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REC'D MAR 28 2008

March 28, 2008

Dear Commissioner Gendron,

The RSU 57 Planning Committee (Arundel and MSAD 71 Kennebunk-Kennebunkport) is reporting no change to our December 1, 2007 plan presented to the Department of Education. We are including copies of the meeting minutes for January, February, and March. The only motion made during that time, other than acceptance of minutes and adjournment, was to form a sub-committee on collaboration.

Our progress has stalled for many reasons. We have reached the point where most of the work that needs to be done requires legal counsel; none of us are willing to spend our local education money on legal fees until the Legislature takes action and the current uncertainties are solved.

Kennebunk and Kennebunkport have held a true referendum vote each spring for our school budgets for at least 10 years, as required by the citizen petition and subsequent vote. This year, if required to use the Budget Validation Referendum, 10 to 20 percent of those who vote in school budget referenda will be disenfranchised as they vote absentee. Even if the SAD mix up is fixed, ten days is not enough time for the town clerks to run a referendum vote with absentee balloting. We seriously question the constitutionality of forcing us to change a voting method that was decided on by our voters, and also of the abbreviated time frame required by the new law.

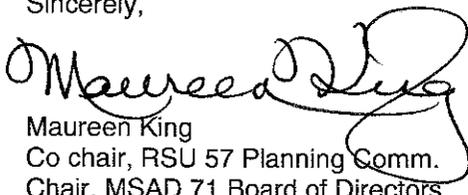
Despite many hours of work, our financial sub-committee cannot find any cost savings in the first two years of consolidation. They seriously question whether cost savings will ever be possible with renegotiated contracts to bring all up to a level playing field, the costs of reorganizing and moving central offices, paying salaries to contracted employees until their contracts expire, and the legal costs to combine two districts of very different sizes.

We continue to be concerned that the shifting of costs from the State to the local taxpayers will result in "no" votes in our communities. The cost shifts in our communities due to the change in the cost sharing formula has created a tremendous amount of ill will from one town and a continuing law suit.

Even our collaboration work has been stymied by the loss of GPA dollars to MSAD 71 every time we try to save money by working with other districts on collaborative projects.

Until the Legislature and the Department of Education provide timely, reasonable fixes to these and the other consolidation issues, we will be putting our RSU work on hold.

Sincerely,


Maureen King
Co chair, RSU 57 Planning Comm.
Chair, MSAD 71 Board of Directors


Dana Peck
Co chair, RSU 57 Planning Comm.
Arundel Selectman

RSU PLANNING COMMITTEE MEETING MINUTES
Monday, January 7, 2008
Kennebunk Town Hall, Room 301

In Attendance: Dana Peck, Co-Chair, Maureen King, Co-Chair. Jon Renell, Joel Downs, Jack Reetz, Dan Boothby, Gayle Spofford, Steve Kingston, Leo Martin, Jason Nedeau, Leslie Whitney (absent), John Sharood, Lynn Cote, Pam Richard-Wuerthner, and Stuart Barwise (absent).

Guests: Nelson Ballou, Jim Barnes, Donna Gillette, Tom Farrell, Alton Hadley, Larry Mead, Dave Lane, Matt Sylvanus, and Tom Danylik

The meeting began at 7:00 p.m.

DANA PECK ENTERTAINED A MOTION TO APPROVE THE NOVEMBER 11, 2007 RSU PLANNING COMMITTEE MINUTES, MOVED BY JOHN SHAROOD, SECONDED BY LEO MARTIN, AND VOTED UNANIMOUSLY BY THE COMMITTEE. Jon Renell abstained because he was not present at this meeting.

IV. AGENDA ADJUSTMENTS

Dana asked that OLD BUSINESS be moved to the end of the agenda except for B. and C. so the committee can focus on NEW BUSINESS.

B. Review Referendum Timeline - The plan needs to be re-submitted by February 1, 2008. The committee needs more than four weeks to finish this plan. March 28 is the last date to submit the final plan to the Department of Education for review. The legislature has not met with any planning committee's at this time. There is an audio of the legislature hearings on the state government website. Dana Peck said the RSU Committee is moving as fast as they can, it is frustrating and overwhelming. There appears to be dissension all over the state, but this committee has to keep moving forward. Maureen King said the legislature has a lot of information on the table. Gayle Spofford would like to send an email telling the legislature that the RSU Committee's have been left out of the process. The legislature is ill-informed, and she is concerned because they are messing with education and with people's money. The RSU Committee is doing a great job, and we should move forward not matter what happens at the state level. Maureen said she could draft a letter. Dan Boothby pointed out, just because the state is a poor communicator doesn't mean the committee should be poor communicators. The committee must make it crystal clear, to the legislature, what they are thinking, and share how frustrated the citizens are with this law.

Jon Renell is frustrated with the timeline. He said there is still a chance to repeal law and he urges citizens to do so. He pointed out that the final plan is due March 28, approval of the plan by the commissioner is due back to the committee by April 12, and the citizen's vote is 10 days later. What if the commissioner does not approve the plan? Maureen explained, the islands around Mt. Desert did not have to consolidate but decided to work with towns on Mt. Desert and set up an advisory committee, set up a school board, and a school union. Everyone bought into the new plan, even the islands, and then the commissioner turned around and disapproved their plan. Mt. Desert saw the value of centralizing the superintendent's office, busing, etc. The commissioner disapproved the plan because of the school union setup, which does not follow the law, even though the law is vague. Mt. Desert representatives met with the commissioner before they put their plan into action, and she agreed with it, she then later reneged. Maureen said there is a chance if the committee follows the letter of the law the plan can still be disapproved. In the commissioner's office, Maureen thought it seemed rather arbitrary who approved or disapproves the plans. Dana will find out from the state what will happen if our plan is disapproved.

C. Set up meetings for January and February

Jon said the School Boards are entering budget season and will have many more meetings added on top of the RSU Committee meetings, and the fact these meetings may be for nothing is very frustrating. Maureen said this will also be included in the letter to the legislature. Gayle said even if the law fails, the committee can work toward collaboration. Maureen said we have to keep the timeline in mind. Jim Barnes has pulled together a lot of information, and MSAD71 is also hard pressed for time because of the budget season. The next RSU Committee Meeting dates are Tuesday, January 15 at 7:00 p.m. in Kennebunk; Wednesday, January 23 at 7:00 p.m. in Kennebunkport, and Wednesday, January 30 at 7:00 p.m. in Kennebunkport. Maureen wants to broadcast the meeting dates so community members are aware of what the committee is doing. The meetings can be re-broadcast a couple times a week.

V. NEW BUSINESS

A. Letter from Judy Sproule regarding legislation - This letter had been sent out by Maureen, via email. Judy did a good job walking through the pitfalls of the legislature. Judy has offered her financial assistance and the committee will take her up on this offer and have the information sent to Jack Reetz and John Sharood.

B. Absentee Ballot issues - Gayle has a real problem with the budget validation process because it disenfranchises absentee voters. There are only 10 days between the budget meeting (town meeting style) and the referendum. This is not enough time to send out absentee ballots. She is offended that she could be excluded from voting, and community citizens could be excluded. She also has a huge issue that people in the

military will be unable to file an absentee vote. We will be eliminating our military that are protecting our rights, this could be a lawsuit waiting to happen, and we don't have money to waste on lawsuits because we need to educate our kids.

Maureen shared with Rep. Allen Casavant, that the MSAD71 voters petitioned years ago to vote referendum and it has been a decade since the communities have voted this way. If the communities go back to a town meeting it will be a step backward. In the past, Town Meetings only had 100/150 voters, where last year's referendum had over 1,000, and in 2006 had over 3,000 voters. The district does not have a venue to hold a Town Meeting for that many people at one time. Jon pointed out that Arundel votes by Town Meeting. He fears if Arundel goes to referendum then the voters won't have a say on line items. Jack Reetz asked if the town clerks have offered solutions. Maureen said no, but they had met with the commissioner and they thought she listened to what they had to say. The commissioner has publicly said that she would supply training for town clerks that had never run a referendum.

Dana said this committee has enough energy to send a letter to the attorney general and the Department of Education, to take a stand and make their position known. Maureen asked Arundel if a change to a referendum vote would be better or worse for them. Jon said there have been preliminary discussions, but the main concern is sending people into a voting booth not understanding what they are voting on. The Town Meetings have small turnouts but the budget can be explained and the community can ask questions at that time. Arundel is not looking forward to the referendum process based on preliminary discussions. All Arundel meetings are open to the public and are not well attended. Gayle said the voters got more out of MSAD71 meetings that go through the budget line by line. Maybe there has to be a learning curve in Arundel with the referendum. Maureen said what helped MSAD71 was the ability to televise the Board Meetings. She noticed that the Town of Kennebunk is looking for people to be on their Video Committee. She thought a suggestion to Barry Tibbets, town manager, would be to invite Kennebunkport and Arundel to be part of this committee. This would help with the communication piece between all towns. Jon said Arundel puts a lot of faith in their Budget Committee, and no stone goes unturned. When the School Board, Budget Committee and Selectman approve a budget the community goes along with their recommendation. He pointed out with a referendum there will be no note saying which committee recommends what on each vote. Maureen said this is an issue and a lot of this is educating the communities on the budget. She explained that MSAD71 publishes flyers to help the community understand the budget process. Dan said the Selectmen are looking for ways to use the video room to do more. Maureen said the referendum works well. The first referendum may be difficult, but in the long run as long as everything is out in the open and honest the voters will be smart enough to figure things out. Eventually, the voters will like voting privately with the referendum. Maureen said Arundel did not need to make a decision tonight on the referendum question. Jon said we will have one this year unless the legislature makes changes in LD1392. Jon understands with the referendum more people will have input, but if the vote fails you don't know why. Maureen asked that the Video Committee work with Arundel. She is in favor of the referendum and input from the community during public hearings.

Jon liked Dana's suggestion of writing letters to the attorney general and the Department of Education. Not that it will solve the problems but at least it will put everyone on notice. Gayle said she is not against the validation process, she is against the fact it does not allow for absentee voters.

C. Other news from the legislature - Maureen said there is no other news from the legislature. Her goal is to keep on top of it and send out briefer outlines to the RSU Committee.

John Sharood said the worksheet model with the administrative structure should be followed in the future. This worksheet is being used to explain costs per pupil in the new RSU structure. We fall in between because we will be 3,000 students. Where would our organization stand? There is a small amount of administration in Arundel, and as we look at administration in the future we are not materially different than what MSAD71 has today. MSAD71 spends more on salary and benefits than Arundel. The Department of Education uses a statewide average, so some parts of the state are higher, and some of the expenses have been defined out of existence such as staff development and training. John Sharood is not sure where these items are being carried now; they were previously carried in the central office budget. MSAD71 spends more on insurance and professional fees than Arundel, and there doesn't appear to be a line for these items. John thought they might be someplace else on the worksheet. He said we are inline with staffing, and if we apply the same salary weight in the future we should be in line with administrative costs. John pointed out, once the communities get through the first year, where staffing changes can't be made, we could be \$700,000 higher than EPS. We knew this from the beginning but the state is preventing us from any savings in the first year. It looks like the administrative costs for 09-10 are not far off. Gayle pointed out that the worksheet, when it comes to salaries and benefits, doesn't come with adjustments for Southern Maine. They list salaries and benefits per person, and that is how John could tell we were not off in the number of staffing, but they are not using Southern Maine salary levels, they are using Bangor levels. They have already made the adjustment and did not put this in the worksheet. This adjustment makes us look like we are overpaying or have too high a staff. Jon Renell said that it sounds like there will be some reduction of staffing at the administrative level. John said there would, and there has to be economy of scale. There will be one superintendent after the transition period, one clerical area, and one business office. He is not making the presumption on which groups go where; the new RSU Board will decide this. At this stage, the RSU Committee is only looking at the total level of staffing and will not be involved in choosing staff. Also, some staff members will be tied to contracts.

V. OLD BUSINESS

A. Review incomplete sections of Plan—determine time needed to complete and steps necessary, including legal or professional assistance required and reassignment of committee members - Dana asked that the committee break up into groups. He would like any unassigned person to join one of the active groups. These groups are to set a timeline on when their questions will be complete. Maureen asked the committee's to make note if they need technical, legal, or financial assistance. Nelson Ballou, MSAD71 negotiator, will join the contracts group for a discussion.

1. **Section 4 - School Accountability Committees** - The middle school Thornton Academy contracted will be added to the organizational chart. A copy of the School Accountability Committee Policy will be attached to the plan.
2. **Section 5 - Disposition of Real and Personal School Property** - Joel Downs has more questions than answers at this time. The sub-committee will need legal advice to move forward. They need to understand some of the processes from the Town of Arundel on contributing property and the RPC accepting policy. They need another week for a timeline date. Joel will send the questions to Dana and Maureen and they can relay them onto legal counsel. The questions can also be sent to John Fraser in Arundel and he can send them along to the Selectman.
3. **Section 6 - Disposition of Existing School Indebtedness and Lease-Purchase Obligations** - This question is all set with respect to the MSAD71 debt local charter. Arundel has no debt. There is no timeline yet, but by the first of March the committee would like to vote to wrap this up. They will use the old charter regarding debt service. They need to put on paper the local indebtedness. No legal counsel needed.
4. **Section 7- School Personnel Contracts, School Collective Bargaining Agreements, and other school contractual obligations** - Gayle reported that Nelson Ballou joined the discussion on personnel contracts. There was no discussion of the Thornton Middle School Contract. When negotiations start, Arundel's contract ends a year prior to MSAD71. To avoid any undue influence on Arundel's process maybe it would be better for their process to set up a one year contract. Once the new RSU is established, negotiations begin immediately after the new Superintendent is hired. It would be wise to have committee members of the negotiation teams available to the RSU even if they are not re-elected to the Board in November 2008. MSAD71 has four board members on negotiation teams; this is not done in Arundel. Maybe Arundel will consider doing their negotiations the same way as MSAD71.

Regarding the language in LD1932 on the process of choice, the committee is not going there at this time. Jon said part of the RUC Committee recommendation should be choice, and the new RPC would set figures, terms and conditions. This process should be part of the plan, which is a recommendation. There needs to be clarification from the state on the middle school contract. Maureen said this falls under 13D, and maybe the committee wants to take the two issues apart and discuss them separately instead of rolling them into one. There are still eight years left on the Thornton Middle School Contract.

Dana cautioned that the state will be busy the next few months and any information the committee needs to get to them to do so quickly so they can get answers in a timely manner.

