

MAR 27 2008

SACOPEE VALLEY SCHOOL DISTRICT

M.S.A.D. NO. 55

SUPERINTENDENT'S OFFICE

BALDWIN
CORNISH
HIRAM

137 SOUTH HIRAM ROAD
HIRAM, MAINE 04041
TELEPHONE 207-625-2490

PARSONSFIELD
PORTER

March 26, 2008

Susan Gendron
Commissioner of Education
Department of Education
23 State House Station
Augusta, ME 04333

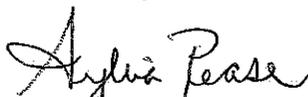
Dear Commissioner Gendron:

Attached please find the revised Alternative Plan for M.S.A.D. #55 including an updated Submittal Page and a copy of your letter dated December 14, 2007. As requested we have resubmitted our plan including the figures we're targeting for reduction in each of the categories (see Appendix I). We are currently in the process of reviewing the proposed FY2008-09 budget and there are scheduled workshops with the Board of Directors to finalize the budget.

With regard to P.L.2007, chapter 240, Part XXXX-36(6)(F) the M.S.A.D. #55 School District states that the projected expenditures in FY2008-09 for system administration, transportation, special education, and facilities and maintenance will not have an adverse impact on the instructional programs for our students.

We will eagerly await your response to our most recent revisions.

Sincerely,



Sylvia Pease
Superintendent of Schools

"M.S.A.D. #55 will be a community of life-long learners where all are challenged to become clear and effective communicators, creative problem solvers, quality workers and involved citizens."

ALTERNATIVE PLAN SUBMITTAL SHEET

School Administrative Unit Submitting Alternative Plan:

- Maine School Administrative District #55

Contact Information:

Name: Sylvia Pease
Address: 137 South Hiram Road

Hiram, ME 04041
Telephone: 207-625-2490
email: spease@sad55.k12.me.us

Date Plan Submitted by SAU: 3/26/08

The intent to submit an alternative plan has been approved by the Commissioner in the approval of the Notice of Intent?

YES NO

(If NO, please explain.)

Alternative Plan Cover Sheet

(Please attach Alternative Plan as Exhibit A)

Plan Requirements				
Item	Complete	In Progress	Not Yet Started	Need Assistance ¹
Plan addresses how the SAU will reorganize administrative functions, duties and noninstructional personnel so that projected expenditures of RSU in fiscal 2008-2009 for the following areas will not have an adverse impact on the instructional program.				
system administration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
special education	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
facilities and maintenance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plan addresses how cost savings will be achieved in fiscal 2008-2009 for the above four areas.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parameters for Plan Development				
Enrollment meets requirements (2,500 except where circumstances justify an exception)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 checked="" 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"/>
Consistent with policies set forth in section 1451	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No displacement of teachers	<input checked="" 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"/>
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"/>
Collaborative Agreements				
			Yes	No
Does your plan currently include information/documentation on collaborative agreements? <i>(not required, but encouraged)</i>			<input checked="" type="checkbox"/>	<input type="checkbox"/>

¹ Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on the next page.

Overview

This document represents MSAD #55's alternative plan to regionalization.

This alternative plan proposes that MSAD #55 restructures as a RSU without the necessity of merging with neighboring school districts. Our plan demonstrates significant costs savings and maximizes resources without adversely impacting students.

The district adequately demonstrated due diligence by examining the costs and potential savings of consolidation with SAD 61 & SAD 72, as well as with SAD 72 alone. The Consolidation Consideration Committee found no savings and projected both short and long term additional costs associated with merging districts. Additionally, having examined differing curriculum, levels of technology, and special education no specific benefits to students from the suggested consolidation were identified. A review of transportation and costs of building and maintenance also revealed no savings or other benefits from the suggested consolidation. (see Exhibit B2 for documentation)

Several consolidation plans were considered and heavily reviewed. In all of the cases, the consolidation of MSAD 55 with one or more neighboring school districts was found to likely incur additional costs annually of between \$167,000 and \$243,804 in the targeted areas (refer to previously submitted materials dated October 17, 2007). This estimate does not include additional costs that will be incurred due to teacher salary scale adjustments across districts (projected at well over \$500,000.00).

