



STATE OF MAINE
 DEPARTMENT OF EDUCATION
 23 STATE HOUSE STATION
 AUGUSTA, MAINE
 04333-0023

JOHN ELIAS BALDACCI

GOVERNOR

SUSAN A. GENDRON

COMMISSIONER

April 14, 2009

Patrick O'Neill, Superintendent
 MSAD 27
 23 West Main Street, Ste. 101
 Fort Kent, ME 04743

Dear Superintendent O'Neill:

Thank you for the revised Reorganization Plan describing the Alternative Organizational Structure (AOS) and the Interlocal Agreement that you submitted on behalf of MSAD 10 and MSAD 27 on April 13, 2009 for Department review for compliance with the school reorganization law, P.L. 2007, chapter 240, Part XXXX.

Members of my staff and I have completed the review of your plan, and have determined that it is consistent with the policy objectives and parameters set forth in the reorganization law, and it includes all required plan elements and adequate supporting documentation. Therefore, I have determined that your plan is complete and in compliance with the law.

What I am reviewing for approval is a plan which is by its very nature prospective, with steps yet to be taken or finalized; and any review comments or approval given are in relation to the elements required under P.L. 2007, chapter 240, Part XXXX but not the legality of all the activities proposed. Thus, I strongly recommend that you have your own legal advisor(s) review the details of any particular transaction proposed in your plan (particularly with respect to the disposition of property, to debt, and to employee contracts/relations) as you proceed, to ensure the legality of the steps you'll be taking to implement the plan. If that review leads to any substantive changes in any parts of your plan, please be sure to submit an amended plan to the Department for our review and our file.

I appreciate the great amount of time, effort and leadership that went into preparing your Reorganization Plan. I wish you continued success as you proceed to referendum and implement the elements set forth in this plan.

Sincerely,

Susan A. Gendron
 Commissioner of Education

cc: Sandra Bernstein, Superintendent, MSAD 10

REC'D APR 18 2009

REORGANIZATION PLAN FOR ALTERNATIVE ORGANIZATIONAL STRUCTURE SUBMITTAL SHEET

School Administrative Units Included in APPROVED Notice of Intent	School Administrative Units Submitting Reorganization Plan (Each municipality in a School Union must be indicated separately)
MSAD 27	MSAD 27
MSAD 10	MSAD 10

Contact Information:

RPC Chair

Name: Donald Guimond
 Address: Town of Fort Kent
416 West Main St
 Telephone: 834-3090
 email: Donald.guimond@fortkent.org

Date Plan Submitted: 4/10/09 (3rd submission)

Proposed Alternative Organizational Structure Operational Date: July 1, 2009

<i>Josie Pelletier (Board Chair)</i>	<i>4-15-09</i>	<i>Sad #10</i>
Signature/Title	Date	SAU
<i>James Malley</i>	<i>4-15-09</i>	<i>MSAD #27</i>
Signature/Title	Date	SAU

(Duplicate as Needed)

Reorganization Plan for Alternative Organizational Structure Cover Sheet

(Please attach Reorganization Plan as Exhibit A)

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)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(2)	Size of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Composition of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Apportionment of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(3)	Method of voting of the governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(4)	Composition of local school committees		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Powers of local school committees		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Duties of local school committees		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(5)	Disposition of real & personal school property		<input checked="" type="checkbox"/>	<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)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disposition of lease-purchase obligations (if not using provisions of section 1506)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(7)	Assignment of school personnel contracts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Assignment of school collective bargaining agreements		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Assignment of other school contractual obligations		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(8)	Disposition of existing school funds and existing financial obligations		<input checked="" type="checkbox"/>	<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		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Transition plan that addresses interim personnel policies		<input checked="" type="checkbox"/>	<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		<input checked="" type="checkbox"/>	<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		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(12)	Estimate of cost savings to be achieved		<input checked="" type="checkbox"/>	<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		<input checked="" type="checkbox"/>	<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)		<input checked="" type="checkbox"/>	<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		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(2)	Comprehensive programming for all students grades K – 12		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Includes at least one publicly supported high school		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(3)	Consistent with policies set forth in section 1451		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(4)	No displacement of teachers		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No displacement of students		<input checked="" type="checkbox"/>	<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		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sec. XXXX-36, Parameter F	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 fiscal year 2008-2009 for system administration, transportation, special education and facilities and maintenance will not have an adverse impact on the instructional program ⁶		<input checked="" type="checkbox"/>	<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		<input checked="" type="checkbox"/>	<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		<input checked="" type="checkbox"/>	<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		<input checked="" type="checkbox"/>	<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		<input checked="" type="checkbox"/>	<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		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	A plan for an AOS may include a collaborative agreement 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)		<input checked="" type="checkbox"/>	<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

⁶ This requirement is only for those who plan to be operational as an AOS in fiscal year 2008-2009, in accordance with a Reorganization Plan that is approved by the Commissioner and by the voters.

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		<input type="checkbox"/>	<input checked="" 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>							<input type="checkbox"/>	<input type="checkbox"/>

Exceptions to 2,500 minimum

Actual number of students (10/1/2006) for which the SAU is fiscally responsible: 1095

<http://www.maine.gov/education/enroll/aproct/resident.html>

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

* isolated rural

Download the original attachment

SAD 27 and SAD 10 Alternative Organizational Structure

*A Plan for an Alternative Organizational Structure (AOS) as defined in Title 20-A
Chapter 103-A, Subchapters 1-6.*

3.A(1).

SAUs included in Alternative Organizational Structure (AOS)

The proposed Alternative Organizational Structure (AOS) includes the following administrative units:

Maine School Administrative District 10

Maine School Administrative District 27

In the following plan, the above school administrative units are referred to collectively as SADs.

3.A(2)

Size of governing body, composition of governing body, apportionment of governing body

The AOS Board will be composed of at least 13 directors. The Board will be comprised of the current membership of the SAD 27 Board (12 members) and one appointee from the SAD 10 Board. Since SAD 27 Board members already represent proportionately the same population, this configuration gives all board members votes approximately the same weight.

Terms of office will be the same as currently prescribed by the SADs.

3.A(3)

Method of voting of the governing body

SAD 10 currently includes only one town, Allagash. SAD 27 balances its voting by having one representative from each of twelve wards of comparable size.

