

REORGANIZATION PLAN
FOR
ALTERNATIVE ORGANIZATIONAL
STRUCTURE

MSAD 58 AND MSAD 74
January 6, 2011

Prepared for Submission

By

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Approved for submission Dec 15th and Dec. 16

Re-Approved for submission January 4th and January 6th 2011

By School Boards of

MSAD 74 and MSAD 58

Maine School Administrative District #58

Judith A. Lynch
Signature / Title

1/6/11
Date

MSAD #58
SAU

Ellen W. James
Signature / Title

1/6/11
Date

MSAD #58
SAU

Al A. Mason
Signature / Title

1/6/11
Date

MSAD #58
SAU

Susan G. Hatter
Signature / Title

1/10/11
Date

MSAD #58
SAU

Quero Bonifaz
Signature / Title

1-6-11
Date

MSAD #58
SAU

Maine School Administrative District #74

Allison Mascoux
Signature / Title Board Member

1-11-11
Date

MSAD #74
SAU

G. Wayne Rugh
Signature / Title

1-11-11
Date

MSAD #74
SAU

John Gray
Signature / Title Board Member

1-11-11
Date

MSAD #74
SAU

John W. Gray
Signature / Title BOARD MEMBER

11-11-2011
Date

MSAD #74
SAU

Joe Du
Signature / Title Board Member

1.11.11
Date

MSAD #74
SAU

Reorganization Plan for Alternative Organizational Structure Cover Sheet
(Please attach Reorganization Plan)

Required Elements							
Law Reference Item Number Sub-Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier ¹	Need Assistance ²
3.A(1)	SAUs included in Alternative Organizational Structure (AOS)		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(2)	Size of governing body		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Composition of governing body		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Apportionment of governing body		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(3)	Method of voting of the governing body		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(4)	Composition of local school committees		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Powers of local school committees		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Duties of local school committees		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(5)	Disposition of real & personal school property		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(6)	Disposition of existing school indebtedness (if not using provisions of section 1506)		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disposition of lease-purchase obligations (if not using provisions of section 1506)		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(7)	Assignment of school personnel contracts		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Assignment of school collective bargaining agreements		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Assignment of other school contractual obligations		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(8)	Disposition of existing school funds and existing financial obligations		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(9)	Transition plan that addresses the development of a budget for the first school year		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Transition plan that addresses interim personnel policies		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(10)	Documentation of the public meeting(s) held to prepare or review reorganization plan		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(11)	Explanation of how units that approve reorganization plan will proceed if one or more units do not approve the plan		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(12)	Estimate of cost savings to be achieved		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(13)	Such other matters as the governing bodies of the school administrative units in existence on the effective date of this chapter may determine to be necessary		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹ Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.

² Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on page 3.

Parameters for Plan Development							
Law Reference Item Number Sub-Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier ³	Need Assistance ⁴
3.B(1)	Enrollment meets requirements (2,500 except where circumstances justify an exception ⁵)		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sec. XXXX-36, Parameter B	When viewed in conjunction with surrounding proposed units, may not result in one or more municipalities being denied the option to join an RSU		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(2)	Comprehensive programming for all students grades K – 12		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Includes at least one publicly supported high school		x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(3)	Consistent with policies set forth in section 1451		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(4)	No displacement of teachers		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No displacement of students		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No closures of schools existing or operating during school year immediately preceding reorganization, except as permitted under section 1512		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(5)	The plan must address how the school administrative unit will reorganize administrative functions, duties and non-instructional personnel so that the projected expenditures of the reorganized school unit in the first year of operation during the school year immediately following reorganization for system administration, transportation, special education and facilities and maintenance will not have an adverse impact on the instructional program ⁶		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sec. XXXX-36, 2.C	A notice of intent to engage in planning and negotiations with other school administrative units for the purpose of developing a reorganization plan to form an alternative organizational structure		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.C(1)	A school administrative unit may be designated by the commissioner as part of an AOS. The commissioner may designate an SAU as part of an AOS if the commissioner finds that the proposed organizational structure will result in:						
	Consolidation of system administration		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Consolidation of special education administration, transportation administration and administration of business functions including accounting, reporting, payroll, financial management, purchasing insurance and auditing		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Adoption of a core curriculum and procedures for standardized testing and assessment aligned with the system of learning results established in Title 20-A, section 6209		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Adoption of consistent school policies and school calendars and a plan for consistent collective bargaining agreements		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	A plan for an AOS may include a collaborative agreement		X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

³ Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.

⁴ Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on page 3.

