



MULTIDISTRICT AGREEMENT

This Multidistrict Agreement (hereinafter "Agreement") is entered into this 15th day of March, 2020 by and between Montana Unified School Trust (hereinafter referred to as "MUST") and those participating school districts (collectively hereinafter referred to as "Participating District" or "Participating Districts") identified in Exhibit A and attached hereto as if set forth in full.

WHEREAS, pursuant to section 20-3-363, MCA, the boards of trustees of any two or more school districts may enter into an Multidistrict Agreement to create a multidistrict cooperative to perform any services, activities, and undertakings of the Participating Districts and to provide for the joint funding and operation and maintenance of all Participating Districts upon the terms and conditions as may be mutually agreed to by the districts subject to the conditions of section 20-3-363, MCA;

WHEREAS, section 20-3-363, MCA, further defines a multidistrict cooperative to mean a public entity created by two or more school districts or any school district or public entity participating in an interlocal cooperative agreement;

WHEREAS, an Agreement made pursuant to section 20-3-363, MCA, must be approved by the board of trustees of all Participating Districts;

WHEREAS, all expenditures in support of this Multidistrict Agreement may be made from the interlocal cooperative fund in accordance with sections 20-9-703 and 20-9-704, MCA. Each Participating District of the multidistrict cooperative may transfer funds into the interlocal cooperative fund from the general fund, any budgeted fund, or any non-budgeted fund of the Participating Districts, except as limited/prohibited law as follows:

1. transfers to the interlocal cooperative fund from each Participating District's general fund are limited to an amount not to exceed the direct state aid in support of the respective school district's general fund;
2. transfers from the retirement fund, the debt service fund or the compensated absence liability fund are prohibited; and
3. transfers may not be made with funds restricted by federal law unless such transfer is in compliance with any restrictions or conditions imposed by federal law.

WHEREAS, in accordance with section 20-9-703, MCA, MUST, as a public entity, shall be designated as the prime agency (hereinafter referred to as "MUST" or "Prime Agency"). All other Participating Districts shall be members of MUST and shall be designated as cooperating agencies;

WHEREAS, expenditures from the interlocal cooperative fund are limited to those expenditures that are permitted by law and that are within the final budget for the budgeted fund from which the transfer was made.

NOW THEREFORE, the parties hereby agree as follows:

1. To create a multidistrict cooperative for the purpose of providing participant school districts with needed flexibility and efficiencies in funding employee benefit costs;
2. To create an interlocal cooperative fund for the purpose of transferring funds from the Participating Districts for the purpose(s) stated herein;
3. MUST is hereby designated as the prime agency for purposes of this multidistrict cooperative agreement and as such shall establish an interlocal cooperative fund for the purpose of the financial administration of this Multidistrict Agreement.

4. MUST is hereby designated as the prime agency for purposes of this multidistrict cooperative agreement and as such shall establish an interlocal cooperative fund for the purpose of the financial administration of this Multidistrict Agreement.

5. All other Participating Districts are designated as the cooperating agencies and in accordance with section 20-9-704, shall transfer its financial support under this Agreement to the Prime Agency by district warrant.

6. Any and all amounts transferred into the interlocal cooperative fund by any Participating District may come from: (a) the respective district's general fund in an amount not to exceed the direct state aid in support of the respective school district's general fund; or (b) any other budgeted fund of a participating district, except that funds cannot be transferred from the retirement fund or the debt service fund; or (c) any non-budgeted fund of a Participating District, except that funds cannot be transferred from the compensated absence liability fund.

7. Transfers may not be made with funds restricted by federal law unless the transfer is in compliance with any restrictions or conditions imposed by federal law.

8. Any and all amounts transferred into the interlocal cooperative fund by each Participating District must be for the purpose of funding employee benefit costs of the Participating Districts.

9. The term of this Agreement shall be from March 15, 2020 to February 28, 2023. At the end of this initial contract term, this Agreement will automatically be extended for additional periods of three (3) years, unless the Agreement is terminated or dissolved in accordance with Section 12. Any remaining fund balance in the interlocal cooperative fund at year end may be carried over to the subsequent fiscal year.

10. The terms of this Agreement may be changed upon mutual written approval of the Participating Districts.

11. Each Participating District shall agree how the funds shall be disbursed during the current fiscal year by establishing a budget or guidelines. The Prime Agency shall adhere to this Agreement. The Participating Districts will be provided with a periodic accounting summary of expenditures from the Prime Agency.

12. The multidistrict cooperative may be dissolved upon mutual consent of all Participating Districts in writing upon ninety (90) days written notice to all Participating Districts. Any Participating District may terminate its participation in the multi-district cooperative effective on the last day of the Participating District's current fiscal year by providing all Participating Districts at least ninety (90) days written notice prior to the last day of the terminating Participating District's fiscal year. In addition, the termination by any Participating District of its Participation and Affiliation Agreement with MUST will also result in the termination of this Agreement on the same effective date as the termination of the Participation and Affiliation Agreement. In the event that this Agreement is terminated under this Paragraph 12, the provisions of Paragraph 13 below shall apply.

13. Upon termination of this Agreement, the funds of the District or Districts that terminate this multidistrict cooperative shall be returned to such District(s) after all outstanding financial obligations (including without limit any bank fees and program costs) have first been paid out of such funds and said funds shall revert back to the original fund(s) from which the money was originally transferred as a result of said District(s) participation in the multidistrict cooperative.

14. This Agreement shall be interpreted according to and governed by the laws of the State of Montana.

Authorized MUST Representative:

ANDREW W. HOLMLUND
Chief Executive Officer, MSSF
MUST Administrator

DATE





EXHIBIT A

Each Participating District signing this document attests that its Board of Trustees, at a duly noticed meeting, has taken affirmative action to participate in this Multidistrict Agreement on the terms and conditions set forth in the Multidistrict Agreement.

Participating District:

BOARD CHAIR

DATE

Public School

PRINTED NAME