If voting were exactly commensurate with relative population, SAD 10 would have 4% of all votes on the Board, and SAD 27 would have 96%. This would give SAD 10's member a total of 40 votes, and SAD 27's members, with 960 votes to split equally

among 12 individuals, would each have 80 votes. Rather than having one member with a vote worth ½ of any other member, it has been determined that every individual serving on the board will have one vote.

A majority of directors in number and voting power shall constitute a quorum. Terms of AOS Board members will be dependent on the term of the SAD director in each seat. These terms are, and will remain, staggered.

Director Compensation

Each director shall be compensated \$25.00 for attending an AOS Board meeting.

Board Orientation and Operating Procedures

The AOS Board shall, on an annual basis at their first meeting following the annual appointment of all of its directors, elect a chair and vice-chair and other officers as may be necessary. The Board shall also adopt procedural rules (by-laws) for the regulation of its affairs and conduct of its business, and may choose a name for the AOS.

Board Powers and Duties

- The AOS Board shall provide for the employment and discharge of a superintendent pursuant to Title 20-A M.R.S.A. §1001, sub-§ 3 and chapter 101 subchapter 2.
- The AOS Board shall function as the “employer” responsible for the controlling, hiring, establishing working conditions and compensation, supervising, disciplining and termination for employees employed to carry out the functions related to the responsibilities of the Central Office, enumerated in the Interlocal Agreement and in the following Role and Responsibilities section.
- The AOS Board shall develop and adopt job descriptions for positions created to carry out the functions related to the responsibilities enumerated in the Interlocal Agreement and the Role and Responsibilities section.
- The AOS Board shall develop and submit to the voters of the AOS, as provided in the interlocal agreement, an annual budget for the expenses related to carrying out the functions related to the responsibilities enumerated in the Interlocal Agreement and in the Role and Responsibilities section.
- The AOS Board shall develop and submit to the individual member SAD Boards for adoption and implementation, a K- 12 core curriculum that meets the requirements of the system of Learning Results established in Title 20-A M.R.S.A. §6209. The AOS Board will ensure state requirements are met by developing and enforcing standards, and initiating changes needed to remain compliant with State law.
- The AOS Board shall develop and submit to the individual member SAD Boards for adoption and implementation, procedures for standardized testing and assessment aligned with the system of Learning Results established in Title 20-A M.R.S.A. §6209. The AOS Board will establish minimums standards for

testing and assessment and develop a policy for enforcing these standards.
Local school committees may choose to exceed these standards.

- The AOS Board shall develop and submit to the individual member SAD Boards for adoption and implementation consistent school policies and school calendars.
- It will not be necessary to adopt consistent collective bargaining agreements at this time, since SAD 10 does not have employees. If the time comes that SAD 10 has its own employees for local teachers, these teachers will be covered by the same collective bargaining unit as SAD 27.
- The AOS Board may accept and receive money or other property, outright or in trust, for any specified benevolent or educational purpose. In accepting money or other property, the AOS Board shall be subject to the same provisions of law (20-A M.R.S.A. §1476 sub-§6) as an RSU.
- The AOS Board shall have the necessary and incidental powers in dealing with unforeseen contingencies related to the carrying out the functions related to the responsibilities enumerated in the Role and Responsibilities section, but shall not have any power or responsibility with respect to any and all responsibilities retained by the individual member SADs.

Roles & Responsibilities

The AOS Board has important responsibilities during the transition between local approval of the referendum adopting this plan, and the operational date of the AOS. These are described in Section 3. A (9). The AOS has no authority to close schools.

Once the AOS is operational, the AOS Board will provide the leadership for the AOS administrative functions, including system administration; special education administration, curriculum development and assessment, transportation administration and business functions; and adoption of consistent school policies, school calendars and collective bargaining agreements. The Board will adopt and oversee a core curriculum for the region and procedures for standardized testing and assessment aligned with the system of Learning Results established in Title 20-A, section 6209.

The roles and responsibilities of the AOS Board are primarily to govern the functions and oversee the staff of the Central Office. The AOS Board will hire the Superintendent, approve other administrative hires, develop general policies for the region, approve Central Office budgets and their administration, facilitate cost and subsidy distribution, and serve in any other capacity that enhances the services to, and efficiencies of the individual SADs. Other functions that may also be coordinated by the Central Office include technology planning, federal program coordination, adult education, and school nutrition.

The table below has been developed to further clarify and delineate the roles and responsibilities for the core functions of the Central Office and the AOS Board.

Core Functions of AOS	AOS Board/Central Office
System Administration	Hires Superintendent and employs all Central Office staff. Provides equitable system for all SAUs. Oversees administrative needs of Central Office/AOS including liability and risk management.
Business Functions	Acts as fiscal agent for all SAUs in the region for every purpose, including payroll, Office Budget and coordinates with local school boards to develop local budgets, federal reports. Employs Business Manager.
Transportation	Oversight of transportation budget, coordination among local transportation programs and requirements. Employ Transportation Director. Use DOE software to propose more efficient bus routes to SAUs.
Special Education	Assumes responsibilities for administration of special ed. Cooperates with in-school districts to meet special ed. needs. Employ Special Education Director.
School policies and Calendars	Develop policies and school calendar that both SADs will adopt.
CBAs	Superintendent fulfills designated administrative function for CBAs. Negotiate and administer CBAs for all office employees.
Core Curriculum	Adopt a core curriculum for the region and procedures for assessment aligned with standards. Employ Curriculum Coordinator.

3.A(4)

Composition, powers and duties of local school committees

Both existing SADs will remain intact, with their current boards in place and reelected as currently occurs, unless the size and election process is changed by their member communities in the future.

SAD 27's Board members alone will make decisions regarding EK-12 education in their district. The SAD 10 Board will develop their local budget, which will be administered by the AOS.

Functionally, the SAD 27 Board could meet monthly for an hour to discuss EK-12 issues, then they would be joined later by the SAD 10 representative to work on AOS issues. This method would minimize meetings and staff time.

It is anticipated the SAD 10 Board will meet only three times a year. These meetings will be staffed by the Superintendent.

Local school boards retain control currently exercised over their local budgets, with the exception of hiring any staff that will work for the Central Office. Local principals, teachers and other in-school staff are employed by the local SAD and will be selected in compliance with state law. The local boards will continue to negotiate collective bargaining agreements for local school employees, working with the AOS to manage and administer these contracts.

