

CONWAY

TUITION AGREEMENT

Grades 7-8

CONTRACT, made and entered into as of this 21st day of May, 2003, by and between the Madison School District, of Madison, County of Carroll, State of New Hampshire, hereinafter referred to as Madison, and the Conway School District, of Conway, County of Carroll, State of New Hampshire, sometimes hereinafter referred to as Conway.

WITNESSES THAT:

WHEREAS, Madison School District is desirous of having its pupils, grades 7 through 8 attend school in Conway, and has authorized its School Board to enter into a long-term tuition agreement providing for such attendance, and

WHEREAS, Conway is maintaining a school system, which includes a junior high school and its School Board has authority to enter into a tuition agreement to receive pupils from Madison School District, and agrees to accept all junior high school students sent by the Madison School District and afford them a course of instruction to be given in the Conway School System, and

WHEREAS, Madison School District and Conway are mutually aware of the educational and financial advantages to be enjoyed by both School Districts through their association together under a long-term tuition agreement, particularly in terms of the long-range improvement of the educational environments and most efficient use of the tax resources in both communities;

NOW, THEREFORE, IN CONSIDERATION of the mutual provisions and undertakings set forth, the parties agree as follows:

I. TUITION ARRANGEMENT: Madison School District shall send at least ninety percent (90%) of its pupils, grades 7 through 8, with the exceptions hereinafter noted, to Conway for schooling; and Madison School District shall be responsible for the transportation methods and expenses in connection with such attendance. Conway shall accept said pupils and be responsible for their education on the same terms and conditions, providing them with the same opportunities for educational and cultural advancement and improvement as is the case with pupils residing in the Town of Conway. The decision concerning assignment of special education students from Madison to a special program or facility outside of the

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Conway School District shall be made with equal input from the Conway School District Placement Team and the LEA representative from the sending town. Madison School District shall bear all the cost of any such special program or facility. In the event of a dispute regarding placement, the LEA shall make the initial placement determination in accordance with all applicable Federal and State rules and regulations; provided that Conway, as the receiving district and member of the placement team, retains the right to advocate for its position in any appropriate forum and, if necessary, to use the dispute resolution process in Section XIII or any other applicable process to resolve the issue. In individual cases involving special education or §504 accommodations in-district but beyond the regular educational program (i.e. involving aides, counseling, or other in-district services or facilities), the placement team shall notify the Madison School District LEA representative who may participate in the placement decision at his or her option. In either case, the Madison School District shall bear the cost of such extra services or facilities. In cases involving special education or §504 accommodations within the regular educational program, the Conway School District Team shall make the IEP or §504 Plan decisions and the Madison School District shall be deemed to have consented to the team's decision unless the LEA representative has requested an opportunity to participate in decisions regarding a particular student as above. The Madison School District shall bear the cost of any due process proceedings, attorney fees, awards, out-of-district placements, and compensatory education awards.

II. ATTENDANCE COMMENCEMENT AND MINIMUM TERM:

Attendance of Madison pupils in the Conway School System pursuant to this Agreement shall commence at the inception of the school year (The occupancy of the new high school is presently expected to be September 2006. In that case, the school year of inception will begin on July 1, 2006.), and shall continue for a minimum term of twenty (20) school years.* This Agreement shall terminate at the end of such minimum term if either party gives to the other, at any time prior to the expiration of the seventeenth (17th) fiscal school year ending June 30 of such minimum term, written notice of such termination.

* For purposes other than building occupancy, this agreement shall be effective as of the date of State Board approval. Prior to building occupancy, this tuition agreement shall apply to only those costs associated with start-up costs, construction costs, or bonding costs arising out of new high school construction.

III. AUTOMATIC CONTINUATION – TERMINATION NOTICE –

FINAL TERMINATION: Unless terminated at the end of the minimum term as provided in Section II hereof, this agreement shall automatically continue in force after the expiration of such minimum term, on a year to year basis, unless

terminated as hereinafter provided. In such case, either party may terminate this agreement by giving to the other the written notice of termination required by this paragraph. Such notice shall specify the last school year for which the agreement shall be effective, which shall be at least the third (3rd) full fiscal school year ending June 30 following the school year during which the notice is given.

