

THIRD AMENDED MID-STATE EDUCATION DISTRICT AGREEMENT

For the purpose of implementing a cooperative delivery system formed pursuant to Minnesota Statutes 123A.15, and first initiated as of July 1, 2006, the undersigned hereby document the following operating agreement.

ARTICLE I

The name of this Education District shall be "Mid -State Education District," Education District No.61-6979 (hereinafter referred to as the "Education District").

ARTICLE II

AUTHORIZATION

The establishment of this organization is authorized under Minnesota Statutes section 123A.15.

ARTICLE III

A. MEMBERSHIP

Membership in Mid-State Education District is defined as:

Independent School Districts cooperate to provide comprehensive education programs that can be efficiently and effectively operated by the members. Membership includes the establishment and implementation of a Governing Board of Directors ("Governing Board") and Superintendent Advisory Council ("Council"). The Education District shall, on behalf of its member districts, apply for, receive and administer educational funding, including State and federal special education revenue and other funds that are legally available. The care, management and control of the Education District shall be vested in the Governing Board.

B. ADDITION OF NEW MEMBERS

Other school districts, post-secondary institutions, charter schools, or other governmental units as defined in Minnesota Statutes 471.59 may become members of the Education District upon a majority vote of the full membership of each member district's school board.

C. CONSOLIDATION

In the event a Member District consolidates with another Member District and thereby creates another new school district, the new district continues as a member and assumes responsibility for the debt and assets of the two consolidated districts.

D. WITHDRAWAL OF MEMBER DISTRICTS

1. Any member district may withdraw by resolution of its school board and upon written notice given to the Governing Board on or before January 1 of any year. The withdrawal shall be effective on June 30 of the following fiscal year. The withdrawal notice shall be filed with the Minnesota Department of Education and appropriate County Auditor, if tax levies are involved.
2. Assets and liabilities shall be distributed according to Minnesota Statutes section 123A.24.

ARTICLE IV

GOVERNANCE

A. MID-STATE EDUCATION DISTRICT GOVERNING BOARD OF DIRECTORS

The Governing Board shall consist of one school board member from each member school district. He/she shall be appointed by the school board of the member district. In the absence of a regular member of the Governing Board, the absent member's district shall appoint a member of its school board to act as a delegate for that district, and that delegate shall have full voting rights.

The Executive Director of the Education District shall serve as ex officio, non-voting member of the Governing Board.

B. SELECTION AND TERMS OF BOARD OF DIRECTORS

Each member of the Governing Board appointed by a member district shall remain a member unless and until replaced by his or her local school board.

C. OFFICERS

At the first meeting on or after January 1, the Governing Board shall elect from among its members a chairperson, a vice-chairperson, and a clerk/treasurer. The chairperson shall preside at all meetings of the Governing Board. In the absence of the chairperson, the vice-chairperson shall preside. The clerk/treasurer shall keep a complete record of the minutes of each meeting, and shall be the custodian of any funds or financial records of the Governing Board. Each officer's term of office shall be for a year.

D. MEETINGS

The Governing Board will meet a minimum of four times per school year.

E. MID-STATE EDUCATION DISTRICT SUPERINTENDENT ADVISORY COUNCIL

1. Superintendent Council Meetings

The superintendents of the member school districts shall constitute the Council to the Mid-State Education District.

a. The Council shall meet prior to any scheduled Governing Board meeting. The Council will establish and maintain a schedule of time and place of its meeting and give notice of regular and special meetings as determined by the Council.

b. A majority of the Council members shall constitute a quorum for the purpose of conducting business. A quorum once established at a meeting shall not thereafter be lost at that meeting by the withdrawal of Council members. At any meeting at which a quorum is not present, the members in attendance shall have the power to set the time and place for the next meeting.

2. Superintendent Advisory Council Responsibilities

The Council shall:

a. Act as the administering council of the Education District and in addition to such other authority as may be granted to it in this agreement, shall be generally empowered to:

1) Assist in the affairs of the Education District under direction of the Governing Board;

2) Review, revise and recommend an annual budget to the Governing Board prior to June 30 of each year. The first draft of the proposed budget will be given to the Council by April 1 each year.

3) Make recommendations to the Governing Board in the matter of policy, programs and such other matters that would enhance the function of Mid-State Education District.

4) Following the Council meeting, it will be the responsibility and expectation of each Superintendent to meet with their Governing Board member to discuss the agenda for the upcoming board meeting. This meeting will assist the Governing Board member in understanding the critical items on the Governing Board agenda.

F. BUDGET

The Education District shall operate from an annual budget that is approved by the Governing Board. The annual budget shall be approved not later than June 30 for the next fiscal year.

