

ISLAND - PENINSULA CONSOLIDATION PLAN
ALTERNATIVE ORGANIZATIONAL STRUCTURE
OUTLINE SUMMARY

ISLAND - PENINSULA CONSOLIDATION PLAN

ALTERNATIVE ORGANIZATIONAL STRUCTURE

PUBLIC HEARINGS

December 14, 2008	Castine
January 8, 2009	Stonington
January 8, 2009	Brooksville
January 12, 2009	Deer Isle
January 13, 2009	Sedgwick
January 13, 2009	Penobscot
January 14, 2009	Brooklin
January 14, 2009	Surry
January 15, 2009	Brooksville

PUBLIC HEARING AGENDA

- **Purpose of the Consolidation Law - RSU v. AOS**
- **Towns Participating**
- **Governance Structure**
- **AOS School Committee Powers and Duties**
- **Cost Sharing and Subsidy Sharing Formulas**

PUBLIC HEARING AGENDA (continued)

- **Consolidation Cost Savings and Cost Increases**
- **Next Steps if the January 27, 2009 Consolidation Referendum Is Approved**
- **Next Steps if the Consolidation Referendum is Defeated**
- **Summary of Benefits and Problems with Consolidated AOS Structure**
- **Questions, Answers and Comments**

PURPOSES OF THE CONSOLIDATION LAW

- **Reduce Central Office Administrative and Governance Costs**
- **Improve Efficiency**
- **Share Personnel, Services, Programs, and Transportation**
- **Enhance Maine Department of Education Authority**
- **Create Financial Pressure to Force Consolidation of Small Schools**

WHY USE AN ALTERNATIVE ORGANIZATIONAL STRUCTURE (AOS) RATHER THAN A REGIONAL SCHOOL UNIT (RSU)?

- The AOS preserves greater local control. An RSU creates a single, centralized school district and abolishes existing school committees.**
- The AOS school committee can be a reasonable size. RSU Boards tend to be large, cumbersome groups of a 15 to 20 or more members.**
- A large majority of the Regional Planning Committee members opposed the RSU structure.**

**SCHOOLS CONSIDERING THE
ISLAND - PENINSULA AOS
(With Average PreK-12 Student Enrollments)**

Blue Hill - 340 Brooklin - 108 Brooksville - 115

Castine - 77 Penobscot - 121 Sedgwick - 158

Surry - 195 Deer Isle - Stonington CSD - 404

Three Year Average Pre K-12

Total Student Enrollment: 1518

Area: 269.5 Square Miles

Population (est.): 10,950

GOVERNANCE STRUCTURE

- ◆ **Nine Member AOS School Committee Appointed by the Individual School Committees**
- ◆ **Brooksville and Other Towns with K-8 Schools Each Appoint One Member**
- ◆ **Deer Isle-Stonington School District Committee (two towns) Appoints Two Members**
- ◆ **Each School Committee May Appoint an Alternate**
- ◆ **Each AOS School Committee Member Casts a Weighted Vote**

WEIGHTED AOS SCHOOL COMMITTEE VOTING BASED ON THREE YEAR AVERAGE K-12 SCHOOL ENROLLMENT

SCHOOL	AVERAGE ENROLLMENT	PERCENTAGE*	WEIGHTED VOTE
Blue Hill	339.7	22.4	224
Brooklin	107.8	7.1	71
Brooksville	115.3	7.6	76
Castine	77.3	5.1	51
Penobscot	121.5	8.0	80
Sedgwick	158.2	10.4	104
Surry	195.3	12.9	129
Deer Isle-Stonington CSD	404.4	26.6	133 X 2 = 266
Total Enrollment	1519.5		

* Also used for the cost sharing formula

AOS POWERS AND DUTIES

The AOS School Committee:

- ◆ **Employs the Superintendent of Schools and Other Central Office Staff Who Serve the Existing School Committees**
- ◆ **Approves a Central Office Budget**
- ◆ **Adopts Consistent Policies in Conjunction with the Individual School Committees**
- ◆ **Adopts a Consistent School Calendar for All Schools in the AOS**

AOS POWERS AND DUTIES (continued)

The AOS School Committee:

- ◆ **Oversees the Central Office Administration, Special Education and Student Transportation**
- ◆ **Oversees and Maintains a Consistent Core Curricula Aligned with the Learning Results**
- ◆ **Oversees Negotiation and Administration of Consistent Collective Bargaining Agreements**
- ◆ **Determine and Distribute State Subsidy to Each of the Schools in the AOS**

AOS POWERS AND DUTIES (continued)

- ◆ **Annually Adjust the Cost Sharing Formula and Assess Each Existing School Committee For Its Share of the Cost of the Central Office Budget**
- ◆ **Carry Out Other Responsibilities as Outlined in the Interlocal Agreement**

THE EXISTING SCHOOL COMMITTEES RETAIN MOST OF THEIR CURRENT POWERS AND DUTIES

**COST SHARING FORMULA
for the new AOS Central Office**

**Cost Sharing Formula Based on the Three Year Average
Enrollment of Each School (same as weighted vote)**

Blue Hill	22.4%	Brooklin	7.1%
Brooksville	7.6%	Castine	5.1%
Penobscot	8.0%	Sedgwick	10.4%
Surry	12.9%		
Deer Isle - Stonington CSD	26.6%		

COMPARISON OF CURRENT CENTRAL OFFICE COSTS WITH ESTIMATED AOS CENTRAL OFFICE COSTS

SCHOOL	2008-09 COSTS*	CURRENT %	2009-10 ESTIMATED COSTS*	NEW %	Inc./Decr. \$
Blue Hill	\$117,565	13.3%	\$197,406	22.4	\$79,841
Brooklin	\$69,114	7.8%	\$62,571	7.1	-\$6,543
Brooksville	\$91,006	10.3%	\$66,977	7.6	-\$24,029
Castine	\$91,006	10.3%	\$44,945	5.1	-\$46,061
Penobscot	\$91,006	10.3%	\$70,502	8.0	-\$20,504
Sedgwick	\$89,676	10.2%	\$91,653	10.4	\$1,977
Surry	\$56,009	6.4%	\$113,684	12.9	\$57,675
Deer Isle- Stonington CSD	\$275,893	31.3%	\$234,419	26.6	-\$41,474
TOTAL	\$881,275		\$882,156		
<small>*Based on 2008-09 Combined School Union 76 & 93 Office Costs + Surry's Cost in SU 92</small>					

SUBSIDY SHARING FORMULA

Subsidy for Each School Must Be Calculated Each Year by the Superintendent Following the Formula in the Interlocal Agreement

- Department of Education (DOE) Provides a Total Subsidy Amount for All Schools in the AOS (no state subsidy printouts will be provided by DOE)**
- If All Schools in the AOS Continue Eligible Only for Minimum Subsidy (based on property valuation), State Subsidy Will Be Calculated Only on Debt Service and Special Education Costs**

SUBSIDY SHARING FORMULA (continued)

- Each School Receives Debt Service Subsidy to Pay the State's Share of Debt Service on School Buildings**
- Each School Receives Special Education Subsidy in Proportion to Its Special Education Expenditures**
- Any Remaining State Subsidy Would Be Distributed Based on Each School's Average October and April Student Enrollment in the Prior Year**

If the January 27, 2009 consolidation referendum is approved by voters, each school's share of subsidy will change each year as expenditures on debt service, special education and pupil enrollment change.