IV. BOND ISSUE PASSAGE: In the event Conway fails to pass a bond issue for the renovation of Kennett as a middle school, according to plans and specifications which are consistent with the description of renovated facilities attached as Appendix B, by June 30, 2004, this agreement will become null and void.

V. Payment of bonds shall be made in accordance with Section X-B.

VI. JOINT BOARD MEETINGS: The Conway School Board will meet jointly with all School Boards (all together) who send pupils to the junior high school in said Conway School District at least three (3) times a year for the purpose of discussing the junior high school educational program.

VII. STUDENT DISCIPLINE: Conway School District shall consider all students tuitioned to the junior high school under this agreement on as equal a basis as other students and shall require such students to conform to the rules and regulations of the junior high school. The Conway School District shall process all serious disciplinary cases in accordance with its disciplinary policy. The Madison School District shall be notified in the event of a manifestation teaming or other proceeding under the disciplinary provision of the IDEA. Costs of appeals from such proceedings and costs of any alternative educational programs beyond the standard program offered at the junior high school shall be borne by the Madison School District.

VIII. PROGRAM OF STUDY: In consideration of the mutual undertakings in this agreement, Conway commits to maintaining and supporting a comprehensive junior high school program for grades 7-8, which shall comply with the standards prescribed by the State Board of Education in accordance with RSA 194:23 (III), and which receives accreditation by the Commission on Public Secondary Schools of the New England Association of Secondary Schools and Colleges, Inc.

In the event that the junior high school program shall not meet those standards or shall be at imminent risk of failure to meet those standards, then the Conway School District shall convene a task force, with representatives of all sending

districts, to create a remediation plan, within 180 days of written notification of such failures or anticipated failures. The Conway School District shall then have a maximum period of three (3) years from the adoption of the plan to correct such deficiencies. A failure to correct one or more of any such material deficiencies shall entitle the complaining district to petition the State Board of Education for relief, which may include reopening this agreement if necessary.

IX. WRITTEN REPORTS: A written quarterly report will be made to the Madison School Board concerning achievement and attendance records of all pupils from the Madison School District who are enrolled in the junior high school of the Conway School District, provided that neither the failure to provide one or more such reports nor the contents of such reports shall in any way limit the obligation of the Madison School District to pay tuition or perform other obligations pursuant to this agreement. Madison School District shall be entitled to information regarding any individual student upon request. Conway School District will supply the Madison School District with any necessary financial or other information necessary to determine the accuracy of figures used in calculating student charges or other costs.

X. COMPUTATION OF STUDENT CHARGES, CAPITAL IMPROVEMENTS AND FACILITIES MAINTENANCE FUND:

A. COMPUTATION OF STUDENT CHARGES: Charges (total cost for all students regardless of number) for attendance at Conway Junior High School (grades 7-8) shall be determined annually as follows:

1. Actual expenses shall refer to junior high school General Fund expenses as reported in the DOE-25 (or the subsequent revisions or replacements of same) and the New Hampshire Financial Accounting Handbook for Local Education Agencies 1997 edition (or the subsequent revisions or replacements of same) plus student activities cost (i.e. – field trips, athletic transportation) less revenue from co-curricular, transportation, special education (Direct Reimbursement from sending town for accommodation beyond the regular education program), and special education services for Conway students only (i.e., out-of-district placement or any other direct revenue that would be received by the junior high school). Appropriate adjustments shall be made to avoid double billing of such costs. See Appendix A for an example of calculations (sample).

2. The Conway School Board shall annually set each district's cost based upon Conway's current year approved budget; plus an inflation factor equal to US Department of Labor Consumer Price Index - Size A - Northeast Urban (October of current year) plus 2.5%; plus or minus the net actual expenses for the prior year. The sending districts shall be notified of their following year's estimated cost no later than 30 days following the submission or receipt of the appropriate state reports (ADM: DOE A-3 and A-13 / Equalized Value: most current) in order to prepare budgets, but in no event later than November 30th of any year.

