

MULTI-DISTRICT PARTICIPATION AGREEMENT
In The
MONTANA SCHOOLS UNEMPLOYMENT INSURANCE PROGRAM

This Agreement is entered into between the Montana Schools Unemployment Insurance Program (MTSUIP) (hereinafter “The Program”), a joint exercise of powers agency duly organized and existing under the laws of the State of Montana, and each Participating Montana Public School or Cooperative, which are political subdivisions duly organized and existing under the Constitution and laws of said State, (hereinafter the “Participating Member”);

WHEREAS, Article XI, Section 7 of the Montana Constitution provides that a political subdivision may a) cooperate in the exercise of any function, power, or responsibility with, b) share the services of any officer or facilities with, and c) transfer or delegate any function, power responsibility, or duty of any officer to one or more other local government units, school districts, the state or the United States;

WHEREAS, Title 7, Chapter 11, Part 1, Montana Code Annotated, (the Interlocal Cooperation Act) authorizes political subdivisions to create interlocal agreements to jointly perform any undertaking that each such political subdivision unit is authorized by law to perform;

WHEREAS, Section 2-9-211, MCA authorizes political subdivisions of the state to procure insurance separately or jointly with other subdivisions, and to use a deductible or self-insurance plan, wholly or in part;

WHEREAS, Section 20-3-363, MCA, authorizes the boards of trustees of any two or more school districts to enter into a multidistrict agreement to create a multidistrict cooperative to perform any services, activities, and undertakings of the participating districts;

WHEREAS, an Agreement made pursuant to Section 20-3-363, MCA, must be approved by the board of trustees of each Participating Member;

WHEREAS, all expenditures in support of this Agreement must be made directly from the District’s retirement fund or any legally available fund designated by the Board of Trustees of each Participating Member;

WHEREAS, in accordance with Section 20-9-703, MCA, The Program, as a public entity, shall be designated as the prime agency. All other Participating Members shall be designated as cooperating agencies;

WHEREAS, Participating Member has determined it to be in its best interest to join with other school districts in participating in The Program for the purpose of reducing the Participating Member’s unemployment insurance costs and for effectively assisting Participating Members in the State’s processing of unemployment claims;

WHEREAS, The Program is a joint exercise of powers established pursuant to an Interlocal Cooperation Act for the purpose of providing group self-insurance and loss control programs for Participating Members executing this Agreement;

WHEREAS, The Program is authorized to exercise necessary powers to implement the purposes of The Program as established by the Bylaws, the Interlocal Cooperative Act and this Agreement;

WHEREAS, The Program and the Participating Member have entered into this Agreement to meet the unemployment insurance needs of the Participating Member, and to provide for joint and several liability of the Participating Member along with all other Participating Members for the full amount of any and all known or unknown claims of each Participating Member arising during the Participating Member's participation in The Program, and will provide the following advantages, among others, to each Participating Member:

(a) mutual agreement by the Participating Member to make quarterly contributions on a schedule adopted by the Board of Directors and calculated to spread and moderate the cost of claims loss to each Participating Member,

(b) relief from the burden of paying taxes to the State of Montana at levels reflecting the higher costs of other entities because The Program's costs will be limited to reasonable administrative and actual claims costs, and

(c) contribution payments calculated to provide amounts in each year necessary to maintain The Program at a fiscally sound level and therefore sufficient to reserve against the incurred losses of Participating Members;

WHEREAS, Participating Members of the Program voted to approve revisions to The Program's Bylaws effective July 1, 2024. As such, each current Participating Member and new Participating Members will be required to execute this Agreement as a condition of continued participation in The Program;

WHEREAS, it is a matter for the governing board of the Participating Member to determine the appropriate manner in which to provide unemployment insurance coverage; and

WHEREAS, the governing body of the Participating Member has authorized the execution of this Agreement for the purpose of providing coverage for the Participating Member for the benefit of the Participating Member's taxpayers and for the benefit of its present and former employees; and

NOW THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

Section 1 -- General Provisions:

1. The purpose of this Agreement is to create a multidistrict cooperative for the purpose of providing group unemployment self-insurance and loss control programs for Participating Members of The Program.
2. The Program is designated as the prime agency for the purpose of the financial administration of this Agreement.
3. All other Participating Members are designated as the cooperating agencies and in accordance with Section 20-9-704, MCA, shall transfer all financial obligations under this Agreement to The Program.
4. Any and all amounts transferred to The Program from each Participating Member shall come from the District's retirement fund or any legally available fund designated by the Board of Trustees of each Participating Member.
5. 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.
6. The term of this Agreement shall be from July 1, 2024 to June 30, 2027. This Agreement will be extended for additional periods of three (3) years unless the Participating Member provides The Program with notice of withdrawal by May 2nd of the last year of the three (3) year term pursuant to the notice requirements set forth in Section 7, Paragraph 1.
7. Any Participating Member may withdraw from participation in The Program upon sixty (60) days written notice to The Program as set forth hereinbelow at Section 5, Paragraph 1. In the event a Participating Member withdraws from participation in The Program, the provisions of Section 5 shall apply.