5. **Section 8 - Disposition of Existing School Funds and Existing Financial Obligations** - Joel said the combination of questions 5 and 6 need questions answered, and will need legal advice on the splitting of funds of Arundel and MSAD71. His timeline will be March 1.
6. **Section 9 - Transition Plan for First Year Budget Development and Interim Personnel Policies** - Jack Reetz said the sub-committee has started on the first couple of steps. The first step is to take the current 07-08 budgets, and using the MSAD71 format integrates Arundel's as a separate site. Then merge them together with the existing known approved numbers, and this should take place in the middle of January. The second step will be to project out once we have the first drafts of the 08-09 school budgets. Then merge these budgets together to get a first picture of what we have to work with, these numbers won't be approved, but will be a starting point. The salary part will be easier because they are well known for the current year. Also the first year of operation can be estimated. Other costs will be more difficult to establish, especially on the revenue side. Some revenue is known but the committee won't have the EPS numbers because they won't be available until around March 28 or sometime in April. It is very difficult to meet an end of March timeline when one item on the critical path is not available.
7. **Section 11 - Procedure if one or more proposed members fail to approve the plan** - Jon said that Option A has been chosen. Jon pointed out if one community votes the plan down, it won't happen. [Option A actually says
8. **Section 12 - Estimate of cost savings achieved by consolidation** - it appears the commissioner did not look at the estimate of cost savings sent in with the last plan. Maureen thought they did not read the plan itself, just the cover sheet. The savings on the plan were listed at zero. There are no savings the first year. In the plan there are set goals for savings after the first year. The plan highlights that salaries in the towns don't match.
9. **Section 13 A - Plans to reorganize administration, transportation, building and maintenance, and special education** - Gayle wondered if the DOE is aware that MSAD71 already owns the bus routing software and have already saved money using it. MSAD71 is one of the few communities that own the software and the state is not going to reimburse us for it. Gayle wondered if the committee could count, as part of the first year savings, the money saved from using the busing software. Maureen said this will be written into the transportation piece of the plan. Jim said the savings have been less than \$10,000. It was purchased three years ago and was fully utilized two years ago.
10. **Section 13 B - Cost Sharing in Regional School Units** - There will be no attempt to make decisions on cost sharing until the legislature makes up their mind on what they want to do.

11. **Section 13 C - Election of initial board of directors** - This is complete.

12. **Section 13 D - Tuition Contracts and School Choice** - Gayle said the sub-committee hasn't touched on this yet. She has gone over the Thornton Academy Contract and it has eight years left [until 2016]. There can't be a discussion on the contract until four years [2011] from now. Gayle found, as a layperson, nothing in the document saying how many of the Arundel students need to go to Thornton. Jon said the number varies year to year and the wording is "all", and if a student chooses to go elsewhere tuition must be paid. Gayle doesn't think it said "all". She was looking to see what the new RSU would be obligated for to send students to Thornton, such as transportation costs. She noticed that the contract did not have numbers, and wondered if a family could choose not to send their child to Arundel because they lived closer to one of MSAD71 schools. Could a student elect to stay at the Middle School of the Kennebunks? She thought there was choice. Jon said that was the opposite of his thoughts. The committee may need professional assistance in reading this contract.

Gayle said outside of LD1932 the Department of Education is looking at readdressing the issue of choice. She doesn't see this as beneficial to the new district because promises have been made and it is not a good idea to renege on things that have already been promised. Dana said the plan says that Arundel reserves the right to choose. Gayle asked what if they make it law? Leo explained that long term contracts are made to protect the community that is building the school, and he thinks that is the way the state will come down on that side. Jon said part of reason they support consolidation is because school choice will be left alone. Maureen said people that supported school choice would rush to sign a repeal of the law because it is not what they signed up for. The attorney that wrote the contract (Drummond/Woodsum will be contacted). Note the commissioner approved the Thornton Contract.

13. **Section 13 E - Claims and Insurance** - We still need the listing from Arundel and the respective bus departments.

Jack said the plan timeline will be tight as far as the budget is concerned because we won't have the ED281 data until the last minute. So, how do you submit a plan without it? He thought we could virtually get there, except in the budget area. There will have to be weekly RSU Committee Meetings.

Maureen said the new plan will be delivered with an orientation session to the new RSU Board, and the committee does not have a lot to do with the plan after that. What the committee votes on for a plan is not the law; it is only recommendations from the committee to start the new RSU. Hopefully, the new RSU Board will have good members that will run with the plan and make it better.

There is concern about making the Feb 1 deadline for resubmission of the plan.

Adjourn at 9:25.

RSU PLANNING COMMITTEE MEETING MINUTES
Tuesday, January 15, 2008
Kennebunk Town Hall

In Attendance: Dana Peck, Jason Nedeau, Jack Reetz, Pamela Richard-Wuerthner, Gayle Spofford, Leo Martin, Steven Kingston, Stuart Barwise, Jon Renell and Maureen King. [Joel Downs arrived at 8 after the Selectmen's meeting.]

Audience: Tom Farrell, Jim Barnes, and John Fraser.

The meeting began at 7:00 p.m.

The minutes will be held until the next meeting. Maureen King has a few corrections.

IV. REVIEW AGENDA/AGENDA ADJUSTMENTS

Joel Downs is at another meeting, he wants to report out, will hold until after workshop sessions.

V. OLD BUSINESS

A. Update on "disapproval" questions – What happens if the plan is disapproved? Dana Peck volunteered to find the answer, and he hasn't found the right person to get the answer from. He will report to the committee as soon as he has an answer.

B. Legislative Update – Report on Legislative workshops and hearings – Maureen King reported she received a newsflash from the MDI Schools Watcher on the actions of the Joint Committee on Education. "From McCarthy's 18-page summary, the Committee (Joint Committee on Education) has five issues, considered the least controversial to discuss for inclusion in a supplemental "Committee Amendment A." More controversial issues are to be discussed later for possible inclusion in subsequent supplemental amendments 'B', and possibly even 'C.' Here are the issues considered easy enough to warrant discussion for Amendment A:

1. What happens to CSDs after July 2009 when the laws authorizing municipal school districts, unions, and SADs all expire – a particular interest in certain areas if plans are voted down.
2. What is the budget process for municipalities in which RSUs authorize local school committees and extra-local spending, (on this, Rep Edgcomb requested a ruling from the Attorney General about what authorities could be allowed local committees.)
3. Deadlines – Should law give the Commissioner flexibility on permitting RPCs to comply with timelines, for example to allow RPC to miss the November 2008 deadline for referendum on plan without incurring the penalties for 2009.
4. Labor market area issue. Direct DOE to address the question of relating labor market areas to new RSUs post-July 2009.
5. Career of technical education center impact, looking at how RSU boundaries will affect regional CTECs across the state.

In addition, the Committee is considering synchronizing conflicting language about budget validation that appeared differently in the allocated and unallocated sections of LD499.

Rep. Harlow strongly wishes to revisit the issue of permanently removing the requirement for budget validation referenda in charter municipalities, a matter which he believes was discussed, settled, and voted upon by the Committee last Friday when it approved amending LD1932".

Maureen pointed out there was nothing in the above email about getting anything passed in an emergency session so that we would not have to suffer through a budget validation referendum. If the budget validation referendum is not passed in emergency legislation to go into effect immediately, then any passage of that amendment would not take place until 90 days after the session ends—too late to help any district this year. Dick Spencer (Drummond/Woodsum) did not think there would be emergency legislation passed on the budget validation referendum.

Dana asked if there was anything the committee wanted to do to address issues at this point because of the impending danger the committee may not get things done. Maureen was planning to write a letter to the DOE and the Joint Education Committee but held off after listening to the legislature on what they thought was important, she lost hope. Now, Maureen sees what the legislature is not addressing and will write the letter. Gayle Spofford would like to take more visual action and not just letter writing. She wondered if a contingency could go to Augusta. She also wondered if the letters we write are read. The DOE doesn't want a letter via email, which surprised Gayle because of the state laptop initiative. Gayle pointed out that a lot of people out there are not happy because this consolidation law is not good for education. The Joint Education Committee has until Friday as a deadline to vote on the bill, they haven't even addressed timelines, cost sharing, cost shifts, or anything the committee or

anyone else has identified as issues. Maureen, Gayle and Dana will go to Augusta if there is a forum they can attend. Maureen said the Greenlaw Petition has about 30,000 signatures. Gayle pointed out, if this law is left unresolved, it will have a permanent impact on our students and communities. The committee is trying to make the plan work on paper, and asks how the legislature can not think this is a serious issue when education is the future. School Boards have not been able to work on anything of substance because of the consolidation work, and the media is ignoring this whole process.

Place under **NEW BUSINESS**

Have the sub-committee scrutinize issues we want to send to Augusta. Maureen and Dana will look around at legislative forums where they can present these issues. Tom Farrell asked the committee to think about where Jane Amero (Pierce/Atwood) can help in this area. Maureen has other legislative information but does not feel it would be a productive way to spend time this evening.

C. MSBA Update – Report on meeting with Dick Spencer (January 12, 2008) – For the past two years, Maureen has sat on the Board of Directors for the MSBA (Maine School Board Association). MSBA helped sort out issues last week. They are also working through the Governor's supplemental budget and asked that each district work with this budget to find out how they are affected by the consolidation. Another issue from the legislature, they are increasing the amount of money they give to limited English students. This is great for districts with many limited English students, but they are reducing the money for economically disadvantaged students. The commissioner said this will be a wash, but the MSMA does not feel this way. A district with many economically disadvantaged students but limited English students will lose a lot of money. Maureen also reported that the maximum debt service is going to be frozen in 2011 and not to expect it to go higher than that. Also, Special Education costs were calculated at 84%, 84%, 100%, but the state is leaving us at 84%, and Dick Spencer said to expect this forever.

The last two pages of the handout from MSBA contain a form, from the DOE website, that has a model budget that includes staffing levels for the system administration. Much of this information on the budget model comes from the municipalities school districts. SADS are not run like municipalities and schools that are run by municipalities have much of their backroom services coming out of the municipality. That is why they can exist with one superintendent, 1.5 secretaries, and one payroll/bookkeeper for 1,500 students. These numbers do not reflect what is going on in a SADS, CSDs, Unions or larger districts. We can't rely on the municipality because we are not a municipality unit.

The MSBA had a good session with Dick Spencer (Drummond/Woodsum). He said the RSU committees should hear a lot from local legislators about consolidation remorse. They are trying to explain why they voted the way they did and why we are stuck with this law. Maureen also explained how we got to the budget validation referendum law. Jim Rier, DOE, was chair of the committee that organized the law. The committee compromised because they could not solve the problem, half of the committee wanted a town meeting, and half wanted a referendum, so they combined it and we now have a law that requires both type of votes. Previously, only four districts had adopted this type of voting process and one of them, SAD72, voted it out last year. They called the process messy and expense and something they didn't want to repeat. They were appalled when they saw this process in the consolidation law. Another sidebar Maureen found interesting, she heard snippets that there are a lot of local problems for the leadership, for example Vassleboro and MDI. They have representatives and senators who sit in leadership chairs and they are making the most noise. There are issues that are driving them crazy like the Greenlaw petition, and SAD72 (Fryeburg) and MDI who sat in late night sessions to get things in the law that they thought were important. SAD 72's issues never materialized and when they asked the DOE, the DOE denied any knowledge of them so the Fryeburg senator produced the paper napkin that everything was written on. We will see more stories come forward regarding consolidation remorse because the DOE is renegeing on promises they made.

Maureen reported that Dick Spencer (Drummond/Woodsum) is planning a March 5 Seminar in Augusta to help the committee's deal with what is coming out of the legislature.

Jack Reetz looked on the DOE website for information on LD1932; he was unable to find it. Maureen said it is not listed as LD1932 but is called EDU Bill on School District Reprg and is on the Education Cultural Affairs Committee website. On this website there is also a calendar on workshops. You can also sign up to receive the following week's schedule of workshops.

B. Report from Gayle Spofford on Letter to Attorney General – The letter Gayle wrote was distributed to the RSU Committee. She tried to send it via email to the attorney general but could only find a "contact me" icon. The letter talks about how disgusted we are with the budget validation process and how several years ago the voters of MSAD71 voted to have a referendum instead of a town meeting vote. The letter also points out that the new budget validation process provides such a short time line that absentee ballots will not be available. Those who travel for business or education during the week will be disenfranchised. State law required that there be a 30 day window prior to the day of voting for the purpose of providing all voters their constitutional right to vote. The town clerks want to know how LD499 can eliminate anyone's constitutional right

to vote by establishing a 10 day window between the town meeting, and the referendum vote. Gayle also sent the letter to the DOE. She mentioned trying to contact Jim Rier since last June with no luck. She had asked him how many people have been hired, at the state level, to make the consolidation process happen, and she wondered what they had for a budget. She is frustrated by the lack of substantive answers from the DOE on questions she has asked. Jack Reetz asked when Gayle would contact the Attorney General about the status of her letter. Gayle said she will wait two days and then she will call to see if the letter had arrived and had been read. Jack complimented Gayle on the letter, and said it was a very good letter. He thinks we may see some action because the letter is saying they are violating the law. Maureen said the letter will be posted on the website. She told community members to feel free to submit the letter to whomever they think can help.

Maureen reported on the formula that Judy Sproule had included at the bottom of her letter. Maureen located Judy via email and she got right back to Maureen. She said she would be happy to help us try and figure, based on percentage of student and property values, what type of hit we will take.

Gayle said looking at the printout and trying to figure the formula for economically disadvantaged students, she wondered if this information was gathered from the free and reduced lunch data. Jim Barnes said it was.

Gayle thought she has read somewhere that the state is going to reduce the amount of money for the purchase of buses. She wondered if this was correct. She also wondered if we had any information that the state is in more debt than they thought and we may need to cut more. Leo Martin said the state is targeting education and human services. The cuts in human services will affect children and the elderly. Human services will probably be cut by 20% and the rest of the cuts will come from education.

Jack Reetz said there was a report on Maine Public Radio by Charles Colgan who forecasts the Maine economy. The number of people he quoted as receiving Medicare or Medicaid is 343,000 in the State of Maine and that is out of approximately 1.3 million people. Jack said he is not aware of how many kids in our area are economically disadvantaged, but it is certainly more than kids needing English as a second language. Leo said there is another group wanting to make cuts, which has been labeled as an oversimplification of doing so. He explained that Richard Silkwood, a consultant, has made it too simple. They are taking the average cost per pupil for the entire United States and trying to reduce Maine to that average of Medicare and Medicaid. Maureen pointed out that Dr. Silvernails planned projection for savings was to take 300 student districts, figure how much it costs to run these schools, and multiply this by 10, and then compare this to a 3,000 student school district. That is how he projected his savings. Maureen thought this was not a way to project savings. Leo said, Maine is so diverse and with the geographic makeup it makes it impossible to try and figure savings this way. Maureen said they don't take into account transportation or any of those issues. She pointed out we don't all live in the same town and walk to school. There are many issues in many of the communities, this is not a one size fit all, and that is what the state is trying to do. Maureen thinks they are finally figuring out one size doesn't fit all. Gayle pointed out that Maine is not the only state experiencing severe financial problems, and she thinks this has begun to impact the legislature. That one size does not fit all and the problem is much bigger than our district and Maine. Gayle thinks we need to look more globally domestically. She said it all comes down from mandates that are unfunded, that are not advancing the education of students, and are just increasing taxes. This shows we are part of bigger picture.

