

Final Withdrawal Agreement Between RSU 20 and The Town of Frankfort Withdrawal Committee

This Agreement Dated as of 08/28, 2012, by and between RSU 20, a Maine Regional School Unit comprised of the Municipalities of Belfast, Belmont, Frankfort, Morrill, Northport, Searsmont, Searsport, Stockton Springs, Swanville (hereinafter RSU 20) and the Town of Frankfort Withdrawal Committee, a duly appointed municipal withdrawal committee for the Town of Frankfort (hereinafter "Frankfort" or the "Town") organized in accordance with 20-A MRSA § 1466(4)(A).

1. **Purposes** The purposes of this Agreement are:

- A. To provide for the timely and orderly withdrawal of Frankfort from RSU 20;
- B. To provide educational continuity for those students residing in Frankfort who wish to continue their education with RSU 20; and
- C. To allocate RSU 20's financial and contractual obligations, and its assets between RSU 20 and the new school administrative unit that includes, or is comprised of, Frankfort (hereinafter the "New Frankfort SAU"), as of the effective date of Frankfort's withdrawal, in a manner that fairly takes into account the continuing educational needs of students, the continuity of educational programs, and the goal of avoiding sudden or excessive increases in property taxes. For purposes of this agreement the term "New Frankfort SAU" includes any school administrative unit that is comprised solely of Frankfort or that includes Frankfort as a member during the term of this Agreement. By way of example, if Frankfort becomes a municipal school unit the term "New Frankfort SAU" would encompass the Frankfort municipal school unit, and if Frankfort were to join RSU 22, the term "New Frankfort SAU" would include the reconstituted RSU 22 with Frankfort as a Member.

2. **Withdrawal:** Pursuant to 20-A MRS §1466, the Town shall withdraw from RSU 20 in accordance with the terms of this Agreement as of June 30, 2013 and, thereafter shall no longer be a member of the RSU 20 school administrative unit. As of July 1, 2013 the Town shall become a separate municipal school administrative unit comprised solely of Frankfort, unless the Town shall join another school administrative unit.

3. **Right to Continued Enrollment:** During the first year after withdrawal (i.e. from July 1, 2013 to June 30, 2014) students residing in Frankfort may attend an RSU 20 school. The Superintendent of RSU 20 and the Superintendent of the New Frankfort SAU (hereinafter the "Superintendents") shall confer with each other and shall develop a list of those K-12 students residing in Frankfort who have enrolled in RSU 20 schools ("RSU 20 Enrolled Students"). On or before January 1, 2013 the superintendents shall jointly certify to the Town Clerk of Frankfort an initial list of those students who reside in Frankfort who have enrolled in RSU 20 schools for the 2013-2014 school year. During the 2013-2014 school year, additional students residing in Frankfort may enroll in the RSU 20 schools in accordance with 20-A MRSA § 1466(4)(A)(1). On or before July 1, 2013 the Superintendents shall confer with each other again and

shall jointly certify to the Town Clerk of Frankfort a final list of RSU 20 Enrolled Students at the end of 2013-2014 school year (hereinafter the "Final List").

Students enrolled in Grade 9 – 12 in RSU 20 schools at the end of the 2013-2014 school year as shown on the Final List shall have the right to continue their education in RSU 20 schools until such time as they have graduated from high school unless that right is sooner terminated under the terms of this Agreement. A student's right to continue to be educated at RSU 20 schools during the 2013-2014 school year, shall terminate if the student discontinues enrollment at an RSU 20 school for a continuous period of 90 calendar days between September 1st and June 15th of that school year, whether by enrolling in another school administrative unit or private school, dropping out, or being expelled and not readmitted within 90 days. Notwithstanding the foregoing, a student's failure to attend an RSU 20 school for a continuous period of 90 days during the 2013-2014 school year due to health reasons, out-of-region special education placement, or travel or study abroad, shall not terminate a student's right to continue to attend RSU 20 schools under this Agreement. In addition, in other appropriate circumstances, the Superintendents may agree that a student's failure to attend an RSU 20 school for a continuous period of 90 days during the 2013-2014 school year shall not terminate the student's right to continue his or her education at RSU 20 schools under this Agreement.