G. ADMINISTRATION

Education District Executive Director

The chief administrative officer of the Education District shall be the Executive Director who

shall serve as the Special Education Director of Special Education Services for all member districts and Director of all programs and services provided by the Education District. The Director shall have the following general responsibilities and other duties assigned by the Governing Board:

1. Duties

- a. The Director is responsible to recruit, interview and recommend the employment of prospective employees to the Council.
- b. The Director may recommend employment of the candidate but shall also inform the candidate that approval of the employment shall come only from the Governing Board. All employees of the Education District shall be employed by the action of the Governing Board and in accordance with the terms and conditions of the Education District Board-adopted personnel policies.
- c. The Director is responsible for the assignment, supervision and evaluation of all personnel employed by the Education District.
- d. The Director shall submit to the Council for review proposed policies for the Education District and guidelines for the operation of each program or service offered by the Education District.
- e. The Director shall prepare an annual budget, which shall be presented to the Council on April 1 of the year preceding the school year in which the budget is to take effect. In addition, concurrent with the annual budget, the Director shall discuss Federal funds available to be utilized by each member district.
- f. The Director shall make all necessary reports and file all claims for reimbursement and aid to which the Education District is entitled.
- g. The Director shall prepare advisory reports to the Council and/or the Governing Board.
- h. The Director shall make an application for, receive and administer Federal and State aids, grants and reimbursements for programs carried out by the Education District and for which the District is entitled.
- i. The Director shall bill each of the member districts regularly for its proportionate share of the costs of operations of the Education District.

ARTICLE V

DUTIES AND POWERS OF THE MID-STATE EDUCATION DISTRICT

A. COORDINATION

The Governing Board shall be responsible for the programs and services of the Education District according to the terms of this agreement. Programs and services include:

1. Coordination of member districts and supervision of Education Districts programs for children with disabilities as defined by Minnesota Statutes.
2. Effective and efficient coordination, implementation and supervision of a technology system that increases learner opportunities in all member schools.
3. Sharing and coordination/supervision of other services when deemed appropriate.

B. PERSONNEL

1. The Governing Board may employ or contract for employees as necessary to provide and support the programs and services of the Education District. The Education District is responsible for all employment decisions, including, but not limited to, hiring and firing decisions, placing employees on unrequested leave of absence, handling discipline issues, supervising employees, acting on resignations of employees and establishing Master Agreement and/or employment agreements with its employee groups.
2. The Executive Director is responsible for recruiting, interviewing and recommending the employment of prospective employees to the Council and Governing Board.
3. All new employees of the Education District must fill positions officially authorized by the Governing Board. The Governing Board must take action on each recommendation for employment.
4. New Education District positions must be recommended by the Council and authorized through Governing Board action.
5. The Governing Board and its member districts agree to comply with Minnesota Statutes 123A.19 as it relates to teaching positions being directly affected by the implementation of this agreement.

C. CONTRACTS

The Governing Board may enter into contracts with school districts, service cooperatives, and other public and private agencies.

D. GENERAL LAW

Unless specifically provided otherwise by statute, the Governing Board shall be governed by laws applicable to independent school districts.

E. REPORT TO MEMBERS

On an annual basis, the Governing Board shall report to the member districts and to

the Minnesota Department of Education regarding the activities of the Education District.

F. ANNUAL REVIEW OF AGREEMENT

The Governing Board shall review this Agreement annually and will propose necessary amendments to the member districts. After approval by member districts' school boards, the agreements will be placed on the Governing Board Agenda for approval.

G. OTHER DUTIES

The Governing Board shall determine the services that the Education District provides to its members.

ARTICLE VI

FINANCE

A. FISCAL AGENT

The Education District shall be its own fiscal entity. It may purchase fiscal services from another public entity as approved by the Governing Board.

- B.** All revenue and expenditures will be included in the annual budget. This includes Governing Board costs, which will be a separate line item. The Governing Board costs will be submitted for Board approval by June 30 for the next year.

C. MSED PROGRAMS

The Education District is vested with providing effective and efficient programs and services for all of Its member districts. This agreement, however, recognized that some programs may provide needed services to only specific districts. The programs and funding are as follows:

- 1.** Special Education - The Education District is vested with providing Setting IV Student Programs, low incidence, specialists, and special education oversight services (three to twenty two) for all its member districts. Special Education programs are funded through the Education District as described In Appendix B, which is developed through the budgeting process. This chart includes use of State and Federal funds. The funding matrix found in Appendix B reflects the basic Special Education services funded by elective participation and by interagency agreements. The federal funds from each district will support the federal related expenses.
- 2.** Technology Services - Education District and its members shall jointly and cooperatively provide research, planning, purchasing, development. implementation

and programming of telecommunication systems and technological services to assist the member districts in providing educational services.

