

**Withdrawal Agreement  
Between  
RSU 59 and The Town of Starks Withdrawal Committee**

This Agreement dated as of \_\_\_\_\_, 2011, by and between RSU 59, a Maine regional school unit comprised of the municipalities of Athens, Brighton Plantation, Madison, and Starks (hereinafter "RSU 59" or the "District") and the Town of Starks Withdrawal Committee, a duly appointed municipal withdrawal committee for the Town of Starks (hereinafter "Starks" or the "Town") organized in accordance with 20-A MRS §1466(4)(A).

1. **Purposes.** The purposes of this Agreement are:
  - 1) To provide for the timely and orderly withdrawal of Starks from RSU 59;
  - 2) To provide educational continuity for those students residing in Starks who wish to continue their education with RSU 59; and
  - 3) To allocate RSU 59's financial and contractual obligations, and its assets, between RSU 59 and the new school administrative unit that includes, or is comprised of, Starks (hereinafter the "New Starks SAU"), as of the effective date of Starks' 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 Starks SAU" includes any school administrative unit that is comprised solely of Starks or that includes Starks as a member during the term of this Agreement. By way of example, if Starks becomes a municipal school unit the term "New Starks SAU" would encompass the Starks municipal school unit and if Starks were to join RSU 9, the term "New Starks SAU" would include the reconstituted RSU 9 with Starks as a member.
  
2. **Withdrawal.** Pursuant to 20-A MRS §1466, the Town shall withdraw from RSU 59 in accordance with the terms of this Agreement as of June 30, 2012 and, thereafter shall no longer be a member of the RSU 59 school administrative unit. As of July 1, 2012 the Town shall either become a member of RSU 9 or, alternatively, shall become a separate municipal school administrative unit comprised solely of Starks.
  
3. **Right to Continued Enrollment.** During the first year after withdrawal (i.e. from July 1, 2012 to June 30, 2013) students residing in Starks may attend the RSU 59 school they would have attended if Starks had not withdrawn from the District. The Superintendent of the District and the Superintendent of the New Starks SAU (hereinafter the "Superintendents") shall confer with each other and shall develop a list of those K-12 students residing in Starks who have enrolled in RSU 59 schools. On or before November 15, 2012, the Superintendents shall jointly certify to the Town Clerk of Starks an initial list of those students who reside in Starks who have enrolled in the District's schools for the 2012-2013 school year. During the 2012-2013 school year, additional students residing in Starks may enroll in the District's schools in accordance with 20-A MRS §1466(4)(A)(1). On or before June 30, 2013, the Superintendents shall confer with each other again and shall jointly certify to the Town Clerk of Starks a final list of those students residing in Starks who were enrolled

in the District's schools at the end of the 2012-2013 school year (hereinafter the "Final List").

4. **Continuity of Educational Program.** Students enrolled in the District's schools at the end of the 2012-2013 school year as shown on the Final List shall have the right to continue their education at District 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 District schools shall terminate if the student discontinues his or her enrollment at a District school for a continuous period of 90 calendar days between September 1 and June 15 of any 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 a District school for a continuous period of 90 days due to health reasons, out of district special education placement, or travel or study abroad, shall not terminate a student's right to continue to attend District schools under this Agreement. In addition, in other appropriate circumstances, the Superintendents may agree that a student's failure to attend District schools for a continuous period of 90 days shall not terminate the student's right to continue his or her education at District schools under this Agreement.
5. **State Allocation and Tuition.**

**NOTE:** It will be necessary to obtain a list of students residing in Starks currently expected to attend District schools during the 2012-2013 school year and to calculate their actual impact on State subsidies to the District before the parties decide whether to elect Option 1 or Option 2 as set forth below. Jim Rier of the Maine Department of Education has agreed to run the necessary State subsidy calculations for 2011-2012 as soon as he is provided with a list showing the status of each of those students under the EPS formula.

Option 1: In accordance with 20-A MRS §1466(4)(A)(1), during the 2012-2013 school year, the New Starks SAU shall pay tuition to the District for students residing in Starks who elect to enroll in the District's schools. In accordance with 20-A MRS §1466(4)(A)(1), the tuition rate shall be determined under 20-A MRS §5805 except that it shall not be subject to the state per pupil average limitation in Section 5805, subsection 2. Following the 2012-2013 school year, the New Starks SAU shall not be required to pay tuition for students residing in Starks who are enrolled in District schools under this Agreement (hereinafter the "RSU 59 Enrolled Students") but rather the District shall receive from the Maine Department of Education the State allocation for the RSU 59 Enrolled Students as calculated under 20-A MRS Chapter 606-B and any additional amounts required to be paid to the District under this Agreement.