Local boards also:

- work with the Superintendent and Business Manager to develop budgets
- retain oversight of local transportation scheduling, maintenance, fleet upgrades and other related responsibilities, working with the Transportation Director in the Central Office.
- retain oversight of in-school staff for special education, and other programming which is administered by the Central Office.
- cooperate with the AOS board on creating consistent school policies and school calendars, and implementing core curriculum.

Except for responsibilities of the Central Office and Board, the local school boards retain powers and duties described in state statute (20-A, Part 2, Chapter 101 §1001-1004).

The table in Section 3 A (2-3) delineates responsibilities of AOS Board.

3.A(5)

Disposition of real & personal school property

All real and personal school property, and all incumbent responsibilities associated with that property, will be retained by the current SADs. As needed, property owned by SADs may be leased to the AOS, or purchased by the AOS at a future date.

3.A(6)

Disposition of existing school indebtedness and lease purchase obligations.

All existing school debt will be retained by the SADs that incurred the debt. The AOS may act as a fiscal agent to pay the debt on behalf of those SADs. All lease purchase obligations made by the existing SADs will continue to be held by that SAD, unless the function of the leased property is specific to the functions of a Central Office. In that case, the lease or lease purchase obligations will be transferred to the AOS. A list of existing debt and lease purchase obligations is attached as Exhibit 6A in the Appendix.

3.A(7)

Assignment of school personnel contracts

All personnel contracts for current Central Office employees will be assigned to the AOS, as of July 1, 2009.

All other personnel and related contracts, including Collective Bargaining Agreements, will be retained by SAD 27 under existing conditions.

AOS Personnel Contracts. A list of all written individual employment contracts related to Central Office functions is attached as exhibit 7-A. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operation date of the AOS shall become employed by the AOS as of the operational date, and their contracts shall be assumed by the AOS on the operation date. This provision does not prevent existing SAUs from terminating or not renewing the contracts of employees in accordance with applicable law before the operational date of the AOS. The list shall be updated and made final no later than the day before the operational date of the AOS.

A list of all Central Office employees who do not have written individual employment contracts is attached as Exhibit 7-B. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operation date of the AOS shall

become employed by the AOS as of the operational date. The list shall be updated and made final no later than the day before the operational date of the AOS.

The duties and assignments of all Central Office employees transferred to the AOS shall be determined by the Superintendent or his/her designee in conjunction with the AOS Board. The duties and assignments of all school personnel under local board jurisdiction shall be determined by the local school boards in conjunction with the AOS Superintendent.

The existing SAUs will update lists of contracted and non-contracted employees noted in section 3.A(7). no later than June 30, 2009

Assignment of school collective bargaining agreements

School Collective Bargaining Agreements Collective bargaining agreements to which the SAD 27 is a party shall be retained by SAD 27, and will not be transferred to the AOS. No Central Office employees are currently covered under Collective Bargaining Agreements.

It is not necessary to develop a plan to make all collective bargaining units consistent, as SAD 10 does not have employees. Any future employees that may be hired by SAD 10 will be covered under the same CBU as SAD 27.

The Superintendent will fulfill the designated function of the CBA Administrator on behalf of the SADs.

Assignment of other school contractual obligations

Other non-employment school contractual obligations will be assigned as follows:

- Contracts in place before July 1, 2009 that affect only the k-12 schools under the jurisdiction of a local SAD will remain with that SAD. The AOS will act as the fiscal agent in meeting those obligations.
- Contracts in place that affect Central Office functions will also remain with the SAD that initiated the obligation, and the AOS will pay those obligations from its Central Office budget.
- The AOS will be the sole party to any future contracts relating exclusively to Central Office functions, unless a policy is in place that allows an exception.

The Table titled Exhibit 7 C lists all existing obligations and whether the AOS or SAU has responsibility.

3.A(8)

Disposition of existing school funds and existing financial obligations

Funds in bank accounts belonging to current SADs will remain in those accounts. Financial obligations of each SAD will be paid on behalf of the SAD by the AOS acting as their fiscal agent, except for obligations specific to Central Office functions, which will be paid from the AOS budget.

3.A(9)

Transition plan that addresses the development of a budget for the first school year

Interim and Initial AOS Board:

Upon a favorable referendum vote in a sufficient number to form the AOS, SAD 10 will appoint a Board member to join the SAD 27 Board in forming the AOS Board. As a transitional measure, SAD 27 will transfer their Superintendent contract to the AOS, and that Superintendent will complete the term of his current contract. After that time, the AOS will advertise the position, and select a Superintendent. The current SAD 10 Superintendent does not have a contract.

The SAD 27/AOS Superintendent will take responsibility for filing the names of the AOS Board with the Department of Education.

Once a Certificate of Organization is issued by the State Board of Education, the AOS board is officially seated and will have all the transitional powers and duties described in 20-A§1461-A relevant to an AOS, including selection of a superintendent, budget preparation and approval, authorization to set up accounts and expend funds, and acting as a fiscal agent. The AOS Board will assume all tasks necessary to allow the AOS to be operational on July 1, 2009.

Initial Budget:

The existing school boards and superintendents of the SADs within the region shall begin a process for developing proposed budgets for educational programs and services within their SAD, including cost savings that are expected to result from reorganization. The AOS shall consider changes in operations that may be necessary in order to reduce the costs of administration, special education, building maintenance and transportation without adversely affecting the educational program.

A proposed FY 2010 budget and supporting documentation shall be developed in time for its presentation to and consideration by each local Board of Directors, and the newly seated AOS Board of Directors.

During the interim period, start-up costs of the AOS will be apportioned to the existing SADs according to the cost sharing formula developed and included in Section 3.A 13.

During the interim period, the AOS board shall be authorized to take all other actions and shall have all other authority provided under state law to prepare for the AOS to become operational on July 1 of the first operational year; including the authority to open and maintain accounts, to incur expenses, and conduct other business, including initiating and managing the budget validation referendum process.

A budget approval process and validation referendum will be carried out as required by law, and is described in detail in the Interlocal Agreement.

3.A(10)

Documentation of the public meeting(s) held to prepare or review reorganization plan

An RPC meeting, open to the public, was held on April 8, 2009, to create an AOS plan for SAD 10 and 27. This plan will be submitted to local boards for approval in April, 2009.