The per pupil cost in MSAD 55 is significantly lower (13%) than the two other districts. Per pupil costs in MSAD 55 is \$7463.54. Per pupil costs in MSAD 61 is \$9872.50 and in MSAD 72 is \$8819.90. The financial impact of a merger with these districts would result in a greater tax burden on the families in the MSAD 55 community.

Our alternative plan will demonstrate **potential cost savings** of over \$560,000.00 in the targeted areas for 2008-2009 fiscal year. Our plan will address cost reductions in the four identified areas (system administration, transportation, special education, and facilities and maintenance). Additionally, our plan will look at reorganizing administrative functions, duties and non-instructional personnel without having an adverse impact on the instructional program.

Further enhancement of collaborative agreements are also included in the plan and will provide additional opportunities for cost savings and resource sharing.

Exemption from 2500 student enrollment requirement:

Our notice of intent to file an alternative plan was initially rejected due to not meeting criteria of minimum student enrollment of 2500. Upon further discussion with Jim Rier, Management Information Systems Team Leader with the DOE, on October 4, 2007, we were informed that our intent to file an alternative plan was not in fact rejected and was currently still under review by the Department of Education as a viable alternative plan. Our alternative plan meets the exception to the 2500 student enrollment requirement based on geography, population density, and other unique circumstances.

Geography

The MSAD 55 school district consists of five towns, overlapping three counties and covers 190.25 sq miles in rural, southwestern Maine. The locations of our schools are spread across this entire geographic area. (see Exhibit B3 for documentation)

Families in our district already face substantial obstacles due to the remote nature of their locations. The impact of expansion into a larger district could create a significant burden on those families. It could limit their ability to participate in their children's education through attendance at school board meetings, budget meetings, and other centralized district meetings.

Population Density

The population densities for the towns in our district are as follows:

Baldwin:	37 people per square mile
Cornish:	57 people per square mile
Hiram:	38 people per square mile
Parsonsfield:	27 people per square mile
Porter:	46 people per square mile (see Exhibit B3 for documentation)

Expansion of the district size in such a rural area with significantly low population density is not conducive to a regionalization model that further removes the centralized administration from those living in the community.

According to a letter written to our state senator, Sen. David Hastings from Commissioner Susan Gendron: "*Population density including the rural nature of our communities, which includes school administrative (districts) with a population density of less than 100 per square mile: I will include this definition in the DOE guide for school administrative districts and accept this as justification for districts at or below 1200.*" - Susan Gendron. We are significantly below this benchmark outlined by the Commissioner. (see Exhibit B4 for copy of letter)

Other Unique Circumstances

The district actively pursues many grant opportunities and substantially augments its operational budget with funds from granting agencies. Consolidation with other school districts could render us ineligible for various funding opportunities based on district size and student population.

Current District Efficiency Enhancements

In the past several years the district has already made significant efforts to reduce costs and maximize resources. Some of these efforts include:

- 1) Reduced custodial staff at high school and at the elementary level.
- 2) Evaluated class size at the elementary level and were able to consolidate classes and reallocate resources to reduce personnel costs of teachers and ed techs.
- 3) Secured numerous grants to fund both staff and programs within the district. Over 40 district employees are funded either entirely or partially through grant funding, including both instructional and direct service staff.
- 4) Eliminated 5 portable buildings on district grounds and moved classrooms into main school buildings.
- 5) Implemented many energy saving strategies including installation of energy saving windows, formation of an energy conservation committee, replacement of boilers at the outlying schools, expanded recycling program.
- 6) Decreased the district's contribution to employee health benefits.
- 7) Reduced busing costs by contracting a new bus company through bidding process.
- 8) Relocated superintendent's office from a rented building to school property.
- 9) Integrated job responsibilities into existing positions to reduce administrative staff throughout the district, for example, there are teaching principals in four of the elementary schools, facilities manager serves as operations manager as well as provides maintenance services, reduced office staff at every elementary school, integrated position of both curriculum coordinator and NCLB coordinator with the Assistant Superintendent position.
- 10) Consolidated grades 5 through 8 as well as central administrative offices into a new, high performing school building resulting in lower occupancy expenses.
- 11) Reduced transportation costs by centralizing all district administrative offices including Special Ed and the Superintendent's office.