4. **Tuition Payments and State Allocation:** In consideration of the release by the Town of Frankfort of its share of RSU 20's undesignated fund balance at the end of FY2012-2013, and notwithstanding the provisions of 20-A MRSA § 1466(4)(A)(1), the New Frankfort SAU shall not be required to pay tuition for students residing in Frankfort who are enrolled in RSU 20 schools included in the Final List during the 2013-2014 school year and thereafter, but rather RSU 20 shall receive from the Maine Department of Education the state subsidy allocations attributable to the students who attend RSU 20 schools under this Agreement.

5. **Special Education:** RSU 20 shall provide all special education and related special education services to RSU 20 Enrolled Students from Frankfort required by the IEP prepared by each student's IEP Team to the extent RSU 20 has an appropriate program to meet the terms of the IEP and applicable requirements of Maine law and regulations. Except for short term programming changes of not more than 10 school days, decisions about whether RSU 20 can implement the terms of the IEP and whether RSU 20 has an appropriate program or placement for a student pursuant to the requirements of the IEP shall be made by RSU 20 after a careful review of the IEP for the student and consultation with the New Frankfort SAU's Director and/or Assistant Director of Special Services. In no event shall RSU 20 refuse to provide needed Special Education Services as provided in the IEP, except for student removals of not more than 10 school days or when RSU 20 has determined, after consultation with the New Frankfort SAU's Director and/or Assistant Director of Special Services, that RSU 20 does not have an appropriate program or placement for that student.

The New Frankfort SAU's Director and/or Assistant Director of Special Services shall represent the New Frankfort SAU for special education programming, supervision of the IEP Team process, and supervision of the student evaluation process for RSU 20 Enrolled Students. In the event the IEP Team is unable to

reach consensus on issues that are the responsibility of the Team, the New Frankfort SAU's representative at that Team meeting shall make the decisions on those issues, subject to the parent's due process rights in relation thereto. RSU 20 personnel will work cooperatively with the New Frankfort SAU's Director and/or Assistant Director of Special Services and other staff, and, upon request will provide the New Frankfort SAU's Director and/or Assistant Director of Special Services with all information regarding classroom observations, student performance, academic achievement testing and functional behavior assessment components of the students evaluation process.

The New Frankfort SAU's Director and/or Assistant Director of Special Services shall provide input to RSU 20's special education coordinator (or other administrative designee) on the proper implementation of RSU 20 Enrolled Students' IEPs, or perceived deficiencies in IEP implementation. RSU 20 shall consider that input seriously and in good faith and RSU 20 shall respond in an appropriate manner consistent with the terms of this Agreement.

In accordance with Chapter 101 if the Rules of the Maine Department of Education, Maine Unified Special Education Regulation, Section IV(4)(a) and (b), the New Frankfort SAU shall be responsible for the cost of special education for each RSU 20 Enrolled Student during the 2013-2014 school year and thereafter to the extent that those special education costs exceed the State subsidy allocation received by RSU 20 attributable to that student. For purposes of this paragraph special education costs shall include costs of non-special education 504/ADA plans and reasonable attorneys' fees incurred by RSU 20 in connection with disputes over delivery of special education services and/or section 504/ADA plan services for individual Frankfort students. For example, the New Frankfort SAU shall reimburse RSU 20 for the special education costs attributable to any RSU 20 Enrolled Student who qualifies as a high cost in-district or high cost out-of-district placement, including special education transportation costs and costs for facilities modifications required to accommodate the student, to the extent such special education costs exceed the sum of the per pupil base rate for special education students in grades K-12 as calculated by the Maine Department of Education pursuant to 20-A MRS§ 15681-A(2) and any additional allocation that may be provided to RSU 20 by the Maine Department of Education attributable to that student. RSU 20 shall bill the New Frankfort SAU for such excess special education costs during the fiscal year in which the special education costs are incurred.

6. **Need for School Construction.** The withdrawal of Frankfort from RSU 20 will not create a need for any new school construction to be undertaken within five (5) years of the date of withdrawal to serve the students residing in Frankfort. The preferred option of the Frankfort Withdrawal Committee is for Frankfort to join RSU22/MSAD22 on the date the withdrawal from RSU 20 becomes effective. In any case, the withdrawal of students residing in Frankfort from RSU20 will not create a need for new school construction in Frankfort, RSU20 or RSU22/MSAD22 within five (5) years of the date of withdrawal.