3. Method of Calculation – Each district's percentage of the operating expenses of the junior high school, payable in each fiscal year, shall be a combination of 35% of the town's equalized value as a percentage of the total equalized value and 65% of the town's average daily membership in attendance of the total average daily membership in attendance at the junior high school.

4. Actual Costs Adjustment – Each year an adjustment will be made to the total student charges reflecting the actual increase or decrease of costs over the past year, calculated as follows: In the event the amount paid by the Madison District during the preceding school year is less than the actual student charges due Conway in accordance with this paragraph, the Madison District shall pay such amount to Conway in addition to the payment of the estimated student charges. In the event that the student charges paid by the Madison District during the preceding school year exceeds the actual amount due Conway, the Conway shall credit such sum to the payment of estimated student charges by the sending district.

B. CAPITAL IMPROVEMENTS (LONG TERM DEBT): Both parties to this tuition agreement understand that additional facilities (and renovation) may be necessary to carry out the obligations of Conway pursuant to this agreement. Therefore, in the event that additional facilities are constructed or existing buildings renovated or students utilize facilities financed by long-term debt, the following provisions shall apply:

1. By signing this tuition agreement, the sending district agrees to pay an annual Capital Payment in addition to the student charges in Section X-A, consisting of its share of the principal and interest of current fiscal year cost of said long-term debt less appropriate school

building aid. The method of apportioning capital expenses (bond issues) shall be the town's equalized value (includes railroads and utilities) as a percentage of the total equalized value of all towns.

2. Should the sending district terminate this agreement prior to the maturity date of said long-term debt pursuant to Sections VIII or XII, the sending district agrees to pay its proportionate share of the remaining long-term debt payments. Failure to make said payment shall entitle the Conway School District to collect, in District or Superior Court, the entire severance fee plus costs of collection, including reasonable attorneys' fees.

3. Should Conway terminate this agreement prior to the maturity date of said long-term debt pursuant to Section XII, the sending district will have no further obligation for payment of said long-term debt.

C. **ADDITIONAL CAPITAL IMPROVEMENTS:** The parties to this agreement understand that the Conway School District will be voting on capital improvements to be financed by the bonded indebtedness described in Section IV above.

Should it become necessary for Conway to consider an additional set of capital improvements, beyond those improvements incidental to the original plan and prior to the end of this agreement, then each district shall receive notice of such additional plans at least four (4) months prior to the vote on the plan or the long-term indebtedness used to finance the plan. Upon receipt of such a notice, a sending district wishing not to participate in the new improvements may elect not to do so, but must so signify in writing. Thereafter, the district electing not to participate will no longer be considered a party to this agreement, providing that the withdrawing district shall continue to make its remaining payments under the original long-term indebtedness until fully paid, calculated according to Section X-B-1 and payable according to Section XI-B, unless the parties mutually agree otherwise.

Any continued tuitioning of students to Conway facilities beyond the school year of withdrawal will occur only if a separate agreement is negotiated between Conway and the withdrawing district.

D. FACILITIES MAINTENANCE FUND: Both parties to this tuition agreement understand it is prudent to develop and maintain a Facilities Maintenance Fund. Therefore, the following provision shall apply:

1. By signing this tuition agreement, the sending district agrees to contribute to a Facilities Maintenance Fund, which Conway will maintain. In addition to the annual payment in Sections X-A and X-B, each district (including Conway) shall pay its share of 3% of the actual construction cost divided by 20. The method of apportioning Facilities Maintenance Fund shall be the town's equalized value as a percentage of the total equalized value of all towns tuitioning student to Conway's junior high school.

2. At the time Conway expends monies from the Facilities Maintenance Fund, the sending district will receive an equivalent and offsetting credit against its share of operating expenses.