⁵ Please note in the *Exceptions to 2500 minimum* section on next page

	under chapter 114 and must include an interlocal agreement under Title 30-A, chapter 115. The plan must include procedures for conducting a kindergarten through grade 12 budget approval pursuant to subparagraph (2)					
2.C(2)	The budget procedures of members of an AOS must conform to the format and referendum procedures set forth in sections 1485 and 1486 for regional school units except for the time limits pursuant to section 1486, subsection 2. The budget validation referendum for all members of the AOS must be conducted on the same day	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Collaborative Agreements						
					Yes	No
Does your plan currently include information/documentation on collaborative agreements? <i>(not required, but encouraged)</i>					X	<input type="checkbox"/>

Exceptions to 2,500 minimum

Actual number of students (10/1/2006) for which the SAU is fiscally responsible: 1539 (from data link below) <http://www.maine.gov/education/enroll/aproct/resident.html>

Exception	Exception Claimed in Plan	Documentation Provided? (Please attach as Exhibit C)	
		Yes	No
Geography	x	x	<input type="checkbox"/>
Demographics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Population Density	X	X	<input type="checkbox"/>
Other Unique Circumstances	X	X	<input type="checkbox"/>

Explanation of Barriers –

Please use this section to explain any/all barriers identified on the previous page as a barrier in completing your Reorganization Plan.

Law Reference/Required Element	Explanation of the barrier

Assistance Needs –

Please use this section to describe your needs for assistance and from whom you need assistance.

Law Reference/Required Element	Explanation of your assistance need	Assistance needed from whom?

Narrative of AOS plan

3.A(1) The Units of School Administration to be included in the proposed AOS

MSAD/RSU #58
MSAD/RSU #74

3.A(2) The Size, Composition and Apportionment of the Governing Body

The AOS shall be governed by an Alternative Organizational Structure (AOS) School Board consisting of representatives of the School Boards of each of the member units, the School Board of Maine School Administrative District # 58 and Maine School Administrative District # 74 (and other such member units that subsequently join through the procedures outlined below)

The School Board of each Member School Unit located within the AOS shall annually by July 1st appoint from its membership its representatives to the AOS school Board. Each board shall be responsible to replace board members from within their membership during a year as needed.

<u>Member School Unit</u>	<u>Number of Representatives</u>
MSAD #58	5 one from each town
MSAD #74	5 one from each town and A second representative from the town of Anson.

(and other members of subsequently joining units as outlined below)

3. A(3) The Method of Voting of the Governing Body

The AOS School Board shall use the non-weighted voting method. The AOS School Board shall use Robert's Rules of Order procedures for the conducting of meetings and voting procedures. A quorum shall consist of one more than one half of the members (6) with at least three representatives from each current member boards.

3. A(4) The Composition, Powers and Duties of Local School Boards:

The composition, powers and duties of the local school boards for the member school units will remain unchanged except as specifically modified by the attached Interlocal Agreement or as otherwise provided in this plan.

3. A(5) The Disposition of Real and Personal School Property:

All real and personal school property of the Member School Units will remain with them. Furniture and equipment used in the existing central offices will be made available to the AOS without charge. Furniture to be provided by SAD #74 includes 8 desks and matching chairs, 28 filing cabinets, 12 conference room chairs, 2 conference tables and 8 bookcases. Furniture to be provided by SAD #58 includes 5 desks and matching chairs, 12 double filing cabinets, and 4 bookcases. Replacement of such furniture and/or equipment shall be the responsibility of the AOS. Existing leases for copiers etc that will

be used by the AOS will be renegotiated by or assigned to the AOS.

3. A(6) The Disposition of Existing School Indebtedness and Lease/Purchase Agreements

The indebtedness and lease purchase obligations of the Member School Units will remain with them with the sole exception of lease purchase obligations for copiers and other equipment that will be used exclusively by the AOS which shall be handled as described above.

3. A(7) The assignment of School Personnel Contracts, School Collective Bargaining Agreements and other School Contractual Obligations:

All of the member School Units Central Office personnel Contracts, Special Education Director and Secretary contracts and other contractual obligations of the central offices which extend beyond June 30, 2011 will be transferred to the AOS effective July 1, 2011. All other personnel contracts, school collective bargaining agreements and school contractual agreements of the Member School Units will remain with them.

Personnel covered	Contract End Dates	
	MSAD/RSU #74	MSAD/RSU #58
Superintendent	2012	2011
Superintendent's Secretary	2011	2012
Business Secretaries	2011	2011
Human Resources		
Business Manager		2012
Special Education Director		2012
Special Education Director Secretary	2011	2011
Director of Transportation (Building grounds)	2011	2011 (2)
School Principals	2012	2012
School Secretaries	2011	2011
Teachers	2011	2012
Education Technicians	2013	2011
Bus Drivers/ Custodians/Maintenance	2013	2011 (Negotiate this year)
Social Workers	2011	N/A

3. A(8) The Disposition of Existing School Funds and Existing Financial Obligations Including Undesignated Fund Balances, Trust Funds, Reserve Funds, and other Funds Appropriated for School Purposes.

