

## REORGANIZATION PLAN FOR ALTERNATIVE ORGANIZATIONAL STRUCTURE SUBMITTAL SHEET

School Administrative Units Included in <b>APPROVED</b> Notice of Intent	School Administrative Units Submitting Reorganization Plan (Each municipality in a School Union must be indicated separately)
SAD 46	SAME as listed to the Left
Harmony School Department	

Contact Information:

RPC Chair

Name: John Parola

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Date Plan Submitted: March 16, 2009

Proposed Alternative Organizational Structure Operational Date: July 1, 2009

<i>Ki S. Joda</i> Signature/Title Superintendent	3-12-09 Date	SAD #46 SAU
<i>Willie Reynolds</i> Signature/Title Superintendent	3-12-09 Date	Harmony SAU
<i>Steve J. Jost</i> Signature/Title	3-12-09 Date	DEXTER - SAD #46 SAU
<i>Shawn Janait</i> Signature/Title	3-12-09 Date	GARLAND - SAD #46 SAU
<i>Patricia Smith</i> Signature/Title	3-12-09 Date	Dexter - SAD #46 SAU
<i>Carol W. Padham</i> Signature/Title	3/12/09 Date	DEXTER SAD #46 SAU
<i>Peter Cooley</i> Signature/Title	3/12/09 Date	HARMONY MUN. SCHOOL SAU
<i>Karen Stutzman</i> Signature/Title	3/12/09 Date	Harmony Mun School SAU
<i>Andrea Rolle</i> Signature/Title	5/12/09 Date	Garland - SAD #46 SAU
<i>John Paulk</i> Signature/Title	3-12-09 Date	Ripley - SAD #46 SAU
<i>Sandra Padham</i> Signature/Title	3-12-09 Date	Dexter - SAD #46 SAU
Signature/Title	Date	SAU

# 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	C o m p l e t e	I n P r o g r e s s	N o t Y e t S t a r t e d	I d e n t i f i e d B a r r i e r s	N e e d A s s i s t a n c e <sup>2</sup>
3.A(1)	SAUs included in Alternative Organizational Structure (AOS)		x				
3.A(2)	Size of governing body		x				
	Composition of governing body		x				
	Apportionment of governing body		x				
3.A(3)	Method of voting of the governing body		x				
3.A(4)	Composition of local school committees		x				
	Powers of local school committees		x				
	Duties of local school committees		x				
3.A(5)	Disposition of real & personal school property		x				
3.A(6)	Disposition of existing school indebtedness (if not using provisions of section 1506)		x				
	Disposition of lease-purchase obligations (if not using provisions of section 1506)		x				
3.A(7)	Assignment of school personnel contracts		x				
	Assignment of school collective bargaining agreements		x				
	Assignment of other school contractual obligations		x				
3.A(8)	Disposition of existing school funds and existing financial obligations		x				
3.A(9)	Transition plan that addresses the development of a budget for the first school year		x				
	Transition plan that addresses interim personnel policies		x				
3.A(10)	Documentation of the public meeting(s) held to prepare or review reorganization plan		x				
3.A(11)	Explanation of how units that approve reorganization plan will proceed if one or more units do not approve the plan		x				
3.A(12)	Estimate of cost savings to be achieved		x				
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				

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

<sup>2</sup> 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	C o m p l e t e	I n P r o g r e s s	N o t Y e t S t a r t e d	I d e n t i f i e d B a r r i e r s	N e e d A s s i s t a n c e
3.B(1)	Enrollment meets requirements (2,500 except where circumstances justify an exception <sup>5</sup> )		x				
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				
3.B(2)	Comprehensive programming for all students grades K – 12				x		
	Includes at least one publicly supported high school		x				
3.B(3)	Consistent with policies set forth in section 1451		x				
3.B(4)	No displacement of teachers		x				
	No displacement of students		x				
	No closures of schools existing or operating during school year immediately preceding reorganization, except as permitted under section 1512		x				
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 <sup>6</sup>		x				
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				
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				
	Consolidation of special education administration, transportation administration and administration of business functions including accounting, reporting, payroll, financial management, purchasing insurance and auditing		x				
	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		

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.