AOS CENTRAL OFFICE BUDGET APPROVAL

- 1. Nine Member AOS School Committee Approves Central Office Budget**
- 2. Voters from All Nine Towns Convene for an AOS Budget Meeting to Approve the Central Office Budget**
- 3. A Majority of Voters in All Nine AOS Towns Collectively Approve the Central Office Budget with a Referendum Vote**
- 4. Voters Approve Central Office Budget as Part of Each Town or District School Budget Meeting and Budget Referendum**

AOS CENTRAL OFFICE STAFFING AND OPERATION

- ◆ **Current central office employees have employment contracts through June 30, 2010.**
- ◆ **With the addition of Surry as the ninth town in the AOS, the “School Union” structure requires at least the same staffing and budgets as current School Unions 76 and 93.**
- ◆ **Superintendent scheduled for eight school board meetings each month = 96 regular meetings + special meetings.**
- ◆ **Eight “consistent” teacher contracts and five support staff contracts must be negotiated after current contracts expire.**

AOS CENTRAL OFFICE STAFFING AND OPERATION (continued)

- ◆ **Eight sets of “consistent” curricula must be developed.**
- ◆ **Staff must prepare 26 bi-weekly warrants each year for seven towns and the DI-S district = 234 separate warrants annually.**
- ◆ **Eight separate school budgets and the AOS budget must be developed and approved annually.**
- ◆ **Eight sets of 42 state and federal reports must be filed annually for each school system = 336 reports.**

ESTIMATED COST SAVINGS CAUSED BY CONSOLIDATION

As a condition of DOE approval, each consolidation plan was required to submit an estimate of cost savings, whether or not actual savings were possible.

Estimated Cost Savings - 7/1/09 Through 6/30/12

Central office rent with one less office	\$13,900
Utilities and plowing	8,400
Contracted services and equipment rental	3,700
One less superintendent's salary/benefits	<u>85,000</u>
Subtotal	\$111,000
2009-10 Subsidy penalty avoided by voter approval of the consolidation plan.	<u>\$494,491</u>

TOTAL **\$605,491**

ESTIMATED COST INCREASES CAUSED BY CONSOLIDATION

Estimated Cost Increases - 7/1/09 Through 6/30/12

Moving expenses to one office	\$10,000
Contractual lease obligation of SU 93	20,000
New lease for larger office	20,000
Financial software for SU 93 Schools	25,000
New financial software for new AOS	<u>10,000</u>
Subtotal	\$85,000
Cost of salaries and health insurance for consistent labor contracts	<u>\$798,500*</u>
TOTAL Estimated Cost Increases	\$883,500

NET ESTIMATED COST OF CONSOLIDATION
\$883,500 - \$605,491 = \$278,009 In Additional Costs

* The cost of consistent collect bargaining contracts could be spread out over more than three years.

ESTIMATED COSTS FOR CONSISTENT COLLECTIVE BARGAINING AGREEMENTS

SCHOOL	TEACHERS		SUPPORT STAFF		TOTALS
	Salaries	Health Ins.	Wages	Health Ins.	
Blue Hill	\$118,488	\$35,693	\$35,882	\$6,367	\$196,430
Brooklin	\$56,070	\$0	\$15,502	\$14,093	\$85,665
Brooksville	\$21,377	\$1,503	\$24,824	\$2,458	\$50,162
Castine	\$9,207	\$2,038	\$6,495	\$5,783	\$23,523
Penobscot	\$54,968	\$447	\$18,668	\$6,706	\$80,789
Sedgwick	\$23,775	\$5,798	\$19,562	\$1,788	\$50,923
Surry	\$98,228	\$15,489	\$36,092	\$2,940	\$152,749
Deer Isle- Stonington CSD	\$17,585	\$30,673	\$77,606	\$32,455	\$158,319
TOTALS	\$399,698	\$91,641	\$234,631	\$72,590	\$798,560

Estimates are based on the assumption that salaries and benefits would increase to match the best terms in existing contracts.

HOW WILL THE OUTCOME OF THE REFERENDUM BE DECIDED?

A combination of towns with a total of at least 1,200 students must pass the referendum for the Island-Peninsula AOS to go into effect.