Proposed 2008-2009 Efficiency Enhancements

Plan addresses how the SAU will reorganize administrative functions, duties and non-instructional personnel so that projected expenditures of RSU in fiscal 2008-2009 for the following areas will not have an adverse impact on the instructional programs:

System Administration:

Considerations: MSAD 55's current System Administration already operates efficiently with minimal staff. As mentioned earlier, many key employees already perform multiple job responsibilities in order to reduce total amount of administrative positions. In addition to the proposed reductions below, we are continuing to actively review every position within System Administration to identify roles and duties which may be further combined and re-allocated in order to cut costs and streamline responsibilities.

Planned reductions for the 2008-2009 budget:

- Eliminate Assistant Superintendent position and re-structure job responsibilities into curriculum coordinator position: \$70,629.72
- Reduce Board of Directors related costs by cutting expenses such as insurance, supplies, books, dues, and conference fees.....\$5,972.00
- Eliminate temporary staff\$2,022.00
- Reduce support costs for financial software.....\$2,000.00
- Reduce legal fees\$3,000.00
- Previous ADS financial technology costs eliminated as District now owns license per previous contract.....\$21,622.00
- Reduce phone costs.....\$1,000.00
- Reduce advertising costs by utilizing less expensive advertising mediums aside from the newspaper\$2,000.00
- Reduce central admin. travel; reduce conference attendance.....\$1,500.00
- Technology coordinator position & associated technology costs moved to technology budget.....\$91,523.00
- "Funds Transferred Out" was removed from system admin budget.....\$16,191.00
- Reduction in system admin supplies including ink, postage, printing, etc.....\$5,700.00
- TOTAL SYSTEM ADMIN targeted for reduction..... \$229,999.00**

Transportation:

Considerations: The large geographic make up of the district translates into high transportation costs. The district was also able to reduce costs by negotiating a new bus contract. This contract is for 5 years. Projected high oil prices limit the district's ability to save costs in this area, however, we have made diligent efforts to make reductions wherever possible.

Planned reductions for the 2008-2009 budget:

- Re-negotiated bus contract to lower rate :\$31,416.00
- Eliminated out of district private car service.....\$8,150.00
- TOTAL TRANSPORTATION targeted reductions \$39,566.00**

Possible savings will be explored in future years in the following areas:

- 1) Reduce extra-curricular transportation costs by 50% (potential savings \$30,000.00). A fee for service system will be explored as a potential means of continuing to provide field trip opportunities to students.
- 2) We are currently exploring the possibility of the installation of diesel tanks at the bus depot to allow for bulk purchasing of bus fuel.
- 3) Consideration is being given to two tiered busing and routing changes as potential areas of further cost reductions.

Special Education:

Considerations: Federal and state mandates dictate many expenditures in Special Education. While cuts to direct service cannot be made as a means of cost savings, we have identified other areas where reductions can be made:

Planned reductions for the 2008-2009 budget:

- Restructure from 2 director admin to 1 director admin and reallocate job responsibilities of 2nd director to "consulting teacher"\$10,303.69
- Cut 3.5 Ed techs positions..... \$48,670.67
- Reduce each Ed Tech's work day from 7.0hrs to 6.75 hours.....\$14,688.08
- Reduction in Special Ed supplies.....\$2,866.00

- Reduction in staff benefits.....\$17,414.32
- Reduce legal services.....\$47,000.00
- Reduce phone costs.....\$656.00
- Reduce travel costs/ dues and fees.....\$5,617.00

TOTAL SPECIAL ED TARGETED REDUCTIONS..... \$147,215.44

Facilities and Maintenance:

Considerations: We have been able to streamline many facilities and maintenance items in the past year by building a new middle school and relocating grades 5-8 as well as the central administrative offices. Our district is likely to close one elementary school with a current enrollment of less than 30 students. Closure will not impact student learning, as students will be afforded greater opportunities by being bused to another school with more resources and more diverse student population. Closure will follow all mandated protocols and be compliant with Title 20-A, § 1407 Chapter 202.