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**AOS # SAD #46/HARMONY REGIONAL SCHOOL CONSORTIUM  
REORGANIZATION PLAN  
(Alternative Organizational Structure)**

SAU Submitting: SAD #46, Harmony School Department

Contact Information: John Parola – RPC Chair

Date Submitted by SAU: March 16, 2009

Proposed RSU Operational Date: July 1, 2009

AOS # SAD #46/HARMONY REGIONAL SCHOOL DISTRICT  
REGIONAL PLANNING COMMITTEE  
VISION

*Our vision is to provide a community-based education system with  
a broad base to meet the diverse needs of all students.  
We wish to create more educational opportunities for students.  
In creating this Regional School Unit, we will not sacrifice  
instructional quality and availability  
in order to achieve cost savings.*

**1. The units of school administration to be included in the proposed  
Alternative Organizational Structure (AOS).**

The proposed AOS# SAD #46/HARMONY Regional School District Alternative Organizational Structure (AOS) includes the following school administrative units:

- A. Town of Harmony, a municipal school unit.
- B. Maine School Administrative District No. 46.

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

The SAD #46/Harmony AOS shall be governed by an AOS school board consisting of representatives appointed by the school boards of SAD #46 and Harmony as follows:

<u>Municipality</u>	<u>Number of Representatives</u>
Dexter	3
Exeter	1
Harmony	2
Garland	1
Ripley	1
<b>Total</b>	<b>8</b>

AOS Board Member Selection: Board members will be seated from the members of local school committees by a method determined by each committee.

### **3. The method of voting of the governing body.**

Each SAD #46/Harmony AOS school board member shall have one vote.

### **4. The composition, powers and duties of local school committees.**

#### Local School Boards

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

### **5. The disposition of real and personal school property.**

All real and personal property interests, including without limitation land, buildings, other improvements to realty, easements, option rights, first refusal rights, and purchase rights, and all fixtures, shall remain the property of each Member School Unit except for central office equipment that will be transferred to the AOS.

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

The indebtedness and lease-purchase obligations of the Member School Units will remain with them.

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

### School Personnel Contracts

#### 1. AOS System Office:

The personnel contracts that will transfer to the AOS from the Member School Units include: central office administration, administration of transportation, special education and business functions including accounting, reporting, payroll, financial management, purchasing, insurance and auditing. It is our intent that all other special education and transportation contracts will migrate to the AOS upon successful negotiation of an AOS contract. Until that time, these contracts will remain with each Member School Unit. All other personnel contracts and school contractual obligations will remain with each member unit.

The personnel required to staff the System Office may include:

SYSTEM OFFICE POSITIONS
SYSTEM ADMINISTRATION
Superintendent
Business Manager
(1) Administrative Secretary
(1) Business clerical position
SYSTEM INSTRUCTIONAL SERVICES
Curriculum Coordinator
Special Education Director
Transportation Director

The duties and assignments of all System Office personnel shall be determined by the superintendent or her/his designee consistent with the policies of the AOS Board and may be full or part time including the combining of two or more positions.

### Collective Bargaining Agreements

Member School Units currently are subject to the following collective bargaining agreements:

SAU	Positions Included in Bargaining Unit	Next Termination Date
#46	Teachers Association	2011
#46	Custodians	2011
#46	Support Staff (includes Secretaries, Ed Techs)	2011
#46	Bus Drivers	2011
Harmony	Teachers	2009

Collective bargaining agreements to which the Member School Units are a party shall be retained by the existing Member School Units and will not be transferred to the AOS.

Pursuant to state law, a special task force will be created by the AOS Board by July 1, 2010 which will include representatives from each Member School Unit and others as needed. The task force will review all collective bargaining agreements and create a plan that will provide for consistent collective bargaining agreements in the SAD #46/Harmony AOS by 2014. Consistency will not be understood to mean equal salaries and benefits. This plan will be submitted to the Local School Boards for approval.

The Superintendent and/or his/her designee will fulfill the designated function of collective bargaining agreement administrator on behalf of the Member School Units.

#### Other School Contractual Obligations

All such obligations will remain with the Member School Unit unless transferred by mutual agreement from the Member School Unit to the AOS during the transition process.

#### **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.

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

The AOS # SAD #46/Harmony AOS Reorganization Planning Committee shall dissolve on the date that a School Reorganization Plan is approved by the voters of the communities of AOS # SAD #46 and Harmony.

The AOS Board shall be authorized to take all actions and shall have the authority provided under State law to implement fully the AOS Plan, including the authority to open and maintain accounts, to incur expenses in accordance with the approved budget to be allocated among the member municipalities.

