

**Plan to Reorganize
the Falmouth School Department
and MSAD # 51 into
the New Casco Bay School District**

January 15, 2008

Submitted to the Commissioner of Education
for the State of Maine by:
The Falmouth School Department and
Maine School Administrative District # 51

Plan to Reorganize the Falmouth School Department and MSAD # 51 into the New Casco Bay School District

This Plan proposes the reorganization of the Falmouth School Department and Maine School Administrative District ("MSAD") # 51 (also collectively referred to as "SAUs") into a single Regional School Unit ("RSU"), entitled the New Casco Bay School District ("District").

The Plan has been prepared by the Falmouth/MSAD #51 Reorganization Planning Committee, and is submitted by the Falmouth School Department and MSAD #51 to the State Commissioner of Education for approval before being brought to a vote by referendum. Under its terms, the Plan may not go to referendum unless and until its provisions related to cost-sharing and cost-shift set-offs are permitted by State law.

The Members of the Falmouth/MSAD #51 Reorganization Planning Committee are:

Committee Chair Beppie Cerf (Chair, Falmouth School Board);
Committee Vice-Chair Susan Campbell (MSAD # 51 Board, Cumberland);
Committee Vice-Chair David Perkins (MSAD # 51 Board, North Yarmouth);

Superintendent George Entwistle (Falmouth School Department), non-voting Member;
Superintendent Bob Hasson (MSAD #51), non-voting Member;

Mark Fortin (Cumberland Citizen Representative);
Anne Graham (North Yarmouth Town Selectmen);
Kathy Hillman-Reed (Vice-Chair, Falmouth School Board);
Peggy McGehee (Falmouth Citizen Representative);
Lincoln Merrill (North Yarmouth Citizen Representative);
Shirley Storey-King (Cumberland Town Council);
George Turner (Cumberland Town Council); and,
Joe Wroblewski (Falmouth Town Council).

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Date Submitted by the Falmouth School Department and MSAD # 51:

December 1, 2007 (Work-in-Progress Plan)

January 15, 2008 (Final Plan)

Name of the Regional School Unit ("RSU")

New Casco Bay School District

Proposed RSU "Operational" Date:

July 1, 2009

1.A. The Units of School Administration in the New Casco Bay School District.

The proposed regional school unit, the New Casco Bay School District, includes the following current school administrative units:

- A. Falmouth School Department, a municipal school unit;
- B. Maine School Administrative District # 51, with the member municipalities of Cumberland and North Yarmouth.

1.B. Statement of Intent of the New Casco Bay School District

This Plan to reorganize the Falmouth School Department and MSAD #51 into the New Casco Bay School District is intended to comply with state statutory requirements to reduce school administrative costs. It is also intended to serve as a means for deeper, broader and more creative educational opportunities for the students of Cumberland, Falmouth and North Yarmouth. Further, it is intended to provide for equity and fairness for its member municipalities.

1.C Mission Statement for the New Casco Bay School District

The mission of the New Casco Bay School District is to reenergize community commitment to education and enhance educational programs by marshaling resources wisely, creatively, equitably and cost-effectively. The New Casco Bay School District will strive to:

- bring out the best in each student's intellectual, ethical, creative and physical development;
- provide talented and dedicated faculty and encourage parent and community involvement, as fundamental to each student's success;
- provide exceptional facilities for academics, athletics and the arts;
- ensure a safe and respectful environment where all feel a sense of belonging;
- value the diversity of belief and experience that each student brings, and
- promote in each student, personal integrity, intellectual vitality, good citizenship, discipline and respect for themselves and others.