Option 2: Notwithstanding the provisions of 20-A MRS §1466(4)(A)(1), the New Starks SAU shall not be required to pay tuition for the RSU 59 Enrolled Students during the 2012-2013 school year and thereafter, but rather the District shall receive from the Maine Department of Education the State allocation for the RSU 59 Enrolled Students as calculated under 20-A MRS Chapter 606-B and any additional amounts required to be paid to the District under this Agreement.

6. **Special Education.** RSU 59 shall provide all special education services to RSU 59 Enrolled Students from Starks required by the IEP prepared by each student's IEP Team to the extent that RSU 59 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 59 can implement the terms of the IEP and whether RSU 59 has an appropriate program or placement for a student pursuant to the requirements of the IEP shall be made by RSU 59 after a careful review of the IEP for the student. In no event shall RSU 59 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 59 has determined that RSU 59 cannot provide an appropriate program or placement for that student. The New Starks SAU's Director and/or Assistant Director of Special Services shall represent the New Starks SAU for special education programming, supervision of the IEP Team process, and supervision of the student evaluation process for RSU 59 Enrolled Students. In the event that the IEP Team is unable to reach consensus on issues that are the responsibility of the Team, the New Starks 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 59 personnel will work cooperatively with the New Starks SAU's Director and/or Assistant Director of Special Services and other staff, and, upon request will provide the 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 student evaluation process. The New Starks SAU's Director and/or Assistant Director of Special Services may provide input to RSU 59's special education coordinator (or other administrative designee) on the proper implementation of RSU 59 Enrolled Student IEPs, or perceived deficiencies in IEP implementation. RSU 59 shall consider that input seriously and in good faith and RSU 59 shall respond in an appropriate manner consistent with the terms of this Agreement. In accordance with of Chapter 101 of the Rules of the Maine Department of Education, Maine Unified Special Education Regulation, Section IV(4)(A) and (B), the New Starks SAU shall be responsible for the costs of special education for the RSU 59 Enrolled Students during the 2012-2013 school year and thereafter. The New Starks SAU shall be responsible for the special education costs of any RSU 59 Enrolled Student including special education transportation costs and costs for facilities modifications required to accommodate the student to the extent that such costs exceed 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), provided however that the New Starks SAU shall be given credit for any additional allocation that may be provided to RSU 59 by the Maine Department of Education for that student, in the event that the student qualifies as a high cost in-district or high cost out-of-district placement. The District shall bill the New Starks SAU for such excess special education costs during the fiscal year in which those excess special education costs are incurred.
7. **Transportation.** The District shall provide transportation to and from a single location in Starks to the RSU 59 Enrolled Students pursuant to this Agreement during the 2012-2013 school year and thereafter. Once the route to and from the single location in Starks has been determined, the District may, at its discretion, pick up and drop off students who reside along that route. Otherwise, the RSU 59 Enrolled Students shall be picked up and dropped off at

the single location in Starks. The New Starks SAU shall be responsible for the costs of such transportation to the extent that those costs exceed the amount obtained by multiplying the number of RSU Enrolled Students for that year by the K-12 per pupil transportation allocation provided to the District by the State for that year.