The SAD #46/Harmony AOS Board shall convene as soon as possible after the May 12, 2009 election date and undertake such tasks as the following:

1. establish rules of procedure, establish board committees and elect officers of the board.
2. participate in the development of an AOS budget for the fiscal year 2009 to 2010. The AOS budget for 2009-2010 shall be adopted by the voters in accordance with the budget meeting and budget validation referendum procedures applicable to regional school units as provided in the Interlocal Agreement.
3. complete other pre-reorganization tasks as may be appropriate. The SAD #46/Harmony AOS School Board shall employ the SAD #46/Harmony AOS school superintendent and make all other necessary decisions in order for the SAD #46/Harmony AOS to become operational.
4. AOS Board members will not be compensated for meetings. (Local boards can choose to compensate.)

A. Transition Plan for Personnel Policies.

Present SAD #46 personnel policies shall serve as the interim policies for the AOS Central Office personnel until the AOS Board establishes its own policies. All other personnel will be governed by their member school unit's policies.

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

Prior to the decision of SAD #46 and Harmony to form an AOS they were involved in RSU discussions with SAD #4 and Willimantic. These RPC Meetings started in August 2007 and continued until January 2009 when all communities involved turned down the reorganization plan at community referendums.

The AOS RPC meetings were held on the following dates: February 25, 2009, March 10, 2009, March 11, 2009, and March 12, 2009. All RPC meetings are public and at each meeting the public is allowed to comment. All meeting agendas, minutes and related documents are available at the SAD #46 Superintendents Office and at the Harmony School.

A public forum on the proposed Reorganization Plan will be held on April 16, 2009 in Dexter and on April 16, 2009 in Harmony to present the proposed Alternative Organizational Structure (AOS) reorganization plan for the communities of SAD #46 and Harmony.

The RPC or its designees will develop a common agenda, presentation and draft plan

summary highlighting key points in each section to be used at each of the public forums. This agenda will provide public information followed by a comment session. All sessions will be facilitated by RPC members. Meeting notes, including lists of participants, will be maintained by the RPC, at each Member School Unit system office, and posted on the Internet within one (1) week following each forum.

All forum materials including the Plan, attachments and appendices will be posted on the Internet prior to the forums. Hard copy handouts of a plan summary will be available at each of the forums; full copies of the Plan will be available at the system office of each Member School Unit (Dexter, Harmony) at no cost upon request.

Materials from the RPC documenting its work since inception are routinely posted on the Internet and readily accessible via the web sites for each of the participating school units.

### **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 Reorganization Plan does not form under this plan, the SAUs shall re-start the process to form an AOS or a regional school unit with the same or other school administrative units and may seek assistance from the Department of Education to develop another Reorganization Plan.

### **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.**

We estimate that the formation of the AOS will result in the following cost savings during the first three years of operation.

The communities of SAD #46 and Harmony will continue to search for increased operating efficiencies to provide future savings in the new AOS.

SAD #46 and Harmony are also very aware that penalties in the amount of approximately \$180,000. will increase the local commitments to education should this plan not be operational by July 1, 2009.

First Year: 2009-2010

Estimated Savings: \$6,800

Estimated Additional Costs: (\$20,000)

Net Savings (or costs): Costs (\$13,200)

The SAD #46 Superintendents' Office will perform all business functions for the AOS.

Category	Savings/Cost	Note
Personnel	\$4,600	Projected Savings.
Transition Costs	Cost (\$20,000)	To establish AOS organization, legal costs, technology conversions, etc.
Operating Efficiencies	\$2,200	Projected Savings

Second Year: 2010-2011

Estimated Savings: \$20,000

Estimated Additional Costs: (\$15,000)

Net Savings (or costs): Savings \$5,000

Category	Savings/Cost	Note
Personnel	\$20,000	Projected Support Staff
Transition Costs	Cost (15,000)	Legal costs associated with moving towards consistent contracts and policies.
Operating Efficiencies	\$0	No projected savings

Third Year: 2011-2012

Estimated Savings: \$20,000

Estimated Additional Costs: \$0

Net Savings (or costs): Savings \$20,000

Category	Savings/Cost	Note
Personnel	\$20,000	Projected Staffing
Transition Costs	\$0	No projected Savings
Operating Efficiencies	\$0	No projected Savings

### **13. Other matters determined to be necessary**

#### **13-A Assets and Liabilities**

The Harmony School Department and SAD #46 will retain any assets and liabilities

related to its prior SAU status..