1.D. Potential Educational Program Enhancements from Reorganization into the New Casco Bay School District:

Consistent with the goal of achieving long term cost savings from school district reorganization, the Plan recommends that the New Casco Bay School District Board consider implementing educational program enhancement measures that can be achieved from the District's greater collective resources, economies of scale and larger student body. Members of the Reorganization Planning Committee, teachers, parents, community members, administrators and students have suggested the following "wish list" educational program enhancement measures for consideration by the new RSU Board. In listing these suggestions, the Reorganization Planning Committee takes no position as to whether they should be implemented:

1. Provide "traveling teacher" positions for specialty courses, as in languages and mathematics;
2. Create with adult volunteer support such additional extra-curricular activities as a debate club, Shakespearian theatre program, poetry club, Model United Nations, and a satire publication;
3. Expand Cumberland and North Yarmouth's all day kindergarten to an all day kindergarten for Falmouth;
4. Provide additional AP courses;
5. Develop an International Baccalaureate program;
6. Share Falmouth's performing arts center;
7. Share Cumberland's swimming pool;
8. Create "magnet" centers for programs requiring investment in specialized equipment;
9. Develop a school campus model with, for example, a school science center;
10. Allow students to choose which school to attend within the District;
11. Use school district consolidation to foster better communication and transparency in decision making;
12. Maintain neighborhood schools;
13. Share visiting artists/art enrichment;
14. Share/streamline special education services;
15. Allocate/collaborate on technological resources; and,
16. Collaborate with local colleges and community colleges for program enhancements.

In January 2008, the superintendents, assistant superintendent, curriculum director, special education directors and the principals of the Falmouth and MSAD #51 elementary, middle and high schools met and developed the following list of Potential Opportunities for Students and Staff from school district reorganization:

Potential Opportunities for Students

Overview: K- Grade 12:

"Customer" size (i.e., USM, SMCC courses and relationships)
More modern and classical language options (student choice)
International Baccalaureate (IB) program opportunities
HS specialized focus and choice – academics
Alternative programming vs. out of district
Special education/gifted and talented evaluation and programming

Shared services for small populations of students – staff vs. consultants
Opportunities for pre-K student programs
Summer academy – support, enrichment
Community resources/3 towns
Service learning opportunities
Common calendar

K – Grade 5:

Assistance with full day kindergarten and foreign language programs
K-5 magnet schools or programs – changing grade configurations
Special education programming
More choice for students

Grade 6 – Grade 8:

Unique strengths at each school shared with other schools
Unique opportunities afforded by physical spaces
Common classes (singletons)
After school/evening programs
Modern language offerings
P.T.O.

Grade 9 – Grade 12:

IB Program
AP offerings
Foreign languages extended resources: Latin, Mandarin Chinese, ASL
Theater/pool opportunities
PE/Wellness offerings
Internships/learning outside school
ATM facilities
Academy model with academic focus
Student summer support

Special Education:

Day treatment for students with mental health issues
Assessment teams (psychiatric, OT, PT, speech, etc.)
Vocational programming opportunities
Behavior management – social work services
After school social opportunities for life skills students
Summer programming

Potential Opportunities for Staff

Overview: K – Grade 12:

“Customer” size (i.e., USM relationships)
Professional development focus and support
Curriculum and data comparisons
Staff placements to support professional learning/internal sabbaticals
Allied arts teams expanded
Principals have increased support

Content area teams increase – better thinking
Graduate courses
Wellness programs
Induction: recruiting/retention initiatives
Innovative compensation packages/contracts (benefits)
Common calendar

K – Grade 5:

More professional development choices for staff
Increase our expertise/knowledge
Teacher options – looping, teaming, science specialization
Specialists have job-like peers
Response to Intervention (RTI) strategies

Grade 6 – Grade 8:

Shared and collaborative professional development opportunities (MS specific)
Co-planning professional development
Using teacher/staff strengths (i.e., literacy, math)
Peer observation/coaching
Leadership collaboration (administrative support network)
Common issues that are MS specific
Best practices within each building
Shared staff
Best of mission/vision

Grade 9 – Grade 12:

Combined professional development opportunities (literacy, writing across the curriculum, IB or AP training, college course on site, summer planning retreat)
Sharing best practices with colleagues (early release or in service, professional learning communities)
Meaningful administrative collegiality and support

Special Education:

Assessment teams (psychiatric., OT, PT, speech, etc.)
Staffing flexibility
Training opportunities
Sharing of expertise

2. The Size, Composition and Apportionment of the Governing Body.

The New Casco Bay School District Board shall be composed of 9 Members: 4 Falmouth residents elected by the Town of Falmouth, 3 Cumberland residents elected by the Town of Cumberland and 2 North Yarmouth residents elected by the Town of North Yarmouth. Each Board Member shall serve a 3-year term, except that the initial terms of the members of the first RSU Board shall be staggered as provided by Title 20-A M.R.S.A. § XXXX-40 below:

Falmouth:

- 1 Member: 1 year initial term
- 1 Member: 2 year initial term
- 1 Member: 3 year initial term
- 1 Member: 3 year initial term

The 4 initial members elected by the Town of Falmouth shall meet and draw lots to determine which of them will have a 1, 2 or 3 year initial term.

Cumberland and North Yarmouth:

- 1 Member: 1 year initial term
- 1 Member: 2 year initial term
- 1 Member: 3 year initial term
- 1 Member: 1 year initial term
- 1 Member: 2 year initial term

The 5 initial members from the Towns of Cumberland and North Yarmouth, being the 3 members elected by the Town of Cumberland and the 2 members elected by the Town of North Yarmouth, shall meet and draw lots to determine which of them will have a 1, 2 or 3 year initial term.

3. The Method of Voting of the Governing Body.

Each municipality in the New Casco Bay School District shall elect the number of its residents to serve on the Board as shown in the Table below to meet the one person/one vote requirement of Maine's Constitution, and the statutory deviation tolerance of +/- 2%, the Board Members' votes shall be weighted as follows.

Municipality	Population	# of Board members	# of Votes	Votes per member
Falmouth	10,557	4	486	122
Cumberland	7,653	3	352	117
North Yarmouth	3,506	2	161	81
TOTALS	21,716	9	1000	

4. The Composition, Powers and Duties of any Local School Committee to be created.

No local school committee shall be created by the New Casco Bay School District. The Falmouth and MSAD #51 School Boards shall continue with the management and control of the public schools and programs until the New Casco Bay School District becomes operational on July 1, 2009.

5. The Disposition of Real and Personal School Property.

A. Real Property and Fixtures. Except as listed in Exhibit 5-A, 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 Falmouth School Department and MSAD # 51 shall be conveyed to the New Casco Bay School District. The RSU Board may require such deeds, assignments or other instruments of transfer as in its judgment is necessary to establish the District's right, title and interest in such real property and fixtures.

The real property interests and associated fixtures that shall not be transferred are listed in Exhibit 5-A. All real property and fixtures not listed in Exhibit 5-A shall be transferred to the New Casco Bay School District. The disposition of the non-transferred property, if any, shall become the property of the municipality in which it is located, unless otherwise specified in this Plan.

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 New Casco Bay School District as successor of the Falmouth School Department and MSAD # 51, except as listed in Exhibit 5-B.

The New Casco Bay School District Board may require such assignments, bills of sale or other instruments of transfer as in its judgment is necessary to establish the District'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 New Casco Bay School District 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.

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 District Will Assume. The New Casco Bay School District shall assume liability to pay the bonds, notes and lease purchase agreements as specified in Exhibit 6-A.

Additionally, other bonds, notes and lease purchase agreements issued by an SAU before the operative date of New Casco Bay School District shall be assumed by the District, 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.

B. Bonds, Notes and Lease Purchase Agreements that the New Casco Bay School District Will Not Assume. Pursuant to 20-A M.R.S.A. § 1506(4), the New Casco Bay School District does not assume the bonds, notes and lease purchase agreements specified in Exhibit 6-B, which shall continue to be paid by the original members of the SAU indicated, and the New Casco Bay School District shall serve as fiscal agent for the SAU for that purpose.