Planned reductions for the 2008-2009 budget:

- Reduction in maintenance cost of rentals.....\$11,830.00
- Reduce repairs and maintenance costs.....\$600.00
- Reduction in insurance costs.....\$3,000.00
- Overall reduction in supplies.....\$6,417.00
- Reduction in employee benefits.....\$6,745.59
- Reduce purchased services, care of buildings.....\$89,046.00
- Eliminate district lease and rental equipment..... \$20,200.00
- Staffing reduction..... \$5677.00

TOTAL MAINTENANCE AND FACILITIES REDUCTIONS..... \$143,515.59

Possible savings will be explored in future years in the following areas:

1. Close the four outlying elementary schools during summer months to reduce summer maintenance staff costs (potential savings \$19,500).
2. Reducing preventative mechanic staff time (\$5,000).

Additional Considerations:

There are other cost saving areas the district is exploring to reduce expenses and maximize resources. Administrators across the district have been asked to review budgets and recommend cost savings measures in their departments. The following represent options currently being explored:

- 1) Review retiring staff positions within district and re-allocate job responsibilities rather than rehiring for the vacancies. (potential savings \$75,000)
- 2) Change benefits threshold from 25 hrs/week to 30 hrs/week to reduce fringe benefit expenses (potential savings \$45,000)

Parameters for Plan Development

Our student population is less than 2500. MSAD 55 would qualify as exempt as outlined previously in this plan based on geography, population density, and other unique circumstances.

MSAD 55 met collaboratively with both MSAD 61 and MSAD 72 regularly over the past nine months to explore consolidation possibilities. Both districts are currently submitting alternative plans and are not being denied the opportunity to join an RSU.

The proposed MSAD 55 RSU will consist of 1 publicly supported high school, 1 middle school, and 5 elementary schools.

This MSAD 55 alternative plan is consistent with the policies set forth in section 1451.

Our plan involves maximizing efficiency and cost savings without the displacement of teachers and students.

Collaborative Agreements

MSAD 55 has actively sought partnerships with both neighboring school districts as well as community and county organizations, as a means of resource sharing and expense mitigation. There are already many collaborative agreements in place that have proven to be cost effective and resource efficient. The district continues to explore areas where further collaboration is possible.

Currently:

- 1) District currently shares psychological examiner with neighboring SAD 72.
- 2) MSAD 55 participates in Alternative Education resource sharing with neighboring districts.
- 3) District collaborates with Oxford County Sheriff's Office for School Resource Officer Program
- 4) District collaborates with local mental health agency to provide school based counseling services to students
- 5) MSAD 55 has shared maintenance equipment with neighboring districts to save purchasing costs.
- 6) MSAD 55 has shared professional development opportunities with both MSAD 61 and MSAD 72.
- 7) MSAD 55 collaborates with the Sacopee Valley Health Center to provide specialized health education to students.
- 8) MSAD 55 currently participates in a 29 member York/Cumberland County co-op for the bulk purchasing of food products.

Exploring:

- 1) Sharing specialists such as Speech Therapists with neighboring districts.
- 2) Collaborating on bulk purchases with SAD 61 to reduce expenses.
- 3) Collaborating with SAD 61 and 72 on further professional development opportunities specifically in Special Education and Technology.
- 4) Sharing of MSAD 55's Virtual High School program with neighboring districts.