### **13-B. Tuition Contracts and School Choice**

#### 1. Tuition Contracts

Harmony has a Non-Exclusive Tuition Contract with SAD #46 to pay no more than the State Tuition Rate for SAD #46 for all secondary students regardless of the school choice. SAD #46 will accept any and all Harmony Secondary tuition students.

#### 2. School Choice

The following SAUs offer some or all of their students a choice of which school to attend:

SAU	Description
Harmony School Department	All students 9-12 may choose to attend any school approved for tuition purposes.

Grade levels in the existing SAUs that have choice of schools as of the operational date of this plan shall continue to have the same choices in the AOS. In all cases where a Member School Unit's students may choose a school to attend, the respective SAU will pay up to the maximum state-allowable tuition for each student consistent with current state law.

### **13-C Claims and Insurance**

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

### **13-D Fewer than 2,500 students**

SAD #46 and the Harmony School Department are proposing the formation of an AOS with an enrollment of 1,146 students requesting a waiver because a school in each unit qualifies for an Isolated Small School Adjustment.

### **13-E Plan for Consistent Collective Bargaining Agreements**

Pursuant to state law, a special task force will be created by the AOS Board by July 1, 2010 which will include representative from each Member School Unit and others as needed. The task force will review all collective bargaining agreements and create a plan that will provide for consistent collective bargaining agreements by 2014. The plan will define the conditions that constitute consistency among collective bargaining agreements. Consistency will not be

understood to mean equal salaries and benefits. This plan will be submitted to the Local School Boards for approval.

### **13-F Incorporation of Interlocal Agreement**

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

### **13-G Amendment of Plan**

Subject to approval by the Commissioner of Education, this plan may be amended by a majority vote of the full membership to the AOS board, approval by the school board of each Member School Unit, and a favorable vote of each Member School Unit taken at a publicized public meeting or by referendum.

**EXHIBIT A**  
**Interlocal Agreement for Alternative Organizational Structure**  
**30-A M.R.S.A. Chapter 115**

Agreement made as of March 16, 2009, between the Harmony School Department (“Harmony”), a municipal school unit acting by and through its governing body and SAD #46 (“Dexter, Exeter, Garland, Ripley”), a school unit acting by and through its governing body.

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, special education, 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, 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 16 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 the 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 the name of AOS # SAD #46/Harmony Regional School District 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 School Board.** AOS # SAD #46/Harmony Regional School District established pursuant to this Interlocal Agreement shall be governed by an AOS school board consisting of 6 representatives from the SAD #46 Board of Directors and 2 representatives from the Harmony School Committee. The AOS school board shall utilize a one vote per member voting method.

<b><u>Municipality</u></b>	<b><u>Number of Representatives</u></b>
Dexter	3
Exeter	1
Harmony	2
Garland	1
Ripley	1
<b>Total</b>	<b>8</b>

A quorum of the school board shall consist of a majority of the members.

The school board of each municipality in the AOS shall decide the method by which the representative(s) to the AOS school board shall be chosen and to which that municipality is entitled. Any vacancy on the AOS school board shall be filled by the appointing school board.

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:

<b>Member School Unit</b>	<b>Grades</b>
Harmony School Department	Grades K-8; Tuition Grades 9-12 (Choice)
SAD #46	Grades K -12

6. **Powers, Authority and Responsibilities.**

A. 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 may include a superintendent, 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 school board and superintendent of schools shall be governed by State law.

B. The AOS school board shall be responsible for overseeing system 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.

C. The AOS shall administer all special education services for all schools in the AOS.

D. The AOS shall administer all transportation services for all students in the AOS.

E. The AOS school board shall adopt consistent school policies and consistent school calendars in conjunction with the school committees or school boards of the Member School Units.

F. The AOS school board shall develop and implement a plan for consistent collective bargaining agreements within the AOS.