C. New Capital Project Debt that the New Casco Bay School District 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 New Casco Bay School District 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 District shall assume liability to pay the bonds, notes and lease purchase agreements listed in Exhibit 6-C.

D. New Capital Project Debt that the New Casco Bay School District Will Issue But Will Not 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 New Casco Bay School District 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 District will not assume liability to pay the bonds, notes and lease purchase agreements listed in Exhibit 6-D.

E. Defaulted Debt is Excluded from Being Assumed. Notwithstanding anything in this Plan to the contrary, except where legally required to do so, the New Casco Bay School District 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. Except as provided in this section of the Plan, the New Casco Bay School District will not assume liability for any bonds, notes or lease purchase agreements issued by an SAU prior to the operative date of the District.

G. Chebeague Island Debt Service. The debt service payments by the Town of Chebeague Island, pursuant to its secession from the Town of Cumberland, shall be applied as required by the terms of secession, to MSAD # 51 debt obligations.

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 Falmouth School Department and MSAD # 51 is a party is attached as Exhibit 7-A.1. Pursuant to Section XXXX-43(5) of Title 20-A M.R.S.A., individuals on the list who are employed on the day before the operational date shall become employed by the New Casco Bay School District as of the operational date, and their contracts shall be assumed by the District on the operational date. This provision does not prevent the existing Falmouth School Department and MSAD # 51 from terminating or non-renewing the contracts of employees in accordance with applicable law before the operational date of the District. The list shall be updated and made final no later than the day before the operational date of the District.

A list of all employees of the existing Falmouth School Department and MSAD # 51 who do not have written individual employment contracts is attached as Exhibit 7-A.2. 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 New Casco Bay School District as of its operational date. This

provision does not prevent the existing Falmouth School Department and MSAD # 51 from terminating employment of the employees in accordance with applicable law before the District's operational date. The list shall be updated and made final no later than the day before the operational date of the District.

The duties and assignments of all employees transferred to the New Casco Bay School District shall be determined by the Superintendent of the District or his/her designee.

B. School Collective Bargaining Agreements. The collective bargaining agreements listed in Exhibit 7-B, as to which the Falmouth School Department and MSAD # 51 are a party, shall be assumed by the New Casco Bay School District as of its operational date. All of the employer's rights and responsibilities with respect to collective bargaining shall be fully assumed by the District as of the District's operational date.

C. Other School Contractual Obligations. A list of all contracts to which the Falmouth School Department and MSAD # 51 are a party and that will be in effect as of the District's operational date is attached as Exhibit 7-C.1. The New Casco Bay School District shall assume the contracts listed in Exhibit 7-C.2 as of the operational date.

The Falmouth School Board and its Superintendent and MSAD # 51 Board and its Superintendent shall seek to terminate or negotiate for termination of the contracts listed in Exhibit 7-C.3 prior to the District's 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) of Title 20-A M.R.S.A., 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 Falmouth School Department and MSAD # 51 for any year prior to the year the New Casco Bay School District 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 New Casco Bay School District to satisfy its remaining existing financial obligations, and the District Board shall be authorized to satisfy those existing financial obligations on behalf of the SAU. If the SAU does not transfer to the District sufficient funds to

satisfy its existing financial obligations, then to the extent permitted by law, the District Board may satisfy those obligations from balances that the SAU transfers to the District. If the available balances transferred are insufficient to satisfy the SAU's existing financial obligations, or are not legally available for that purpose, the District Board may take any action permitted by law so that all of the municipalities of the District are treated equitably with respect to the unsatisfied existing financial obligations of an SAU. For example, to the extent permitted by law, the New Casco Bay School District 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 New Casco Bay School District Board it must raise funds from all its members to satisfy existing financial obligations of an SAU, the District 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 District's approved budget) to those District 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 District.