- a. Ninety percent of the operational costs for technology services shall be shared equally among the member districts, and the remaining 10% shall be prorated according to K-12 populations.
 - b. Fiber strands and related equipment (e.g., Codec, switches, MCU, microphones, servers, firewalls, directional/bidirectional transceivers, and cameras) needed to transmit video and data to the member districts shall be owned by the Education District and the cost shared as provided herein.
 - c. District-specific equipment, including monitors, and computers, are owned and paid for by the respective member districts.
3. Grant projects- For grant projects that require matching funds, the division of costs will be projected by age 0-22 population, including, public/non-public enrollment.
5. For the purposes of determining student population each member districts' final adjusted pupil unit MARSS data from the previous school year will be used.
6. Notice of non-participation in programs, including reduction in the amount of services purchased, shall be given by January 1 of the fiscal year preceding non-participation. The services shall cease on June 30 of the following fiscal year.
7. Programs based on member district participation with declining student enrollment shall have a January 1 notification deadline for reducing the amount of services purchased. Said services shall cease on June 30 of the following fiscal year.
8. If an Education District employee vacates a position in which the Education District was asked to provide the employee and place them in the member district, the Education District will give the member district an opportunity to withdraw from participation.

D. BUDGET PLANNING AND APPROVAL

The proposed budget for the following school year shall be presented to the Council by the first meeting in April for review. Changes in funding formulas must be approved by majority vote of the Governing Board. Prior to July 1 of each year, the Governing Board must approve and adopt its revenue and expenditure budget for the next fiscal year. Budget revisions shall be presented to the Governing Board for approval during the current year if adjustments become necessary.

E. BONDS FOR THE EDUCATION DISTRICT

The Education District agrees to abide by Minnesota Statutes 123B.02, subd. 3(d), in regard to issuing bonds or incurring other debt.

ARTICLE VII

A. DISSOLUTION

This agreement shall continue in force until a majority of the member school districts mutually agree to terminate this agreement and dissolve the Education District. Upon dissolution of the Governing Board, all property and remaining funds held by the Education District at that time shall be divided among all remaining member districts. Distribution shall be determined on the basis of the resident student populations of each district, the number of years of participation by each district, and the proportionate contributions made pursuant to this agreement by the districts. The Governing Board shall determine the distribution formula based on these factors.

The Governing Board may establish a minimum sales price for any MSED property. Sealed bids shall be solicited from Interested Participating Member Districts for real and personal property, with the sale awarded to the highest bidder, unless another process is required by law. If no bids which exceed any minimum purchase price established by the Governing Board are received from Participating Member Districts, unsold real or personal property will be advertised and sold to the general public in accordance with any applicable laws.

B. LIABILITIES

The member districts at the time of dissolution shall be responsible for their respective share of any liabilities of the Education District at the time of dissolution, including, but not limited to, indebtedness on real property and unemployment benefits liability .

ARTICLE VIII

AMENDMENTS TO ARTICLES

Any amendments to the Articles contained in this document must be adopted by majority vote of the full membership of the school board of each member district.

ARTICLE IX

NOTICE

All notices required to be given under this Agreement shall be in writing and shall be addressed to the Chair of the Governing Board at the appropriate administrative office. All notices required to be provided on a specific day or date shall be considered as timely if postmarked on or before the due date.

ARTICLE X

For a detailed description of the governance structure of Mid-State Education District, refer to the

Appendix A July 1, 2026 Program Participation Table

District	Special Education	Technology
Onamia ISD 480	Yes	Yes
Pierz ISD 484	Yes	Yes
Royalton ISD 485	Yes	No
Swanville ISD 486	Yes	Yes
Upsala ISD 487	Yes	Yes

Appendix B

Member District costs and billing will reflect the needs and services rendered by the member districts. Staff assigned to member districts will reflect current needs of students. Superintendent Advisory Council and the Executive Director will discuss placement of staff and needs of students prior to the school year starting.

Each year, when the annual budget is presented, Mid-State Board, Executive Director and Advisory Council will determine the use of Federal Funds, possible grant funds, or potential state funds to adjust the manner in which staff are paid.

1. Tuition Billing:

All staff employed or staff providing services on a part time basis at the Federal Setting 4 facility are compensated through the Tuition Billing process managed by the state.

2. Itinerant Services:

Itinerant services will be billed using the previous year's December 1 Child Count for special education students (ages 3 - 22) for each member district.

3. Early Childhood Birth to age 3:

Early childhood staff will be tuition billed.

4. Member District request for staff:

100% of all costs are billed out to the District requesting the services.

5. Governing Board Costs

Districts will be billed using the previous year's December 1 Child Count for special education students (ages 3 - 22) for each member district.