All existing school funds and existing financial obligations of the Member School Units will remain with them.

3. A(9) A transition plan that addresses the Development of a Budget for the First School Year of the Reorganized Unit and Internal Personnel Policies:

The AOS School Reorganization Planning Committee shall dissolve on the date that a School Reorganization Plan is approved by the voters of the Member School units.

The AOS School Board shall be appointed within fifteen (15) calendar days of voter approval and shall develop the budget for the AOS for FY2011-12. The AOS budget for 2011-12 shall be adopted at an AOS budget meeting in accordance with the budget meeting procedure, applicable to regional school units as provided in the Interlocal Agreement. The AOS shall employ the AOS Superintendent and make all necessary decisions in order for the AOS to become operational. The current personnel policies of MSAD # 74 shall serve as the interim policies for the AOS.

3. A(10) All reorganization Planning Committee Meetings are public:

The reorganization Planning Committee met on October 19th, November 9th, November 30th, and December 14th to develop and review the plan. All meetings were posted publicly on district websites and in the local media. Reporters from the local media and members of the public attended each meeting. The initial meetings were informal with no formal minutes recorded. Minutes of the formal decisions of the December 14th meeting are attached as Exhibit B. A Public hearing will be held in each of the 2 school units in the proposed AOS to explain the Reorganization Plan prior to the referendum vote.

3. A(11) An Explanation of How Units that Approve the Reorganization Plan Will Proceed if One or More of the Proposed Members of the Regional School Unit Fail to Approve the Plan:

If the School Reorganization Plan which incorporates the attached Interlocal Agreement is approved by the voters of both of the two Member School Units, the attached Interlocal Agreement shall become operative and the Alternative Organizational Structure (AOS) shall be formed with those Member School Units that voted to approve the Reorganization Plan. If either of the Member School Units fails to approve the Plan, the Interlocal Agreement shall not become operative and the AOS shall not be formed.

3.A(12) An Estimate of the Cost Savings to be Achieved by the Formation of a Regional School Unit and How These Savings Will Be Achieved:

Year	Estimated Cost Savings
2011-2012	\$174,196
2012-2013	\$0

2013-2014

\$0

Cost savings will be achieved through reduction of personnel as shown on attached Exhibit D. staffing chart. While there may be additional savings after the first year none have been identified. Additional non-personnel savings are anticipated to be offset in transition costs during the first year.

3.A(13) Other Matters Determined to be Necessary:

13-A) K-12 Core Curriculum:

The AOS will be responsible for adopting and maintaining a K-12 core curriculum aligned to the Maine Learning Results for member school units and for implementing the use of system wide assessment tools to measure student achievement and progress.

13-B) Claims and Insurance:

Continuity of insurance shall be maintained with the assistance of counsel.

13-C) Fewer than 2,500 Students:

MSAD 74 and MSAD 58 are proposing the formation of an AOS with an enrollment of approximately 1600 students consistent with the revised 1200 student minimum. (See Exhibit C)

13-D) Plan for consistent Collective Bargaining Agreements:

The personnel and collective bargaining agreements in place within the Member School Units are:

Personnel covered	Contract End Dates	MSAD/RSU #74	MSAD/RSU #58
Superintendent*		2012	2011
Superintendent's Secretary*		2011	2012
Business Secretaries*		2011 (2)	2011
Human Resources			
Business Manager*			2012
Special Education Director*			2012
Special Education Director Secretary*		2011	2011
Director of Transportation (Building grounds)*		2011	2011 (2)
School Principals		2012	2012
School Secretaries		2011	2011
Education Technicians		2013	2011

Teachers	2011	2012
Bus Drivers/ Custodians/Maintenance	2013	2011 (Negotiate this year)
Social Workers	2011	N/A

* Contracts will be negotiated and approved by AOS Board.

Pursuant to state law, a special committee will be created by the AOS Board by July 1, 2011 which will include representation from each member school unit and others as determined needed and appropriate by the AOS board. This Committee will review all collective bargaining agreements and create a plan that will provide for consistent collective bargaining agreements by 2015. The plan will define the conditions that constitute consistency among collective bargaining agreements. Consistency will not be understood to require equal salaries and benefits nor language which is identical or comparable in either its wording or effect. This plan will be submitted the member school unit School Boards for their mutual independent approval prior to implementation.

13-E) Plan for Consistent School Policies and School Calendars:

After July 1, 2011 the AOS School Board working in conjunction with the member unit school boards will adopt a plan for consistent school policies and consistent school calendars. The plan for consistent school calendars will be implemented on or before July 1,2012. The plan for consistent school policies will be implemented on or before July 1, 2013.