Public Hearings for the Plan will be held on the following dates:

SAD 10: May 1, 2009, Allagash Gym, 6:00 pm

SAD 27: May 18, 2009, Fort Kent Community High School Gym, 7:00 pm.

It is the intent of the RPC to televise the hearings on the local channel 4.

The referendum for SAD 10 will be held Tuesday, May 26, 2009

The referendum for SAD 27 will be held Thursday, May 28, 2009

3.A(11)

Explanation of how units that approve reorganization plan will proceed if one or more units do not approve the plan

Neither SAD 10 nor SAD 27 will be able to go forward in an AOS unless voters in both SADs vote to approve the plan. If this is the case, both school boards will evaluate the results and determine whether to go forward with a new plan, or seek different partners.

3.A(12)

Estimate of cost savings to be achieved

There will be approximately \$10,000 in administrative savings realized by eliminating one part time superintendent position. The AOS will use transportation routing software to seek further savings. No additional staff will be needed, and if other SAUs request to join the AOS later on, further efficiencies may be realized.

Penalties

Any SAD that votes against the plan will be subject to the following penalties:

MSAD 10 \$5810

MSAD 27 \$169,537

Details on how the penalties were calculated can be seen at www.maine.gov/education/reorg. Select Planning and Resources from the index.

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

Subsidy Allocation and Cost Sharing

Subsidy Allocation

The AOS will receive all state education subsidy for the region. The Interlocal Agreement contains a State Subsidy Allocation Policy, a method for allocating the subsidy, and includes conditions for changing the allocation method. The subsidy allocation portion of the Interlocal Agreement will be based on a contract currently in place for providing education to SAD 10 students.

Cost Sharing

The local share of SAD budgets will be shared among member communities of that SAD, as is currently the practice. Additional local funds raised to meet an individual SAU's budgetary needs would continue to be shared among the municipalities within the individual unit on the basis of the fiscal capacity of each member municipality.

The AOS budget shall be allocated on a per pupil basis.

Interlocal Agreement

The creation of an AOS is enabled by state law, but it is governed by an Interlocal Agreement between the existing SADs. The Interlocal Agreement is attached to and included as part of this plan. Unless otherwise provided by law, the Interlocal Agreement governing the AOS may be terminated in accordance with the conditions for termination included as part of the agreement.

In the event of a conflict between provisions in the plan and the Interlocal Agreement, the provisions of the Interlocal Agreement shall control.

Withdrawal

Withdrawal of either member unit will be governed by the attached contract between the two school units. (see attached)

Career & Technical Education Programs

The AOS Board will review the current CTE agreement that created the St. John Valley Technology Center and recommend changes that will incorporate the role of the AOS. The AOS Board will review CTE programs around the region.

ATTACHED:

INTERLOCAL AGREEMENT

APPENDIX

6A- Debt and Lease Purchase Obligations

7A-Individual Employment Contracts

7B-All Central Office Employees with no written contracts

7C-Other Contractual Obligations

10A- List of RPC Meeting Dates

SAD 10 and SAD 27 AOS- Appendix

Exhibit 6A-Debt, Lease Service Obligations

A. Bonds, Notes, and Lease purchase Agreements

Name of SAU Local Debt	Date Issued	Original Principal Amount	Asset acquired or renovated	Principal balance as of July 1, 2008	Principal balance as of July 1, 2009	Final Maturity Date	Other Info Provided
MSAD 27	October, 2006		Municipal Leasing Consultants Technology Equipment Upgrade	\$144,058	\$53,074	February 1, 2010	\$7,582/monthly, 7 months remaining
MSAD 27	July 2007		Rev. Renov. Fund/Maine Municipal Bond Bank Community High School Roof	\$244,451	\$217,272	July 8, 2015	\$27,159/year, 9 years remaining
MSAD 27 Total				\$388,489	\$270,346		

**Please Note: All of the debt listed will remain
the responsibility of the individual SAUS.**

SAD 10 and SAD 27 AOS- Appendix

Exhibit 7A. Current Central Office Employment Contracts (as of April 10, 2009)

SAU	EMPLOYEE NAME	POSITION	END DATE
SAD 27	Patrick O'Neill	Superintendent	6/30/2010
	Lucie Tabor	Director of Finance	6/30/2010
SAD 10	Sandra Bernstein	Superintendent	6/30/09

Exhibit 7 B Central Office Employees with No Contracts as of April 10, 2009

SAU	EMPLOYEE NAME	POSITION
MSAD #27	Ina St. Jean	Secretary - Payroll & Records
MSAD #27	Jacqueline Dubois	Secretary - Accounts Payable
MSAD #27	Susan Daigle	Secretary - Bookkeeper
MSAD #27	Pearl Bouchard	Secretary
SAD 10	Susan Daigle	Secretary-Bookkeeper

SAD 10 and SAD 27 AOS- Appendix

Exhibit 7C Non-employment contractual obligations.

MSAD 27			
COMPANY NAME OR VENDOR	EXPIRATION DATE	ANNUAL FINANCIAL COMMITMENT	PRODUCT OR SERVICE PROVIDED
Sun Trust	1-Feb-10	\$90,984.00	Computer Tech Equip.
Office Max	30-Aug-11	.0089 cents per copy	Photo Copier Rental – Student Services
Office Max	30-Sep-11	.0089 cents per copy	Photo Copier Rental – WES
Office Max	31-Jul-09	.008 cents per copy	Photo Copier Rental – FKES
Office Max	30-Sep-11	.0089 cents per copy	Photo Copier Rental – SFES
Office Max	30-Sep-11	.0089 cents per copy	Photo Copier Rental – ELES
Office Max	28-Feb-11	.00877 cents per copy	Photo Copier Rental – Central Office
Levesque Office Supplies	Aug-09	.0087 cents per copy	Photo Copier Rental – CHS
Office Max	28-Feb-09	.0089 cents per copy	Photo Copier Rental – Chippy
TNT	30-Jun-09	13,615.00	Snow Removal
JA & R Farms	30-Jun-09	3,535.00	Snow Removal
Simard Construction	30-Jun-09	4,500.00	Snow Removal
Ron Toussaint	30-Jun-09	2,195.00	Snow Removal
Davis CPA	30-Jun-08	6,500.00	Annual Audit Service
Dead River Company	30-Jun-09	based on usage	Heating Oil, Diesel, Propane
MSAD 10			
NONE			

SAD 10 and SAD 27 AOS- Appendix

Exhibit 10A
RPC Meeting Dates

April 8, 2009 (minutes attached)

PUBLIC HEARING NOTICE

PUBLIC NOTICE

M.S.A.D. 10 and M.S.A.D 27 Alternative Organizational Structure

Maine law requires School Administrative District 10 and 27 to develop a plan for reorganizing school administration into a single unit. They have chosen to submit a plan for an Alternative Organizational Structure. That plan, which includes the Interlocal Agreement needed to implement it, has been submitted to the Commissioner of the Maine Department of Education.