7. **Transportation.** RSU 20 shall provide transportation to and from a single location (Frankfort Elementary School) for RSU 20 Enrolled Students pursuant to this Agreement for the 2013-2014 school year. Once the route to and from the single location has been determined, RSU 20 may, at its discretion, provide pickup and drop off services for students on the Final List residing in Frankfort. The New

Frankfort SAU shall not be responsible for the cost of such transportation to the extent those costs exceed the K-12 per pupil transportation allocation provided to RSU 20 by the state for that year.

After the 2013-2014 school year, RSU 20 may, in its discretion, provide transportation to and from a single location in Frankfort to the students of the Final List. The New Frankfort SAU shall not be responsible for the costs of such transportation. In the event RSU 20 determines it is not feasible to provide transportation to the students of the Final List in any school year after the 2013-2014 school year, neither RSU 20 nor the New Frankfort SAU will have an obligation to provide transportation between Frankfort and RSU 20 for the students of the Final List.

8. **Need to Create New Supervisory Units.** The Town of Frankfort is presently negotiating Frankfort's entry into RSU 22 (Hampden, Newburgh, Winterport). It is the town of Frankfort's intention to move directly from RSU 20 to RSU 22. The withdrawal committee believes there is only a remote possibility that the withdrawal of Frankfort from RSU 20 will result in the formation of a new municipal school administrative unit, comprised solely of Frankfort.

9. **Financial Commitments for Outstanding Bonds or Notes:** A list of RSU 20's Financial Commitments for Outstanding Bonds or Notes is attached to this Agreement as Exhibit 1. This list will be updated to June 30, 2013 on or before the date of withdrawal and attached to this Agreement as Replacement Exhibit 1. The obligations of RSU 20 for outstanding bonds or notes and lease purchase obligations will be handled as follows:

A. Debt that Existed When RSU 20 was Formed.

(1) Pre-existing Indebtedness Assumed by RSU 20. Under paragraph 6.A of the RSU 20 Reorganization Plan (the "Reorganization Plan"), RSU 20 assumed liability to pay the bonds, notes and lease purchase agreements listed in that paragraph 6.A. According to that paragraph, at the time the RSU was formed M.S.A.D. #34 had \$14,931,710 in "state debt" and M.S.A.D. #56 had \$6,391,123.85 in "state debt." In addition, M.S.A.D. #56 had \$1,153,742.05 in Revolving Renovation Fund debt that was assumed by RSU 20. Under 20-A MRS § 1466(16)(A) whenever a municipality withdraws from a regional school unit having outstanding indebtedness, the regional school unit remains intact for the purpose of securing and retiring that indebtedness, provided that the withdrawal agreement may provide for an alternate means of retiring outstanding indebtedness. In accordance with 20-A MRS § 1466(16)(A), as an alternate means for retiring the outstanding "state debt" assumed by RSU 20 under paragraph 6.A of the Reorganization Plan, the New Frankfort SAU will pay Frankfort's share of the remaining debt service on the "state debt" assumed by RSU 20 under paragraph 6.A of the Reorganization Plan as calculated each year by the Maine Department of Education. In accordance with 20-A MRS § 1466(16)(A), as an alternate means for retiring the Revolving Renovation Fund debt of M.S.A.D. No. 56 assumed by RSU 20 under paragraph 6.A of the Reorganization Plan, the New Frankfort SAU agrees to pay RSU 20 3.62% of this debt or \$15,695.89 using the FY 2013 cost sharing calculations in four (4) equal annual installments of \$3,560.06 payable on or before July 1 of

each year from July 1, 2013 through July 1, 2016, with one final payment of \$1,455.65 due on or before July 1, 2017. In consideration of such payments to RSU 20 by the New Frankfort SAU, RSU 20 will pay the annual debt service on the Revolving Renovation Fund debt assumed by RSU 20 from M.S.A.D. #56 under the Reorganization Plan.