13-F) State Subsidy:

In accordance with 20-A M.R.S.A. section 1461-B subsection 4, the Member School Units shall be recognized as discrete school administrative units for purposes of Title 20-A Chapter 606-B. The member entities shall provide any separate discrete data that is necessary for the DOE to perform these calculations.

13-G) Cost Sharing of AOS Central Office Budget:

The Member School Units shall share the cost of the AOS budget on the following basis: The costs shall be shared equally between MSAD #74 and MSAD #58. (In the event of additional member units joining the costs shall be apportioned between the units on the basis of the number of voting representatives on the AOS board.)

13-H) Tuition Contracts and School Choice:

Currently neither MSAD #74 nor MSAD #58 pay tuition for students to attend other school districts. Tuition supported school choice outside of the districts is currently unavailable to the residents of the districts. Nevertheless nothing in this agreement shall limit either MSAD #74 or MSAD #58 from in future implementing and educational plan for its students which incorporates the tuitioning of some or all of the resident students of these districts to schools outside of the school district on either an exclusive contract or school choice basis.

13-I) Incorporation of Interlocal Agreement:

The Interlocal Agreement for the Creation of the AOS, is attached to this plan as Exhibit A and is expressly incorporated into and made a part of this plan.

13-J) Any amendments to the Interlocal Agreement approved in accordance with the terms of the agreement will be sent to the Commissioner of Education for approval and to be filed with the Secretary of State.

13-K) The AOS in the first year of operation during the school year immediately following reorganization for system administration will have the following positions:

Superintendent
Special Education Director
Superintendent's Secretary
Business Manager
Payroll Secretary
Accounts Payable Secretary
Transportation Director

13-J) Instructional Impact:

The savings and efficiencies listed in this plan will not have an adverse impact on the instructional program.

EXHIBIT A

Interlocal Agreement for the Creation of the Alternate Organizational Structure 30-A M.R.S.A. Chapter 115

Agreement made as of March 24, 2010 between Maine School Administrative District No.74 (MSAD#74), a Maine School administrative district with a mailing address of PO Box 360, Anson, ME 04911; Maine School Administrative District No 58 (MSAD #58), a regional school unit with a mailing address of Phillips, ME 04966,(hereinafter the “Member School Units”).

WHEREAS, subject to certain conditions of approval, the Member School Units intend to form an Alternate Organizational Structure (hereafter "AOS") with in the meaning of 20-A M.R.S.A. § 1, sub-26(c) and 20 –A M.R.S.A. § 1461-A for administration of certain aspects of their respective school systems; and

WHEREAS, the Member School Units intend to share services with respect to system administration, transportation administration, special education administration, professional development and administration of business functions including accounting, reporting, payroll, financial management, purchasing, insurance and auditing; and

WHEREAS, the Member School Units propose to adopt a core curriculum, procedures for standardized testing and assessment aligned with the system of learning results, a plan for consistent school policies and school calendars, and a plan for consistent collective bargaining agreements; and

WHEREAS, the Member School Units intend to work together to identify additional areas where they may be able to achieve cost savings and/or enhanced educational programming and opportunities for the students; and

WHEREAS, the Member School Units are public agencies of the State of Maine within the meaning of Chapter 115 of Title 30-A of the Maine Revised Statutes; and

WHEREAS, 30-A M.R.S.A. §2203 provides that any powers, privileges or authority exercised or capable of exercise by a public agency of the State of Maine may be exercised jointly with any other public agency of the State of Maine by means of an Interlocal Agreement;

NOW, THEREFORE, subject to certain conditions of approval as stated in Paragraph 17 hereof, the Member School Units enter into an Interlocal Agreement pursuant to Title 30-A M.R.S.A. Chapter 115 as follows:

1. Purpose.

The purpose of this Interlocal Agreement is to reorganize the Member School Units into an Alternate Organizational Structure (“AOS”) in order to achieve to goals of Maine’s School Reorganization Law, PL 2007, Ch. 240 as amended, including enhanced student educational achievement and greater efficiency in the administration of public school programs.

2. Reorganization Plan for an AOS.

The Member School Units have formed a Reorganization Planning Committee (hereinafter “RPC”) for the purpose of developing a school organization plan for an AOS pursuant to Maine’s School Reorganization Law (hereinafter “school Reorganization Plan”). The Member School Units agree to work with the RPC to develop a School Reorganization Plan for an AOS which can be submitted to the Commissioner of Education for approval and then submitted to the voters for approval at referendum in accordance with Maine’s School Reorganization Law.