XI. PAYMENTS:

A. Operating cost payments shall be made by the sending district annually in quarterly payments beginning on September 1 and quarterly thereafter (December 1, March 1, and June 1).

B. Capital improvements payments shall be made by the sending district in each fiscal year semi annually, by the first of the month in which bond payments are due.

C. Facilities Maintenance Fund payments shall be made by the sending district annually in quarterly payments beginning on September 1 and quarterly thereafter (December 1, March 1, and June 1).

D. Late Charges – A late charge of 1% over prime (ref. Wall Street Journal published on the last business day of the previous month) shall be charged for any operating and capital improvement payment not received by the 10th of the month in which it is due. For each additional 30 days, the same late charge will be applied to the total payment and accrued late charge(s). In the event it is determined that all or a portion of the unpaid payments were not appropriately charged, the late charges shall be proportionately waived.

XII. STATE FUNDING CHANGES: Should the State of New Hampshire or the federal government substantially alter the method by which they fund education in the state so that the foregoing apportionment formula or its effect substantially alters the balance between the districts as established by this agreement, then any district may petition the State Board for early termination or alteration of this agreement. Under no circumstances shall such an action alter or relieve a district of its obligation to pay its share of the remaining portion of any existing borrowing for capital projects.

XIII. RESOLUTION OF DISPUTES: Any and all disputes relating to this agreement shall be submitted to a panel of three (3) people for review, and the decision of panel shall be final. The panel shall consist of one person appointed by the Conway School Board, one person appointed by the Madison School Board, and a third party agreed upon by the two appointed people. The panel shall deliberate and render its written findings within 60 days of the first notice of dispute.

XIV. CONDITIONS OF APPROVAL: This agreement shall become binding and effective if and only if:

- A. The long-term financing for a junior high school improvement plan as described in Section IV is passed by the Conway School District on or before June 30, 2004;
- B. Seven out of eight districts vote to give their boards the authority to enter into the high school contract, and four out of five into this agreement; and
- C. The agreement, once voted upon by the districts, receives approval of the State Board, pursuant to RSA 194:22, designating the junior high school as a junior high school maintained by each district.

IT IS FURTHER AGREED that at any time during the life of this agreement the parties, by mutual agreement, may pursue other educational arrangements that may be in the best educational and/or financial interest of the parties.

IT IS FURTHER AGREED that this agreement will take effect when it is signed by a majority of the members of both School Boards.

IN WITNESS THEREOF, said parties to this agreement have, by their school boards respectively, hereunto set their hands and seals on the day and year written below.

School District of Madison

Cheryl L. Littlefield
MMMDok

[Signature]

Martha C. Resick

Gerald W. Patignani

4/24/03
Date

School District of Conway

Patricia Sweet

Richard Bruen

Lisa M. Eastwood

B. [Signature]

A.A. Moore

[Signature]

Debra R. Deschen

4-14-03
Date

Reviewed and approved on the 21st day of May, 2003, by the New Hampshire State Board of Education.