Dana asked if the timeline change, back to March, is good for us. Maureen said last week she received information that the commissioner figured out the February 1 deadline would not work so she pushed it back to March 28, which is the deadline this committee set for themselves earlier. Maureen pointed out, with this extra time, the plan can be worked on until March 28 and another incomplete plan does not have to be submitted. Jon Renell noted he read on one of the many emails, a statement that said if there was to be a June 2008 vote, and then the plans have to be submitted by March 28. If the committee is not ready to submit a plan by March 28, they can just submit a status/progress report. Jon pointed out this would open the door to go beyond the March 28 deadline, if necessary. Maureen said she did not project past March 28 because when the committee discussed this issue it was decided to get as much done as possible by March 28. Maureen thinks the committee will know more by mid-February and hopefully will have more information from Augusta about what they are going to do or not do. Maureen suggested it might be okay to wait until Augusta decides what they are doing. The commissioner has heard that most RSU's could not be done by February 1 or March 28.

The Joint Committee is just starting to look at these issues, and have had 10 days of hearings so far and have gone no where. They have a list of five of the least controversial items and that is far as they have gone. Maybe now they understand what the RSU Committees are going through because they are struggling with the same issues. Dana wondered what will happen if the plan was not submitted by March 28. Maureen said the DOE will want an update to see where we are and to make sure we haven't stopped working altogether. The plan that will be sent will be an improvement on the first plan. Maureen doesn't think it will be

politically viable for the DOE to slap a penalty on all districts in the state. Dana asked if he contacted the DOE would they give him a disposition of what will happen by March 28. Maureen thought if the committee had something to vote on by November, there would be no penalty. Dick Spencer said there is a pending issue that would draw out the deadline and reduce the amount of penalties. Mr. Spencer thought if committees were working in good faith and still were not ready for a vote, they would not get a penalty. Leo said that this thing is going to sink or swim depending on what the voters do. If it is not a good product that has been well explained to voters, and it stays as it is, it will never pass.

Maureen said Falmouth and SAD58 turned in their plan that showed it would cost more to consolidate. They could not find savings in the first two years because of the way the law is written. They also thought the bus routing software will not make a big difference in some districts, especially the small districts. Leo stated that the Education Committee was doing all this work a year ago, and came up with seven ideas and collaboration was one of these ideas, which we were already doing with Wells. Then, the Appropriations Committee took it out of their hands and locked in with the governor and together they came up with the consolidation law.

Maureen pointed out that York and Wells have decided not to pursue consolidation at this time. If consolidation blows up because remorse sets in, the committee should be mindful of the things they collaborated on. Collaboration would save money, not cost money by having to transfer titles, etc. Jon said this law would show an increase of money by all three communities, even two, three or four years down the road, and this money will never be recovered. He stated we probably would not get back to where we are now. Maureen reported that some communities will never see savings for 10 years, according to Dick Spencer, because of the complexities of district and cost shifting. No matter how much districts cut and try to save, even with 50% out of administration, saving is not going to happen. This plan has not been thoroughly research or planned well and will not have an easy fix.

Steve Kingston asked Maureen to clarify Wells/Ogunquit/York quitting. Maureen had read in the Portsmouth version of the Coast Star, that York and Wells/Ogunquit school mergers talks have stopped their work. The two Boards will submit new plans to the DOE. This decision came in the wake of the DOE's decision to accept plans from districts with as few as 1200 students. The DOE spokesman said the law always included the possibility of 1200 or more not having to consolidated, but only when the circumstances justified having an exception for less than 2500 students. The process of gaining exception was really meant for smaller schools in the western part of state. York/Wells/Ogunquit said consolidation will cost them too much money and they are going to submit separate plans. The superintendent in Wells discovered that every district that submitted a plan with less than 2,500 students was approved, if their plans are not accepted this will be considered discrimination, which will be their argument. Dr. Farrell said when discussing the administrative cuts, the timeline is no longer a big deal for the state because they have already made their cuts. As Jim Rier said, you figure out where your cuts will come from next year, we are making cuts right now whether you move forward or not. Unfortunately, when the MSAD71 auditor met with Jim and Dr. Farrell last week, one of his concerns is the cuts across the state in the business offices, he is concerned more Portland type situations will happen because of this. The MSAD71 auditor is saying that MSAD71 is short-handed in the business office, and the state is saying we have too many. The question is who knows better the state or the auditors that audit the district every year. This is happening all over the state, so the message is not out to the public as to what is happening and the price we are going to pay two/five years down the road. It will cause irreparable damage and it is frustrating the message is not getting out.

Maureen pointed out that the state is telling us to work under their chart of accounts, and when we ask for help, they tell us to go back to our own accountants. Dana said he is also frustrated, but has a fiduciary responsibility to the residents of Arundel. The case is building for the communities to not come together under this law. If the law stays the way it is without changes, the plan will not make sense to the communities. Dana pointed out that the committee has done due diligence, and our oath tells us we have to do this, but it is like marching down the road with a roadblock and there is nothing we can do. Maureen King said the communities could collaborate now with no assistance from the state as Gayle has suggested. The committee could look at figuring out how to save money that way, at least, if the house of cards collapses, we have found a way to save taxpayer money and to help our kids get a better education. Dana supports this idea and would like to focus on education because the goal from the beginning has been to create a sound educational system for the students in our communities, and what we are doing now has not lead us down that path because it is all financials. Gayle's suggestion to collaborate has more of an educational point of view. Pam would like this idea added to New Business and to work on this initiative, which makes more sense than what is currently being done. Jon agrees with Dana. Jon had asked this question of Jim Rier, "How do I go to the people of Arundel saying this is a good idea when I don't believe in it myself". Jon would like to see the entire bill repealed. He would like the communities to come together on their own and save money, and now with Wells available again, this opens more opportunities. He asked if the RSU should be disbanded and begin work as a collaborative group. This will be food for thought.

The group broke up into sub-committees.

Discussion from sub-committees:

Jack Reetz said there is no progress on the budget at this point. Jim Barnes has emailed a number of spreadsheets, but he is too deep into preparing the current year budgets for MSAD71 to move forward at this time. They have discussed how to try and merge the two budgets and think this process could begin in a couple of weeks. Dana said he has talked with John Fraser about the Town of Arundel numbers, which are being worked on at this time, and the information will be available in a couple of weeks.

Joel Downs discussed sections 5/6/8, which he calls the balance sheet sections. He still needs to collect all the discussion points the committee covered last week, get them outlined and send them to Maureen and Dana to send off to the attorney. All the questions have been answered or asked by others, so hopefully the legal fees won't be too much. Joel hopes to have this information in about a week. He is also in the middle of his town budget.

Joel also wanted to talk about cost sharing. He reported that the intention of the Kennebunk Selectman is to bring up the idea of cost sharing over EPS. If LD1932 passes, it is Kennebunk's intention to negotiate the over EPS cost sharing formula. Their focus, question 13B, is to discuss negotiations on state valuation instead of strictly a per pupil count. Kennebunk's focus will be state valuation. Maureen pointed out that one thing Joel missed while he was gone, was she had been in touch with Judy Sproule and Judy will talk with Joel and John Sharood, over the phone, to guide them through the budget sheets.

Jon spoke about the Thornton Academy middle school contract and the word "all" in the contract. The contract does say "all". He pointed out that the intent of the contract was for there to be no middle school choice. The School Board met and discussed back in October a suggestion Dana Peck made about the final decision on whether to extend, buy out, etc. the contract. It was decided that Arundel should make their decisions by referendum vote, by Arundel residents. Maureen said that is the right choice for Arundel because they made the choice and the contract. She pointed out it is not up to the RSU Committee to tell Arundel what to do. Jon does not want to see a small committee make this type of decision. Gayle said she would also like to discuss the segment of the Arundel population who may not have been in favor of the Thornton Academy agreement, maybe there could be a possible collaboration instead of consolidation and maybe there is some flexibility. Gayle pointed out, this would require input from a lawyer to look at the exact intent of the contract. Gayle did not want to leave this part of the population out. Jon pointed out at the time negotiations, the choice was either Thornton Academy or Biddeford, and Arundel choose Thornton. The final vote asked if Arundel wanted to build a new school or have Thornton Academy provide education for the Arundel Middle School students, Kennebunk at the time was not a choice. Gayle asked about another page of the contract that Bump had not given to the committee. Jon reported this was the breakdown sheet on the capital investment. Arundel could get out of the contract with due cause, and had six months. Jon said, up to this point, Thornton has delivered above and beyond what they said they would. The breakdown of cost sheet is what Arundel would pay if they broke the contract, starting with paying 100% of the new building, and paying less each year after that.

VI. NEW BUSINESS

Discussion on Collaboration

Pam Richard-Wuerthner made the motion: THAT WE FORM A NEW SUB-COMMITTEE WITHIN THIS CURRENT RPC COMMITTEE THAT IS FOCUSED ON EDUCATIONAL OPPORTUNITIES AND SECONDARY COST SAVINGS IN THE EFFORT TO SUPPORT A COLLABORATIVE FUTURE, SECONDED BY DANA PECK.

Discussion: Pam spoke to the sub-committee about this motion because she wants to stay focused on positive collaboration. Steve Kingston asked how consolidation could possibly be good for our school systems and how will we save money. Dana, Pam, Jason and he want to continue to look at collaborative efforts in a positive manner so the committee can move forward regardless of what the legislature decides. Gayle asked if Wells could join this committee. Maureen would like the committee to get their own house in order before inviting others to join. Jason has been hanging onto the brainstorming ideas which included Wells. Leo said this could become a model for Augusta. Gayle thought maybe this is the way to voice our strong opinions against consolidation and have the collaboration plan ready for the March 28 deadline. Jon reminded everyone we can go beyond March 28, Maureen agreed. Sub-committee volunteers: Jack, Pam, Gayle, Leo, Jon. This will be a sub-committee of the regular group.

Gayle asked for an item on the next agenda to discuss what is in the best interest of the communities we represent. Should we do a lightweight plan on consolidation, which is not in the benefit of the communities, or do a full fledged presentation on collaboration and present it to the state. At the next meeting there will be a discussion on which is the best plan for RSU57.

Jack volunteered to gather any thoughts committee members had about the goals of the sub-committee.

MOTION ON FLOOR TO APPROVE THE ABOVE MOTION, THE COMMITTEE VOTED UNANIMOUSLY.

Maureen reported from Lynn Cote who wrote a narrative for the accountability plan, with a PowerPoint. This question is pretty much done, and can be checked off the plan.

MEETING AJDOURNED AT 9:00 P.M.

RSU PLANNING COMMITTEE MEETING MINUTES
Wednesday, January 23, 2008
North Street Fire Station, Kennebunk

In Attendance: Lynn Cote, Jack Reetz, Jon Renell, Pamela Richard-Wuerthner, Joel Downs, Gayle Spofford, Leslie Whitney, Leo Martin, and Maureen King.

Audience: Tom Farrell, Jim Barnes, Alton Hadley, Alan Richard, and Dave Lane. .

The meeting began at 7:00 p.m.

III. ACCEPTANCE OF MINUTES

MAUREEN KING ENTERTAINED A MOTION TO ACCEPT THE MINUTES OF JANUARY 7, 2008, MOVED BY LEO MARTIN, SECONDED BY GAYLE SPOFFORD, AND VOTED UNANIMOUSLY BY THE COMMITTEE.

IV. REVIEW AGENDA/AGENDA ADJUSTMENTS

V. OLD BUSINESS

A. Letters – Maureen is still working on the letter to the commissioner and legislature. She mentioned that RSU10 has sent a letter to the commissioner basically saying they feel the whole process is pointless, that they will lose local control with no cost savings. They have put themselves on hold until they hear more from the legislature.

B. Legislative Update – Next Steps? Maureen reported that a number of communities, in the past couple of weeks, have put themselves on hold. York, Wells/Ogunquit have withdrawn their plan, and will submit individual plans. SAD1's teacher association supports their school board and supports the repeal. RSU2 (eight towns) supports the school union model. Another town has appropriated \$25,000 to fight consolidation. While another district did not file a plan in contempt of the law. Maureen is concerned because the legislature has three different drafts of amendments, and none have been printed yet for distribution. The amendments may reach the floor by tomorrow and how can they do this without copies of the amendment? There is a January 25 deadline for printing the education bill plan on consolidation; they have nothing at this point. Maureen doesn't know how this will affect the February 5 public meeting date. Leo pointed out they only had nine amendments the other day, as of today, he thinks they have close to 100. Leo said at a meeting in Augusta he was told that many RSU committees' have taken a hiatus until the legislature figures things out, while others are just burnt out. Leo thinks the union model from Mt Desert will destroy the law.

Gayle reported she mailed her letter to the attorney general and the DOE and hasn't heard anything. She also mentioned that she has not heard back from her June letter.

Jon Renell is concerned because, from what he read in a DOE press release, the penalty for voting no on the plan will still exist but wording will be removed from the referendum question. The question will not explain to voters, if the vote no on the question for consolidation, they will be penalized. Jon pointed out this does not sound like a democracy. He wondered about the unionization model that is being talked about and what will it do to our plan, and what will we have to change if anything? Maureen did not know the answer to these questions and asked if that was an option the committee wanted to look at, or not look at. She said that is why other RSU committee's are putting their plans on hold because they see no point going forward if the legislature is coming back with other options that may be a better fit for their communities. Leo said some communities are talking collaboration and creating service centers to share non-education areas.

Maureen read from an article by Gordon Donaldson: *Keep focus on students*, published in the Bangor Daily News on January 22, 2008. He points out in his article that, "Most of the debate in August is about money, power-sharing and timelines. It is rarely, if ever, about whether district reorganization will improve the quality of learning for our kids. This may be no surprise, since the reorganization plans required by the Department of Education don't even mention educational programs. That is, regional planning committees aren't required to think about how a new district will help (or hinder) students and teachers. The plans they submit to the state for approval don't have to show how a bigger district will improve learning....." The article goes on to speak of three specific actions, short of outright repeal of the law that can salvage some educational benefits from the chaos of reorganization. He says, "If the Legislature only tweaks the existing law, this fatal flaw will persist. The law will not achieve its eight goals (most of which address quality). It will turn out to be what people fear most: a tool to build new regional bureaucracies that put more distance between citizens and the schools there taxes pay for. Teachers and principals will be forced to respond more to the RSU than to the parents of their students. And we'll continue to forget the students."

Jack has the sense this law is going to pass whether it is good, bad or indifferent. He recommends that we keep plugging on. He thinks the financial related issues can be resolved and that the committee is doing a good job. Maureen is concerned because school board work is being pushed aside because of the RSU work, and MSAD71 is missing doing things they want to do.