- B. (2) Pre-existing Indebtedness Not Assumed by RSU 20. Under paragraph 6.B of the Reorganization Plan, RSU 20 did not assume the bonds, notes and lease purchase agreements listed in paragraph 6.B. According to paragraph 6.B of the Reorganization Plan, M.S.A.D. #56 had \$270,022.74 in “local debt” that was not assumed by RSU 20. That local indebtedness has been paid in full by RSU 20 as the agent for the member towns of M.S.A.D. #56. **Debt and Lease Purchase Obligations Issued by RSU 20 After its Formation.**

Under 20-A MRS §1466(16)(A) whenever a municipality withdraws from a regional school unit having outstanding indebtedness, the regional school unit remains intact for the purpose of securing and retiring that indebtedness, provided that the withdrawal agreement may provide for an alternate means of retiring outstanding indebtedness. As of June 30, 2013, the effective date of Frankfort’s withdrawal, RSU 20 will owe \$123,454 on lease purchase agreements for buses and photocopiers issued after the formation of RSU 20 but prior to June 30, 2012. In accordance with 20-A MRS §1466(16)(A), as an alternate means for retiring debt and lease purchase obligations issued by RSU 20 after its formation, in the event that Frankfort withdraws from RSU 20, on or before July 15, 2013 the New Frankfort SAU will pay RSU 20 3.62% of these lease purchase obligations or the amount of \$4,469.03. RSU 20 will then pay the remaining amounts due on the lease purchase obligations issued by RSU 20 after its formation and before June 30, 2012.

10. **Financial Commitments for Bonds or Notes Issued During FY 2012-2013.** During FY 2012-2013 RSU 20 may issue bonds or notes or enter into lease purchase financing arrangements to upgrade facilities at the RSU’s schools or to purchase equipment. If Frankfort withdraws from RSU 20 as of June 30, 2013, under 20-A MRS §1466(16), RSU 20 will remain intact for purposes of retiring and securing that indebtedness. As an alternate means for retiring that indebtedness under 20-A MRS §1466(16), RSU 20, exclusive of Frankfort, hereby agrees to pay such debt. If this withdrawal agreement is approved by the Commissioner of Education, and if Frankfort’s withdrawal from RSU 20 as of June 30, 2013 is approved by the voters of Frankfort, any referendum vote to incur debt for the purpose of construction or renovation projects at RSU 20 schools during FY 2012-2013 will be held solely in municipalities in RSU 20, exclusive of Frankfort, even if such a referendum is conducted prior to Frankfort’s proposed withdrawal date of June 30, 2013.

11. **Distribution of Financial Commitment to Superintendent:** RSU 20 has signed a two year contract with the Superintendent of Schools of RSU 20 effective July 1, 2012 through June 30, 2014. For the year of the contract following the June 30th 2013 withdrawal date, the RSU 20 total financial obligation under the Superintendent is estimated to be (\$105,000.00) in salary plus (\$7812.00) benefits and costs, totaling (\$112,812.00). 3.62% of this amount is (\$4,083.79). Accordingly on or before July 15, 2013 the New Frankfort SAU will make a lump sum payment to RSU 20 of this amount.

12. **Collective Bargaining Agreements**: If the Frankfort Elementary School is closed on or before June 30, 2013, and if Frankfort withdraws from RSU 20 as of June 30, 2013, the New Frankfort SAU shall have no responsibility for RSU 20's collective bargaining agreements. If the Frankfort Elementary School is not closed on or before June 30, 2013, and if Frankfort withdraws from RSU 20 as of June 30, 2013, the New Frankfort SAU shall assume the RSU's existing collective bargaining agreements to the extent that they cover employees of RSU 20 assigned on a full-time basis to the Frankfort Elementary School at the end of the 2012-2013 school year and who have a right to continued employment as of July 1, 2013.

13. **Continuing Contract Rights Under Section 13201**: If the Frankfort Elementary School is closed on or before June 30, 2013, and if Frankfort withdraws from RSU 20 as of June 30, 2013, the New Frankfort SAU shall have no responsibility for the continuing contract rights of teachers assigned to the Frankfort Elementary School at the end of the 2012-2013 fiscal year. If the Frankfort Elementary School is not closed on or before June 30, 2013, and if Frankfort withdraws from RSU 20 as of June 30, 2013, all continuing contract teachers then assigned on a full-time basis to the Frankfort Elementary School and having a right to continued employment shall become continuing contract teachers of the New Frankfort SAU.

14. **Disposition of Real and Personal Property**: If the Frankfort Elementary School is closed on or before June 30, 2013, and if Frankfort has withdrawn from RSU 20 and joined RSU 22 as of July 1, 2013, the RSU 20 school board will convey the Frankfort Elementary School building to the Town of Frankfort for the consideration of \$1.00, and any contents of the Frankfort Elementary School determined by RSU 20 to be useful for educational purposes (ie. desks, books, furniture) shall remain the property of RSU 20. If the Frankfort Elementary School has not been closed on or before June 30, 2013, and/or if Frankfort has withdrawn from RSU 20 but has not joined RSU 22 as of July 1, 2013, the Frankfort Elementary School and its contents shall be transferred by RSU 20 to the New Frankfort SAU.

