

**1. The units of school administration to be included in the proposed reorganized regional school unit.**

The proposed regional school unit includes the following school administrative units: **Maine School Administrative Districts No. 5 and No. 50**

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

The regional school unit board shall be composed of 13 members. The voters in each of 6 municipalities shall elect residents of the municipality to the board. Any municipality that has more than 1 member shall elect those members at large from within that municipality. The municipalities and their populations are as follows:

| <b>Municipality</b> | <b>Federal estimated<br/>2006 census</b> | <b>Board<br/>Member(s)</b> |
|---------------------|--|----------------------------|
| Cushing             | 1,272                                    | 1                          |
| Owls Head           | 1,654                                    | 1                          |
| Rockland            | 7,578                                    | 5                          |
| So. Thomaston       | 1,518                                    | 1                          |
| St. George          | 2,696                                    | 2                          |
| Thomaston           | 4,130                                    | 3                          |
| <b>TOTAL</b>        | <b>18,848</b>                            | <b>13</b>                  |

Each board member shall serve a 3-year term, except that the initial terms of the members of the first regional school unit board shall be staggered as provided by Section XXXX-40.

Staggered Terms 1, 2, 3, years for members:

|               |           |                          |
|---------------|-----------|--------------------------|
| Cushing       | 1 member  | 1 year term              |
| Owls Head     | 1 member  | 2 year term              |
| Rockland      | 5 members | 3, 1, 2, 3, 1 year terms |
| So. Thomaston | 1 member  | 2 year term              |
| St. George    | 2 members | 3, 1 year terms          |
| Thomaston     | 3 members | 2, 3, 1 year terms       |

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

Each member of the regional school unit board shall have one vote.  
[See Exhibit 3. Method of Voting of the Governing Body]

**4. The composition, powers and duties of any local school committees to be created.**

Not applicable.

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

**A. Real Property and Fixtures.** Except as listed below, all real property interests, including without limitation land, buildings, other improvements to realty, easements, option rights, first refusal rights, and purchase rights, and all fixtures, of the school administrative units shall be property of the region. The regional school unit board may require such deeds, assignments or other instruments of transfer as in its judgment is necessary to establish the region’s right, title and interest in such real property and fixtures.

The following real property interests and associated fixtures shall not be transferred:

| <u>Name of SAU</u> | <u>Description of Excluded Property</u> |
|--------------------|---|
| S.A.D. #5          | None                                    |
| S.A.D. #50         | None                                    |

All real property and fixtures not described in the above list shall be transferred to the regional school unit.

**B. Personal Property.** All other tangible school personal property, including movable equipment, furnishings, textbooks and other curriculum materials, supplies and inventories shall become property of the region as successor of the SAUs, except as listed below:

| <u>Name of SAU</u> | <u>Description of Excluded Personal Property</u> |
|--------------------|--|
| S.A.D. #5          | None   |
| S.A.D. #50         | None   |

The regional school unit board may require such assignments, bills of sale or other instruments of transfer as in its judgment is necessary to establish the region’s right, title and interest in such personal property.

**C. Agreements to Share or to Jointly Own Property.** In cases where real or personal school property is shared or is jointly used by an SAU with a municipality or other party, the regional school unit shall be the successor in interest to the SAU, unless that shared or jointly used property has been excepted in the above list of excepted real property or, as applicable, the above list of excepted personal property.

*Note: The City of Rockland owns a skate park that is situated on S.A.D. #5 property. The City will retain ownership of the skate park, and will likely seek approval to continue to have it located on school property.*

**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.**

**A. Bonds, Notes and Lease Purchase Agreements That the Region Will Assume.** The region shall assume liability to pay the following bonds, notes and lease purchase agreements:

| <b>Name of SAU</b> | <b>Year Issued</b> | <b>Original Principal Amount</b> | <b>Asset Acquired, Constructed or Renovated</b> | <b>Principal Balance as of July 1, 2009</b> | <b>Final Maturity Date</b> |
|--------------------|--------------------|----------------------------------|---|---|----------------------------|
| S.A.D. #5          | 1998               | \$4,800,000.00                   | Middle School                                   | \$2,400,000.00                              | 11/01/2018                 |
| S.A.D. #5          | 2005               | \$ 189,154.85                    | District Copiers                                | \$ 39,822.75                                | 08/01/2009                 |
| S.A.D. #5          | 2007               | \$ 128,535.00                    | District Computers                              | \$ 64,175.47                                | 07/01/2010                 |
| S.A.D. #5          | 1999               | \$1,582,500.00                   | South School Renovations                        | \$ 630,000.00                               | 11/01/2014                 |
| S.A.D. #50         | 1997               | \$2,760,000.00                   | St George Addition/ Renovation                  | \$1,242,000.00                              | 11/01/2017                 |
| S.A.D. #50         | 2002               | \$2,225,000.00                   | Cushing School Construction                     | \$1,446,250.00                              | 11/01/2022                 |
| S.A.D. #50         | 2003               | \$ 309,266.00                    | Thomaston Grammar Addition                      | \$ 44,180.00                                | 07/01/2009                 |
| S.A.D. #50         | 2006               | \$ 190,500.00                    | District Renovations                            | \$ 76,200.00                                | 07/06/2010                 |
| S.A.D. #50         | 2007               | \$ 126,500.00                    | Technology Equipment                            | \$ 42,133.00                                | 07/15/2009                 |
| S.A.D. #50         | 2007               | \$ 73,712.00                     | School Bus                                      | \$ 24,551.00                                | 08/15/2009                 |