8. **Need for School Construction.** There are approximately 70 students in grades K – 12 who reside in Starks. In 2010, the RSU 59 School Board voted to close Starks Elementary School on the grounds that the school was unnecessary and unprofitable to maintain. The Town of Starks voted not to keep the school open at the Town's expense. The Starks Withdrawal Committee does not anticipate the reopening of that school or recommend that any new school construction be undertaken to serve the students residing in Starks. The preferred option of the Starks Withdrawal Committee is for Starks to join RSU 9 on the date that the withdrawal from RSU 59 becomes effective. RSU 9 is now in the process of renovating the W. G. Mallett School in Farmington and is also engaged in a substantial renovation and expansion of the Mt. Blue High School/Forster Tech Center which will be complete in the fall of 2013. In addition, if Starks were to join RSU 9, elementary students residing in Starks could attend the Cape Cod Hill School in New Sharon. The withdrawal of students residing in Starks from RSU 59 will not create a need for new school construction in Starks, SAD 9 or RSU 59.
9. **Financial Commitments from Outstanding Bonds or Notes.** RSU 59 will owe a principal balance of \$250,000 as of June 30, 2012 for bonds issued for the construction of Madison Elementary School in 2000. The principal and interest payments due on those bonds from July 1, 2012 through November, 2021 will total \$311,782.57. Under 20-A MRS §1466(16) when a municipality withdraws from a regional school unit having outstanding indebtedness, the RSU remains intact for the purpose of retiring and securing that debt, but the withdrawal agreement may provide for an alternate means for retiring that outstanding indebtedness. As an alternate means of retiring the existing State approved indebtedness for the Madison Elementary School under 20-A MRS §1466(16), the Maine Department of Education will pay the portion of the debt service allocation for the existing State approved debt service for the Madison Elementary School which is allocable to Starks each year directly to the Maine Municipal Bond Bank in order to retire Starks' allocable portion of the principle and interest of that State approved indebtedness. If, in any year, the Maine Department of Education fails to pay in full Starks' allocable share of the District's existing State approved debt service for the Madison Elementary School under this paragraph, the Town of Starks shall remain a part of the District for purposes of securing and retiring that outstanding indebtedness as provided by 20-A MRS §1466(16).
10. **Financial Commitments for Bonds or Notes Issued During FY 2011-2012.** During FY 2011-2012 the District may issue bonds or notes or enter into lease purchase financing arrangements to upgrade facilities at the District's schools. If Starks withdraws from the District as of June 30, 2012, under 20-A MRS §1466(16) the RSU will remain intact for purposes of retiring and securing that indebtedness. In recognition of the fact that Starks will not receive significant benefit from the improvements financed by such debt, as an alternate means for retiring this indebtedness under 20-A MRS §1466(16), RSU 59 hereby agrees to

retire such debt by assessing the taxable property in the remaining towns in the District and further agrees not to assess taxable property located in Starks for that purpose.

11. **Distribution of Financial Commitment to Superintendent.** RSU 59 has signed a two year contract with the Superintendent of Schools of the District for a term that runs from July 1, 2011 through June 30, 2013. For the year of the contract following the June 30, 2012 withdrawal date, the District's total financial obligation under that contract is estimated to be \$\_\_\_\_\_. 5.73% of this amount is \$\_\_\_\_\_. Accordingly, on or before July 15, 2012, Starks will make a lump sum payment to the District in the amount of \$\_\_\_\_\_.
12. **Undesignated Fund Balance.** In order to meet the educational needs of its students, preserve educational programs and avoid sudden or excessive increases in property tax assessments, it has been a long-standing practice of RSU 59 to encumber a portion of its undesignated fund balance at the end of each year by applying a portion of those funds toward its annual budget for the succeeding year. With the withdrawal of Starks as of June 30, 2012, the District will experience a loss of annual revenue for FY 2012-2013 of at least \$550,000, including a decrease in local revenues of at least \$250,000 and a decrease in State subsidy of at least \$300,000. The projected savings resulting from the withdrawal of students residing in Starks from District schools will not be commensurate with this anticipated loss of revenues to the District. To help cushion the impact of the District's loss in revenues for FY 2012-2013 and to achieve the goals described in paragraph 1, the parties recognize that the District may need to apply a significant portion of its projected undesignated fund balance toward its annual budget for FY 2012-2013. To the extent, however, that the District has a remaining unencumbered undesignated fund balance as of July 1, 2012 that has not been applied to its FY 2012-2013 budget, the parties acknowledge that approximately 5.73% of that unencumbered balance will have been raised by assessments against taxable property located in Starks. Accordingly, on or before July 15, 2012, the District shall pay the New Starks SAU 5.73% of the amount of that remaining unencumbered balance as of July 1, 2012.
13. **Collective Bargaining Agreements.** The withdrawal of Starks from RSU 59 will not directly affect any of the District's collective bargaining agreements.
14. **Continuing Contract Rights under Section 13201.** The withdrawal of Starks from RSU 59 will not affect the continuing contract rights of teachers or other employees subject to collective bargaining agreements. To the extent the withdrawal and resultant loss of revenue may constitute a change in local conditions that warrants the elimination of teaching positions, RSU 59 will remain subject to the terms of those collective bargaining agreements. Any hard costs incurred by RSU 59 in connection with a reduction in force resulting from Stark's withdrawal, including anticipated costs of unemployment compensation during FY 2012-2013, shall be deducted from the amount due to the New Starks SAU under paragraph 12 of this Agreement.
15. **Disposition of Real and Personal Property.** The RSU 59 School Board voted to close Starks Elementary School in 2010 and Starks voted not to keep the school open at Town expense. RSU 59 removed any personal property of continuing use to the District and then