Fredrick Bamonte
Chair, State Board of Education

Appendix A

CONWAY SCHOOL DISTRICT
2002-2003 JUNIOR HIGH SCHOOL TUITION CALCULATIONS
Oct-02

| | <u>Actual JHS General Fund Expenditures 2001-2002</u> |
|--|---|
| <u>11 00 Regular Education</u> | <u>\$1,408,218.61</u> |
| <u>12 00 Special Education</u> | <u>\$505,965.90</u> |
| <u>14 00 Co-Curricular Education</u> | <u>\$81,188.50</u> |
| <u>21 20 Guidance Services</u> | <u>\$107,765.49</u> |
| <u>21 30 Health Services</u> | <u>\$17,620.70</u> |
| <u>21 40 Psychological Services</u> | <u>\$22,179.53</u> |
| <u>21 50 Speech Services</u> | <u>\$11,548.74</u> |
| <u>21 60 Occupational/Physical Therapy Services</u> | <u>\$8,482.56</u> |
| <u>21 90 Other Support Services</u> | <u>\$31,331.62</u> |
| <u>22 10 Improvement of Instruction</u> | <u>\$23,924.88</u> |
| <u>22 20 Educational Media</u> | <u>\$35,430.90</u> |
| <u>23 10 School Board Services</u> | <u>\$23,206.08</u> |
| <u>23 20 Office of Superintendent</u> | <u>\$103,151.84</u> |
| <u>24 00 School Administration</u> | <u>\$136,209.34</u> |
| <u>26 20 Operation/Maintenance of Plant</u> | <u>\$402,009.99</u> |
| <u>27 20 Pupil Transportation</u> | <u>\$100,616.29</u> |
| <u>28 00 Evaluation Services</u> | <u>\$362.91</u> |
| <u>29 00 Other Support Services</u> | <u>\$27,303.31</u> |
| | |
| <u>TOTAL JHS GENERAL FUND EXPENSES</u> | <u>\$3,046,517.19</u> |
| | |
| <u>LESS: Funds Expended from the Facilities</u> | |
| <u>Maintenance Funds</u> | <u>-\$0.00</u> |
| <u>LESS: Transportation</u> | <u>-100,616.29</u> |
| <u>LESS: Spec. Educ. (Conway Only & Direct Reim)</u> | <u>-171,051.90</u> |
| <u>LESS: Spec. Educ. Psych. (2140) (Conway Only)</u> | <u>-4,883.32</u> |
| <u>LESS: Revenue from Miscellaneous Tuition</u> | <u>-0.00</u> |
| | |
| <u>TOTAL REVENUE ADJUSTMENTS</u> | <u>-\$276,551.51</u> |
| | |
| <u>NET TOTAL FOR TUITION CALCULATION</u> | <u>\$2,769,965.68</u> |

BANWELL

ARCHITECTS

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CONWAY WITHDRAWAL COMMITTEE

Kennett Middle School
Albany, Conway, Eaton, Freedom, Madison

Kennett Middle School

PROBABLE COST

November 27, 2002

revised 1/14/03 (exclude SAU#9)

The probable costs for construction and renovation tabulated below are based BA 10/25/02 Conceptual Floor Plans, excluding SAU #9 offices.

Under 9/20/02 Program for Option 2; 400 [235 from Conway] Middle School (grades 7-8) from Five Towns will be at the current Kennett Junior/Senior High School. Under this scenario, High School (grades 9-12) students from Eight Towns will be accommodated at a new facility, see accompanying High School estimate.

Kennett Middle School

| | | | Middle School |
|--|-----------------------------------|------------|---------------|
| Site | | | |
| Roadways, Parking (100), Walks, Landscaping <i>not including Conway Elementary School drives, walks and parking</i> | | | 459,500 |
| Athletic Fields/Courts (5/2), RR Underpass | | | 700,000 |
| | Site total: | | 1,159,500 |
| Building | | | |
| Softball | | \$15/sf | |
| Demolition | | \$50/sf/yr | |
| existing unassigned | 38,230 sf | | |
| Renovation (Middle School) | 119,150 sf | \$80/sf | 9,532,000 |
| New Construction (MS entry) | 450 sf | \$120/sf | 54,000 |
| | Building total: | | 9,586,000 |
| | Contract (Site + Building) total: | | 10,745,500 |
| Contingency | | 20% | 140,000 |
| Building Contingency | | 10% | 958,600 |
| Design Fees | | 9% | 104,400 |
| Building Design Fees | | 7.75% | 743,000 |
| Furniture and Fixed Equipment (MS) | | | 19,000 |
| Permit Fees | | | 11,600 |
| Mark of the Works | 18 mo | | 55,200 |
| Instruction Testing | | | 22,100 |
| Builders Risk Insurance | \$1/1000 | | 9,600 |
| reimbursable Expenses/Legal/Miscellaneous | 0.5% | | 53,400 |
| | Project total: | | \$ 12,862,400 |

