

**SAD 5 / SAD 50 REORGANIZATION PLANNING COMMITTEE**  
**April 30, 2008 – Rockland City Hall**

Present: Committee Members

SAD 5

David Matthews, Owls Head  
Paul Luttrell, Rockland  
Ruth Hohfeld, South Thomaston  
Jeff Northgraves, South Thomaston  
Eric Hebert, Rockland  
Dick Levasseur, Owls Head  
Audrey Buffington, South Thomaston

SAD 50

Jamie Doubleday, Thomaston  
Bob Worthing, Cushing  
David Cobey, Cushing  
John Falla, St. George  
Bill Reinhardt, St. George  
Terry Driscoll, St. George

Business Managers – Toni Reed, SAD 5; John Spear, SAD 50

Recorder – Ann Matlack, St. George

Members of the Public – Peter Ditchitt, St. George

1. Co-Chair Jamie Doubleday opened the meeting at about 6:30 PM.
2. Due to procrastination on the part of the Clerk, no minutes were available.
3. **Public Comment** – There was no public comment.
4. **Old Business** –
  - a. **Legislative Update** – The Legislature has passed a bill that will, among other things, allow for local development of cost-sharing formulas, repeal the requirement that 2 mills of the tax rate be used for education, and allow board members for the new RSU to be elected before the RSU start-up date, along with other provisions which may not necessarily apply to a new SAD 5 / SAD 50 combined SAU. The legislation also eliminated language regarding Super Unions, although the Commissioner will be allowed leeway in creating special SAUs; allows the Commissioner to approve units with fewer than 1,200 students; eliminates penalty language from mandatory ballot questions; and postpones deadlines for referendum questions until January 30, 2009, although the final start-up date of July 1, 2009, remains in effect.

The legislature also clarifies previously incalculable penalties for failure to consolidate. According to John Spear, the so called “mill rate penalty” for SAD 50 would be \$70,000 the first year, in addition to the other penalties already in place. The penalty for SAD 5 has not been calculated.
  - b. **DOE Response to Plan 3/28/08** – The Committee send a letter dated March 28, 2008, to the DOE, stating that the Plan had not changed. The next deadline for the Committee is June 13.
5. **Sub-committee reports**
  - a. **Governance** – Paul distributed a hand-out from the DOE, showing a “possible apportionment plan using Method B Weighted Votes that is in compliance.” The original plan submitted by the Committee was found to not be in compliance. Therefore, the Committee will have to go with weighted votes, instead of the preferred one-man, one-

vote. The new RSU board will also have 13 members, instead of the recommended 11. Paul also told the Committee that terms would not be assigned to board members; terms will be determined by drawing lots at the first organizational meeting.

- b. **Contracts and Collective Bargaining** – This Sub-Committee has completed its work.
- c. **Assets and Liabilities** – This Sub-Committee has completed its work. The information on Assets and Liabilities will be updated at a date to be determined.
- d. **Finance** – John Spear explained the cost-sharing formula developed by the Cost-Sharing Sub-Group. He also distributed a series of spreadsheets, explaining in theory how the proposed cost-sharing formula would affect each community. While the numbers used were current, no changes in student population or valuation were applied in years 2-4; results of the calculations are for illustration purposes only.

John also explained that the Sub-Group proposed a phase-in of the cost-sharing formula over 4 years, with no change in the first year. The cost-sharing formula only applies to those costs over and outside what is required by Essential Programs and Services, the bulk of which are in Additional Local Costs. Those costs in 2007/08 are:

	<u>SAD 5</u>	<u>SAD 50</u>
Local Only Debt	\$ 557,000	\$ 339,000
Additional Local Costs	\$1,900,000	\$3,200,000
Adult Education	\$ 57,000	\$ 6,700

David Cobey explained that the Sub-Group had looked at a lot of various formulae in an effort to determine the least overall negative impact on each community. It was determined by the Sub-Group that a 25% student population / 75% valuation cost-sharing formula would inflict the least pain. Eric explained that there was no way to make the cost-shift disappear.

Bill said he has 2 concerns with the proposed formula: 1) There is no cost-shift in year one, giving a false impression of how easy the transition will be; and 2) He thinks a 50/50 formula is the appropriate compromise. He is also concerned that once this formula is in place, it will be very difficult to change it, based on 2 failed attempts in SAD 50 in recent years.

Paul wanted to know why the Sub-Group was proposing a 4-year phase in. It was explained that the Sub-Group felt 5 years was too long and that less than 4 years did not allow the communities to naturally develop equity. Also, there was no shift in Year 1 because it was felt that there was so much work to be done that adding the cost-shift would be detrimental to accomplishing that work. Also, the Sub-Group did not want to tie the hands of the new RSU board any longer than was felt necessary.

In theory, the new RSU may find efficiencies and cost-savings once the new school district is up and running, although the equalization of teach pay scales will probably cause added expenses. Jamie said that, with the different philosophies of the two districts, she was not as optimistic that the new RSU would find significant savings as soon as other anticipate.

Jamie explained that, were the reorganization not to go through, each district would be penalized by the DOE, although neither St. George nor Owls Head would feel the monetary effects. However, the biggest penalty would be in school construction: The Many Flags plan recently approved by DOE, the Legislature and the Governor would in all likelihood not receive state funding.

Jeff suggested the Committee use language similar to that used by the only plan that had been approved by the DOE: SAD 51 (Cumberland and North Yarmouth) and Falmouth.

Dick said the Committee would still have to see the reorganization to the public and that the cost-sharing formula was a big part of it. He suggested the Committee be able to tell the public what they are getting and why they should approve it.

Terry wanted to know the long-term ramifications of the cost-shift to St. George. There was concern that the 25/75 formula would adversely impact St. George down the road. It was suggested that the Committee include in its Plan a mandate that the funding formula be re-visited once the transition period was complete; i.e., at the end of year 4.

Before the Committee voted on the cost-sharing formula, it was requested that details of a 50/50 formula be forwarded to Committee members for review. The formulae will be discussed at the Committee's next meeting.

6. **Discussion of Element 13** – Nothing has changed from the previous meeting. For Sections 12 and 13a, Jeff suggested using language from SAD 51's reorganization plan, since it has been approved.
7. **Next Meeting** – The Committee will meet on Tuesday, May 20 at 6:30 PM in the SAD 5 Board Room.
8. **Other Business** – Paul suggested the Committee look at the restrictions and provisions the Commissioner had recommended for the Mount Desert Island reorganization plan, which provides for a "super union", though not in those terms. Jamie suggested the Committee continue as they have and present a plan for reorganization of the two districts and consider another option only if this one fails.

David Matthews said the prospect of Many Flags was probably the strongest reason to continue with reorganization. Jamie agreed and said there is the potential for Many Flags to be a local or even a national model for education.

9. **Adjourn** – The Committee adjourned its meeting at 8:30 PM.