B. Remaining Balances. The balance remaining in SAU school accounts after satisfying existing financial obligations in accordance with this Plan shall be paid to the treasurer of the New Casco Bay School District, verified by audit and used to reduce that SAU's contribution as provided by Section XXXX-43(4), except as otherwise provided in this Plan. Unless the Legislature otherwise provides, in the case of MSAD # 51, the MSAD # 51 Board shall specify in writing to the New Casco Bay School District Board how the District shall allocate transferred remaining balances between MSAD # 51's members, Cumberland and North Yarmouth. Unless the Legislature otherwise provides, if MSAD # 51 has not specified in writing to the New Casco Bay School District Board how this allocation shall occur, then the transferred remaining balances shall be credited to Cumberland and North Yarmouth in proportion to their respective shares of that portion of the total local costs of the District allocable to MSAD # 51'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 MSAD # 51, at any time before it has closed its accounts and ceased normal operations.

C. Reserve Funds. Falmouth School Department and MSAD # 51 shall transfer remaining balances of reserve funds to the New Casco Bay School District, except as otherwise specified in this Plan. 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 District.

D. Scholarship Funds. Falmouth School Department and MSAD # 51 shall transfer remaining balances of scholarship funds to the New Casco Bay School District. Scholarships shall be limited to the original pool of potential recipients, and distributed in the manner as to which they were intended, unless otherwise provided by the donor or by applicable law.

E. Trust Funds. Falmouth School Department and MSAD # 51 shall transfer trust funds to the New Casco Bay School District. The District Board shall be deemed the successor trustee for all purposes, except as provided by the trust or by applicable law.

9. A Transition Plan and Timetable for the New Casco Bay School District.

A. The Plan's Guiding Principle to Minimize Disruption during School District Reorganization: Creation of a pre-reorganization Transition Committee.

A guiding principle of the Plan is to ensure that the reorganization of the Falmouth School Department and MSAD # 51 into the New Casco Bay School District minimizes as much as possible any disruption to the schools' educational programs.

The Reorganization Planning Committee shall dissolve on the date of final approval of the RSU Plan by the Commissioner of Education. On or before February 1, 2008, the Falmouth and MSAD # 51 School Boards shall jointly create a successor RSU Transition Committee, and shall appoint its members, which shall include the SAUs' Superintendents, Business Managers, School Board Chairs and Board Finance Committee Chairs, representatives of the member municipalities, and such other persons as the School Boards determine to be appropriate. The RSU Transition Committee shall convene upon the dissolution of the Reorganization Planning Committee, and will undertake such tasks as the following:

- In accord with Section 12, undertake a methodical, detailed and comprehensive analysis to project transition costs and long-term savings from reorganization, and how such savings will be achieved. The analysis is to be completed in time for review by voters prior to the June, 2008 Plan referendum, and should include a comparison of projected tax impacts with school reorganization to projected tax impacts without school reorganization.
- Participate in the SAU Boards' preparation of their respective budgets for fiscal year 2008-2009, and propose that provision be made in the SAU budgets for funding transition costs in FY 2008-2009 to support the work of the RSU Board until it is operational in FY 2009-2010, to be paid by the member municipalities in proportion to their populations as specified in Exhibit 13-B.1;
- Advocate, as may be timely and appropriate, for adoption by the State Legislature of an amendment to Title 20-A M.R.S.A. or adoption of other legislation to authorize the provisions of the Plan related to cost sharing and cost shift offset measures;
- Provide information to the voters of Cumberland, Falmouth and North Yarmouth regarding the Plan; and,
- Complete such other pre-reorganization tasks as may be appropriate.

The RSU Transition Committee shall be dissolved on or before the initial convening of the New Casco Bay School District Board.