A copy of the Plan and Interlocal Agreement is available for public inspection at your local town office and at the office of your Superintendent of Schools.

*A referendum for voter approval of the plan will be held on
Tuesday, May 26th, 2009 – MSAD No. 10
Thursday, May 28th, 2009 – MSAD No. 27*

Public Hearing Schedule

SAD 10: Friday, May 1, 2009
6:00 p.m., Allagash Gym

SAD 27: Monday, May 18, 2009
6:00 pm, Community High School Gym (Fort Kent)

* Last week in April, channel 4 will carry AOS information for voters of MSAD No. 10 and MSAD No. 27.

MEETING SUMMARY
April 8, 2009
SAD 10 and SAD 27 RPC

Chairman, Don Guimond called the meeting to order at 6:31 p.m.

Item 1 – The RPC members were asked to sign-in indicating their SAU.

- Documents containing the contract between MSAD #10 and MSAD #27 signed on April 3, 2009 at respective special board meetings were distributed and reviewed.
- The AOS plan and AOS Interlocal Agreements were reviewed and changes in dates and DOE recommendations examined.
- Don Guimond asked members if they had clarifying questions to ask. There was one from Joel Bossie, representing MSAD #27 and a resident and board member from New Canada. His question pertaining to AOS membership and duration of membership and duration of membership was answered by Superintendent Patrick O'Neill, MSAD #27.

Item 2 – Don Guimond asked members to decide on Public Hearing dates and referendum dates for the various towns comprising districts No. 10 and No. 27. (See changes in Exhibit 10A)

Item 3 – Don Guimond explained to the members the process to be followed. The plan and Interlocal Agreement would be voted on by the RPC members present. Once done he would sign a letter of intent to present to education Commissioner Susan Gendron. Upon receipt of her approval, warrants would be sent to MSAD No. 10 and MSAD No. 27 board members to approve and sign calling for the referendum vote. The vote would be taken in May and if passed, MSAD No. 10 and MSAD No. 27 will create an AOS budget and convene their first meeting sometime after July 1, 2009.
– There were no questions from RPC members.

Item 4 – Don Guimond thanked everyone for their twenty-one months of dedication and commitment to the consolidation effort and hoped that the consorted efforts will finally pay off at the polls.

Item 5 – A motion was made by Joel Bossie and seconded by Danny Nicolas and unanimously voted to approve the AOS plan, Interlocal Agreement and attachments and send forward to Commissioner of Education for approval.

Dan Nicolas made a motion to adjourn at 6:53; second by Joel Bossie. Meeting adjourned.

Attendance:

SAD 10 & 27 RPC Attendance 4/08/09

MSAD 10	
Sandra B. Bernstein,	
Josie Pelletier	X
Patty Pelletier	X
Daniel Pelletier	
Troy Jackson	
MSAD 27	
Patrick H. O'Neill	X
Reynold Raymond	
James Nadeau	
Debra Labbe	X
Danny Nicolas	X
Paul Bouchard	
Donald Guimond	X
Rodney Pelletier	
Joel Bossie	X
Bruno Hicks	
Benny Nadeau	X
Rita Gardner	X
Dale E. Emery	X
Jim O'Malley	
Lance Martin	
Pat Nadeau	
Paul Lozier	X
Kelly O'Leary	
Elaine Desjardins	
John Martin	
Arnold Martin	
Paul Soucy	
Jim Fecondo	
<i>Richard Tardie (alt)</i>	
Peter Caron	
Lucie Tabor (Business Manager)	X
Danny Bechard-Co-Chair #33 - observing	X
<i>Chase Jackson -CHS Student</i>	X
Steve Simons	X

**INTERLOCAL AGREEMENT
ST. JOHN VALLEY ALTERNATIVE ORGANIZATIONAL STRUCTURE
30-A M.R.S.A. CHAPTER 115**

Agreement made as of December 11, 2008 between Maine School Administrative District No. 10 (“MSAD #10”), a Maine school administrative district with a mailing address of P.O. Box 7, Wallagrass, Maine 04781; and Maine School Administrative District No. 27 (“MSAD #27”), a Maine school administrative district with a mailing address of 23 W. Main Street, Suite 101, Fort Kent, Maine 04743; (hereinafter the “Member School Units”);

WHEREAS, subject to certain conditions of approval, the Member School Units intend to form an Alternative Organizational Structure (hereinafter “AOS”) within the meaning of PL 2007, c. 240 Pt. XXXX, §36, sub-§2(c) and 20-A M.R.S.A. §1, sub-§26(c) 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, 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, common procedures for standardized testing and assessment aligned with the system of learning results, 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 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 Alternative 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 reorganization 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 a name to be determined upon organization, as an alternative organizational structure within the meaning of PL 2007, c. 240, Pt. XXXX §36(2)(C), 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 115, and a political subdivision within the meaning of 14 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 Board of Directors. The Alternative Organizational Structure established pursuant to this Interlocal Agreement shall be governed by an AOS Board of Directors comprised of representatives of the school boards of each Member School Unit. The AOS Board shall be comprised of the board members of SAD 27, each of whom represents a proportional number of the population, and one member of SAD 10. The members of the resulting AOS Board will each have one vote.

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. #10	None; tuitions students to M.S.A.D. #27
M.S.A.D. #27	EK-12

6. Powers, Authority and Responsibilities. There shall be an AOS central office under the direction and control of the AOS board of directors serving all of the Member School Units. The AOS central office shall include without limitation a superintendent of schools, business manager, transportation director, special education director, and curriculum coordinator, provided that one person may hold more than one of these positions. The respective powers and duties of the AOS board of directors and superintendent of schools shall be governed by State law. The AOS board of directors 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 of directors shall adopt consistent school policies and consistent school calendars in conjunction with the school committees or school boards of the Member School Units.