The referendum will be defeated if any town or combination of towns with at least 320 students vote “no”.

Examples:

Either Blue Hill with 340 students or the Deer Isle-Stonington CSD with 404 can each stop formation of the AOS with a “no” vote.

A combination of “no” votes from both Surry with 195 students and Sedgwick with 158 students will stop the AOS.

IF THE CONSOLIDATION REFERENDUM IS APPROVED

- 1. In February of 2009 each existing school committee will appoint its school committee member(s) and alternate(s) to the nine member AOS school committee.**
- 2. The AOS School Committee will meet to plan a process for hiring a superintendent and other central office staff.**
- 3. The AOS School Committee will develop and approve a 2009-2010 AOS Central Office Budget.**
- 4. The AOS School Committee will approve employee policies for the new central office.**
- 5. The AOS administration will begin operation on July 1, 2009.**

IF THE CONSOLIDATION REFERENDUM IS DEFEATED

- 1. The existing School Unions 76 and 93 continue.**
- 2. The existing school committees continue.**
- 3. Surry will need to join one of the school unions, the Ellsworth Regional School Unit or contract for part-time superintendent and central office services.**
- 4. Another consolidation planning effort could be started.**
- 5. Unless state law is altered by the legislature or voters approve the statewide referendum to repeal the consolidation law, each school system will lose half of its special education subsidy in the 2009-10 fiscal year.**

**ESTIMATED SCHOOL SUBSIDY PENALTIES
IN 2009-2010
IF THE JANUARY 27th REFERENDUM FAILS**

SCHOOL	2008-09 CURTAILED SUBSIDY	ESTIMATED 2009-10 SUBSIDY PENALTY
Blue Hill	\$151,761	\$75,880
Brooklin	\$78,540	\$39,270
Brooksville	\$61,522	\$30,761
Castine	\$41,053	\$20,526
Penobscot	\$42,632	\$21,316
Sedgwick	\$105,711	\$52,856
Surry	\$189,342	\$94,671
Deer Isle- Stonington CSD	\$318,520	\$159,260
TOTAL	\$989,081	\$494,540

IF CONSOLIDATION IS APPROVED

- **Some savings on central office administrative costs with one superintendent for nine towns**
- **If school committees work together, more cooperation on improved programs, shared staffing and coordinated curriculum, instruction and professional development**
- **Preservation of 2009-10 subsidy which would avoid loss of \$159,260 in state funding**
- **\$41,474 reduction of Deer Isle-Stonington's share of the new AOS central office**

IF CONSOLIDATION IS APPROVED (continued)

- **Commissioner of Education can prevent a town or district from withdrawing from an AOS**
- **Local school administration has to calculate the subsidy for each town - DOE no longer provides subsidy printouts**
- **Increased costs of employee salaries and benefits after negotiation of consistent collective bargaining agreements**
- **Inefficient, repetitive use of superintendent's time including an impractical schedule of too many meetings with eight existing school boards and the new nine member AOS School Committee.**

IF CONSOLIDATION IS DEFEATED

- **The nine towns of the proposed Island-Peninsula AOS collectively may lose \$494,540 of state subsidy in 2009-10.**
- **Brooksville may lose \$30,761 of state subsidy in 2009-10.**
- **Brooksville would not save \$24,029 with a smaller percentage share of the cost of the new AOS central office.**

THE REFERENDUM QUESTION

The following question that will appear on the referendum ballot. Voters will vote “yes” or “no”.

Do you favor approving the school administrative reorganization plan prepared by the Island-Peninsula Reorganization Planning Committee to reorganize the school administrative units listed below into an alternative organizational structure (“AOS”), with an effective date of July1, 2009?

The proposed AOS includes the following school administrative units: Deer Isle-Stonington CSD, Blue Hill, Brooklin, Brooksville, Castine, Penobscot, Sedgwick and Surry.

PLEASE

VOTE

ON

JANUARY 27, 2009