3. Creation of Legal and Administrative Entity.

The inhabitants of and the territory within the Member School Units is hereby created as a body politic and corporate under the name of AOS. AOS is an Alternate Organizational Structure within the meaning of 20-A M.R.S.A. §1, sub-§26(c) and 20-A M.R.S.A. §1461-A, a school administrative unit within the meaning of 20-A M.R.S.A. § 1(26) and 30-A M.R.S.A. §2252, a quasi-municipal corporation within the meaning of 30-A M.R.S.A. §2351(4), a public agency within the meaning of 30-A M.R.S.A. Chapter 741, §8102(3),

and it shall have all other governmental authority and immunity as may be provided by any other applicable law.

4. AOS School Board.

AOS established pursuant to this Interlocal Agreement shall be governed by an AOS school board comprised of representatives of each Member School Unit as follows:

<u>Member School Unit</u>	<u>Number of Representatives</u>
MSAD # 74	5
MSDA #58	5

The AOS School Board shall use the non weighted voting Method. The AOS School Board shall use Robert's Rules of Order procedures for the conducting of meetings and voting procedures. A quorum shall consist of one more than one half of the members (6) with at least three representatives from each member boards.

The school board of each Member School Unit in the AOS shall choose from its membership the representative(s) to the AOS school board to which that Member School Unit is entitled. Membership on the AOS school board shall terminate at any time that a member of the AOS school board ceases to hold office as a member of the appointing school board. Any vacancy on the AOS school board shall be filled by the appointing school board.-. In June each year, the AOS school board shall choose by majority vote from among its members a chair and secretary of the AOS school board for the ensuing year.

5. School Systems of Member School Units.

Within each of their respective jurisdictions, Member School Units are currently responsible for operation of the following school grades:

Member School Unit	Grades
M.S.A.D. #74	Operates grades Pre-K through 12

6. Powers Authority and Responsibilities.

There shall be an AOS central office under the direction and control of the AOS school board serving all of the Member School Units. The AOS central office shall include without limitation a Superintendent of Schools, Special Education Director, Transportation Director, Curriculum and Assessment Coordinator, provided that one person may hold more than one of these positions. The respective powers and duties of the AOS school board and superintendent of schools shall be governed by State Law. The AOS school board shall be responsible for overseeing system administration, transportation administration, special education administration, administration of business functions (including accounting, reporting, payroll, financial management, purchasing insurance and auditing) and development and maintenance of a core curriculum and procedures for standardized testing and assessment aligned with the system of learning results for all of the Member School Units in the AOS.

The AOS board shall adopt and implement a plan for consistent school policies and consistent school calendars in conjunction with the school boards of the Member School Units. The AOS school board shall adopt a plan for consistent collective bargaining agreements within the AOS.

More specifically, in furtherance and not in limitation of the powers and responsibilities of the AOS school board as described above, the powers, authority and responsibilities of the AOS school board shall include the following:

- a. Oversee the operation of the AOS central office;
- b. Annually develop and obtain legislative body approval for the AOS budget at an annual AOS budget meeting;
- c. Apportion to each Member School Unit its share of the AOS budget in accordance with the AOS cost sharing formula;

- d. Oversee central office business services, including accounting, reporting, payroll, financial management, insurance purchasing and auditing for the Member School Units;
- e. Accept and oversee the administration of balances, carryover funds or general reserves as provided in the Reorganization plan and establish and oversee the expenditure of other reserve funds as approved through the AOS budget process and as permitted by applicable law;
- f. Own or lease and oversee management of AOS central office property and equipment;
- g. To the extent permitted by law, authorize and oversee administration of construction and renovation projects or any part of such projects that pertain to the AOS central office;
- h. To the extent permitted by law, assume and incur debt or obtain other financing for the AOS central office, in addition to the authority of one or more Member School Units to incur debt for that purpose;
- i. Oversee administration of federal, state and other grants not overseen by the school boards of the Member School Units;
- j. Oversee filing of all required state and federal reports for the AOS and the Member School Units;
- k. Employ AOS central office personnel and oversee their wages, hours, and working conditions;
- l. Oversee the supervision and evaluation of and adopt policies applicable to AOS central office employees;
- m. Adopt a plan for consistent collective bargaining agreements in conjunction with the school boards of the AOS Member School Units;