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

- a. Oversee the operation of the AOS central office;
- b. Annually develop and obtain voter approval for the AOS budget;
- 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, reserve accounts and other assets transferred to the AOS under the School Reorganization Plan 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 the 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 committees or 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 administration of their wages, hours, and working conditions;
- l. Maintain appropriate supervision and evaluation criteria and policies applicable to AOS central office employees;
- m. Oversee negotiation and administration of consistent collective bargaining agreements and maintenance in the AOS central office of personnel records of all AOS and Member School Unit employees;

- n. Oversee and maintain an EK-12 core curriculum for Member School Units and procedures for standardized testing and assessment aligned with the system of learning results;
 - o. Adopt consistent school policies in conjunction with the school boards of the AOS Member School Units;
 - p. Oversee administration of transportation systems for the AOS Member School Units and administration of bus purchases and debt repayment; authorize the purchase of buses by the AOS;
 - q. Oversee administration of 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. Adopt a consistent school calendar for the AOS Member School Units;
 - t. Oversee contracts and lease agreements relating to the AOS;
 - u. Distribute state subsidy among the Member School Units in accordance with the state subsidy distribution method described in paragraph 10;
 - v. Oversee the administration of this Interlocal Agreement and, as deemed necessary from time to time, propose amendments to this Interlocal Agreement for approval by the voters of the Member School Units;
 - w. Authorize the superintendent of schools, subject to such limitations as the AOS board of directors 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 board of directors of the AOS and school boards of Member School Units in place of the superintendent of schools.
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 board of directors 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 board of directors shall develop each year a 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 procedures applicable to a regional school unit, except that the duties of the regional school unit board shall be performed by the AOS board of directors. The AOS budget must be approved by a majority of all the voters from AOS Member School Units at the AOS budget meeting, not by a majority of the voters from each Member School Unit. Following the AOS budget meeting, the AOS board of directors 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, the AOS and each Member School Unit shall conduct a budget validation referendum on its budget in accordance with applicable law, except that the 14 day time limit between a budget meeting and a budget validation referendum shall not apply. The AOS and each Member School Unit shall conduct its budget validation referendum on a

uniform date as determined by the AOS school board. The AOS budget validation referendum shall be conducted in accordance with the budget validation referendum procedures 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 validated by a majority of all the voters from Member School Units participating in the referendum, not by a majority of the voters participating in the referendum from each Member School Unit. The budget of each Member School Unit must be validated by a majority of the voters participating in the referendum from that Member School Unit. If the budget of the AOS or a Member School Unit is not approved at the budget validation referendum, the AOS or 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 both an AOS budget meeting and AOS budget validation referendum. The budget validation referendum procedure may be discontinued by the voters of the AOS, and the budget validation referendum procedure for the budget of a Member School Unit may be discontinued by the votes of that Member School Unit, after three years 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 AOS Budget. The M.S.A.D. No. 10 share of the AOS budget shall be determined on the basis of their respective number of students on April 1 and October 1 of the preceding calendar year or the sum of \$8000.00 whichever is less. It is the intent of this agreement that M.S.A.D. NO. 10 will not pay more for administrative costs as a member of the AOS than it did as a stand-alone school unit. M.S.A.D. NO. 27 shall document administrative costs that result directly from doing M.S.A.D. NO. 10 business. Such costs will include hours of superintendent time, clerical time at the hourly rate paid during the 2008-2009 school year, mileage at the federal allowable rate and any incidental expenses for supplies incurred for M.S.A.D. No. 10.business. If M.S.A.D. No. 27 can document administrative costs in excess of \$8000.00 per year, the assessment for administrative costs may be adjusted to reflect the actual increased cost, or an amount no greater than the cost of living adjustment for the previous year whichever is the lesser amount. An administrative costs audit shall be conducted every three years with the first audit being done at the end of the 2011-2012 budget year.

10. M.S.A.D. NO. 10 and M.S.A.D. NO. 27 maintain a Tuition and Transportation Agreement (See Attached). M.S.A.D. NO. 10 will continue to pay for tuition and transportation to M.S.A.D. No. 27 according to the terms of the agreement. The agreement will be reviewed by both school boards on a five-year basis. If the school

boards of M.S.A.D. NO. 10, NO. 27 and the AOS board agree, the terms of the contract may be changed.

11. Distribution of State Subsidy. The AOS school board shall distribute state subsidy received by the AOS as follows:

- a. State Subsidy Distribution Policy. The AOS school board, with the advice of the superintendent of schools and such other legal and accounting advice as the AOS school board deems necessary, shall annually distribute the State education subsidies to be received by the AOS among the AOS Member School Units so that the distribution of State subsidy to each Member School Unit reflects as accurately as is reasonably practical the amount of State subsidy that that Member School Unit would receive if it were a stand-alone unit and not a member of an AOS.
- b. Initial Method of State Subsidy Distribution. Beginning in Fiscal Year 2009-10, the AOS school board shall distribute state education subsidy received by the AOS among its Member School Units in accordance with the following initial method of State subsidy distribution:
 - (i) To the extent that the AOS receives an allocation for debt service, that allocation shall be reassigned to the Member School Units responsible for those debt service costs. Since M.S.A.D. NO. 10 has no debt, the debt service allocation will remain with M.S.A.D. NO. 27.

- (ii) To the extent that the AOS receives an allocation for gifted and talented expenditures, that allocation shall be reassigned to the Member School Units in proportion to their respective gifted and talented expenditures in the year two years prior to the year of allocation (hereinafter the “base year”); Since the programming for gifted and talented students is included in the tuition payment, the gifted and talented allocation will remain with M.S.A.D. NO. 27.
- (iii) To the extent that the AOS receives an allocation for career and technical education expenditures, that allocation shall be reassigned to the Member School Units in proportion to their respective net career and technical education expenditures in the base year after subtracting any revenues received from other units for career and technical education. Since the career and technical education program participation is included in the tuition agreement, the career and technical education allocation will remain with M.S.A.D. NO. 27.
- (iv) To the extent that the AOS receives an allocation for bus purchases, that allocation shall be reassigned to the Member School Units responsible for those bus purchase costs. Since M.S.A.D. NO. 10 owns no buses, the bus purchase allocation will remain with M.S.A.D. NO. 27.

