

Statement of the Newry Withdrawal Committee on Proposed Agreement
28 January 2015

Following the town's vote to explore withdrawal of Newry from School Administrative District (SAD) 44, the Newry Withdrawal Committee (NWC) was appointed according to requirements of Maine law and regulations of the Maine Department of Education. The committee of four members has been advised by attorney Dan Stockford of Brann & Isaacson and Mark Eastman, a widely experienced school superintendent. Both these men have extensive direct experience with town withdrawals in Maine.

Following state requirements, we are compelled to negotiate an agreement with SAD 44 that covers the financial aspects of withdrawal. The draft of our proposed agreement was presented to Superintendent David Murphy on 8 January and is being made public tonight, 14 January. While a final agreement will necessarily be the subject of negotiations between NWC and SAD 44, we want to explain the rationale behind our proposed agreement.

In both public and executive sessions, we have focused sharply on one issue: the quality of education available to Newry students in SAD 44. While opinions about that quality naturally vary among committee members—and among Newry residents—the town's vote to explore withdrawal appears to have been based on the view that Newry receives less in educational quality than it pays in tax revenues. Newry pays over \$100,000 per student, which is about eight times the average paid by other towns in the district and ten times the state average. Newry has only five percent of the students, with an equivalent voting power on the school board, yet it pays over a third of the total cost of SAD 44. To put it simply, Newry doesn't get its money's worth and has no procedure to change the situation except withdrawal.

The Withdrawal Committee recognizes that, because Newry has a higher property valuation than other towns in SAD 44, the mil rate that Newry taxpayers pay to support SAD 44 is comparable to the educational mil rate paid in other towns in the District. In the view of a majority of the Withdrawal Committee, and many Newry residents, this does not justify applying a special funding formula in SAD 44 that applies to no other school district in the State except one. As a result of this special funding formula, for the past decade the other towns in SAD 44 have contributed significantly less toward support of education in SAD 44 than they would have contributed in any other school district in the State, with the sole exception of SAD 6.

We have therefore proposed withdrawal from SAD 44, with the agreement that Newry students could attend schools in SAD 44, another public district, or a private school. Newry would pay to the schools chosen the amount of tuition calculated annually by the Department of Education. A new Newry School Administrative Unit (SAU) would be created to oversee this process, under the direction of an elected school committee and a part-time superintendent. In short, this agreement would bring school choice to the residents of Newry.

Because Newry pays far more per student than any other town in SAD 44, Newry's withdrawal will obviously have a large impact on the district's budget. We recognize this fact and have proposed two mechanisms to ease the burden:

*A Stabilization Fund. In the first year after withdrawal, the amount of this fund will equal 80% of what Newry currently pays to SAD 44, minus tuition and the costs of operating the new Newry SAU. Over four years, the percentage will decline so that by the fifth year after withdrawal Newry will pay

only tuition for students attending SAD 44. The other towns in the district will thus have time to bring their tax contributions to a fair level.

*A Targeted Grants Fund to provide money over and above tuition and Stabilization amounts. This fund will be administered by the new Newry SAU and will grant money to SAD 44 from a pool determined annually by voters of the town. These grants will be made based on recommendations from a committee of Newry SAU and SAD 44 board members and will be directed to projects and activities that will increase the quality of education for all students.

The purpose of these two funds is to allow SAD 44 towns to adjust gradually to the withdrawal of Newry funding and to direct additional funding to enhance education. It needs to be noted that the potential impact of these two funds could be to increase overall funding of SAD 44 as other towns gradually bring their levels of support closer to the state average while Newry continues to provide support well in excess of the average.

The draft agreement we are releasing tonight provides details on the proposed withdrawal. Following state requirements, it concentrates on finances. We know that over the next weeks and months Newry residents will review these details, pose questions, and make suggestions. We welcome all views, especially with regard to educational issues that we will now be able to address in greater detail. Ultimately the town will vote on a final agreement. What happens is not up to the NWC but to the voters of Newry.

That vote is some time away. Tonight we want to emphasize three key points. If Newry withdraws under this agreement:

1. Newry residents will be able to choose what approved schools their children attend.
2. Newry will continue to provide financing to SAD 44 well above the state per-student average so that other towns can gradually increase their support toward that average, with the ultimate potential outcome of increasing the total resources SAD 44 has available.
3. Newry will contribute targeted funds to SAD 44 beyond both tuition and stabilization support with the goal of improving the educational experience of all students. The amount of that support will be determined not by a mathematical calculation of real estate values as currently applies but through citizen involvement and review of specific activities and projects. At Newry's annual town meeting the voters will finally be able to have a say in how and where their children are educated.

For these reasons, we believe that the proposed agreement, if accepted by SAD 44 and approved by Newry voters, provides the chance to increase community involvement and enhance education for all students.

Jim Sysko, Chair
William Andrews
Bonnie Largess
Brooks Morton