- n. Oversee and maintain a consistent Pre-K -12 core curriculum for Member School Units and procedures for standardized testing and assessment aligned with the system of learning results;
- o. Adopt and implement a plan for consistent school policies and consistent school calendars in conjunction with the school boards of the AOS member School Units;
- p. Administer and operate the transportation systems for all schools within the AOS Member School Units, and the administration of bus purchases and debt repayment;
- q. Oversee administration of the bookkeeping and reporting requirements for school lunch programs for the AOS Member School Units;
- r. Accept and oversee expenditure of gifts to the AOS central office;
- s. Oversee contracts and lease agreements relating to the AOS Central Office;
- t. Distribute state subsidy among the Member School units in accordance with the subsidy distribution method described in paragraph 10;
- u. Oversee administration of this Interlocal Agreement and, as deemed necessary from time to time, propose amendments to this Interlocal Agreement for approval by the legislative bodies of the Member School Units in accordance with the same procedures as the budget approval process in effect at the time in accordance with applicable law;
- v. Authorize the superintendent of schools, subject to such limitations as the AOS school board may in its discretion determine, to designate one or more employees of the AOS or Member School Units with administrative certification from the State of Maine to attend meetings of the school boards of the AOS and Member School Units in place of the Superintendent of Schools.
- w. The AOS Board shall provide for the employment and discharge of a superintendent pursuant to Title 20-A MRS§1001 sub-3 and chapter 101sub chapter2.

7. Other Educational Improvements and Cost Savings.

The AOS and the Member School Units shall work together in a cooperative manner under the leadership of the AOS school board and the superintendent of schools to identify and implement additional measures to improve student achievement and create efficiencies in the delivery of educational services within and among the Member School Units in the AOS.

8. Budget Adoption Procedures.

The AOS school board shall develop each year an annual budget for the AOS which shall be submitted to an AOS budget meeting of the voters of all of the Member School Units prior to calling the budget meetings of the Member School Units. The AOS budget meeting shall be conducted in accordance with the summary cost center budget format, to the extent applicable to the AOS budget, and the budget meeting procedure applicable to a regional school unit, except that the duties of the regional school unit board shall be performed by the AOS school board. The AOS budget must be approved by a majority of the voters at the AOS budget meeting from AOS Member School Units voting as a single body, as opposed to a majority of the voters from each Member School Unit. Following the adoption of an annual AOS budget at the AOS budget meeting, the AOS school board shall notify the Member School Units of their respective shares of the AOS budget as approved at the AOS budget meeting calculated in accordance with the cost sharing method in paragraph 9. The school board of each Member School Unit in the AOS shall then develop its own school budget, including its share of the AOS budget, and submit it to the voters of that Member School Unit for approval at a meeting of its legislative body in accordance with applicable law. Following the budget meetings of the AOS and each Member School Unit, each Member School Unit shall adopt its budget in accordance with applicable law. If the budget of a Member School Unit required to conduct a budget validation referendum is not approved at a budget validation referendum, that Member School Unit shall repeat the budget adoption process until its budget is approved at both a budget meeting and budget validation referendum. Each Member School Unit's final share of the AOS budget shall be determined

based on the final AOS budget as approved at an AOS budget meeting. The budget validation referendum procedure for a Member School Unit may be discontinued by the voters of that Member School Unit in accordance with the law applicable to a regional school unit. The AOS shall not have taxing power and the allocation of AOS costs to each Member School Unit under the cost sharing method in paragraph 9 shall not constitute the assessment of a tax. The Member School Units shall be solely responsible for raising taxes to pay their respective shares of the AOS budget. Each Member School Unit's share of the AOS budget shall be paid to the AOS as a contractual obligation under the terms of this Interlocal Agreement.

9. Cost Sharing of an AOS Budget.

The Member School Units shall share the cost of the AOS budget on the following basis: The costs shall be shared equally between MSAD #74 and MSAD #58. (In the event of additional member units joining the costs shall be apportioned between the units on the basis of the number of voting representatives on the AOS board.)

10. Distribution of State Subsidy.

In accordance with 20-A M.R.S. §1461-B sub-§4 the Member School Units shall be recognized as discrete school administrative units for purposes of title 20-A chapter 606-B. The AOS shall distribute state subsidy received by the AOS to each Member School Unit in the amount calculated and reported for that Member School Unit by the Maine Department of Education. "The member entities shall provide any separate discrete data that is necessary for the Department of Education to perform these calculations".

11. Real Estate and Personal Property.

All real and personal property belonging to Member School Units shall remain the property of those Member School Units. All real or personal property acquired for the operation of the AOS central office shall be owned by the AOS. In the event of dissolution of the AOS, such property of the AOS, or the proceeds from the sale of such property, shall be distributed to the Member School Units in proportion to

the average over the three preceding fiscal years of their respective contributions to the AOS budget under the AOS cost sharing method.

12. School Closing.

The closing of a school within a Member School Unit in the AOS shall be determined by the governing and legislative bodies of that Member School Unit in accordance with applicable law. The AOS school board and the legislative body of the AOS shall have no authority to close a school within a Member School Unit.

13. Duration.

This Interlocal Agreement shall remain in effect from the date that the AOS becomes operational until this Agreement is terminated either pursuant to Paragraph 15 or by operation of law.