D. Collaboration Discussion - Gayle pointed out there are fewer people at the table this evening, and fewer people in the audience. We seem to be saying the same things at every meeting and we don't appear to be getting anyplace. Gayle would like to see the committee, for the benefit of the students and taxpayers, move toward collaboration. At this point in the consolidation process money needs to be spent on legal consultation and there is no money budgeted for this expense. Gayle suggested going back to the model the committee worked with Wells/Ogunquit, which is to sit down and discuss collaboration. It would be good for the committee to get some successes under their belt even if they are small. Gayle thinks by collaborating instead of consolidation we can save money and still have quality education. The committee is not able to spend time on education or educational items because of the consolidation process. Gayle is in favor of collaboration because resources can be shared for students, teachers and administrative staff. She is ready to abandon working on the plan.

Lynn Cote said the committee is sending mixed messages to the communities; one meeting the committee is working on consolidation, another collaboration. She pointed out that the legislature doesn't have the answers so we are back to discussing collaboration. She wished the state had looked at collaboration instead of forcing consolidation. Gayle thought collaboration could lead to some type of consolidation without costing the communities money or affecting education. Maureen said the one size fit's all consolidation model does not work. MSAD71 has been cutting staff for the past four years and the state is telling them to cut another 5% cut, where do these cuts come from? MSAD71 has the bus routing software, they have saved money on energy, and the state is still telling them to cut more. Maureen would like to start on collaboration and work into consolidation. This could become something that works for everyone and something that can be studied. Gayle wants the committee to make a decision. She pointed out the committee already has some data that supports collaboration. Such as sharing transportation to Portland and sharing maintenance support with Well/Ogunquit. Since the RSU Committee started, Gayle has only had one meeting with Wells/Ogunquit to discuss collaboration. Pam Richard-Wuerthner talked to community members in Arundel and there is confusion. She plans to send out a formal letter to administration, community members and teachers to ask for insight in creating an inventory list of collaboration ideas. She would like to stop dealing with the state because education is not being addressed and she would like to see education as the mission of the committee. Jon suggested putting the committee on hold until there is clear direction from the state, and would like to continue a brainstorming list on collaboration. Pam thought the committee could experience small success with collaboration.

Maureen pointed out that community members are frustrated because the committee is still agonizing over consolidation and stuck at this point. They also are concerned about how consolidation will affect their child in the classroom. Jon said the committee has been trying to work this out and has been meeting through the summer, fall and now into the new year. He thinks the consolidation law does not work and is bad for the communities.

Maureen reported that the repeal movement is not doing as well as it should. The petition drive is going to continue to gather more signatures, at this point, 40,000 people have signed the petition and that is a lot of people to support a repeal.

Matt Sylvania is concerned because it is our responsibility to follow the law. He is not comfortable with this committee making a decision to let the law go by and see if the state penalizes us. It may cost more to consolidate, but he is concerned if the committee discontinues working on the plan, it may be too late to go back and there will be penalties charges to all three communities. He would like the committee to think about that before they shelve the plan. He suggested the committee could put the plan aside for a week or two and work on collaboration. He does not think it is a good idea to wait and see if we get penalized, he doesn't want to spend his tax dollars that way without any benefits.

Maureen explained she does not want to give up on the plan, just set it aside. She said there are a few options to consider such as, the committee doesn't meet at all until the legislature decides what they are going to do, or the committee meets and discusses collaboration for a couple of weeks. Maureen pointed out, as an officer of the state; she has to follow the law as a school board member. She doesn't see much sense working on a plan for the next couple of weeks, waiting for the legislature to tweak the law, to find out we are doing the opposite of what they want.

Matt thought the community was receiving mixed messages from the committee. He thinks the Town of Arundel, Kennebunk and Kennebunkport could benefit from consolidation, but after listening to the committee the last few weeks, he doesn't know if the committee thinks so. He wondered if any districts were moving ahead with their plans. Maureen said there are districts moving

ahead, and some are just getting together for the first time. Jon pointed out that the Town of Arundel can't afford to be penalized. He would like to move forward with the plan, but it is difficult without more information from the state.

Maureen said we can't do much more work on the plan without more information from the state. She would like to wait to see what the legislature is going to do. Gayle said the work we do on collaboration may help us in the end with consolidation. Jon pointed out that the talk of a union model will change any planning drastically. Lynn Cote said we are trying to protect our taxpayer dollars and at this point in the process we need legal counsel to answer questions. If the committee waits for the legislature to make some decisions, maybe the money for legal fees will not have to be spent.

Leia Lowery thinks the committee is saying they want to can the plan. She would like to see the committee move forward with collaboration. She pointed out, at the beginning everyone was excited about all the things that could be done together and now everyone is sliding down a negative slope. What everyone wants to gain is an excellent education for the students in all three towns. Having a discussion on collaboration might get the committee back on track and put everyone in a more positive mode.

Pam pointed out that discussions at this point have been abstract. She thought collaboration ideas, which are supported by the committee, would bring something concrete to work with. Maureen said people are asking her what the committee is doing now, and she explains they are sifting through finances. They wonder how this is helping students. If the committee members come back with positive ideas about collaboration, this will help everyone become more positive.

Some people are thinking nothing is coming of consolidation so why worry about it, and this could cause people to be misinformed when June arrives. Jon suggested before the vote the plan could be presented step by step so everyone would understand. People watching the meetings say they are negative and they wonder why the committee is putting themselves through this process. Jon pointed out, the committee goes through this because they have to, and it's the law. Pam said Arundel would like to hear something positive. She suggested the committee discuss collaboration for a few weeks; maybe this will put positive energy into the towns and the committee. Maureen said this is the right time to do this because both communities are starting their budget process.

Leo gave some historical background on how the consolidation law came together. Consolidation was first talked about by the Education Committee in 1990, and it was to be completed in 10 years. The day of reckoning is next year, and the state is 39 million dollars short. The Appropriations Committee put pressure on the governor to get the budget settled. The Appropriations Committee took over writing the law and they didn't know what they were doing. This bill is a one size fits all with penalizes. This law was written for Washington County with schools and no students, not for Southern Maine that has a lot more students. Leo would like the committee to file an alternate plan because the current bill fits the needs of northern Maine. We are low receiving towns, with little subsidy from the state. If we want to sell the referendum vote we have to come up with a program that makes education better for our children. This law will not pass on finances alone. What will the state do if half the State of Maine votes the consolidation down?

Jack reported the Finance Sub-committee will build a budget model that will project out the first year of consolidation. He would like to continue this work in parallel to the collaboration work.

The committee broke up into the Finance Sub-committee and the newly formed Collaboration Sub-committee.

The committee reconvened at 8:40 p.m.

Maureen said that Pam is going to pull together the ideas from the collaboration discussions. Pam will get this information out to the committee members and the administrators so they can start looking at some transportation savings right away.

The Finance Sub-committee made a little progress on working towards building the first year consolidation financial plan.

GAYLE SPOFFORD MADE THE MOTION TO ADJOURN AT 8:45 P.M., SECONDED BY JON RENELL, AND VOTED UNANIMOUSLY BY THE BOARD.

**RSU PLANNING COMMITTEE MEETING MINUTES
WEDNESDAY, JANUARY 30, 2008
NORTH STREET FIRE STATION, KENNEBUNKPORT**

In Attendance: Maureen King, John Sharood, Pam Richard-Wuerthner, Steve Kingston, Dana Peck, Leo Martin, Jack Reetz, Gayle Spofford, Dan Boothby, Jon Renell, and Leslie Whitney.

Audience: Jim Barnes, Matt Sylvanus, Tom Farrell, and Leia Lowery.

The meeting began at 7:00 p.m.

III. ACCEPTANCE OF MINUTES

LEO MARTIN MOTIONED TO ACCEPT THE MINUTES, SECONDED BY GAYLE SPOFFORD. There was a request by Jack Reetz asked that David should be changed to Matt. Matt said his point at the last meeting was... he could see the benefits of consolidation and he was referring to the committee sending mixed messages, and he also wasn't sure the committee was under the same agreement. It seemed to him, the committee was talking themselves out of consolidation. **VOTED UNANIMOUSLY BY THE COMMITTEE.**

IV. REVIEW AGENDA/AGENDA ADJUSTMENTS

Jack asked about input from Augusta. Dana asked to wait for Maureen King to arrive for this report. John Sharood reported that Maureen had received an email from various parties that had attended the committee meetings in Augusta earlier this week and will report on this when she arrives. There were no objections or adjustments made to the agenda.

V. OLD BUSINESS

A. Workshop sessions for each subcommittee – Dana reported he was shocked, when he read the minutes, that the committee was so fractionalized last week. After seeing the news this evening with DHS and the Department of Correction under the gun, his personal opinion is to continue on the consolidation track. He does not think it will go away and thinks something will come down from Augusta because the budget looks worse and worse. Dana thinks the committee should show due diligence and do what is necessary without spending unnecessary resources from the communities. He would like the committee to do the things they can do, and those things that take an inordinate amount of time will need to be left incomplete. The budget piece will probably be incomplete because there is not enough information from the state. Dana pointed out that the collaboration effort is also a great effort and the committee should also continue with this.

Gayle thought the beginning of last weeks meetings sounded fractured but by the time the committee broke up into subcommittee's they were not. They asked the Finance Subcommittee to continue to pursue the financial obligations, as best they could, for the new school district. Gayle pointed out that collaboration was the only way the committee could think of, given the confusion from state, to find specific hands on tasks they could do with or without consolidation to save the towns money. She also thought then the committee could approach consolidation in the correct order, which would be first to find ways they could collaborate to save money, and then to consolidate. Gayle also pointed out that the committee wants to eventually save on consolidation items, they don't currently have, such as title searches, changing documents, changing wording on leases, and software leasing. These items need to be saved until the last minute because the committee doesn't know how much money they will need to take out of education to put into consolidation. Gayle thought the committee became less fractured when Matt and Leia explained the perception of the public. Dana agreed the things that cost money can't be afforded right now.

Jon Renell had some questions on new legislation considering unionization because this could change the RSU's plan. Jon is concerned that the committee will work on the plan and then the legislature will come up with a new law. He thought the committee should concentrate on things they could concentrate on such as finance and collaboration.

Gayle wanted the public to be aware, that the Bath school system and others in that area, recently made a big splash in the papers supporting consolidation. These communities have been working on consolidation for a minimum of three years, and where never under the gun and where never required to do this. They did what worked for them, and Gayle wanted the public to keep in mind it took a long time for them to consolidate and we don't have the luxury of that time.

Leia asked for an explanation of the school union concept vs. consolidation. John Sharood explained that a school union consists of several towns that get together to share a superintendent, central office, high school and sometimes a middle school. They run their elementary schools separately with a local board in each town. This is done in mid-coast and northern Maine, and is not common in

southern Maine. In fact, it is outlawed in the RSU legislation. The current legislation, LD1932, has been amended to permit a form of union organization that would give more autonomy to local towns that want to maintain their own elementary school. The governor is opposed to unionization and John is not sure what will happen with it. He thinks it is unlikely it will pass as an option because the governor, the Department of Education, the senate president, and the house speaker are set against. John explained the committee needs to look at the current legislation that gives us Accountability Committee's, which has been discussed by the committee and incorporated into the RSU57 Plan. This type of committee gives parents a medium to have input into the schools and the RSU Board. They will not be involved in the actual budget process, but their advice and guidance to the RSU Board on the preparation of the budget will be solicited.

V. OLD BUSINESS

Dana suggested deciding on the next committee dates and timelines (combining A. and E on the agenda) at the end of the meeting.

A. The committee went into workshop subcommittees.

B. the committee reconvened to full group session for subcommittee reports – the composition, powers and duties of any local school committee to be created. Done

The disposition of real and personal school property. Dana Peck will take this one. He has looked at what it means to Arundel turning over property to the new RSU. The Arundel selectmen have questions about this process, which include facility usage, voting, recreation, and how to access the facilities. Dana would like to work from the same template and accommodate both towns. Another point Dana made, if the RSU disbands, Arundel would like their school back. John Sharood said this was already written in the law. Arundel is still working on the real property issues.

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 - Done

The assignment of school personnel contracts, school collective bargaining agreements and other school contractual obligations – Gayle Spofford reported there is a very large gap in the elementary level pay scale between MSAD71 and Arundel. The subcommittee will make the recommendation...because of the huge undertaking for the new RSU Board and taxpayers in a single year; they will ask to phase in the contracts by having short-term interim contracts. The subcommittee will suggest that a professional negotiator be hired to help, and to also invite volunteers who have human resources, negotiation and/or a financial background to help spread the workload. If this process is spread over a couple of years, it will be easier for the communities to accept the increase in costs and for the union to become comfortable with the contracts. The goal is to get to the place where everyone has a three year contract.

The disposition of existing school funds and existing financial obligations, including undesignated fun balances, trust funds, reserve funds and other funds appropriated for school purposes. This will take more work.

A transition plan that addresses the development of a budget for the first school year of the reorganized unit and interim personnel policies – This will take more work.

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. This will take more work.

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

Plans to reorganize administration, transportation, building and maintenance and special education. This will take more work.

Cost Sharing in Regional School Units – This will take more work.

Election of initial board of directors – Done

Tuition Contracts and School Choice – This is done with the exception, at this committee's request, that the Arundel Superintendent retained an attorney for interpretation of the Thornton Academy Middle School Contract. Jon Renell reported that

Harry Pringle, Drummond/Woodsum, said the contract was written for "all" to mean "all". Traditionally contracts that Mr. Pringle writes do not give a specific number because even though the town is obligated to send "all" their students, some may choose private school at their own expense.

Claims and Insurance – Still awaiting Arundel's data.