conveyed the school and its site back to the Town. Accordingly, there will be no outstanding issues of personal or real property as between the District and Starks resulting from the withdrawal of Starks from the District.

16. **Transition of Administration and Governance.** The Town has been in communication with RSU 9 (Mt. Blue) regarding the possible addition of Starks to RSU 9. It is the intent of the Starks Withdrawal Committee that a vote to approve this Withdrawal Agreement take place in the fall of 2011, that voting on approval of a Reorganization Agreement with RSU 9 take place in mid-winter of 2011/2012, and that Starks be added to RSU 9 as of July 1, 2012. If the addition of Starks to RSU 9 is approved by the Commissioner of Education and the voters of RSU 9 and Starks, the administration and governance of education for students residing in Starks, other than RSU 59 Enrolled Students, will be transferred directly from RSU 59 to RSU 9 as of July 1, 2012. If Starks does not join RSU 9 as of July 1, 2012, the Town will then become a municipal school administrative unit, and the administration and governance of education for students residing in Starks, other than RSU 59 Enrolled Students, will be transferred accordingly. The Withdrawal Committee believes there is only a remote possibility the withdrawal of Starks from RSU 59 will result in the formation of a new municipal school administrative unit comprised solely of Starks.
17. **Superintendents' Agreements; Duration of List.** Nothing in this Withdrawal Agreement shall limit the availability or use of Superintendents' Agreements with respect to any student who is not an Enrolled Student under this Agreement.
18. **Dispute Resolution.** Any dispute between Starks, the New Starks SAU and RSU 59 (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 to 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. In the event that the Affected Parties are unable to agree on a mediator within thirty (30) days, or to resolve the dispute through mediation within 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.
19. **Applicability to Successor School Administrative Units.** Upon approval by the Maine Commissioner of Education and approval of Starks' withdrawal by a two-thirds majority of the voters of the Town, this Agreement shall be binding upon the Town of Starks, the New Starks SAU, and its successor school administrative units, and on RSU 59 and its successor school administrative units. Accordingly, the terms of this Agreement shall be incorporated

by reference into any Reorganization Plan to which Starks, the New Starks SAU, or RSU 59, or their respective successor school administrative units, is or becomes a party.

20. **Termination.** This Agreement shall terminate upon the termination of the right to attend District schools under this Agreement of all of the students included on the Final List.
21. **State and Local Approval.** This Agreement is subject to approval by the Maine Commissioner of Education as required by 20-A MRS §1466(4)(B) and approval by a two-thirds vote at a referendum conducted in Starks as required by 20-A MRS §1466(9). By approval of this Withdrawal Agreement, the Maine Commissioner of Education agrees on behalf of the Maine Department of Education that the Essential Programs and Services allocations under 20-A MRS Chapter 606-B for RSU 59 Enrolled Students shall be assigned to RSU 59 in accordance with the terms of this Agreement.

Dated at Starks, this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

**The Withdrawal Committee of the Town of Starks:**

\_\_\_\_\_  
Ernest Hilton- Chair & Rep. from the General Public

\_\_\_\_\_  
Paul Frederic- Member & Rep. from Municipal Officers (Selectperson)

\_\_\_\_\_  
Kerry Hebert- Member & Petitioner

\_\_\_\_\_  
Diane Russo- Member & Rep. from MSAD 59/RSU 59 School Board

**RSU/SAD 59**

By: \_\_\_\_\_  
Troy Emery- Chair of the RSU No. 59 School Board  
Duly Authorized

\_\_\_\_\_, 2011

**Approved under 20-A MRS §1466(4)(B)**

\_\_\_\_\_  
Stephen L. Bowen  
Maine Commissioner of Education