G. 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 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 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 oversee the expenditure of other reserve funds as approved through the AOS budget process and as permitted by applicable law;
- f. Own and oversee management of the AOS 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;
- 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, transportation director, and special education director, and oversee administration of their wages, hours, and working conditions.
- l. Oversee the supervision and evaluation of and adopt policies applicable to AOS employees; until such time as the AOS Board adopts its own policies, AOS employees will be governed by SAD #46 Public School policies.
- m. Oversee negotiation and administration of collective bargaining agreements and maintenance of personnel records for all employees of the AOS and its Member School Units;
- n. Oversee and maintain a 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 consistent school policies in conjunction with the school committees and school boards of the AOS Member School Units;
- p. Oversee the administration of transportation systems for all schools within the AOS Member School Units.
- q. Oversee administration of all bookkeeping and reporting requirements for the AOS Member School Units;
- r. Accept and oversee expenditure of gifts to the AOS;
- s. Adopt a consistent school calendar for the AOS and Member School Units;
- t. Oversee contracts and lease agreements relating to the AOS Central Office;

- u. Distribute state subsidy among the Member School Units in accordance with the subsidy distribution method described in paragraph 10;
- v. Oversee administration of this Interlocal Agreement and, as deemed necessary from time to time, propose amendments to this Interlocal Agreement for approval by the Commissioner of Education and the Member School Units in accordance with paragraph 17;
- w. 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.

**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 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 central office 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 school board. 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 school board

shall notify the Member School Units of their respective shares of the AOS central office budget as approved at the AOS budget meeting calculated in accordance with the cost sharing method in paragraph 9. The school committee of each Member School Unit in the AOS shall then develop its own school budget, including its share of the AOS central office 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 committee. 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 committee. 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 central office budget shall be determined based on the final AOS

budget as approved at both a budget meeting and budget validation referendum. The budget validation referendum procedure for the AOS may be discontinued by the voters of the AOS after three years in accordance with the law applicable to a regional school unit and the budget validation referendum procedure for a Member School Unit may be discontinued by the voters 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 central office budget. Each Member School Unit's share of the AOS central office 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 Member School Units shall share the costs of the AOS budget as follows:

A. **Central office budget.** The cost of operating the AOS central office as defined in paragraph 6 of this Interlocal agreement will be shared among the Member School Units 50% on the basis of the average state valuation of property of the Member School Units for the three most recent calendar years and 50% on the basis of the average student population of the Member School Units as measured on April 1 and October 1 of the three most recent calendar years.

B. **Special Education.** The cost of all special education administration furnished by the AOS to the Member School Units will be shared among the Member School Units 50% on the basis of the average state valuation of property of the Member

School Units for the three most recent calendar years and 50% on the basis of the average student population of the Member School Units as measured on April 1 and October 1 of the three most recent calendar years.

C. Transportation. The cost of all transportation administration furnished by the AOS will be shared by the Member School Units 50% on the basis of the average state valuation of property of the Member School Units for the three most recent calendar years and 50% on the basis of the average student population of the Member School Units as measured on April 1 and October 1 of the three most recent calendar years.

D. Amendment of Cost Sharing Formula. The AOS school board, by a two thirds vote of its full membership, may modify the existing cost sharing formula described in Section 9 (A-C).

**10. 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 the Member School Unit would receive if it were a stand-alone unit and not a member of an AOS, except that all state subsidy supporting special education administration and transportation

administration shall be allocated on the basis of the formulas described in subparagraph 9(B) and 9(C) of this agreement.

- 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;
  - (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”);
  - (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 career and technical education expenditures in the base year;
  - (iv) 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 total miles driven in the preceding fiscal year.

- (v) 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;
- (vi) 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;
- (vii) 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;
- (viii) 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;
- (ix) To the extent that the AOS receives an allocation for special education, that allocation shall be reassigned to the Member School Units 50% on the basis of the average state valuation of property of the Member School Units for the three most recent calendar years and 50% on the basis of the average student population of the Member School Units as measured on April 1 and October 1 of the three most recent calendar years;

- (x) The remaining balance of the AOS' total allocation, after subtracting the amounts reassigned to Member School Units under subparagraphs (i) through (ix), shall be reassigned to the Member School Units 50% in proportion to the average state valuation of the Member School Units for the three most recent calendar years and 50% on the basis of the average student population of the Member School Units as measured on April 1 and October 1 of the three most recent calendar years;
  - (xi) The State subsidy received by the AOS 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 (x) exceeds the product of the property fiscal capacity of that Member School Unit multiplied by the full value education mill rate for the year of allocation.
- 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 distributing State subsidy among Member School Units that will achieve the goals of the State subsidy distribution policy described in subparagraph (a) above in future years. For that reason, the AOS school board, by a two thirds vote of its full membership, may modify the initial method of State

subsidy distribution described in subparagraph (b) above in order to better achieve the State subsidy distribution policy set forth in subparagraph (a) above.