APPENDIX I

System Admin. Expenses	07-'08 Budget	08-'09 Budget	Difference	
Board of Directors Related Costs				
Insurance	\$18,022.00	\$14,000.00	-\$4,022.00	
General Supplies	\$250.00	\$100.00	-\$150.00	
Books	\$475.00	\$0.00	-\$475.00	
Dues and Fees	\$3,193.00	\$3,150.00	-\$43.00	
Conference Fees	\$2,282.00	\$1,000.00	-\$1,282.00	
Board Fees	\$4,540.00	\$4,540.00	\$0.00	
Total Board Related Expenses	\$28,762.00	\$22,790.00	-\$5,972.00	
Administration Expenses				
Salaries - Executive Administration	\$164,820.60	\$94,190.88	-\$70,629.72	
Staff Salaries - Administration	\$160,085.30	\$161,234.00	\$1,148.70	
Temporary Staff Salaries - Administration	\$1,861.00	\$0.00	-\$1,861.00	
Temporary Staff Benefits	\$161.00	\$0.00	-\$161.00	
Benefits - Executive Administration	\$25,293.03	\$13,665.17	-\$11,627.86	
Benefits - Staff Administration	\$38,705.13	\$37,521.45	-\$1,183.68	
Purchased Professional & Technical Services	\$3,000.00	\$1,000.00	-\$2,000.00	
Legal Fees	\$15,000.00	\$12,000.00	-\$3,000.00	
Audit Fees	\$10,500.00	\$10,000.00	-\$500.00	
Repairs and Maintenance	\$1,000.00	\$500.00	-\$500.00	
Software Repairs and Maintenance	\$12,725.45	\$13,364.00	\$638.55	
Rental - Equipment	\$21,622.00	\$0.00	-\$21,622.00	
Copier Lease	\$1,800.00	\$1,800.00	\$0.00	
Communication Expense	\$3,800.00	\$2,800.00	-\$1,000.00	
General Supplies - Postage	\$3,200.00	\$3,000.00	-\$200.00	
Advertising Expense	\$7,000.00	\$5,000.00	-\$2,000.00	
Printing and Binding	\$1,500.00	\$600.00	-\$900.00	
Travel Expense	\$9,500.00	\$8,000.00	-\$1,500.00	
General Supplies	\$7,800.00	\$5,300.00	-\$2,500.00	
Books	\$200.00	\$100.00	-\$100.00	
Technology Supplies	\$5,000.00	\$4,000.00	-\$1,000.00	
Dues and Fees	\$2,000.00	\$2,000.00	\$0.00	
Interest - Short Term TAN	\$24,500.00	\$24,500.00	\$0.00	
Debt Service & Miscellaneous	\$1,000.00	\$1,000.00	\$0.00	
Contingency Expense	\$0.00	\$0.00	\$0.00	
Systems Technology	\$91,523.00	\$0.00	-\$91,523.00	
Funds Transferred Out	\$16,191.00	\$0.00	-\$16,191.00	
Total Administration	\$629,787.51	\$401,575.50	-\$228,212.01	
Total Savings	\$658,549.51	\$424,365.50	-\$234,184.01	% change
				-36%
	50% decrease of '07-'08 budget=		\$329,275.00	
	Current Change in '08-'09 budget		(\$234,184.01)	
	Remaining cuts needed=		\$95,090.99	

Maintenance Expenses				
	07-'08 Budget	08-'09 Budget	Difference	
Contract Services	\$2,200.00	\$11,000.00	\$8,800.00	
Purc. Property Services	\$58,002.00	\$58,916.00	\$914.00	
Water and Sewerage	\$27,250.00	\$29,200.00	\$1,950.00	
Repairs and Maintenance	\$6,500.00	\$5,900.00	-\$600.00	
Maintenance of rentals	\$31,900.00	\$20,070.00	-\$11,830.00	
Insurance tractor boiler	\$15,330.00	\$15,330.00	\$0.00	
Insurance	\$55,120.00	\$52,120.00	-\$3,000.00	
Travel and Conferences	\$6,000.00	\$6,000.00	\$0.00	
General Supplies	\$31,800.00	\$25,383.00	-\$6,417.00	
Electricity	\$214,800.00	\$220,330.00	\$5,530.00	
Bottled Gas	\$21,550.00	\$21,700.00	\$150.00	
Oil	\$194,608.10	\$227,920.30	\$50,135.83	
Dues and Memberships	\$0.00	\$300.00	\$300.00	
Redemption Principal/debt	\$15,200.00	\$15,200.00	\$0.00	
Interest debt service	\$2,763.15	\$2,763.15	\$0.00	
Salaries	\$371,345.85	\$380,229.56	\$8,883.71	
Subs	\$13,300.00	\$13,538.83	\$238.83	
Stipend Benefits	\$0.00	\$0.00	\$0.00	
Sub Benefits	\$3,073.00	\$1,010.73	-\$2,062.27	
Reg Benefits	\$177,561.42	\$170,815.83	-\$6,745.59	
Purchased Services Care of Buildings	\$149,711.00	\$60,665.00	-\$89,046.00	
Repairs and Maint. Care of Buildings	\$102,350.00	\$117,849.00	\$15,499.00	
Gen Supplies Care of Buildings	\$73,250.00	\$83,950.00	\$10,700.00	
System Wide Salaries	\$82,150.97	\$76,473.48	-\$5,677.49	
System Wide Benefits	\$31,645.97	\$32,303.79	\$657.82	
System Wide Rentals	\$9,464.00	\$0.00	-\$9,464.00	
System Wide Lease truck/tractor	\$10,736.00	\$0.00	-\$10,736.00	
System Wide Vehicle repair/maint	\$4,100.00	\$5,000.00	\$900.00	
System Wide Gasoline	\$3,000.00	\$4,000.00	\$1,000.00	% change
Totals:	\$1,714,711.46	\$1,657,968.67	-\$39,919.16	-2%
	5% decrease of '07-'08 budget=		\$85,735.00	
	Current Change in '08-'09 budget=		(\$39,919.16)	
	Remaining cuts needed=		\$45,815.84	