Additionally, other bonds, notes and lease purchase agreements issued by an SAU before the operative date of the region shall be assumed by the region, provided the SAU issued the bond, note or lease purchase agreement in the normal course of its management of the schools for an essential purpose to replace its existing facilities and existing items of equipment that are not longer serviceable or to keep them in normal operating condition.

*Note: S.A.D. #5 has approximately \$900,000 more debt that was local-only approved debt compared to S.A.D. #50. While this will result in an incremental cost shift, the Reorganization Planning Committee approved passing the entire debt to the new RSU.*

**B. Bonds, Notes and Lease Purchase Agreements That the Region Will Not Assume.** Pursuant to 20-A M.R.S.A. § 1506(4), the region does not assume the following bonds, notes and lease purchase agreements, which shall continue to be paid by the original members of the SAU indicated, and the region shall serve as fiscal agent for the SAU for that purpose:

*Note: There are no known items from either S.A.D. #5 or S.A.D. #50 for this section.*

**C. New Capital Project Debt that Region Will Issue and Assume.** If the voters or other applicable legislative body of an SAU has authorized the issuance of bonds for a school construction or a minor capital project, but the SAU has not issued all of the authorized permanent bonds for that project, the regional school unit board shall issue bonds or notes to finance the completion of that project and to refund any temporary notes that the SAU issued for that project, as required by 20-A M.R.S.A. § 1506(5). With respect to such new project debt, the region shall assume liability to pay the following bonds, notes and lease purchase agreements:

*Note: There are no known new capital projects for either S.A.D. #5 or S.A.D. #50*

**D. New Capital Project Debt that the Region Will Issue But Will Not Assume.**

Not applicable for this Plan.

*Note: There are no known new capital projects for either S.A.D. #5 or S.A.D. #50*

**E. Defaulted Debt is Excluded from Being Assumed.** Notwithstanding anything in this Plan to the contrary, except where legally required to do so, the region will not assume any bond, note or lease purchase agreement as to which the SAU is in breach or has defaulted.

**F. Other Debt Not Assumed.**

Not applicable for this Plan.

*Note: There are no known new capital projects for either S.A.D. #5 or S.A.D. #50*

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

**A. School Personnel Contracts.** A list of all written individual employment contracts to which each of the existing SAUs is a party is attached as Exhibit 7-A. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of the operational date, and their contracts shall be assumed by the RSU on the operational date. This provision does not prevent the existing SAUs from terminating or nonrenewing the contracts of employees in accordance with applicable law before the operational date of the RSU. The list shall be updated and made final no later than the day before the operational date of the RSU.

Employees of the existing SAUs who do not have written individual employment contracts are noted on Exhibit 7.A. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of the operational date. (Employees whose names are inadvertently omitted from this list shall also become employed by the RSU as of the operational date.) This provision does not prevent the existing SAUs from terminating employment of the employees in accordance with applicable law before the operational date of the RSU. The list shall be updated and made final no later than the day before the operational date of the RSU.

The duties and assignments of all employees transferred to the RSU shall be determined by the Superintendent of the RSU or his/her designee.

[See Exhibit 7. A. School Personnel Contracts]

**B. School Collective Bargaining Agreements.** The following collective bargaining agreements to which the SAUs are a party shall be assumed by the regional school unit board as of the operational date:

[See Exhibit 7. B. School Collective Bargaining Agreements]

All of the employer's rights and responsibilities with respect to collective bargaining shall be fully assumed by the regional school unit board as of the operational date.

**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.**

A. **Existing Financial Obligations.** Pursuant to Section XXXX-36(5) the disposition of existing financial obligations is governed by this plan.