14. Termination of Participation of Member School Unit.

The participation of a Member School Unit in this Interlocal Agreement and the AOS may be terminated for cause upon the failure of a Member School Unit to conform to the statutory requirements applicable to alternative organizational structures, including without limitation, failure to implement the core curriculum, procedures for standardized testing and assessment, consistent school policies and school calendars, and/or the plan for consistent bargaining agreements approved by the AOS school board. Prior to any such termination, the AOS school board shall provide the non-conforming Member School Unit with written notice of its failure to conform to AOS statutory requirements and shall provide a 90 day opportunity to cure. If the Member School Unit fails to cure the non-conformity within the 90 day cure period, the AOS school board shall submit to the Commissioner of Education a plan for termination and equitable distribution and/or compensation with respect to that Member School Unit's proportionate share of the assets of the AOS. Upon approval of the Plan by the Commissioner, the Member School Unit's participation in the AOS and this Interlocal Agreement may be terminated by a vote of a majority of all the Members of the AOS school board including those from the Member School Unit whose termination is under consideration. The termination of a Member School Unit's participation shall become effective as of

the end of the then current AOS fiscal year. Upon the termination of a Member School Unit's participation in the AOS, the AOS shall make a distribution of property and/or provide compensation to the terminated Member School Unit as provided in the plan approved by the Commissioner.

15. Termination of Interlocal Agreement.

Unless otherwise provided by law, this Interlocal Agreement may be terminated upon approval by the AOS school board or by the school board(s) of one or more Member School Units, the Commissioner of Education and thereafter approved by the voters of the AOS or the voters of one or more Member School Units within the AOS.

16. Withdrawal from Interlocal Agreement.

Any Member School Unit shall have the authority to withdraw from the AOS at the beginning of any fiscal year provided that such withdrawal is approved at a public referendum conducted within the withdrawing Member School Unit more than sixty days prior to the beginning of that fiscal year.

17. Amendment of Interlocal Agreement.

This Interlocal Agreement may be amended upon a two-thirds vote of the full membership of the AOS school board, approved by the school board of each Member School Unit, and a favorable referendum vote in each Member School Unit. All amendments to the Interlocal Agreement must be sent to the Commissioner of Education for approval and to be filed with the Secretary of State.

18. Joiner of Additional Member School Units.

Subject to approval by the Commissioner of Education, a school administrative unit may join this Interlocal Agreement and the AOS as a Member School Unit upon a two-thirds vote of the full membership of the AOS school board, majority vote approval by the school boards of each Member School Unit, a majority vote of citizens at the member units district budget meeting, a majority vote of the school board of the school administrative unit proposing to join the AOS, and a favorable referendum vote in the school administrative unit proposing to join the AOS.

19. Conditions of Approval.

The approval of this Interlocal Agreement by the governing body of each Member School Unit is contingent upon and subject to 1) submission of a School Reorganization Plan for an AOS which incorporates this Interlocal Agreement to the Commissioner of Education by the governing body of that Member School Unit, 2) approval of that School Reorganization Plan by the Commissioner of Education, and 3) approval of that School Reorganization Plan by the legislative body of that Member School Unit at referendum in accordance with this paragraph. This Interlocal Agreement shall not become effective, and the AOS shall not become operational, with respect to any Member School Unit whose governing body fails to submit the School Reorganization Plan for an AOS to the Commissioner of Education nor with respect to any Member School Unit if the legislative body of that Member School Unit fails to approve the School Reorganization Plan incorporating this Interlocal Agreement. This Interlocal Agreement shall not become effective with respect to any Member School Unit unless the School Reorganization Plan, which incorporates this Interlocal Agreement, is approved at referendum of the legislative body of all three Member School Units.

20. Filing of Agreement.

Before becoming effective, this agreement shall be filed with the Secretary of State, the clerk of each municipality within the AOS, and the secretary of each Member School Unit within the AOS.

21. Miscellaneous Provisions.

- a. This Agreement shall be construed and enforced in accordance with the laws of the State of Maine.
- b. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

- c. This Agreement constitutes the entire Agreement between the parties, supersedes all prior negotiations and understandings among them and shall not be altered or amended except as provided herein.
- d. This Agreement may be simultaneously executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall constitute but one and the same instrument.
- e. The headings in this Agreement are for convenience of reference only and shall not affect in any manner any of the terms and provisions hereof.