- (v) To the extent that the AOS receives an allocation for special education, that allocation shall be reassigned to the Member School Units in proportion to their respective special education expenditures in the base year. Since M.S.A.D. No. 27 will be providing special education services to M.S.A.D. No. 10 students, the special education allocation will remain with M.S.A.D. NO. 27.
- (vi) To the extent that the AOS receives an allocation for transportation, that allocation shall be reassigned to the Member School Units in proportion to their respective transportation expenditures in the base year. Since M.S.A.D. NO. 10 pays a per mile cost for transportation according to the Tuition and Transportation Agreement, the transportation allocation will remain with M.S.A.D. NO. 27.
- (vii) To the extent that the AOS receives an allocation for a EK-8 small school adjustment or 9-12 small school adjustment, that allocation shall be reassigned to the Member School Units on the basis of the number of small schools eligible for that adjustment located in each Member School Unit in the base year. Since M.S.A.D. NO. 10 operates no schools, the small school adjustment will remain with M.S.A.D. NO. 27.
- (viii) To the extent that the AOS receives an allocation for EK-8 disadvantaged students, that allocation shall be reassigned to the Member School Units in proportion to their respective number of

students eligible for that allocation in the base year. Since the education of disadvantaged students is provided in the tuition agreement, the EK-8 disadvantaged students allocation will remain with M.S.A.D. NO. 27.

- (ix) To the extent that the AOS receives an allocation for 9-12 disadvantaged students, that allocation shall be reassigned to the Member School Units in proportion to their respective number of students eligible for that allocation in the base year. Since the education of disadvantaged students 9-12 is included in the tuition agreement, the 9-12 disadvantaged students allocation will remain with M.S.A.D.NO. 27.
- (x) To the extent that the AOS receives an allocation for K-8 limited English proficiency students, that allocation shall be reassigned to the Member School Units in proportion to their respective number of students eligible for that allocation in the base year. Since the education of K-8 limited English proficiency students is provided by the tuition agreement, the allocation for K-8 limited English proficient students shall remain with M.S.A.D. NO. 27.
- (xi) To the extent that the AOS receives an allocation for 9-12 limited English proficiency students, that allocation shall be reassigned to the Member School Units in proportion to their respective number of students eligible for that allocation in the base year. Since the

education of 9-12 limited English proficiency students is provided by the tuition agreement, the 9-12 limited English proficiency allocation shall remain with M.S.A.D. NO. 27.

- (xii) The remaining balance of the AOS' total allocation, after subtracting the amounts reassigned to Member School Units under subparagraph (i) through (xi), shall be reassigned to the Member School Units. M.S.A.D. NO. 10 shall receive an amount equal to the minimum subsidy allocation it would have received as a stand-alone school unit.
- (xiii) Any municipality entitled to a special education adjustment under 20-A M.R.S.A. §15689(1-A) shall receive that adjustment as a reduction of its required local contribution as provided in that section;
- (xiv) Any Member School Unit entitled to a debt service adjustment under 20-A M.R.S.A. §15689(2) shall receive that adjustment as a reduction of its required local contribution;
- (xv) The State subsidy received by the AOS, after any adjustments required by subparagraphs (xiii) and (xiv), shall be distributed to the Member School Units in proportion to the amount, if any, by which the total allocation of each Member School Unit as reassigned in accordance with subparagraphs (i) through (xii) exceeds the property fiscal capacity of that Member School Unit multiplied by the full

value education mill rate for the year of allocation. M.S.A.D. No. 10 shall receive an amount no less than the minimum subsidy it would receive if it remained a stand-alone school unit.

- c. Retention of Allocation Flexibility. The Member School Units recognize that the Maine Legislature has a history of making changes to Maine's school funding formula, that other circumstances may change, and that it is not possible to include in this Interlocal Agreement a precise formula for allocating State subsidy among Member School Units that will achieve the goals of the State subsidy allocation policy described in subparagraph a above in future years. To retain flexibility in the method of allocating State subsidy among Member School Units, the AOS school board, by a two-thirds vote of its full membership, may propose modifications to the initial method of State subsidy allocation described in subparagraph b above in order to better achieve the State subsidy allocation policy set forth in subparagraph a above. Such proposed modifications must be approved by the school boards or school committees of all of the Member School Units prior to implementation. In no case will M.S.A.D. No. 10 receive less than the minimum subsidy amount it would have received as a stand-alone school unit plus any special education expenditure adjustment.

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. Any real estate or personal property acquired for the operation of the AOS shall

be owned by the AOS. In the event of dissolution of the AOS, such property, 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. M.S.A.D. No. 10 will not contribute to the acquisition of property for the AOS and will therefore not be entitled to a share of any such property.

12. School Closing. The closing of a school within a Member School Unit in the AOS shall be determined by the governing body and voters of that Member School Unit in accordance with applicable law. The AOS school board and the voters 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 .

14. 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 voters 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 voters of that Member School Unit fail 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 separately approved at referendum by the voters of both of the Member School Units. If the School Reorganization Plan is not approved by both of the Member School Units, it will not become effective.

15. 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.

16. 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.

WITNESS:

Maine School Administrative District No. 10

Pearl Bouchard

BY: Josie Pelletier
_____, Its Chair
Board of School Directors
Date: 4-9-09, 2009

WITNESS:

Maine School Administrative District No. 27

Pearl Bouchard

BY: James O'Malley
_____, Its Chair
Board of School Directors
Date: 4-9, 2009

WITNESS:

APPROVED PURSUANT TO
30-A M.R.S.A. §2205

Janet Root

BY: Susan A. Gendron

Susan A. Gendron
State of Maine
Commissioner of Education
Date: 4/14/09, 2009

Contract
April 1, 2009

This agreement is entered into by Maine School Administrative District No. 10 ("M.S.A.D No. 10") and by Maine School Administrative District No. 27 ("M.S.A.D No. 27") on April 3, 2009.