B. Reorganization Timetable.

The timetable for adoption and implementation of the reorganization Plan is as follows:

- **December 1, 2007:** Submit work-in-progress reorganization Plan to form the New Casco Bay School District to the Commissioner of Education for provisional approval by the Commissioner by December 15, 2007;
- **January 15, 2008:** Submit final reorganization Plan to form the New Casco Bay School District to the Commissioner of Education for approval by February 1, 2008;
- **February 1, 2008:** The Falmouth and MSAD #51 appoint members of the RSU Transition Committee;
- **February 1, 2008 or thereafter:** On the date of final approval of the reorganization Plan to form the New Casco Bay School District by the Commissioner of Education, the Falmouth/MSAD #51 Reorganization Planning Committee shall be dissolved, and the RSU Transition Committee will convene;
- **June 10, 2008:** The reorganization Plan to form the New Casco Bay School District is submitted by referendum to the voters of MSAD # 51 and Falmouth;
- **November 4, 2008:** The RSU Board members are elected;
- **November 2008-Spring 2009:** RSU Board hires a superintendent, consolidates policies and procedures, develops an RSU Budget for FY 2009-2010;
- **Spring 2009:** Referendum Validation Process for the RSU Budget, FY 2009-2010;
- **July 1, 2009:** The RSU is operational.

C. Transition Plan for the RSU, from FY 2008-2009 to FY 2009-2010.

The New Casco School Bay District Board of Directors shall establish interim rules of procedure and shall elect interim officers who shall serve until officers are elected at a meeting following the operational date of the District.

The RSU Board shall select a Superintendent of Schools in accordance with Section 1051 of Title 20-A. During the interim period, the salary, office and other expenses of the Superintendent, as well as the cost of the RSU Board, including insurance, shall be allocated to the SAUs as provided below.

The RSU Board shall propose and approve a recommended budget in accordance with 20-A M.R.S.A. § 1482 for the first operational year for submission to the voters of the District. The budget format, approval procedures and assessments for the District's first operational year budget shall be in accordance with 20-A M.R.S.A. §§ 1482-1489. The RSU Board shall have all necessary authority for those purposes. This shall be considered the first year of use of the budget validation referendum process for purposes of determining the continued use of the budget validation referendum process every three years pursuant to Section 1486(1).

The RSU Board shall be authorized to take all other actions and shall have all other authority provided under State law to prepare for the RSU to become operational on July 1 of the first operational year; including the authority to open and maintain accounts, to incur expenses not to exceed \$75,000 to be allocated among the SAUs in accordance with their proportionate population, as stated in Exhibit 13-B.1; and to file applications for school construction projects and revolving renovation fund loans and other available funding.

D. Transition Plan for Personnel and Other Policies.

All personnel and other policies existing in the previous Falmouth School Department and MSAD #51 shall continue to apply (and with the personnel policies, to the same employment positions) after they become part of the New Casco School District until such time as the RSU Board and Superintendent develop and adopt District-wide policies in accordance with applicable law, for application after the District's operational date.

E. General Authority of the RSU Board to Implement the Plan

The New Casco Bay School District Board shall be authorized to take all other actions and shall have all other authority provided under State law to implement fully the reorganization 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 in accordance with the provisions of Section 13-B.1, and to file applications for school construction projects and revolving renovation fund loans and other available funding.

10. Documentation of Public Hearings

The following public hearings were held by the Reorganization Planning Committee regarding the reorganization Plan, as is documented in Exhibit 10:

Date of Public Hearing	Time	Location
November 13, 2007	7:00 p.m.	Falmouth High School
November 27, 2007	6:30 p.m.	Cumberland Town Hall
November 29, 2007	7:00 p.m.	North Yarmouth Town Hall
January 9, 2008	7:30 p.m.	Cumberland Town Hall

11. Explanation of how Units that Approve the Reorganization Plan will Proceed if One or More of the Proposed Members of the New Casco Bay School District Fail to Approve the Plan.