Finance Subcommittee Report - John Sharood and Jack Reetz put together a spreadsheet which combines the expense data of the two communities. This spreadsheet will tell what the total expenses will be for the combined RSU. What the subcommittee can't do is tell what the state aid number will be because the state hasn't decided what to do for a mil rate number. The valuation number is known, but no one knows how much of the education budget will be charged to the local taxpayers and how much will be absorbed at the state level. Until this question is answered, the committee can't answer the assessment question between the towns because that formula is keyed off the total from the minimum state aid. All they do know is the expense budget. The state aid number will not be known until after the vote and three months before the beginning of the first fiscal year of the new RSU. The number will be could not be given until April, and the school budget begins the first of July. Lynn Cote asked for the best, the worse, and the most likely scenario. John reported, on the spreadsheet that combines the data, they gave one number for planning purposes only, *7.12 mil*. They didn't say whether the final number will be higher or lower. The subcommittee believes, based on past practice, it will be lower. If the state revenue falls the state may jack the numbers up to put more burden on the local taxpayers. Gayle thought, based on the spreadsheet, a range could be put in so there would be something to take to the voters. Maybe the range could be based on best and worse or history and worse. John pointed out by illustration, if there is as small a change in the mil rate as 7.2 to 7.0 it will shift the state aid just for MSAD71 by \$600,000 and probably \$100,000 at least for Arundel. So, a 2/10th change in the mil rate will have an enormous effect on local assessment in the range of a 25% change in state aid. That is the problem, John explained, they could give a range but it would be so wide it would be meaningless. If the mil rate hit 8, there would be no state aid for MSAD71 and there would still be some for Arundel. Dana thought the last thing we should do is take frivolous numbers to the voters. Dana said, personally, he is not ready to go to the voters in Arundel to ask them to approve a budget that is unknown because the state hasn't done their homework. Lynn said she is a bit confused because we don't think we will have a number before the required vote. John said this was the dilemma the state has created in setting the time table for the vote. We would have the state valuation number and the aid number for the current year coming up, but we would be a year away from knowing what they are recommending for the first RSU year. Lynn asked where the Finance Subcommittee was with the suggestion about the vote. John pointed out the expense budget is the only budget the community and schools can control. The state aid number has never been under the communities or schools control. We can continue to use that whether the RSU is formed or not. The state aid number is whatever the legislature decides they can afford when it comes to the final special session in April and nobody, not even the legislature, will know what that is going to be until a year and a half from now. We can tell voters what we think the expenses will be and what our administration will be managing to that point in time, and practically speaking that is all we have ever been able to tell them. Maureen said this is the best we can do based on the numbers we currently use and hope we get somewhere close. Jack pointed out while we won't know the numbers on the local level; the state aid comes from the taxpayer anyway. The money circulates through the state, they take their cut and then pass some back to us, and ultimately it all comes from the taxpayer. Lynn said the flavor is a bit different with the consolidation than past history. Gayle thought we could still sell the plan to the voters because we can't spend under a certain level and provide quality education. John pointed out that we can't spend under a certain level and still get minimum state aid. John said there is not necessarily going to be a cost penalty for combining the district over a two to three year period. The key is combining teacher contracts over a reasonable amount of time, and there has to be a reasonable phase in to combine contracts. This would give the new administration two or three years to make 12-14 position changes in staffing that would be required to absorb the cost difference between the two contracts. If these positions were eliminated on the day the new RSU was formed, then the decision could be made impulsively and that would have a big negative impact on education of the students. If two school years were allowed this would also give the new administration time to phase in positions or eliminate positions, and find ways to be more efficient in administration, delivery of services, delivery of maintenance and transportation, etc.

Cost Savings through Collaboration Subcommittee – Pam Richard-Wuerthner said the subcommittee came up with 22 areas for cost savings. The administrators have limited resources to tackle all these ideas, so the subcommittee would like to ask the administration to focus on three initiatives, foreign language technology, sharing of utility purchasing, and creating a common calendar. The common calendar would be convenient for professional development and there could be quick cost savings if shared. There is concern that any cost savings before consolidation would not be recognized as part of the RSU savings. The committee does not want to not explore these initiatives because of that but wanted a definitive answer from the state. Maureen could not give a definitive answer but suggested writing into the plan that cost savings before consolidation would actually count. Lynn wondered if we would be looking at an FY budget at some point and it would have to come down by 5%. John said the formula was written to take the 06-07 budget and put in an inflation factor to get us to 08-09 and 09-10. Any savings this year by collaborating will

count in RSU savings. Jon mentioned that busing will be discussed at Arundel's next School Board Meeting. Jon wondered if there would be savings if the communities bid together, since they are already going out to bid. Jim Barnes said he will discuss with Arundel their fuel capacity. MSAD71 goes out to bid for the schools and the towns. Jim reported that a nearby school district has recently gone out to bid now rather than later and received a price of 272 for a 120,000 capacity. MSAD71 usually goes out to bid in May or June, and this could change to a time that is more advantageous. Jim pointed out if we get a 272 price; it is still a 50-60 cent increase from what is budgeted. Maureen pointed out that all depends on capacity and some companies would like to lock in at larger amounts because they get their money sooner. Dana said the town managers are spending time on this issue. Dana will check with the town managers and the schools. Leo said there are entities in Kennebunkport that go out together to bid and are receiving 239 a gallon because they are part of a group. Pam wants the public to be aware that the committee is going to focus on two or three initiatives first to hopefully get positive results, and this will continue to be an evolutionary task with the committee looking for more opportunities to collaborate. The process is not complete yet.

C. Legislative Update – Report on legislative workshops and hearings – Maureen recently received information on LD2173 (supplement appropriations section). There will be a public hearing on LD2173 before the Appropriations Committee on February 5 at 3:00. This coincides with a broadcast, in Sanford, for high school principals and superintendents to look at an overview of high school changes the commissioner is proposing.

The low income adjustment being proposed is from .15 to .10, and the larger cities are losing a lot of money from this. Maureen would like to figure out and make available to Jane how much this change is going to cost.

Maureen did receive a report back from Skip Greenlaw (repeal petition), they are still collecting signatures. Skip had met up with Jeff Herman, Maine Municipal, and their executive board met with the governor last Monday. They were told the reason we are not seeing LD1932 out of revision is because the governor is attaching a fiscal note to it. According to the governor there is a cost in the form of a loss of revenue of 40 million from LD1932. Maureen said she can't figure out how this can be a loss when it has the referendum and some other non-monetary changes we are suppose to do. The governor considers this bill a 20 million loss to the state and 20 million to the citizens and towns. The difficult thing is, once you add a fiscal note to a bill it gets put aside on a special appropriations table in the Senate and can't be voted on before April. Unless 2/3 majority votes in favor of the bill, which is unlikely, we will be looking at the budget validation referendum. Maureen thought the committee should assume that is what is going to happen. She is looking at the financial timeline for MSAD71 and wanted to put Arundel on notice that they will also be looking at a town meeting and then a referendum.

Maureen reported that during the caucus meeting, Senator Mitchell said he is trying to schedule a repeal vote for sometime in March. This is a calculated political move that will allow the legislators that need to vote yes to appease their communities, a chance to repeal.

The town manager in Bucksport recently met with Jim Rier and Bucksport's Superintendent, Judy Lucarelli. Superintendent Lucarelli had calculated the penalty for not consolidating to be \$153,466. However, Jim Rier said this was incorrect, that the actual penalty would be \$413,590 because it would be decided on 3.5 mils on the town state valuation. Maureen could not find anywhere in the law that attached a mil value to the penalties. It appears the DOE is picking their own calculations. John said the law is clear and specific on how penalties are calculated and it doesn't have anything to do with the mil rate.

Maureen said another bit of information she received was the state can't afford 55% so they will be cutting the state subsidy again at some point.

E. Timeline for work to be continued by March 28 for either progress report or full plan to be submitted to DOE – Maureen asked how we wanted to reach something by March 28. The plan will not be complete by March 28, should a progress report be submitted? The committee agreed it would probably be a progress report because the March 28 timeline is too short a time to finish the plan. Jon pointed out the committee would not be meeting for a month because they are awaiting information from the state, who is pushing the timeline.

LEO MARTIN MADE A MOTION TO ADJOURN AT 9:00 P.M., SECONDED BY JON RENELL AND VOTED UNANIMOUSLY BY THE COMMITTEE.

**RSU PLANNING COMMITTEE MEETING MINUTES
WEDNESDAY, FEBRUARY 27, 2008
NORTH STREET FIRE STATION, KENNEBUNKPORT**

In Attendance: Maureen King, Pam Richard-Wuerthner, Dana Peck, Leo Martin, Jack Reetz, Gayle Spofford, Jon Renell, Joel Downs, and Stuart Barwise.

Audience: Matt Sylvanus and Alton Hadley.

The meeting began at 7:00 p.m.

III. ACCEPTANCE OF MINUTES

LEO MARTIN MADE THE MOTION TO ACCEPT THE MINUTES OF JANUARY 30, 2003, SECONDED BY GAYLE SPOFFORD, AND VOTED UNANIMOUSLY BY THE COMMITTEE, WITH ONE ABSTENTION BY JOEL DOWNS WHO WAS ABSENT.

IV. REVIEW AGENDA/AGENDA ADJUSTMENTS

NONE AT THIS TIME

V. OLD BUSINESS

A and B. Legislative Update – Report on Legislative Workshops and Hearings and Update on Financial Information Coming Out of DOE/Augusta— Maureen King reported on the latest happenings or non-happenings with the legislature. LD1932 was acted upon by the Senate and sent to the House with the Damon amendment added to it, which is the union clause. Many districts up north and some in the south think this clause would be a better match than consolidation, but it does not like the Damon amendment will pass. There are those opposed to it because they think the only thing that can be done is repeal. Some are opposed to it because they don't like the union concept, and some oppose it on principle. Maureen reported there is not a whole lot of news coming from the legislature because they haven't accomplished anything yet. We will be using the budget validation referendum process this year because it did not pass with a 2/3 majority vote. There is a Drummond/Woodsum School Reorganization Update Meeting in March, Dana Peck, Maureen King, Jim Barnes and Jack Reetz plan to attend.

Gayle Spofford wanted to clarify what the union clause mean. It is a form of organization and does not refer to contract union employees in a district. A union form of management is more like collaboration than consolidation, except for administration. A union does not transfer property and allows elementary schools to run their own show within the parameters established by the new board of the district. The union concept would allow more autonomy in the elementary schools, and would look more like collaboration except at the administration level where an administrator would be shared and govern an entire district. Dana asked if the sentiment around Augusta is the Damon Amendment will be vetoed. Maureen said the representatives won't come out and say they will veto it because they want to see what is attached to it. They are taking a wait and see attitude.

Gayle pointed out under LD1932, the budget validation, means that MSAD71 and Arundel would have different voting parameters between the town meeting and the referendum. MSAD71 would have three days between the town meeting and the vote, which would mean no absentee voting, and Arundel and other non SAD's would have 10 days between the town meeting and their vote.

Dana paid a visit the York County Superintendent's Meeting this week, and the general consensus between the superintendent's and Dick Spencer, Drummond Woodsum, was that no one is clear as to where this is going.

Superintendent Hadley, Arundel, pointed out that the Damon amendment would allow local schools to operate on their own basis. It would not take away the local school committee, and it would allow each local school committee to have all the authority to raise money, spend money, hire principals, and everything else, so, what is the RSU going to do? This is truly what a Union is today, strictly a contractual agreement between two communities to share a superintendent and financial offices. Mr. Hadley thought the governor would probably veto the Damon amendment because it defeats the purpose of his consolidation plan. In Arundel, the selectman could vote to have a referendum rather than a town meeting. In MSAD71 it would still remain three days between the town meeting and the referendum.

Maureen thought the troops should be rallied in Kennebunk/Kennebunkport because we use referendum voting and absentee voting. Maureen said we are doing serious damage not letting people vote absentee. Mr. Hadley said that Hannah Pingree, majority leader, said they can't get a 2/3rds vote to get emergency legislation to change this. Leo Martin pointed out that the Union concept has a lot of hidden things to consider. This concept is not good for children; they will not have a common curriculum going into middle school and high school. The superintendent, while having a reduced administrative staff, will be spending time creating agenda's, following up on meetings, and going from town to town. They will have no time to do anything as an educational leader. Selectman will be in charge of the budget and not the school committee's. Right now, the SAD is a separate body politically and has control of the budget. Leo said becoming a Union would be a terrible step backwards and will hurt education. Mr. Alton agreed that this would be a step in the wrong direction to go back to a Union format, it just doesn't fit.

Gayle reported on a meeting she attended regarding the new education process created by the Commissioner of Education. This new process is almost contradictory to what we are doing now. There were two sections presented: Article 127 and Article 125. Article 125 states that the commissioner would establish a common set of curriculum guidelines for high school graduation. Along with that, each district would be required to have an IEP for each student grade k-8. This will cause problems with students in Arundel going to another town's middle school, while the RSU is still be responsible for making sure the student's IEP is followed. This would also be an added expense. The meeting Gayle attended was a video presentation only. There was no opportunity to ask questions. They asked for feedback on issues that the participants did not have time to process. Maureen said the MSBA was not impressed by the additional layer of work that this proposal would add on top of the consolidation layer. Gayle said the commissioner would be approving the syllabus for graduation and it would be a lot more work because all this would have to be presented to the state. She said the timeline is on the fast track, two years. Gayle pointed out there still is no outline for consolidation and now the commissioner wants to introduce another plan! They also want to introduce foreign language at the high school level and research shows this is the wrong time to introduce foreign language. Gayle said according to the new graduation plan, a student will need proficiency in a world language by 2012, yet the language hasn't been established yet. The state also admits there will be a problem finding foreign language instructors. In addition, students will need a wellness portfolio. Gayle stated the program sounds very similar to the IB Program because one element includes social studies having a public service piece. Furthermore, the students will also be expected to do more with portfolio work and accuplacer (to identify skill level) testing. Student growth will be tracked year to year using AYP and the NCLB model. Maureen said, at the MSBA meeting, the commissioner said this new process was going through whether we liked it or not. The commissioner told the board she had to make these changes because she is combining high school's because of the consolidation process and can't do this without a state-wide model. Maureen thought each district should be able to figure out how their high school will mesh with another district without the state's help. Since we only have one high school, and are on another track with IB, this new graduation requirement will be a ton of work. The commissioner said that everyone had to do it. Gayle said the state is going to put high importance on MEA's, and math will be tested on a web-based adaptive model. Dana pointed out that Maine is one of six states using this adaptive program; he wondered if this model was being tested anywhere and has it been proved viable? Gayle said there where no tests done, and it appears we are the beta test sight for this program. She suggested that the Finance Committee decide what it will cost to consolidate and what it will cost not to consolidate. Gayle mentioned that the federal government is planning to flat fund education in the next year. Also, the State of Maine had reported a short-fall of 55 million and now it appears it is 200 million.

Gayle reported that the MSAD71 budget shows a 2.7% increase at this time but with the lost state funding the actual figure is a 9% increase to the taxpayers of Kennebunk. Of the 1.6 million dollars that have to be raised by taxpayers, all of it is because of a loss of state money. The town of Kennebunk has tried to keep their spending down and there is still an increase in taxes on a lost less money coming in. Dana pointed out that the goal is to do what is in the best interest of the communities. He would like to see it sifted down to what it will cost for each option. Dana also mentioned the overage in town budgets for snow removal and road maintenance; he wondered where this money would come from. He said there seems to be a lot of opportunities to spend money, and it might be time to "throw the tea in the harbor."

C. Collaboration Discussion Update by Administrators -- The collaboration team has been working together to come up with ideas on sharing resources. Dr. Farrell reported that Food Service, Ellen Demmons; Special Ed, Susan Mulsow, and Facilities/Grounds/Maintenance, Tom Maines, have contacted their counterparts. They have talked about areas where they might be able to collaborate and have begun to learn how each school system runs things. At some point, these discussions will benefit both school systems.

Jon Renell reported he received a phone call from Senator Nancy Sullivan in regards to the consolidation plan submission timeline, she suggested not moving forward too fast and to wait and see what is going on with the legislature. Maureen recommended the committee submit an updated progress report with the collaboration pieces added and whatever else the

committee is working on. Jon had reported to Senator Sullivan that the committee will submit a report that shows we are doing due diligence, she thought this was a good idea. Jon mentioned that the Arundel library is another thing to add to the collaboration list.

Jack Reetz pointed out that one amendment included an adjustment for a year out to 09-10. He was not sure where this stood in the legislature at this time. Maureen was not sure either. Maureen thought the committee should not rush and to keep doing what they were doing. She did not see any time adjustment happening. She will continue to work on the progress report.