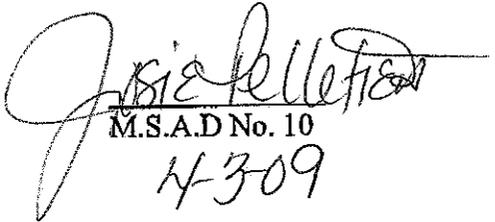
WHEREAS, M.S.A.D No. 10 and M.S.A.D No. 27 wish to pursue the formation of an alternative organizational structure ("AOS") pursuant to Maine law. See, Maine Public Laws, Chapter 668, § 42 (2008);

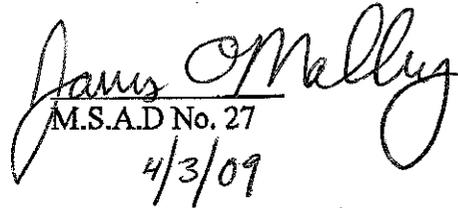
WHEREAS, the AOS will be subject to referendum approval by both M.S.A.D No. 10 and M.S.A.D No. 27;

WHEREAS, the parties wish to make it clear that either party will have the ability to withdraw from the AOS if one is created;

NOW, THEREFORE, the parties agree as follows:

In the event that an AOS is formed to include the M.S.A.D No. 10 and M.S.A.D No. 27, the parties agree that either district shall have the authority to withdraw effective at the beginning of any fiscal year provided that such withdrawal is approved by a public referendum within the withdrawing district to be held more than 60 days in advance of the fiscal year.


M.S.A.D No. 10
4/3/09


M.S.A.D No. 27
4/3/09

REFERENCE:
Letter from Attorney General



JANET T. MILLS
ATTORNEY GENERAL

TEL: (207) 626-8800
TTY: 1-888-577-6690

STATE OF MAINE
OFFICE OF THE ATTORNEY GENERAL
6 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0006

REGIONAL OFFICES
84 HARLOW ST., 2ND FLOOR
BANGOR, MAINE, 04401
TEL: (207) 941-3070
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44 OAK STREET, 4TH FLOOR
PORTLAND, MAINE, 04101-3014
TEL: (207) 822-0260
FAX: (207) 822-0259
TDD: (877) 428-8800

14 ACCESS HIGHWAY, STE. 1
CARIBOU, MAINE, 04736
TEL: (207) 496-3792
FAX: (207) 496-3291

February 6, 2009

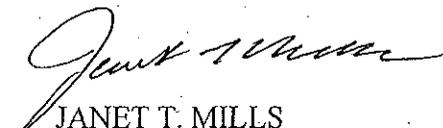
Senator Troy Jackson
3 State House Station
Augusta ME 04333-0003

Representative John L. Martin
2 State House Station
Augusta, ME 04333-0002

Dear Senator Jackson and Representative Martin:

In response to your recent inquiry regarding collaboration and cooperation between school administrative units, nothing in Maine law prevents your two school administrative units from entering into a contract, memorandum of understanding, shared service agreement as described in Chapter 113 of Title 20-A, regional collaborative agreement as described in Chapter 114 of that title, or interlocal agreement under Chapter 115 of Title 30-A.

Sincerely,


JANET T. MILLS
Attorney General

cc: Susan A. Gendron, Commissioner of Education

Maine Revised Statutes

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§2202 Title 30-A: §2204

MUNICIPALITIES AND COUNTIES

HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Part 2: MUNICIPALITIES HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Subpart 2: ORGANIZATION AND INTERLOCAL COOPERATION HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Chapter 115: INTERLOCAL COOPERATION HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§2203. Joint exercise of powers

Any power or powers, privileges or authority exercised or capable of exercise by a public agency of the State may be exercised and enjoyed jointly with any other public agency of this State, or of the Federal Government to the extent that federal laws permit the joint exercise. When acting jointly with any public agency, any agency of State Government may exercise all of the powers, privileges and authority conferred by this chapter upon a public agency. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

1. Agreement. Any 2 or more public agencies may enter into agreements with one another for joint or cooperative action under this chapter. The governing bodies of the participating public agencies must take appropriate action by ordinance, resolution or other action under law before any such agreement may become effective.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

2. Specifications. Any agreement made under this chapter must specify the following:

A. Its duration; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. The precise organization, composition and nature of any separate legal or administrative entity created by the agreement together with the powers delegated to that entity, provided the entity may be legally created; [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

5. Liability. An action is maintainable against any public agency whose default, failure of performance or other conduct caused or contributed to the incurring of damage or liability by the other public agencies jointly.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

6. Notice to regional councils. Any agreement made under this chapter is subject to the reporting requirements of section 2342, subsection 6, if applicable.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

7. Liberal construction. It being the intent of the Legislature to avoid the proliferation of special purpose districts and inflexible enabling laws, this chapter shall be liberally construed toward that end.

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

8. Limitation. Notwithstanding any other provision of this chapter:

A. No powers, privileges or authority may be jointly exercised unless each type of power, privilege or authority exercised is capable of being exercised by at least one of the parties within the entire jurisdictional area of the contract, or by each of the several parties within each of their several jurisdictions if all of the several jurisdictions make up the total jurisdictional area of the contract; or [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

B. No essential legislative powers, taxing authority or eminent domain power may be delegated by contract to a joint authority or administrative entity. [1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

[1987, c. 737, Pt. A, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

SECTION HISTORY

1987, c. 737, §§2, C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§8, 10 (AMD) .

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Maine Revised Statutes

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§2251

Title 30-A:

§2253

MUNICIPALITIES AND COUNTIES

HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

Part 2: MUNICIPALITIES HEADING: PL 1987, C.
737, PT. A, §2 (NEW)

Subpart 2: ORGANIZATION AND INTERLOCAL
COOPERATION HEADING: PL 1987, C. 737, PT. A,
§2 (NEW)

Chapter 117: PUBLIC SELF-FUNDED POOLS

HEADING: PL 1987, C. 737, PT. A, §2 (NEW)

§2252. "Political subdivision" defined

"Political subdivision" means any municipality, plantation, county, quasi-municipal corporation and special purpose district, including, but not limited to, any water district, sanitary district, hospital district, municipal transmission and distribution utility and school administrative unit. "School administrative unit" has the same meaning as found in Title 20-A, section 1, subsection 26. [1999, c. 657, §11 (AMD).]

SECTION HISTORY

1987, c. 737, §2A, C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §8C, 10 (AMD). 1999, c. 657, §11 (AMD).

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If you need legal advice, please consult a qualified attorney.**

Office of the Revisor of Statutes

7 State House Station

State House Room 108

Augusta, Maine 04333-0007