If the Plan is rejected by the voters of the Falmouth and MSAD # 51, the New Casco Bay School District shall not be formed under this Plan, and the Falmouth School Department and MSAD # 51 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) of Title 20-A M.R.S.A..

12. An Estimate of the Cost Savings to be Achieved by the Formation of a New Casco Bay School District and How these Savings will be Achieved.

The Reorganization Planning Committee does not include with the Plan an estimate of cost savings to be achieved by formation of the New Casco Bay School District such as will not have an adverse impact on the educational program. The January 15, 2008 deadline for submitting the Plan did not provide the Committee sufficient time to complete reliably such a complex analysis of projected transition costs and long-term savings. The attached Exhibit 12 consists instead of specific impact projections and methodologies intended to serve as a guide for the Committee's successor, the RSU Transition Committee (see Section 9), to undertake a methodical, detailed and comprehensive analysis to project such transition costs and long-term savings, and how such savings will be achieved. The RSU Transition Committee's analysis is to be completed in time for review by voters prior to the June, 2008 Plan referendum, and should include a comparison of projected tax impacts with school reorganization to projected tax impacts without school reorganization.

Without providing numeric projections, the Reorganization Planning Committee anticipates that the start-up costs of forming the New Casco Bay School District, including the cost of financial audits, legal services and systems reconciliation, will offset any initial cost savings. The Committee also anticipates that the economies of scale of a larger school district will result in long-term cost savings.

The Committee has been advised that the annual State penalty for failure to reorganize will be \$1,321,443 for the two school districts, as is explained in Exhibit 12. The Committee anticipates that the amount of the annual penalty will increase as the districts' property values increase.

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.

Under its terms, the Plan may not go to the MSAD #51 and Falmouth voters for a referendum unless and until its provisions related to cost-sharing and cost-shift set-offs are permitted by State law.

13-A. Plans to Reorganize Administration, Transportation, Building and Maintenance and Special Education.

For the reasons stated in Section 12, the Plan does not submit plans to reorganize administration, transportation, building and maintenance, special education costs and identify cost savings. Such plans are to be included in the analysis completed by the RSU Transition Committee as described in Sections 9 and 12.

13-B. Cost Sharing in the Regional School Unit

To ensure that the sharing of costs of additional local funding of the New Casco Bay School District is equitable, the District shall apply the following cost-sharing provisions:

1. Cost-sharing Formula: Four-Year Phase-in of a Cost Per Pupil Method of Allocating Among the District's Member Municipalities the Cost of Additional Local Funding.

The intent of this Plan is to have the costs of additional local funding shared fairly and equitably among its member municipalities of Cumberland, Falmouth and North Yarmouth. To minimize any post-reorganization cost-shifting from one municipality to another, the allocation of additional local funding share shall be calculated on a cost-per-pupil basis, instead of the current SAU's allocation of such costs based on property valuation. (Note: the remaining 70% of local costs, the required local contribution, is still calculated by the State based on property valuation.) The District shall therefore phase-in over 4 years the cost-per-pupil method of allocating local additional funding costs, in accordance with the methodology used in Exhibit 13-B.1. The 4-year phase-in of the cost per pupil method reduces, but does not eliminate, cost-shifts among the member municipalities, as shown below:

Year 1 (FY '10): The additional local funds shall be allocated by the percent of additional local funds from each community in the previous year (FY '09). There shall be no cost shift.

Year 2 (FY '11): Two thirds of the additional local funds shall be allocated based on the previous year's percentage and one third shall be allocated on the percentage of pupils. The cost shifts would be +.51% (\$89,854) to Falmouth, +.44% (\$18,595) to North Yarmouth and -1.00% (-\$108,544) to Cumberland.

Year 3 (FY '12): One third of the additional local funds shall be allocated based on the previous year's percentage and two thirds shall be allocated on the percentage of pupils. The cost shifts would be +.51% (\$89,898) to Falmouth, +.44% (\$18,609) to North Yarmouth and -1.01% (-\$108,507) to Cumberland.