Transportation Budget				
	07-'08 Budget	08-'09 Budget	Difference	
Driver Wages	\$7,500.00	\$0.00	-\$7,500.00	
Driver Fringe	\$650.00	\$0.00	-\$650.00	
Bus Contract	\$815,000.00	\$789,888.00	-\$25,112.00	
Fuel	\$112,600.00	\$141,933.00	\$29,333.00	
Student Transportation	\$68,344.00	\$62,040.00	-\$6,304.00	
Private Sources	\$21,042.00	\$31,275.00	\$10,233.00	
				<u>% change</u>
Totals:	\$1,025,136.00	\$1,025,136.00	\$0.00	0%
	5% decrease of '07-'08 budget=		\$51,256.00	
	Current Change in '08-'09 budget=		\$0.00	
	Remaining cuts needed=		\$51,256.00	

Special Education Expenses				
	07-'08 Budget	08-'09 Budget	Difference	
Salaries	\$1,513,974.57	\$1,531,468.70	\$17,494.13	
Benefits	\$532,404.13	\$554,646.12	\$22,241.99	
Supplies	\$17,225.31	\$14,359.28	(\$2,866.03)	
Tuition	\$150,000.00	\$157,209.00	\$7,209.00	
Legal Services	\$67,000.00	\$20,000.00	(\$47,000.00)	
Copier Lease	\$1,000.00	\$1,000.00	\$0.00	
Communications	\$2,956.00	\$2,300.00	(\$656.00)	
Contracted Services	\$55,665.00	\$64,665.00	\$9,000.00	
Travel	\$14,948.00	\$9,384.00	(\$5,564.00)	
Dues and Fees	\$716.00	\$663.00	(\$53.00)	
			% change	
Total Special Education Costs	\$2,355,889.01	\$2,355,695.10	(\$193.91)	0%
	5% decrease of '07-'08 budget=		\$117,794.00	
	Current Change in '08-'09 budget=		(\$193.91)	
	Remaining cuts needed=		\$117,600.09	



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

JOHN ELIAS BALDACCI
GOVERNOR

SUSAN A. GENDRON
COMMISSIONER

December 14, 2007

Sylvia Pease, Superintendent
MSAD 55
137 South Hiram Road
Hiram, ME 04041

Dear Superintendent Pease:

Thank you for the Alternative Plan that you submitted on behalf of MSAD 55 on December 3, 2007 for Department review for compliance with the school reorganization law, P.L. 2007, chapter 240, Part XXXX.

I recognize how much time, effort and thoughtful work is required to complete an alternative plan and appreciate the efforts made, to date, by all those involved.

Members of my staff and I have reviewed the submission and offer the comments and notes listed below to assist you in completing the plan. If you make any substantive change(s) to any part of the plan beyond those listed below, please be sure to note those on the Updated Alternative Plan Cover Sheet Checklist, along with notation of those items that have changed per the notes contained in this response.

General Documentation (Submittal Sheet)

- All information submitted as required.
- The actual number of students for which the proposed RSU was fiscally responsible as of October 1, 2006 was 1,285. I am making you aware of this as this is the enrollment number that will be used in determining Essential Programs and Services funding.

Checklist/Plan Text Items

Items Checked "In Progress" or "Not Yet Started"

With respect to the items you checked as "in progress" or "not yet started", we are unable to complete our review until the additional information is provided. However, based on our preliminary review we would ask you to please note the following:

** Required Items*

Each alternative plan must provide projected expenditures in FY 2008-2009 for system administration, transportation, special education, and facilities and maintenance in accordance with P.L. 2007, chapter 240, Part XXXX-36(6)(F). Please provide these projected expenditures; and please consider using the guidance offered in the Drummond Woodsum workshop materials.