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 central office shall be owned by the AOS.

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 pursuant to Paragraph 16.

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 2/3rds vote of all the Members of the AOS school board, excluding 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, provided that any motor vehicles and related equipment transferred to the AOS by the terminated Member School Unit shall be returned to that Member School Unit.

**15. Withdrawal of Member School Unit.** Unless otherwise provided by law, a Member School Unit may withdraw from participation in the AOS upon approval by the Commissioner of Education of a Plan of Withdrawal prepared by the school board of the Member School Unit seeking to withdraw from the AOS and thereafter approved by the voters of that Member School Unit as may be provided in the Plan of Withdrawal approved by the Commissioner of Education. Before approving a Plan of Withdrawal pursuant to this section, the Commissioner of Education shall give written notice and an opportunity to be heard to the AOS school board and the other Member School Units in the AOS. The Commissioner of Education may require the AOS school board and the

school board of the Member School Unit seeking to withdraw to participate in mediation prior to approval of a Plan of Withdrawal by the Commissioner of Education and the voters of the withdrawing Member School Unit. The Commissioner of Education may approve, approve with conditions, or deny a Plan of Withdrawal. Upon approval of a Plan of Withdrawal, the AOS shall make a distribution of property and/or compensation to the withdrawing Member School Unit as provided in the Plan of Withdrawal approved by the Commissioner of Education, provided that any motor vehicles and related equipment transferred to the AOS by the withdrawing Member School Unit shall be returned to that Member School Unit.

**16. Termination of Interlocal Agreement.** Unless otherwise provided by law, this Interlocal Agreement may be terminated upon approval by the Maine Commissioner of Education of a Plan of Termination prepared by the AOS school board or by the school committee(s) of one or more Member School Units, and thereafter approved by the voters of the AOS or the voters of one or more Member School Units within the AOS, as may be provided in the Plan of Termination approved by the Commissioner, provided that any motor vehicles and related equipment transferred by Member School Units to the AOS shall be returned to those Member School Units.

**17. Amendment of Interlocal Agreement.** Subject to approval by the Commissioner of Education, this Interlocal Agreement may be amended upon a majority vote of the full membership of the AOS school board, approval by the school board of each Member School Unit, and a favorable vote in each Member school Unit taken at a publicized public meeting or by referendum. The AOS board shall review this Interlocal

Agreement from time to time, but not less than once every five years, to determine if amendments to this Interlocal Agreement should be proposed by the AOS board.

**18. Joinder 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, approval by the school boards of each Member School Unit and the school board of the school administrative unit proposing to join the AOS, and a favorable referendum vote in each Member School Unit and in the school administrative unit proposing to join the AOS. Prior to calling the referendums in Member School Units, the school administrative unit proposing to join the AOS shall agree in writing to assume responsibility for the cost of conducting the referendum in each Member School Unit regardless of the final outcome of the referendum.

**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 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 each of the following Member School Units: Harmony School Department, SAD #46.

If the School Reorganization Plan is approved by each of the Member School Units so as to form the AOS under this agreement, unless otherwise provided by law, a Member School Unit whose voters have failed to approve the School Reorganization Plan at the initial referendum on the Plan may conduct one or more subsequent referendums prior to December 1, 2010, on the Reorganization Plan. If the voters of that Member School Unit approve the Reorganization Plan at a subsequent referendum held prior to December 1, 2010, that Member School Unit may join the AOS and again become subject to this Interlocal Agreement provided that an amended certificate of organization for the expanded AOS is approved by the Commissioner of Education at least 180 days before July 1 of the fiscal year that the Member School Unit proposes to join the AOS.

**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.

WITNESS:

Harmony School Department

Sandra E. Padham

BY: Peter Coakley, Its Chair

Municipal School Committee

Date: 3/12/09, 2009

WITNESS:

SAD #46 School Board

Sandra E. Padham

BY: John Paulk, Its Chair

School Board

Date: 3-12-09, 2009

WITNESS:

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

Jel & Foster

BY: Susan A Gendron

Susan A. Gendron

State of Maine

Commissioner of Education

Date: 3/17/09, 2009

# EXHIBIT B

## Regional Planning Committee

### Meeting Dates

February 25, 2009

March 10, 2009

March 11, 2009

March 12, 2009