E. Workshop Sessions for each Subcommittee – The group did not go into workshop sessions because there was nothing new to discuss. The collaboration effort is already being set-up and they are doing as much as they can, but with everyone in budget season this progress will have to slow down. They will be able to spend more time after budget season. Dana reported that Arundel has put together their documents for transfer of property, if that ever becomes necessary. Arundel also plans to utilize the MSAD71 Use of Facilities Policy. They have not required an extensive policy in the past but may in the future. Gayle wondered if the Arundel and MSAD71 had shared policy books. Maureen said they had not beyond the facility use policy.

Jack said the Finance Sub-committee is not far along in the budget process. John Sharood said MSAD71 has just begun their budget process and are still awaiting the ED231 to show up from the state. He reported that MSAD71 is only \$400,000 from being a minimum receiver school. The budget that MSAD71 administrators are putting together doesn't show a tax increase, and will come in flat. Regrettably, because of the state tax law changes, Kennebunk will still be heavily taxed. Jack asked John to repeat this so the viewing audience could hear and understand what he was saying. John said that Kennebunk/Kennebunkport have come up with an estimate of the towns assessments, assuming the statements the state legislature have made are true, which say the mil rate is 6.66 and the EPS changes are being held to the 97% of the 100%. Which is in violation of what the governor and the legislature promised last year. This also assumes that the inflation rate the state uses for the overall EPS cost increase is the same they used in the past two year, and this is roughly 3 ½%. If these assumptions are in the ballpark, and with the MSAD71 administrators given a guideline of 2.7%-2.9% spending increase, then the local revenue increases from MSAD71 carry over from the prior year, tuitions, and other local revenue sources, which have increased local revenue, will cover the entire budgetary spending increase that the administration has proposed. This would lead to no change in the tax assessment for either town in the absence of the state changes in tax laws. The problem that Kennebunk faces is this is the final year of implementation of LD499. It is going to cost Kennebunk \$600,000 and the change in assumed state aid is going to cost Kennebunk 1.1 million dollars in state aid. The 1.7 million dollar increase that is caused by those two things together will cost Kennebunk a 9.9% increase in tax assessment. Kennebunkport under the same scenario will have a 2% tax decrease because of the \$600,000 final shift between the two towns. John reminded everyone that Kennebunk and Kennebunkport agreed to a four year phase in on the impact of LD499. The \$600,000 is the final piece of the ramp-up. Kennebunk's increase is a direct result of what the legislature approved in Augusta. Maureen pointed out that the legislators do not appear to have a clue about the impact of these shifts, and when they were told of the impact, they didn't believe it was right, and we know they are right because we are working the numbers. Jack asked if our legislatures could be invited to an RSU Committee Meeting. Gayle said education is the largest piece of the state budget and how can they not listen to us. Jack wondered if we could cut a CD of what John Sharood just reported and send it to our legislators. John said it would be a broken record because he has been trying to explain this for two years. He said we have met with Mr. Babbidge, Mrs. Sullivan, and Mr. Cassavant and what is said doesn't seem to make a difference, they just shrug their shoulders. John wondered where all the state aid is going? Jack said it is going to subsidize other communities in the state. Maureen reported that state aid is going to other places in the state that need more because they are losing valuation and enrollment. She thought this was all well and good, but what about savings our taxpayers money. Dana recommended as part of due diligence, to tell our legislators again what is going on, they need to hear us! John said money is being taken away from southern Maine and is going to the northern and western parts of the state. He said he sympathy for those parts of the state, but he has been elected to represent Kennebunk and is tired of Kennebunk being stomped on by Augusta. He explained, everyone has sympathy for others but Kennebunk has retirees that will not be able to meet their tax bill, and that is not alright. He wondered why Mr. Babbidge, Mrs. Sullivan and Mr. Cassavant are not doing something about our taxpayers' problems. John said he gives credit to Senator Martin and the northern legislators that work as a team to protect the northern taxpayers. He wondered why southern Maine legislators did not get together as a block to do something for us as Mr. Martin did for the north. Gayle said she brought this up in Sanford, and explained how the northern part of the state collectively gets things done by sticking together, while the southern part of the state doesn't work well together. We need to learn to do this, and need leadership

from our legislators and this has not happened. Leo said this is the first time the state legislature didn't at least flat fund for general purpose aid. The last time was during the 1993 recession, when the legislature did flat fund so no one would get hurt. Anytime there has been a change in the state funding law, there has been a ramp-up such as the one with Kennebunk/Kennebunkport, thought not state driven.

Gayle mentioned she had recently looked at salary comparisons for the northern and southern part of the state. She only looked at the semi-professional and professional salaries. She noticed that many northern salaries were more for the same job that is being done in the southern part of the state. She thought it might be a "pay more to keep them there" type of arrangement. She assumed other non-professional salaries were probably lower. Gayle exclaimed that southern Maine has a larger population and generates more income to the state, yet we are the ones suffering because we have to give more of our money away. She thought giving some money away to help our neighbors was fine, but not at the risk of our families suffering with no control over the spending. Leo pointed out that southern Maine is the economic energy for the State of Maine. Leo explained, a number of years ago Senator Martin introduced a bill that didn't go anywhere; it was to have one superintendent in Aroostook County. Leo now wishes they stuck with that idea instead of what we are going through now. A few years ago, Representative Joy from Crystal, Maine, wanted northern Maine to secede. At the time, Senator Martin said they would have to get foreign aid from southern Maine. Leo thought, even with due diligence, the committee won't be able to get anything done until the legislature gets their act together. Gayle pointed out that the focus needs to be on the schools because they are going through the budget process. There can still be discussions on collaboration and consolidation ideas. Dana thought the committee owed it to the community and to due diligence to formalize the report before March 28. Maureen said the committee can share information, via email, and if something critical comes up a meeting can be called. A meeting will be scheduled on a Saturday, in March, so the legislators can attend, and it will be televised.

John asked Maureen when the committee can expect decisions on bills that are before the legislators now. Maureen said she has no expectations at this time. The Ed Committee has been working on bills all week and Maureen doesn't see any coming to fruition any time soon. John pointed out that decisions could be dragged out by the legislators until April. He thought no further responses to the DOE should be made until the legislators make some decisions. Leo agreed, and pointed out the legislature use to work up to the last two or three nights and then rush something through. He thinks that is where consolidation came from, a rushed meeting. Gayle thought there should be a meeting at the end of March so the committee could define what they have in writing for the 28th. John suggested if the legislature hasn't acted at that point, to just send a letter saying the committee will submit their next update when they see what the legislature will enact. Leo thought if they got a few letters like that, maybe they would begin to understand. Maureen mentioned there were districts pulling out of the consolidation process such as Waterville. Leo said that area was almost done with consolidation, voluntarily, and with the new consolidation law and cost sharing their process was blown apart.

Jon mentioned that Senator Sullivan said there are two versions of 1932 and she feels this will level out the funding. John has reviewed both and is not sure what she is talking about. They don't change any funding from the state, which means the towns have to duke it out for themselves by trading money back and forth between themselves and only in the over EPS category. Leo said the whole idea in Augusta has been many years of jealousy because education and human services get the majority of the state budget. What they have tried to do is what is being done this year by taking the money away from education and human services.

Jon said the general public will not be happy when they get wind of what it will cost them for no improvement in education, they will be paying tax dollars for nothing in return. Leo said the public needs to understand that the state is shifting costs to the locals. John finds it appalling that the district worked hard to try and not have a tax increase for the communities, and now it is completely destroyed by further changes in the tax law. The state has an almost double digit increase, while the district is coming in with a zero change on spending. John wonders where all this state aid is going? If all of southern Maine is getting hit, where is the money going and why? Gayle is unhappy the state is passing the expenses to the local taxpayers, while taking away their ability to decide their children's educational futures.

John said the community hears this is over EPS, and that is over EPS. He would like to explain what this means so the local taxpayers understand. When our schools are over EPS it's because the state does not fund, all sports, foreign language teachers, music, reading recovery, gifted and talented and the arts, these areas have to be picked up by the local taxpayer, and that makes us over EPS.

Dana asked how we can get involved in feedback regarding the graduation requirements. Mr. Hadley said all that is available is to look at the 25/127 and attend the scheduled forums. He is concerned because these new requirements are unfunded

mandates at the state and federal level. The state tells districts to consolidate to reduce costs, and at the same time, they tell you to develop new programs, hire more teachers and spend more money. Arundel had asked for a list, from the Commissioner of Education, of unfunded mandates. Arundel then found out she has, by law, until December 2008 to make this report. Arundel thought it was available by January 2008. So, Dana thought the only way to get involved would be to attend the public hearings and hope they hear us. Mr. Hadley said, about two years ago, the commissioner had a plan in place for putting education in the schools for ages 3-20. She had to back off this because early education programs in the state already do this, and the superintendent's and childhood development people were very upset about this.

Mr. Hadley reported he has been meeting with Mr. Maines to discuss sharing transportation. He found out, if Arundel contracts out their transportation with Kennebunk, this will be seen as revenue by the state and they will reduce both towns subsidy. It looks like collaboration may end up a larger expense because of the state. John pointed out if a school district contracted transportation to the outside, they would not lose any money. If they contract with another school district they lose money because the state takes it away in subsidy. This happened before when Mr. Maines sold a few school buses, and worked hard to get top dollar for the district, and then the revenue from this sale did not come back to the district it was taken away by the state.

Maureen said she will try to setup a meeting, on a Saturday, with our legislators in a local location.

The meeting adjourned at 9:00 p.m.

RSU 57 Planning Committee Minutes
Sunday, March 16, 2008
4 PM @ Kennebunkport North St. Fire Station

In Attendance: Dana Peck, Jon Rennell, Pamela Richard-Wuerthner, Joel Downs, Gayle Spofford, Leslie Whitney, Dan Boothby, Leo Martin, Stuart Barwise, Maureen King. Also: Jim Barnes, Tom Farrell and Kennebunk Selectman: Al Searles and Bob Higgins.

Guests: Senator Sullivan, Representative Babbidge, Representative Casavant, and Representative Connor.

- I. **Call to Order**
- II. **Introduction of Committee Members and Guests**
- III. **Acceptance of Minutes of Feb. 28 meeting—GAYLE SPOFFORD MADE THE MOTION TO ACCEPT THE MINUTES, SECONDED BY PAM RICHARD-WUERTHNER, AND VOTED UNANIMOUSLY BY THE COMMITTEE.**
- IV. **Review Agenda/ Agenda Adjustments – NONE AT THIS TIME**
- V. **Old Business**

A. Brief legislative update from Senator Sullivan and Representatives Babbidge, Casavant, and Connor –
Questions were sent to the Senator and the representatives, from the RSU Committee, before this meeting. Senator Sullivan reported that LD1932 was voted on and the RSU Committee emails asking for the law to be repealed was not an option for her. The entire 13 member Education Committee came out with two options that looked the same except for the Super Union piece, which is the Heritage Foundation (Republican Think Tan) piece. The Union piece would allow K-6 schools, basically Mt. Dessert and other systems like Mt. Dessert, to run their own schools with a Super New School Board that would run the middle school and high school. These were the only differences in the two options presented to the house. When it came to the Senate, there were additions added and items were kept from being added. The Senate voted for the Damon Amendment (Mt. Dessert), they voted down Senator Gooley's amendment, and voted for Senator Ray's (Washington County) amendment. The law is now on the Senate calendar. The reason the law is on the calendar is because after four or five Senate votes they kept coming up with 17-17 vote and this happened no matter how the question was asked. The motion has been tabled for the time being. At this time, there has not been a lot of discussion on consolidation because the Senate has been flooded with people concerned about the budget. Senator Sullivan does know there is a conversation going on about a divorce clause in the law. This clause would mean if an RSU Committee submits a consolidation plan by the March 28 deadline, and the law changes after that date, then the committee can start over or change partners. The commissioner of education is going to meet with the York County representatives Tuesday; Senator Sullivan should have an update after that meeting. Senator Sullivan also mentioned that the ED281, which was sent out Monday, was incorrect. The commissioner has come up with a new number but the Senator doesn't know what that is yet. Senator Sullivan said she is in the same board regarding consolidation as the RSU Committee, but she has four other major concerns including the budget and Dirigo Health. Regarding the budget referendum issue, Senator Sullivan has spoken with the town clerks about their concerns. The process in both LD1932 proposals states a town can vote in November and as late as January 2009. Maureen King pointed out that vote was to consolidate not the budget referendum. She said the budget referendum would hit the communities this spring. Senator Sullivan said the Democrats won't vote on the law if there is budget referendum voting this year, and the Republicans won't vote on the law unless there is a budget referendum this year. Senator Sullivan has no idea where this stands because she is not on the Education Committee. This is what she heard in her caucus.

Representative Christopher Babbidge - Representative Babbidge reported that 15 months ago he had not idea this would transpire, not even the Education Committee knew about it. The commissioner of education, in November 2006, was instructed to come up with a consolidation plan. During the next four-five weeks, she looked at several states and came up with a plan. The first Rep. Babbidge heard of it was at the governor's inauguration. Rep. Babbidge said, when he first heard of the consolidation idea, he thought Arundel and MSAD71 made sense. What he wasn't expecting was to include Saco, Biddeford, OOB, etc., as was in the initial consolidation proposal. The governor put the consolidation into the budget. The legislature never had a single vote on consolidation because it was part of the 6.3 billion, two year budget. What the legislature did do was alter the proposal from 26 districts to 80 and delayed consolidation for a year. The crux of this is, consolidation was deferred to this year. LD1932 was the "fix it" budget. When the consolidation plan hit the floor, amendments were proposed and the look of the plan changed. Those who were strict on the consolidation plan (pro-consolidation), feared the introduction of the Damon Amendment (Union concept) would erode the original intent of consolidation. Some who were pro-consolidation were unhappy with the amendment, and others that opposed consolidation were happy with the amendment. Some pro-consolidation people thought they needed the Damon Amendment so

the consolidation plan would become politically acceptable. A Conference Committee was then formed to get the republicans on board. This committee did not keep the one year budget referendum delay, to get the republicans on board, and the budget referendum vote will happen this June. There is an Appropriations Committee Meeting today, and they will continue to talk about education as part of the budget. They did approve the 34 million figure.

Representative Alan Casavant discussed his perspectives on what is happening in Augusta, being a rookie last session, he tended to give the Department of Education the benefit of a doubt in a lot of things. He stated, he should have known better being a teacher. Fundamentally, consolidation has to happen because the economics of the state can't continue to fund as it has. The state has to find ways to economize and streamline saving money, but how they came up with this consolidation plan is beyond Rep. Casavant. Maureen King, when the plan was to be voted on in June, pleaded with Rep. Casavant not to vote for it. In the back of his mind, he thought this is a money issue and that is the reality. Since the budget was passed last June and up until now, he has become more radicalized on what is happening in Augusta. He sees a department that concocted a plan that is inherently flawed; the foundation is flawed. The amendments are fixes for individual communities and this is not going to work in the long run. Rep. Casavant spoke with a woman that worked on consolidation in Michigan. She talked about how she did it, and that it has been 15 years and it is still working. When he compared the Michigan plan to the Department of Education's plan, he realized that one size does not fit all and that is the way the DOE is trying to do it. Rep. Casavant pointed out that he did contact the leadership in Augusta and shared the Michigan information with them. Last week when the legislature had to vote on LD1932 or the Damon Amendment, Rep Casavant said, on the floor, he wasn't going any further. He said it was time to realistically look at changing the system. He thinks everybody is still moving in the consolidation direction, he isn't sure why and is pessimistic about it working.