In Exhibit A, we have included a comparison of (A) the 2007-08 EPS allocations for the four categories of system administration, transportation, special education, and facilities and maintenance and (B) your unit's 2007-08 budget information (if available) for these four categories. Also included are estimated 2008-09 EPS allocations for system administration, transportation, and facilities and maintenance. I encourage you to review this information. NOTE: If the 2007-08 budget information is missing then it is likely that your unit has not submitted this information to the MEDMS Financial System; please see Administrative Letter # 20, dated 2/13/2007 for instructions.

Please address the requirement in P.L. 2007, chapter 240, Part XXXX-36(6)(F) that "... the projected expenditures in FY 2008-2009 for system administration, transportation, special education, and facilities and maintenance will not have an adverse impact on the instructional program" by providing an assurance to that effect. Note: We will confirm this assurance against the information that was required to be submitted to the MEDMS Financial System in August, 2007.

A model for budgeting for system administration is available at www.maine.gov/education/supportingschools/planning.html.

The Department of Education will be issuing an RFP to procure routing software to be available statewide. It is the Department's intent to issue the RFP early in 2008 and have a contract signed with a vendor as soon thereafter as possible so that the software will be available to RSUs and municipalities as soon as possible. SAUs may begin to work with the system in FY 2008-2009 but will not be able to budget any cost savings until FY 2009-2010.

We will review all items on the checklist again, upon your completion of the plan.

SUBMISSION OF REVISIONS:

Please provide the additional materials to complete your plan by February 1, 2008. Please include:

- Any additional data required
- An updated Submittal Page
- An updated Cover Sheet Checklist
- A copy of this Response from the Commissioner.

I will respond no more than 14 days after the revisions/additional materials are refiled with the Department. As you are the contact person identified on the Submittal Sheet, this response is addressed to you but with the understanding that you will share it with your school administrative unit board members.

Finally, what I am reviewing for approval is a plan (or a submission, if the plan is incomplete) 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.

Again, my sincere thanks for your efforts.

Sincerely,



Susan A. Gendron
Commissioner of Education

Enc.

Maine Department of Education
Alternative Plan Financial Review

School Administrative Unit: MSAD 55

1. 100% Essential Programs and Services

10/1/2006 Enrollment	Required Local	Additional Local	ED 281 Line 60 Subsidy	Taxes and Subsidy	100% EPS	Amount Over (Under) EPS	Percent Over (Under) EPS
1421.77	\$ 4,584,528	\$ 1,663,569	\$ 6,360,497	\$ 12,608,594	\$ 11,345,386	\$ 1,263,208	11.13%

2. System Administration

FY '08 Budget*	K - 8	Assessment 9 - 12	Total	Less Revenues	Amount Over (Under) Assessment	Percent Over (Under) Assessment
\$ 658,550	\$ 354,342	\$ 154,767	\$ 509,109	\$ -	\$ 149,441	29.35%

Estimated 2008-09 100% EPS Allocation based on student counts used for 2007-08 funding = \$ 290,040

3. Operations and Maintenance of Facilities

FY '08 Budget*	K - 8	Assessment 9 - 12	Total	Less Revenues	Amount Over (Under) Assessment	Percent Over (Under) Assessment
\$ 1,714,713	\$ 943,596	\$ 493,865	\$ 1,437,461	\$ -	\$ 277,252	19.29%

Estimated 2008-09 100% EPS Allocation based on student counts used for 2007-08 funding = \$ 1,409,695

4. Special Education

FY '08 Budget*	Assessment	Less Revenues	Amount Over (Under) Assessment	Percent Over (Under) Assessment
\$ 2,355,889	\$ 1,664,041	\$ 125,000	\$ 566,848	34.06%

Estimated 2008-09 100% EPS Allocation based on student counts used for 2007-08 funding = Not Available

5. Transportation

FY '08 Budget*	Assessment	Less Revenues	Amount Over (Under) Assessment	Percent Over (Under) Assessment
\$ 1,025,136	\$ 884,900	\$ -	\$ 140,236	15.85%

Estimated 2008-09 100% EPS Allocation based on student counts used for 2007-08 funding = \$ 840,655

FY '08 Budget information from MEDMS Financial Reporting.