Year 4 (FY '13): All of the additional local funds shall be allocated based on the percentage of pupils. The cost shifts would be +.51% (\$89,944) to Falmouth, +.44% (\$18,624) to North Yarmouth and -1.02% (-\$108,473) to Cumberland.

Following the 4-year phase-in period, the number of pupils used in the cost-per-pupil method of allocating local additional funding costs shall be based on an average of the number of students in the two prior years.

Over the 4-year phase-in period, a cost shift is projected to occur from Cumberland to Falmouth in the cumulative amount of \$539,302, and from Cumberland to North Yarmouth in the cumulative amount of \$111,627. The cumulative cost shifts are calculated by adding the accumulated cost shifts in phase-in transition years 2, 3 and 4 (there being no cost shift projected for year 1). The calculation for Falmouth is: $\$89,854 + (\$89,854 + \$89,898) + (\$89,854 + \$89,898 + \$89,944) = \$539,302$. The calculation for North Yarmouth is: $\$18,595 + (\$18,595 + \$18,609) + (\$18,595 + \$18,609 + \$18,624) = \$111,627$.

2. Cost-Shift Off-Set Provision:

To provide Plan fairness and equity to the member municipalities, the cost shift in additional local funding projected in subsection 1 above shall be compensated by the off-set measures described in Exhibit 13-B.2, which are intended to compensate the cost shift in additional local funding projected for the Town of Falmouth in subsection 1 above, and which shall be implemented at such time as the RSU becomes operational.

13-C. Election of initial board of directors.

Within 30 days of the issuance of a certificate of organization for the New Casco Bay School District by the State Board of Education, the members of the school boards of the Falmouth School Department and MSAD # 51 shall conduct a joint meeting for the purpose of electing an interim secretary of the New Casco Bay School District and determining a date for the election of the initial board of directors of the District. The interim secretary shall notify the municipal officers of the member municipalities of the District 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 New Casco Bay School District 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 New Casco Bay School District 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.

13-D. Tuition Contracts and School Choice

1. **Tuition Contracts:** The tuition contracts in existence as of the date of this Plan are listed in Exhibit 13-D.1. Each of the listed tuition contracts will be assumed by the New Casco Bay School District unless terminated prior to the District's operational date.

2. **School Choice:** The Falmouth School Department and MSAD # 51 offer their students a choice of which school to attend as listed in Exhibit 13-D.2. Grade levels in the existing Falmouth School Department and MSAD # 51 that have choice of schools as of the operational date shall continue to have the same choices in the New Casco Bay School District.

13-E. Claims and Insurance

The parties are aware of the lawsuits, administrative complaints, due process proceedings, notices of claim and other claims existing as of November 28, 2007, as listed in Exhibit 13-E.

13-F. Vote to submit Reorganization Plan to the Commissioner of Education.

The Falmouth and MSAD # 51 School Boards have each approved by majority vote the submission of this school reorganization Plan prepared by the Falmouth School Department and MSAD # 51 Reorganization Planning Committee pursuant to Section XXXX-36(5)(M) of Title 20-A M.R.S.A., to reorganize into a regional school unit with an operational date of July 1, 2009, and have authorized and directed their Superintendents of Schools to submit the school reorganization Plan to the Commissioner of Education, as documented in Exhibits 13-F.1 and 13-F.2.

14. Amendment to the RSU Plan.

Upon adoption of the plan by a majority of the voters of the member school administrative units of the RSU, any amendment to the Plan shall require approval by the majority of the voters in the RSU, except that any amendment to Sections 13-B.1 and 13-B.2 of the Plan shall require approval by at least two-thirds (2/3rds) of the voters in the RSU. Although amendments to the Plan may be submitted for a vote at any time, the RSU Board shall conduct a comprehensive review of the Plan in the 5th year of the RSU's operation, to determine if any amendments are appropriate.