



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

JOHN ELIAS BALDACCI
GOVERNOR

SUSAN A. GENDRON
COMMISSIONER

May 7, 2008

Michael Wilhelm, Superintendent
MSAD 75
50 Republic Avenue
Topsham, ME 04086

Dear Superintendent Wilhelm:

Thank you for your letter dated March 21, 2008 in which you provided an update on the events of the MSAD 75 Board of Directors meeting on March 20. I was sorry to hear that the board voted not to submit the reorganization plan with Lisbon School Department.

As you pointed out, MSAD 75 does have an approved Notice of Intent to file an Alternative Plan. Therefore, I am in agreement that you may continue your work to file an Alternative Plan under P.L. 2007, chapter 240, Part XXXX-36(2)(B).

Members of my staff and I have completed the review of the Alternative Plan you submitted with your letter on March 21, 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.

Checklist/Plan Text Items

Items Checked "Complete"

With respect to the items you checked as "complete", please note the following:

* *Required Items*

Each alternative plan must provide detailed projected expenditures and cost savings 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). When providing these projected expenditures and cost savings, you may want to consider using the guidance offered in the Drummond Woodsum workshop materials. If you have questions concerning this requirement, please email Karla Miller or Suzan Beaudoin at karla.miller@maine.gov or suzan.beaudoin@maine.gov for assistance.

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 as reported to the MDOE MEDMS Financials for these four categories. Also included are the actual allocations for FY 09. I encourage you to review this information.

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 June 13, 2008. Please include:

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

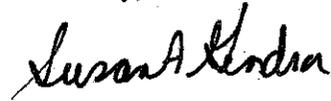
I will respond no more than 14 days after the revisions/additional materials are refiled with the Department. As you are the contact person identified on the Submittal Sheet, this response is addressed to you but with the understanding that you will share it with your school administrative unit board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

If you have questions or concerns, I encourage you to contact Ray Poulin and Norm Higgins of our Reorganization Team for more information. They may be reached at 624-6802.

Again, my sincere thanks for your efforts thus far.

Sincerely,

A handwritten signature in black ink that reads "Susan A. Gendron". The signature is written in a cursive style with a large initial 'S'.

Susan A. Gendron
Commissioner of Education

Enc.

Exhibit A

Maine Department of Education
Alternative Plan Financial Review

School Administrative Unit: MSAD #75

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 |
|-------------------------|-------------------|---------------------|------------------------------|----------------------|---------------|-------------------------------|--------------------------------|
| 3326.79 | \$ 13,607,770 | \$ 4,612,471 | \$ 16,549,661 | \$ 34,769,901 | \$ 31,205,975 | \$ 3,563,927 | 11.42% |

2008-09 100% EPS Allocation from the FY '09 ED279 = \$ 24,235,583

2. System Administration

| FY '08 Budget* | K - 8 | Assessment 9 - 12 | Total | Less Revenues | Amount Over (Under) Assessment | Percent Over (Under) Assessment |
|-------------------|------------|----------------------|--------------|------------------|--------------------------------------|---------------------------------------|
| \$ 1,362,843 | \$ 797,955 | \$ 393,049 | \$ 1,191,004 | \$ - | \$ 171,839 | 14.43% |

2008-09 100% EPS Allocation from the FY '09 ED279 = \$ 656,451

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 |
|-------------------|--------------|----------------------|--------------|------------------|--------------------------------------|---------------------------------------|
| \$ 3,515,184 | \$ 2,124,916 | \$ 1,254,224 | \$ 3,379,139 | \$ 14,000 | \$ 122,045 | 3.61% |

2008-09 100% EPS Allocation from the FY '09 ED279 = \$ 3,195,848

4. Special Education

| FY '08 Budget* | Assessment | Less Revenues | Amount Over (Under) Assessment | Percent Over (Under) Assessment |
|-------------------|--------------|------------------|--------------------------------------|---------------------------------------|
| \$ 6,494,411 | \$ 5,239,240 | \$ 349,650 | \$ 905,521 | 17.28% |

2008-09 100% EPS Allocation from the FY '09 ED279 = \$ 4,666,493

5. Transportation

| FY '08 Budget* | Assessment | Less Revenues | Amount Over (Under) Assessment | Percent Over (Under) Assessment |
|-------------------|--------------|------------------|--------------------------------------|---------------------------------------|
| \$ 2,184,442 | \$ 1,550,954 | \$ 74,500 | \$ 558,988 | 36.04% |

2008-09 100% EPS Allocation from the FY '09 ED279 = \$ 1,631,934

*FY '08 Budget information from MEDMS Financial Reporting.

MSAD #75 School Department - FY '09

| <u>Resident Pupils</u> | <u>K - 8</u> | <u>9 - 12</u> | <u>Total</u> |
|------------------------|--------------|---------------|--------------|
| Apr 2005 | 2099 | 1065 | 3164 |
| Oct 2005 | 2032 | 1035 | 3067 |
| Apr 2006 | 2033 | 1017 | 3050 |
| Oct 2006 | 1965 | 1007 | 2972 |
| Apr 2007 | 1968 | 977 | 2945 |
| Oct 2007 | 1959 | 977 | 2936 |
| 2006 Avg | 1963.5 | 977 | 2940.5 |
| Total Avg | 2009.333333 | 1013 | 3022.333333 |

| | <u>K - 8</u> | <u>9 - 12</u> | <u>Total</u> |
|----------------------|--------------|---------------|--------------|
| Basic | 1963.5 | 977 | 2940.5 |
| Declining Enrollment | 45.83 | 36 | 81.83 |
| Adult Ed | | 4.9 | 4.9 |
| Equiv Instruction | 0.625 | 0.375 | 1 |

Weighted Counts

| | | | |
|----------------|-------|--------|---------|
| Disadvantaged: | 77.13 | 38.385 | 115.515 |
| LEP | 4.5 | 6.5 | 11 |

Targeted Funds

| | | | |
|--------------|-------|--|-------|
| K - 2 Pupils | 63.15 | | 63.15 |
|--------------|-------|--|-------|

| | | | |
|---------------------|-----------------|----------------|-----------------|
| Total Pupils | 2154.735 | 1063.16 | 3217.895 |
|---------------------|-----------------|----------------|-----------------|

| | | | |
|--------------------------------------|------------------------|------------------------|------------------------|
| System Admin Allowance | 204 | 204 | |
| System Admin EPS Allocation | \$ 439,565.94 | \$ 216,884.64 | \$ 656,450.58 |
| Op & Maint Allowance | 935 | 1111 | |
| Op & Maint EPS Allocation | \$ 2,014,677.23 | \$ 1,181,170.76 | \$ 3,195,847.99 |

Differences would be in relation to rounding the enrollment up.