Representative Connor - explained that there are discrepancies in the level of education throughout the state. He thinks there is an element in consolidation that says uniformity is not a bad thing. He pointed out there is money available because enrollment is going down and dollars are going up. He is aware that costs are going up as well, but something has to be done because the path the state is on now is not working. Rep. Connor said he was a democrat and fiscally moderate, if you can spend less with a good outcome, go for it. The Appropriations Committee has approved a 3.4 million dollar cut from GPA and he hasn't heard about any changes yet. He is serving on the Health and Human Services Committee and reported that the public hearings have had a whole host of groups that are not happy with the proposed cuts. Rep. Connor has heard the complaints and some are valid. He has also heard from people saying there haven't been enough cuts at the state level and this is being looked at and examined. In fact, Rep. Connor and Rep. Babbidge, last year, co-sponsored a bill to decrease the size of the legislature, but it didn't happen. Rep. Connor reported he receives emails from constituents saying we watch what you are doing, and he also receives emails from constituents, such as Ed Geoghan, saying cut more, close schools, etc. He has to recognize them too. Rep. Connor said he is in Augusta to try to do what is right.

Senator Sullivan thought the easy part of consolidation would be administration. The reality is, the consolidation process began a long time again with PSAP (Public Safety Answering Point). This process has taken five or six years and it still isn't settled. Another item Senator Sullivan thought should have picked up on was the State School Board plan for consolidation. There plan was to consolidate into 65 districts. When the governor dropped his bomb-shell of 26 districts, Senator Sullivan wasn't worried because she thought it would end up at 65 as the State School Board had planned. The governor came up with his own plan and had already booked savings into the budget. The state has to have a balanced budget and can't run a deficit, like the federal government, and there lies the problem. The state can't continue to fund the way they have been. Every department has been asked to cut. Senator Sullivan said we can't keep taxing property taxpayers as has been done in the past, the state have to come up with savings.

Maureen King said the state has shifted the cost of education to the local taxpayers to the tune of 120 million dollars. Ms. King pointed out that Senator Sullivan was saying the state wanted to help the property taxpayers but with this huge shifting onto the local taxpayers, by the state, how will the RSU Committee explain to their taxpayers that consolidation is savings money. Arundel and Kennebunk are going to take a huge tax hit. How do we explain that?

Representative Connor said that budget validation is the piece. When LD1 was passed a few years ago the state was frustrated when many communities received dollars back and did not use the money for property tax relief. Rep. Connor thinks uniformity in how budgets are designed is another issue. He pointed out that the districts need to bring their budget to the voters and ask them if they like the budget or not. Ms. King pointed out that MSAD71 already has a referendum vote. Rep. Connor said many communities do not.

Gayle Spofford thought it would be better if the state modeled after MSAD71, which already has a referendum vote that was insisted on by the voters of the two communities. Kennebunk/Kennebunkport has several public meetings and every budget meeting is televised and open to the public, and everyone is allowed to speak; then there is a referendum. If a question on the warrant is not voted up or down, then it doesn't give the Board any needed information. The warrant articles, prescribed by the state, are broken

down to provide the communities with as much information as possible, for example, administration has been a close vote and once the budget was voted down based on that one area. Ms. Spofford joined the MSAD71 School Board because she saw administration do something about that, they made adjustments so the community was happier with the budget. At this point, with the new budget validation, MSAD71 has to have a town meeting platform and then three days later a referendum vote. She has no problem with that except it will disenfranchise her and other absentee voters. Is this constitutional? There is only a three day window to vote for absentee voters, which are about 10-20% of voters in Kennebunk and Kennebunkport.

Representative Connor said that LD1932 was initially the fix. There are other bills that need to come out of the budget that are other fixes.

Representative Babbidge said one thing the RSU Committee, and Gayle Spofford, communicated was the flaw in the budget validation process. Rep. Babbidge has addressed this with the legislature and told them to look at it before it goes to the floor. LD1932 is the initial bill and is still being processed. The legislature will probably vote on it in the next week or two. There are two other bills that will incorporate into LD1932, which are all the suggestions from the various legislators. One of the bills, 3490 or 3491 (bucket bills) haven't been presented as bills and it will be awhile before they can have hearings. Rep. Babbidge did notice, in one of the bills, the budget validation days will be increased from 10 to 14 days. What Rep. Babbidge understood, there was concern with extending the timeline too far on the other side, especially if a budget was to fail and it's the beginning of a fiscal year.

Gayle Spofford asked how we explain to our armed forces overseas that they can't vote. Senator Sullivan explained, in the Senate, you can't declare something unconstitutional unless it becomes law, then you can challenge the law. The Senate can ask for an opinion. The Senate, in this case, was more concerned with the armed services than the community voters. There has been discussion about faxing votes to the town clerks.

Maureen King pointed out the way the law stands now, because we are an SAD, we have to have a town meeting and a referendum vote three days later. Can we challenge this? Senator Sullivan said this will change to 10 days. Ms. King stated the current law says three days so we will have to work with that law until the new law passes.

Lesley Whitney asked about where are the savings? She wondered why this question was not answered. Rep. Babbidge said what puzzled him, and he is not apologist for the governor, is the State of Maine voted to increase funding to 55% (this is a state average some communities get more, some get less), the state was funding between 42-43% and budgets were expenditure driven. Mr. Babbidge thinks the governor is trying to get a handle on state taxes by restricting the pie. The governor has transferred the budget from expenditure driven to per pupil driven and this is finite. Jim Rier has said over four years the added state funding will be 8 million. Ms. King pointed out that MSAD71 is not going to see that because they have already lost 11%. Out of 16 districts in southern Maine, 13 have lost a lot of money. Rep. Babbidge notes because of budget validation and what has been done to special education, MSAD71 has not benefited in the last couple of years. But, he pointed out, before consolidation our state share was 2.8 million, the first year of the plan was 3.9 million, and we went above this. The ED281 figure, sent out a couple of weeks ago, showed we would get \$800,000 less. The latest corrected figures from the ED281 were \$445,593 less, which cuts MSAD71 back to 3.9% and not 2.8%. Ms. King said the issue is the shift to per pupil which shifts everything to Kennebunk. Even though she is a Kennebunkport resident, she finds it hard to imagine that Kennebunk will have a 9.5% tax increase strictly due to the state moving things around. How do you explain this to the taxpayers!

Gayle Spofford would like to see administrative costs cut at the state level as well. Rep. Connor asked Ms. Spofford to tell him who to cut and why, at the state level. Ms. Spofford responded that is not the way to do it, the MSAD71 School Board doesn't tell the administrators who to cut, that is left to the people that know. The state should not say we should consolidate administration and not do it themselves. They know where they can cut. Ms. Spofford expressed concern that we are asking citizens to take on a huge shift in debt, and some are on very restricted budgets. Because of this, they may have to vote down a school budget they believe in. Senator Sullivan said it has been suggested that Natural Resources, Marine, Agriculture, and Fish and Wildlife combine services. This would mean they would cut two to four commissioners. A commissioner position will not be filled in Insurance and Finance, and about 90 people have been cut from labor. She also pointed out that unemployment does not come out of the state coffers, it is federally funded. Dana Peck would like to see cuts in administration at the state college level.

Leo Martin stated that the consolidation plan is ill conceived. The Education Committee, which knows a little about education, tried to conceive a plan. When that didn't happen, the Appropriations Committee took over and they know nothing about education, and they were charged to come up with 37 million dollars in savings. Mr. Martin pointed out that consolidation is not an intelligent plan. This type of plan should have been phased in over a three to five year period. He realizes the issues that northern Maines have, but southern Maine is the economic engine for Maine and doesn't have the same problems as northern Maine. There is a lot you can

do in southern Maine by collaborating, not consolidating. The current School Board, over the last three years, has done collaboration with other towns. Recently, MSAD71 has done a great deal of work with Arundel, and a lot of wonderful things can happen with Wells/Ogunquit, MSAD71, and Arundel. A list of 30-40 collaboration items has been developed, and Mr. Martin would like to see our representatives grab someone in Augusta and come up with a plan that will help our communities. Senator Sullivan said she did not disagree.

Maureen King asked additional questions. She pointed out that MSAD71 discovered through the collaboration process that they were being penalized because every dollar that was taken from another community, in order to collaborate and save money, came right out of our GPA. Ms. King exclaimed that our taxpayers are being penalized for collaborating and trying to save money. None of the communities have a problem collaborating, they have a problem being penalized for collaborating. This is an issue that she would like the representatives and Senator to address. Senator Sullivan wondered if this was in LD1932 as a fix, or one of the bucket bills. Ms. King said she had not found this anywhere in her readings. Senator Sullivan wished she had known this ahead of time. She is surprised to hear this is still happening. She pointed out that SAD52 has done a lot of work with the Western Maine Alliance – though they were not rewarded for collaborating, they were not penalized. This is a concern she has heard for the first time. She or the representatives will check this out to make sure they have it covered. Maureen King said the communities have talked at length about creating an alliance, and they see a big need for this, but with big penalties it doesn't make sense to pursue this.

Ms. King asked how we recover the legal fees for RSU work. At this point, the RSU has only received \$2,400 and she wondered if the legal expenses were going to have to be passed along to the taxpayers. RSU 57 has currently stopped doing any more work on consolidation because, at this point, they need legal counsel and wants to wait until they see what is going on with the state before they commit to spend anymore money. She doesn't feel the taxpayers should pay for this when they didn't ask for it to begin with.

Representative Casavant said this is tied into what Leo Martin said, the Department of Education lent their expertise to the process in terms of numbers and what they have come up with has been consistently wrong. The numbers have to be revamped on a consistent basis. He doesn't know when the RSU will recoup the \$7,500 the DOE has offered to help with expenses. Rep. Casavant explained that the Department of Education works with a trial and error process and are never held accountable for what they do. It has a lot to do with the leadership and the Ivory Tower mentality, the whole process is flawed. Regarding the question on the Executive Branch, Senator Nutting has 55 appointee's he wants to go after. The central issue is, the DOE has an unreal approach to what they are doing.

Maureen King asked what would happen if a large number of communities vote down their consolidation plan. How is the state going to deal with this? A lot of communities, like RSU57, have stopped working on their consolidation plans until the state sort's things out. Still, the RSU Committee must send in a letter to the DOE stating they have had no change in their plan since its first submittal. Senator Sullivan suggested sending a letter stating the RSU Committee has done a lot of talking and is in the process at this time.

Tom Farrell thinks the biggest issue with the DOE is their lack of communication. He is amazed at the unfunded mandates the DOE supports, such as the change in high school graduation, while trying to work on the consolidation process. It appears that Commissioner Gendron has forgotten about the hours the local administrators have spent on consolidation. Unfortunately, Dr. Farrell has been unable to work as much as he would like to on improving the quality of education this year because he and others have been in survival mode because of the workload created by the consolidation process. Another issue is communication about money; it changes from day to day. Even if the money is accurate, the state still can't tell us how they come up with the figures. For example, Skowhegan is receiving 12 million in state aid, and MSAD71 is losing one half a million, and no one at the state level has the answer as to how this was calculated. Why are some communities getting more and some getting less; there has been no answer to this question. Lastly, Dr. Farrell is concerned about the alternate plans, to stand alone, that are being submitted by districts with fewer than 2,500 students. Dr. Farrell had been going to Augusta from time to time until Senator Martin told the superintendent's to go back to their schools and work and stay away from Augusta. But, as it has turned out, if you didn't go to Augusta you lost the opportunity to go into the backroom with the DOE and cut a deal. For example, RSU 57 has been trying to follow the law because it is their legal responsibility to do so. They have tried to look at ways to consolidate and collaborate, and to find out later that one or two dozen districts were encouraged to submit alternative plans, to stand alone. RSU 57 was never told about this option. Now they are finding out that Wells and York are submitting an alternative plan to stand alone, and are being advised on how to use the language to do this. Dr. Farrell asks how fair is this. His question is one of fairness. The York County Superintendent's Association suggested to the commissioner 1.5 years ago that they would like to sit down and offer suggestion on how to save money. Dr. Farrell pointed out he doesn't disagree that we can't continue to fund education as we are now, but the commissioner has never taken the opportunity to get the superintendent's input. The Superintendent's have no been part of the consolidation process at all.

Maureen King said it is too bad when you have the expertise and have offered to talk about areas to save money and the commissioner is not willing to talk to you about it. Ms. King pointed out that MSAD71 has cut 40 positions in the last four years, we know how to do it, and we are doing it. The state continually tells us to cut more because they are cutting 5% of the top of everyone, we have already cut a lot.

Gayle Spofford said there is an unfairness. The state has told us to save money in transportation, by purchasing routing software they will fund. MSAD71 had already purchased the software several years ago, and already made the saving but will not receive credit for this. The state will not reimburse MSAD71 for the money spent for the software. Senator Sullivan said that others have complained about the same thing. She thinks it will be in a bucket bill, and notes it has been brought to the attention of the Education Committee.

Dana Peck wanted to mention the reality check about what is happening in Arundel. The municipal budget was looked at this past week by the Arundel selectmen, and they will recommend a flat budget because they don't know what the cost of education will be. An example of the costs to a small town: last year a group of Arundel citizens wanted full-time, around the clock EMT's, they have never had this in the past and have relied on mutual aid, the cost to the taxpayers would be \$175,000, a full mill rate increase to taxes. If consolidation is going the way they think it is going, it is going to be hard to convince Arundel that this is the way to go, you will have a train wreck with smaller communities. Senator Sullivan agreed. Jon Rennell explained, at Arundel's last School Board Meeting they talked about the \$600,000 local share to Arundel, which is based on what the legislature is currently doing, this would be a four mill rate increase to taxes (30%). Dana Peck said add to that the cuts in subsidy for transportation, special education, and he wondered, what about the Thornton Contract, Arundel will have to defend all this. Senator Sullivan said it should have taken five years to implement consolidation. She doesn't want to speak for the governor, but he thought he had to put consolidation into the budget because otherwise nothing would happen. By putting it in the budget it makes it imperative and it has to be done. The budgets are for only two years. Senator Sullivan considers the commissioner of education wonderful, who is very effective but way over her head with bureaucratic people that have been there a long time fighting back to forth. You have a governor who knew the state would be coming along with a consolidation plan and decided he would include his in the budget. Because of this, 38 million dollars needs to be found.