15. **Transition of Administration and Governance**: The Town of Frankfort Withdrawal Committee has been in communication with the RSU 22 (Hampden, Newburgh, Winterport) regarding the possible addition of Frankfort to RSU 22. It is the intent of the Frankfort Withdrawal Committee that a vote to approve this Withdrawal Agreement take place in the Fall of 2012, that voting on approval of a Reorganization Agreement with RSU 22 take place in mid-winter of 2012-2013, and that Frankfort be reorganized into RSU 22 as of July 1st 2013. If the Frankfort Elementary School is closed on or before June 30, 2013, and if Frankfort withdraws from RSU 20 as of June 30, 2013, and if the addition of Frankfort to RSU 22 is approved by the Commissioner of Education and the voters of RSU 22 and Frankfort, the administration and governance of education for students residing in Frankfort, other than RSU 20 Enrolled Students, will be transferred directly from RSU 20 to RSU 22 as of July 1, 2013. If Frankfort withdraws from RSU 20 as of June 30, 2013 but Frankfort does not join RSU 22 as of July 1, 2013, Frankfort will then become a municipal school administrative unit, and the administration and governance of education for students residing in Frankfort, other than RSU 20 Enrolled Students, will be transferred to the new Frankfort municipal school unit. In that event the New Frankfort SAU will contract for the services of a part-time superintendent/business manager, special education director and any other necessary administrative personnel. The Withdrawal Committee believes there is only a

remote possibility the withdrawal of Frankfort from RSU 20 will result in the formation of a new municipal school administrative unit comprised solely of Frankfort.

If this withdrawal agreement is approved by the Commissioner of Education, and if the withdrawal of Frankfort from RSU 20 as of June 30, 2013 is approved by the voters of the Town of Frankfort, the voters of Frankfort shall not participate in the approval of the RSU 20 budget for fiscal year 2013-2014 at either the budget meeting or the budget validation referendum, and shall not vote on whether to continue the budget validation process in RSU 20.

16. Reimbursement for Costs of School Closing and Resulting Reduction in Force: In the event that the RSU 20 Board of Directors votes during the 2012-2013 fiscal year to close the Frankfort Elementary School, and if Frankfort withdraws from RSU 20 as of June 30, 2013, the New Frankfort SAU shall reimburse RSU 20 for reasonable attorneys' fees incurred by RSU 20 in connection with the referendum vote on the closing of the Frankfort Elementary School and for reasonable attorneys' fees incurred by RSU 20 in connection with any associated reduction of force, including any grievances and/or other legal proceedings related to or arising therefrom.

17. Additional Considerations:

- A. **Superintendents' Agreements:** Nothing in this Withdrawal Agreement shall limit the availability or use of Superintendents' Agreements with respect to any student who is not an RSU 20 Enrolled Student under this Agreement.
- B. **Dispute Resolution:** Any Dispute between Frankfort, the New Frankfort SAU, and RSU 20 (hereinafter individually a "Party" or collectively, the "Parties") arising out of or relating to this Agreement shall be resolved in accordance with this paragraph. Any Party may give written notice of a dispute arising out of or related to this Agreement to another Party or Parties in person or by certified mail, return receipt requested. The Parties to the dispute (hereinafter the "Affected Parties") shall attempt to resolve the matter through informal communication or negotiation for a period of thirty (30) days from the date of receipt of notice by the last Party to receive notice. If the dispute has not been resolved within thirty (30) days, any Party may serve written notice on the other Affected Parties of a request for mediation. The mediation shall be conducted in Maine by a mediator mutually agreeable by the Affected Parties, shall not exceed one full day or two half days in length, and shall be completed within ninety (90) days from the date of receipt of notice of a request for mediation by the last Affected Party to receive notice. If the Affected Parties are unable to agree on a mediator within thirty (30) days, or to resolve the dispute through mediation within ninety (90) days, the dispute shall be submitted to arbitration in accordance with the procedures of the Maine Uniform Arbitration Act, 14 M.R.S.A. §5927 et seq.