Existing financial obligations shall include the following:

- (i) all accounts payable;
- (ii) to the extent not included as accounts payable, any financial obligations which under generally accepted accounting principles would be considered expenses of the SAU for any year prior to the year the RSU becomes operational, whether or not such expenses were budgeted by the SAU in the year the obligations were incurred, including for example summer salaries and benefits; and
- (iii) all other liabilities arising under generally accepted accounting principles that can be reasonably estimated and are probable.

Each SAU shall satisfy its existing financial obligations from all legally available funds. If an SAU has not satisfied all of its existing financial obligations, the SAU shall transfer sufficient funds to the region to satisfy its remaining existing financial obligations, and the regional school unit board shall be authorized to satisfy those existing financial obligations on behalf of the SAU. If the SAU does not transfer to the region sufficient funds to satisfy its existing financial obligations, then to the extent permitted by law, the regional school unit board may satisfy those obligations from balances that the SAU transfers to the region. If the available balances transferred are insufficient to satisfy the SAU's existing financial obligations, or are not legally available for that purpose, the regional school unit board may take any action permitted by law so that all of the municipalities of the region are treated equitably with respect to the unsatisfied existing financial obligations of an SAU. For example, to the extent permitted by law, the regional school unit board may satisfy the unpaid existing financial obligations of an SAU in the same manner and with the same authority as for unassumed debt under the provisions of 20-A M.R.S.A. § 1506(4).

Additionally, to the extent permitted by law, if in the judgment of the regional school unit board it must raise funds from all its members to satisfy existing financial obligations of an SAU, the regional school unit board also shall be authorized to raise additional amounts for the purpose of making equitable distributions (which may be made in the form of credits against assessed local shares of the region's approved budget) to those region members that would otherwise bear costs attributable to unsatisfied existing financial obligations of an SAU for which they had no financial responsibility. The intent of the preceding sentence is that financial responsibility for unsatisfied existing financial obligations of an SAU be borne by its members and not by the other members of the region.

Both S.A.D. #5 and S.A.D. #50 have Summer Salaries and Benefits as a liability. The liability for each district is similar in cost, and neither district has sufficient funds to meet that liability. The local decision by the Reorganization Planning Committee calls for the new RSU to absorb the liability, and to release each existing SAU of this particular liability.

**B. Remaining Balances.** The balance remaining in the SAU's school accounts after the SAU has satisfied existing financial obligations in accordance with this plan shall be paid to the treasurer of the regional school unit, verified by audit and used to reduce that SAU's contribution as provided by Section XXXX-43(4). Unless the Legislature otherwise provides, in the case of a school administrative district, community school district or other regional school district (collectively, "district"), the school board of the district shall specify in writing to the regional school unit board how the region shall allocate transferred remaining balances between district members. Unless the Legislature otherwise provides, if the district board has not specified in writing to the regional school unit board how this allocation shall occur, then the transferred remaining balances shall be credited to the district's members in proportion to their respective shares of that portion of the total local costs of the region allocable to all of the district's members for the operational year.

Transfers of remaining balances may occur within the period specified by Section XXXX-43(4), or, as may be preferable in the case of a district, at any time before the district has closed its accounts and ceased normal operations.

**C. Reserve Funds.** SAUs shall transfer remaining balances of reserve funds to the regional school unit. Unless otherwise provided by applicable law, a transferred reserve fund shall be used in accordance with its original purpose to benefit a school or schools of the SAU. Transferred reserve funds shall be subject to Title 20-A M.R.S.A. § 1491, except that the transfer of funds in a reserve fund or a change in purpose of the fund may only occur in such manner that the funds continue to benefit the members of the SAU that transferred that reserve fund to the region.

**D. Scholarship Funds.** SAUs shall transfer remaining balances of scholarship funds to the region. Scholarships shall be limited to the original pool of potential recipients unless otherwise provided by the donor or by applicable law.

**E. Trust Funds.** SAUs shall transfer trust funds to the region. The regional school union board shall be deemed the successor trustee for all purposes, except as provided by the trust or by applicable law.

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

In progress.

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

Minutes of the following public meeting(s) held to prepare or review the reorganization plan are attached as Exhibit 10:

| Date of Public Meeting | Time    | Location  |
|------------------------|---------|---|
| July 31, 2007          | 6:30 PM | SAD 5 Board Room<br>McLain School<br>Rockland, ME |
| August 21, 2007        | 6:30 PM | Rockland City Hall<br>Rockland, ME                |
| September 4, 2007      | 6:30 PM | Rockland City Hall<br>Rockland, ME                |
| September 18, 2007     | 6:30 PM | Rockland City Hall<br>Rockland, ME                |
| October 2, 2007        | 6:30 PM | Rockland City Hall<br>Rockland, ME                |
| October 16, 2007       | 6:30 PM | Rockland City Hall<br>Rockland, ME                |
| October 30, 2007       | 6:30 PM | Rockland City Hall<br>Rockland, ME                |
| November 13, 2007      | 6:30 PM | SAD 5 Board Room<br>McLain School<br>Rockland, ME |
| November 27, 2007      | 6:30 PM | Rockland District High School<br>Rockland, ME     |