Gayle Spofford said the RSU Committee is in favor of consolidation, but their hands are tied. The most expensive pieces of consolidation are the teachers and the buildings, and the committee is forbidden to do anything with either one. If a school can't be closed or staff laid off, there are no savings. Ms. King said originally the plan was to reduce administration, combine business offices, and back office staff that are non-educational, and combine the superintendent's office. Now, the way the law is written, the whole district has to consolidate and that will cost money.

Senator Sullivan said that Dana Peck hit some of it, there will be a train wreck when people go to vote, most of them will vote consolidation down. Ms. Spofford said with meetings televised, and newspaper articles, etc., community members still don't know what the initials mean (RSU). Senator Sullivan said there are three teachers out of the four representatives at this meeting, and they understand what is happening with the DOE. Maybe it will take a train wreck to sort things out. It is smart for the RSU Committee to stop and sit back.

Representative Casavant said when looking at the big picture you expect to see winners and losers. The problem is the DOE's flawed numbers. When you are talking about lawyer fees, contractual fees, etc., people in the know are coming back and saying there are no savings, except maybe in 10 years, and the commissioner is saying everything is just fine. His frustration is how do you stop this train wreck from happening.

Maureen King thinks the communities are going to say the penalty is not much more than the pain the DOE is inflicting on us, so let's pay the penalty and stay on our own. Until that happens, the DOE isn't going to "get it".

Dana Peck would like the senator and the legislators to keep an eye open on what will happen to small communities like Arundel. He would like them to ask people in Augusta what will happen when consolidation is voted down again and again. He is afraid this will change the complexion of the community. Jon Rennell said this will bankrupt the Town of Arundel. He stated the law is ill conceived and punitive. The legislators and the senator, in attendance, voted for this law; he wondered why there was no repeal. Senator Sullivan said there has not been an opportunity to vote on LD1932 yet.

Representative Babbidge explained as soon as the consolidation proposal went online, it was going to happen. He understands that enrollment is down, that administration costs are up, that the governor wants to decrease state subsidy, and it doesn't matter if the money is local, state, or federal, we still are paying for it. Rep. Babbidge said some change where made to the consolidation law to

make it more palatable. He pointed out that the idea of collaboration had already begun, and the governor's consolidation idea has been a catalyst in talking about reorganization. Some good things have happened because of the consolidation issue, and some not so good. Originally, Rep. Babbidge said he was against the budget, but the budget was going to pass easily and he had no leverage. He thought, at the time, it was a 6.3 million dollar budget and some good work was being done. He makes no apology for his vote. He asked, if the committee would be for or against consolidation. Mr. Martin said he would be against it as it stands. Ms. King asked what would happen if the law was repealed, what does that mean. You can't just repeal it without fixing the issues. Senator Sullivan said LD1 would continue. Rep. Babbidge doesn't see what was started 14 months ago was any help to MSAD71. Ms. King said if you talked to other districts in the area, you will find out it hasn't helped them either. Biddeford made out, but there are 13 other districts in Cumberland and York County that did not benefit, they have all lost money. Leslie Whitney wants to know why we are losing money. She thinks, the representatives that voted for consolidation, would be able to report back to the committee, given some time, the winners and losers and why? Ms. King said she could tell you who won and who lost but not why.

Leo Martin pointed out that the administrative costs are a misnomer. He admits there are 136 superintendent's in the state and we don't need that many. Administrative costs include, attorney fees, special education hearings, etc., and have nothing to do with administrator's salaries, which is only 10-12% of anyone's budget. If you go to municipalities and police budgets and look at their administrative costs, they are over 20%. There has to be a clarification of what are administration costs. Are there too many superintendents, yes, are administrative costs too high, no. In Mr. Martin's opinion, this consolidation will grow in 10 years to include more bureaucrats.

Senator Sullivan wanted to explain why she voted for the budget. She is not a member of the Education Committee and not involved in their discussions. She voted for the budget because education is a small part of the state budget, but with Health and Human Services it is about 75% of the budget. If you vote to hold up a budget, you have the mentally ill, monthly disability checks, and the elderly in nursing homes not getting paid. There are times you have to ask the question, will my vote make a difference. In the Senate it is a little different and harder, there is one vote, majority of the party. Parties do not make a difference it is regional - big or small. When you vote, there are other things involved and it could be life or death situations. There are times you look at the budget and say I have done everything possible to influence this budget, and will I do better voting for it or against it. Her obligation is to everybody. We have to look at LD1 and what that money was. LD1 and consolidation are two separate laws. Since LD1, Sanford has received 3 million more dollars. Why? There are some communities that received 13 million more, why? This area suffers because it is the coastline. We are valuation rich and income poor.

Lesley Whitney pointed out, when the representative's vote on the budget, the education piece gets passed along to the local voters in large ways in a non-progressive manner. Senator Sullivan said that education is a small piece of the state budget when you are looking at the whole budget. Ms. Whitney pointed out this attacks the Senator's contingency more than the way she is looking at the state budget. Ms. King said 75% of our local budget is our school budget, this is small change for the state budget, but it hits us in a hug way and impacts a lot of things we do. Ms. King asked how the committee can help the representatives get a group of York and Cumberland County legislators together. We seem to be getting killed all the time. Ms. Whitney said we need representation on the Educational Committee in Augusta. Leo Martin thought it would be nice if the representatives could get a coalition together from all the units that are getting hurt. Senator Sullivan said they are meeting with the commissioner on Tuesday, and this is an open meeting, the public is welcome. Mr. Martin said he was talking more about forming a coalition like the one John Martin has. Ms. King said we are looking for the representatives to work for this area because we are getting hit hard because we are on the coastline and are the economic engine for the state. The state seems to keep taking and taking from this area. Senator Sullivan said they do meet as a York County Caucus. Bob Higgins mentioned John Martin's coalition. He has a lot of respect for Mr. Martin, he has organized his part of the state. When he speaks people listen, when the senator speaks 1 of 34 people listen. Mr. Higgins would like more input from the southern part of the state. If York and Wells can do something why can't we, is it because we are considered the Gold Coast. What is the difference between Sanford and Kennebunk? Not everyone in Kennebunk and Kennebunkport are millionaires, and we get the short end of the stick. He wondered why the southern part of the state can't be organized like the northern part of the state so we would have more say in Augusta. Senator Sullivan said John Martin is the only senator in that part of Maine. There are five senators in York County. Recently, the representatives in attendance today did something with the York County representatives that will go before the governor this week. It is done with, but they had to fight Portland that also carries Falmouth and Yarmouth. Senator Sullivan said the representatives spend a lot of time in York County jockeying for position. The political parties in this area fight against each other. Portland holds together because they don't fight politically. Ms. King said, as your constituents, it would be helpful to us if you could get together as a group and make noise in Augusta. If that means we have to go with Portland, than so be it. Portland got two million dollars and we got negative numbers. Rep. Babbidge pointed out that York County has stuck together. They have a York County Delegation and they have done good things. He reported that the Rural Caucus, which he is a member of, has become the Petri dish for ones that have gripes against consolidation. Consolidation is ongoing on their agenda and it hasn't been patrician, there are ideas on both sides. Rep. Babbidge pointed out we do have to fight the Gold

Coast initiative. We are not all wealthy, but when compared to other parts of the state, we are. There are good educators on the Education Committee that supports consolidation. They are not thinking of southern Maine, they are thinking of Aroostook and Washington counties. Ms. Whitney would like to see the cost savings with consolidation. Rep. Babbidge said they will say they never looked at cost savings initially, they looked at the number of students, etc. Rep. Babbidge said the DOE has reached a level of frustration with everyone they deal with including the legislature. The DOE is asked for data and they are keeping it close to their chest. Ms. King said that Gayle Spofford sent Jim Rier, DOE, in June 2007, questions that have not been answered yet.

Ms. King reported, at the last Maine School Board's Association Meeting, Commissioner Gendron was in attendance. When asked how the commissioner would deal with the communities voting the consolidation down, she said she understands this will be a problem, so, the DOE is planning to hire a PR person to help the RSU committees sell their plans. Ms. King doesn't want the DOE to help the RSU sell the plan. She pointed out, if the committee can't sell the plan than the taxpayers have every right to vote consolidation down. Jon Rennell said he has a conscience and is not going to sell something to his community that is not going to work. Rep. Connor said he watches the RSU Meetings and he hears this a lot. He stated that consolidation requires some level of investment. Rep. Connor mentioned he co-sponsored the collaboration bill but hasn't had a chance to vote on it yet. Rep. Connor stated that collaboration does work, and consolidation can work. Are we in a posture right now that it will work, no. We are trying to fix it, and saying it won't work doesn't help matters. He would like the committee to give him the feedback to fix it. He pointed out that the state can't continue to spend like they do now, we don't have the kids or the tax base to support it. Ms. King pointed out that is why the committee gave the representatives questions. She went through the minutes from last November and every question that was asked, with some additions, is listed. Jon Rennell pointed out the committee spent last year working on consolidation, they saw some benefits but it will not work the way it is written now. Senator Sullivan pointed out that the original consolidation plan started out in a different format and she was more comfortable with it. Dana Peck said the RSU Committee is a group of pro-active people and they have maintained their pro-active approach over the months and will continue to do so, but the roadblocks are as such that the group can't go any further without help or clarification. Rep. Babbidge said he has listened to the RSU Meetings and is disappointed, he has been waiting for a motion and a second to get help from the representatives but instead has heard venting at the legislators expense. The legislators in attendance at this meeting are also angry at the direction the majority has taken in the legislature. It is unfair of the RSU Committee to assume they are not sharing your frustrations, we have the same constituents. Ms. Whitney said there are specific questions and specific requests from the committee. Ms. King pointed out that there have been 25 RSU Meetings this past year. Senator Sullivan said that some of the representatives do not get the Kennebunks cable channel. Ms. King said the committee did not send out all the RSU minutes to the representatives because she didn't want to fill their inbox. All the minutes are posted on the district website www.msad71.net. Senator Sullivan said the last time she was invited to an RSU Meeting she was told to sit in the back and say nothing, she found this insulting. Having said that, she wants to move forward. Ms. Whitney said, at that point in time, the committee was frustrated that the bill had passed and wanted the representatives to hear the struggle the RSU was having.

Senator Sullivan asked to know more about EPS. She thought it was working well. Ms. King explained that is difficult for the community to be told continually that they are over EPS, and be punished by the state for it. Then the state makes it known that 80% of the districts are over EPS, but they don't mention that the state is not funding EPS 100%. They are not only not funding EPS, there are many things outside of EPS that only get 10% funding, and the remainder of the money has to be raised locally. Ms. King has a problem with the state saying all these districts are over EPS, when they have to be over EPS to fund such programs as sports, band, art, music, etc. Our community wants these programs because they make for good kids. Senator Sullivan pointed out that Saco is still recovering from a 1970 tax cap, and still trying to bring up their middle school to exploratory. She understands the problem. Senator Sullivan is not on the Education Committee and thought EPS was doing well, she will definitely question this and maybe she will have an influence.

Dana Peck asked the representatives what the chances were on getting answers to the questions on money. Leo Martin said if you look at the printouts you can figure out what communities are getting. Ms. King said some of the communities on the list losing money include, Arundel, Dayton, Kittery, OOB, Saco, South Portland, Buxton, SAD6, SAD35, SAD57, SAD71, and Wells/Ogunquit. Bob Higgins asked what to do about the commissioner. Senator Sullivan explained the governor appointed the commissioner, and Senator Sullivan is not sure this is the commissioner speaking. Senator Sullivan doesn't believe the commissioner believes in all of this. Senator Sullivan thinks she is overwhelmed and is carrying the governor's water and he is giving her little support. For example, Diergo is a major issue, and the governor's project, yet he never came to the meeting on Diergo or sent anyone. Rep. Babbidge thinks the commissioner is a shrewd, capable person that is not forthcoming because consolidation is a moving target. In three weeks, she may be told to change it by the governor or because of political events. Ms. King said all data coming out of the DOE is questionable and lacking common sense.

Ms. Whitney would like to see accountability as to why the money is shifting from one place to another.

Ms. King said when this is all finally out and we look at the exemplary plans for Falmouth and No. Yarmouth, we will see 80 districts setup totally different. Ms. King said the idea for this meeting was to have a legislative strategic plan session and to get answers to the questions the committee has asked. Can the representatives try to work with some of the others to see what will work best for York County. We see other districts also losing money and we want to know why. How did they pick the numbers?

Rep. Babbidge asked, if we didn't have the consolidation law, would there be good things that could not happen because we don't? How much of a catalyst from the state does the committee need to make collaboration happen? Ms. King said we would do it voluntarily if we were not penalized. Every time we have tried to collaborate, and if money exchanges hands, the district gets penalized. Senator Sullivan said that should be question #1.

Mr. Martin said the consolidation bill is punitive. There is no incentive in there to consolidate. In past history in the state, change in education have had incentives as well as being punitive. Rep. Babbidge said the issue of the time table is why it is punitive because they want to do this in one budget cycle. Ms. King said that community members have asked why it can't be done over a three year period.

Dr. Farrell said that Wells would like to collaborate with MSAD71, but we are spending too much time looking at consolidation and our process right now is with Arundel. Dr. Farrell mentioned that pilot programs have been suggested to the state in the past, for example, take 5/10 districts and have them go through the consolidation process first. Ms. King said then you would have something to work with because what might work for York County might not work in Washington County. The one size fits all mentality doesn't work.

Dr. Farrell said the DOE has stated that the consolidation plan was based on research from Michael Fullen. Area superintendents have reported, at the National Conference, Fullen told the superintendents that his plan was taken out of context in the State of Maine.

Dana Peck asked what the representative's best guess would be on when the consolidation plan would be a final document. Senator Sullivan said once it has been voted on unanimously, it will be sent to the Senate. Rep. Babbidge said it is likely he will vote for LD1932 because it will probably improve from where it is right now.

Mr. Martin asked if the representatives could try and talk them out of the union concept, which is the most inefficient way to run a system. This type of system would have the superintendent running from one meeting to another and there could be no educational leadership.

In summary these are the items that are critical to the continuation of the RSU Committee work: Referendum/absentee balloting and repealing; credit for work already done to be more efficient (example of transportation routing software and cuts already made); ability to collaborate with other districts and neighboring communities without penalties (loss of GPA \$); funding for legal services that will be required for consolidation; cost sharing formula (that acknowledges large swings) to transition to the new funding formula under consolidation; unfunded mandates should be funded by legislature; if local funding is required, local decisions should drive whether we fund or not and of course (7) repeal it and replace it with a more flexible plan that allows us time to collaborate and work out our common sense consolidation plans.

March 28 deadline—letter of “no changes” – A letter will be created by the RSU Co-Chairs and sent to the DOE no later than March 28.

VI. New Business: none at this time

VII. Next meeting: none at this time

VIII. Adjournment: DANA PECK MADE THE MOTION TO ADJOURN AT 6:15, SECONDED BY LESLEY WHITNEY AND VOTED UNANIMOUSLY BY THE COMMITTEE.