Interlocal Agreement Signature Page

Maine School Administrative District #58

Witness: Kimberly Jordan BY: Judith Adair

It's Chair
Board of Directors

Date: 1/6, 2011

Maine School Administrative District #74

Witness: J. Wayne Dugan BY: [Signature]

It's Chair
Board of Directors

Date: 1/6, 2011

Maine Department of Education

Witness: Monica Poole BY: Angela Felicity

It's Commissioner

Date: Jan 13, 2011

Exhibit B
Record of actions at Dec 14th AOS planning Committee meeting

Action on Decision Points
At Dec 14th AOS planning Committee meeting
6pm Kingfield Elementary School

- A. Moved by Ellen James seconded by Dwight Baron, passed Unanimous that **The RPC co-chairs to be points of contact in the submittal process shall be the Chairs of the SAD 58 and SAD 74 School Boards.**
- B. Moved by Alan Morse, seconded by Ellen James passed unanimous that **The number of representatives be five from each district with one from each town except two shall be from Anson.**
- C. Moved by Dwight Baron seconded by Andy Davis as amended by Alan Morse, Judy Dill (6-1) passed unanimous that **A quorum of the AOS board shall consist of six members present with at least three from each of the member units?**
- D. Moved by Judy Dill , seconded by Alan Morse passed unanimous that **Voting on the AOS Board not be weighted.**
- E. Moved by Alan Morse seconded by Judy Dill passed unanimous that **Additional units be allowed to join the AOS with the understanding that each additional town get one seat on the AOS Board and pay a proportion of the AOS costs based on the number of seats on the expanded AOS Board? (AOS costs divided by the total number of seats on the expanded Board and allocated to the units based on the number of seats that unit holds.)**
- F. Moved by Alan Morse seconded by Judy Dill passed Unanimous that **Before an additional unit joins the AOS a majority vote of the AOS Board be required as well as a majority vote of each member unit school board and a majority vote of the citizens attending at each District Budget meeting of the member units.**
- G. Moved by Alan Morse seconded by Andy Davis passed 5-2 that **The AOS office staffing model presented to the planning committee on December 14th as revised at this meeting be approved.**
- H. Moved by Andy Davis, seconded by Dwight Baron passed Unanimous that **Existing financial obligations; contractual obligations that do not impact AOS positions, real and personal property remain with the existing member units.**
- I. Moved by Alan Morse, seconded by Dwight Baron passed Unanimous that

The function and composition of the existing Boards shall remain unchanged except for those that specifically relate to the AOS?

- J. Moved by Alan Morse seconded by Andy Davis passed unanimous that **Furniture and equipment used in the existing offices that will be replaced by the AOS be made available to the AOS without charge and existing leases for copiers etc that would be needed by the AOS be renegotiated or assigned to the AOS.**
- K. Moved by Alan Morse seconded by Andy Davis passed unanimous that **The cost saving analysis presented by the superintendents as revised at this meeting December 14th be adopted and incorporated into the plan.**
- L. Moved by Andy Davis seconded by Wayne Rugh passed unanimous that **The member units be recognized as discrete units for the purposes of state subsidy as allowed by state law.**
- M. Moved by Judy Dill, seconded by Dwight Baron passed unanimous that **The language proposed by the superintendents in the draft plan be approved as amended by the decisions of December 14, 2010 recorded above.**

Exhibit C.
Reference plan Section 3.A(13-C) on page 11
Exceptions to 2500 minimum

The proposed AOS exceeds the revised 1200 student minimum but does not reach the original 2500 student minimum.

Exceptions:

Geography: The proposed AOS service area will have greater geographic coverage than the entire county of York, Cumberland, Lincoln, Knox, Waldo, or Kennebec.

Population Density: The Area of the State served by the proposed AOS is extremely rural under the Federal Definition with parts of the served area meeting the frontier and wilderness definitions.

Other Unique Circumstances: The member units of the proposed AOS have sought consolidation with all other contiguous School Administrative Units in the past. All other contiguous School Administrative Units have either reorganized in conformance to the consolidation requirements or have formally rejected reorganization with the member units through referendum of their voters.

Exhibit D

System Administration	MSAD/RSU #74	MSAD/RSU #58	AOS
Personnel			
Superintendent	\$102,900	\$106,807	\$114,000
Secretary to the Superintendent	\$ 44,060	\$50,704	\$ 50,000
Business Secretary (Payroll plus)	\$ 44,167	\$41,887	3 positions at \$48,000
Business Secretary (Accounts payable plus)	\$ 47,753	\$53,918	\$144,000
 Transportation Administration			
Director of transportation (Non-operational Administrative duties only)	\$2500 (portion of salary)	\$2500 (portion of salary)	\$5000 ((\$2500 to each SAD for non-operational admin only)
 Special Education Administration			
½ Director of Special Education (shared with #58)	\$ 49,000	\$49,000	\$98,000
Secretary to the Director	\$ 45,000	\$22,000	\$77,000 (1.5 positions)
 Total Personnel	 \$335,380	 \$326,816	 \$488,000
			 Savings \$174,196