: Quality of Educational Service

The Freeport-Durham-Pownal RPC formed a “Quality of Educational Services Subcommittee”. This Subcommittee has advised the RPC on the challenges and opportunities arising from consolidation with respect to the delivery of educational services to students in the member communities. The Subcommittee, consisting of teachers, administrators, school committee members and members of the public, explored issues such as curriculum opportunities and coordination, professional development standards, expectations regarding course offerings, standards of evaluation and assessment, and projections on enrollment and capacity. The Subcommittee explored these issues in depth and advised the RPC on its findings and recommendations. (The report of this Subcommittee is attached to this Plan as Exhibit 1.)

The Subcommittee determined that school consolidation, if implemented in a systematic, purposeful manner, could enhance and improve learning and teaching opportunities across the three communities.

The Subcommittee found that consolidation could present many opportunities for program enhancement and provide a framework to strengthen educational delivery to our students. For that to occur successfully there must be a balance of structural supports and systematic change that consistently promotes the success of all students.

The Subcommittee's report made a number of recommendations that can guide and inform the decisions and actions of the RSU Board and Administration as they effect the reorganization of the three school units creating a new educational unit. These recommendations are also intended to be used in early decision making with regard to K – 12 Programming, Supports for Students, and Professional Development.

14. Amendment to the RSU Plan.

Upon adoption of the Plan by a majority of the voters of the member school administrative units of the RSU, any amendment to the Plan shall require approval by the majority of the voters in the RSU, except that any amendments to Sections 13-B will be governed by the amendment procedure outlined in Section 13-B.

Although amendments to the Plan may be submitted for a vote at any time, the RSU Board shall conduct a comprehensive review of the Plan in the 5th year of the RSU's operation, to determine if any amendments are appropriate.