[See Exhibit 10. Minutes of Public Meetings]

**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 one or more of the proposed members of the region fail to approve the plan, the SAUs that approve the plan shall proceed as follows:

If despite rejection by one or more proposed members of the region, the plan is approved by each of the applicable school administrative units pursuant to Section XXXX-36(9), the plan is approved for all proposed members of the region in accordance with Section XXXX-36(9).

If the plan is rejected by one or more SAUs, the region shall not be formed under this plan, and the SAUs shall re-start the process to form a regional school unit with the same or other school administrative units and may seek assistance from the Department of Education to form another reorganization plan pursuant to Section XXXX-36(11).

**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.**

In progress.

**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.**

**A. Plans to reorganize administration, transportation, building and maintenance and special education.**

In progress.

**B. Cost Sharing in Regional School Units**

In progress.

**C. Election of initial board of directors.**

Within 30 days of the issuance of a certificate of organization for the regional school unit by the State Board of Education, the members of the school boards of the school administrative units within the regional school unit shall conduct a joint meeting for the purpose of electing an interim secretary of the regional school unit and determining a date for the election of the initial board of directors of the regional school unit. The interim secretary shall notify the municipal officers of the member municipalities of the regional school unit of the date of the election. The election shall be conducted in accordance with Title 30-A Chapter 121 of the Maine Revised Statutes, as amended by Section 1473(2) of Chapter 103-A of Title 20-A of the Maine Revised Statutes, except that the election duties of the secretary and board of directors of the regional school unit shall be performed by the interim secretary. The duties of the interim secretary shall include:

- 1) notification of the municipal officers of the date of the election;
- 2) furnishing nomination papers at least 10 days before the deadline for filing nomination papers;
- 3) receipt of completed nomination papers in accordance with 20-A M.R.S.A. §1473;
- 4) preparation and distribution of election ballots in accordance with 20-A M.R.S.A. §1473;
- 5) receipt of town clerk's certification of the results of the voting in each member municipality;
- 6) tabulation of the town clerk's certification of the results of the voting in each municipality;
- 7) accepting any recount petitions that may be filed pursuant to 20-A M.R.S.A. §1473; and
- 8) totaling the votes cast for each candidate and notifying the clerks in each municipality, the candidates, and the Commissioner of Education of the final results of the voting and the names and addresses of the persons elected as directors.

In accordance with 20-A M.R.S.A. §1473(1), the clerk of each municipality within the regional school unit shall forward the name(s) and address(es) of the director(s) elected to represent that municipality to the State Board of Education with such other data with regard to their election as the State Board of Education may require. On receipt of the names and addresses of all of the directors, the State Board of Education shall set a time, place and date for the first meeting of the directors and give notice to the directors in writing, sent by registered or certified mail, return receipt requested, to the address provided by the municipalities.

**D. Tuition Contracts and School Choice**

**1. Tuition Contracts**

Does not apply.

**2. School Choice**

Does not apply.

**E. Claims and Insurance**

In progress.

**F. Vote to submit reorganization plan to Commissioner.**

In progress.

**G. Section for RSUs with fewer than 2,500 students**

The close geographic proximity of the six towns comprising SAD #5 and SAD #50 led our two school boards to begin collaborating on a 9-12 consolidation effort approximately three years ago. The goal of this consolidation effort was the creation of a regional high school with approximately 750 students. To that end, our school boards have met together several times, our 9-12 teaching staffs have engaged in common professional development and we have begun to involve students in the planning process. In addition, many public meetings have been held and informational programs broadcast on our local access television channel in an effort to educate and involve our citizenry.

With the implementation of the School Administrative Reorganization law, SAD #5 and SAD #50 are now working toward consolidating the two districts K-12, which will result in a district of approximately 2,300 students.

SAD #5 and SAD #50 have worked closely over the years via superintendents' agreements, shared special education services, and other services. The new RSU will allow the two districts to combine and streamline services, especially transportation, since the six communities are so close, and special education services; where we find that families with needs tend to move among and between the two districts regularly.

While the combined student population of the proposed new RSU will be less than the required 2,500, the efficiencies realized, the compact geographic nature of the new RSU, and the historic ties between SAD #5 and SAD #50 justify approving our request.

**Collaborative Agreements**

In progress.