Section 2 -- Participating Member Conditions and Requirements of Participation In The Program:

1. Each Participating Member must be a Montana Public School or Cooperative. If the Participating Member is a Montana Public School, the Participating Member must be both a member of the Montana School Boards Association (MTSBA) and the Montana Association of School Business Officials (MASBO). If the Participating Member is a Cooperative, the Participating Member must be member of MTSBA and MASBO unless the Cooperative does not employ a Clerk, in which case the Cooperate is not required to be a member of MASBO, but is required to be a member of MTSBA in order to participate in The Program.
2. Each Participating Member agrees to fully cooperate with The Program. This includes but is not limited to the following:
 - a. Timely submission of quarterly unemployment payroll reports to The Program;
 - b. Timely payment of unemployment contributions; and
 - c. Timely responses to unemployment claims information requests.

3. Each Participating Member agrees to reimburse The Program for claim expenses incurred if the Participating Member fails to timely respond to claims information requests from The Program (or the Montana Unemployment Insurance Division).
4. Each Participating Member agrees that membership in the Program may be terminated with sixty (60) calendar days' notice to the Participating Member (via electronic and other means as set forth in Section 5, Paragraph 3) for any of the following reasons as recommended by The Program Director and determined by the Board of Directors:
 - a. Failure to be a member in good standing with both MTSBA and MASBO (where applicable) as noted hereinabove;
 - b. Failure to timely file quarterly unemployment payroll reports;
 - c. Failure to timely pay unemployment contributions due;
 - d. Failure to timely respond to unemployment claims information requests;
 - e. Ongoing higher than normal unemployment claims for an extended period as determined in the discretion of The Program;
 - f. Any event, caused by a Participating Member's actions, that expose The Program to paying claims in excess of the liability cap outlined in the Paragraph 5 below.
5. Each Participating Member agrees that The Program's liability for claims is capped at five (5) times each Participating Member's annual contribution, subject to board approved minimums & maximums. Each Participating Member will be responsible for the Participating Member's claims that exceed its liability cap. This is necessary to protect The Program and prevent the failure of The Program in case of a catastrophic event(s) where claims of a single Participating Member disproportionately exceed the cumulative contributions of that Participating Member thereby jeopardizing the investment of all other Participating Members.
6. Each Participating Member agrees to take such action as may be necessary to include unemployment contribution payments payable hereunder in its annual budget. This agreement on the part of the Participating Member shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the Participating Member to take such action and do such things as are required by law in the performance of the official duties required hereunder to enable each Participating Member to carry out and perform the duties and obligations set forth in this Agreement.
7. Each Participating Member agrees that The Program and any of its agents, employees or attorneys shall be permitted at all reasonable times to examine the Participating Members' payroll records, and Participating Members' books, contracts, documents and records of any and every kind which show or tend to show or verify the contribution which is payable under the terms hereof. This right to inspect or examine shall continue after termination of membership with respect to all claims or matters arising during or relating to membership status in The Program.
8. Each Participating Member agrees to exercise and implement risk management practices to minimize unemployment claims.

9. Each Participating Member agrees to give immediate notification to The Program of any unemployment claim. Any cost or penalty associated with any paid claim relating to unemployment benefits resulting from a Participating Member's failure to give timely notice or response to The Program will be assessed against the Participating Member.

Section 3 – Obligations and Authority of The Program:

1. All claims for unemployment are processed and investigated by the Unemployment Insurance Division of the Montana Department of Labor and Industry ("the Department of Labor"). As noted hereinabove in Section 2, each Participating Member agrees to cooperate with the Department of Labor and with The Program in providing any and all relevant information necessary to process claims and make determinations regarding the validity of a claim for unemployment. The Program shall reimburse any claim made by a former or current employee of any Participating Member, arising out of such claimant's employment, if approved by the Montana Department of Labor and Industry, the Board of Labor Appeals or a court of competent jurisdiction.
2. Any approved claim entered against a Participating Member shall be a liability of The Program and a joint and several liability of each Participating Member as provided in this Agreement.
3. As noted hereinabove at Section 2, Paragraph 5, each Participating Member agrees that The Program's liability for claims is capped at five (5) times each Participating Member's annual contribution, subject to board approved minimums and maximums. Each Participating Member will be responsible for the Participating Member's claims that exceed that Participating Member's cap.
4. If The Program assets are insufficient to reimburse for the claim, The Program may assess each Participating Member to the extent necessary to pay for such claim(s), and the assessment charged each Participating Member shall be determined on a proportionate basis in accordance with each Participating Member's net contribution to The Program. An assessment shall be a contractual obligation of the Participating Member provided, however, that nothing contained herein shall be construed as a limitation upon the joint and several liability of each Participating Member.
5. The liability of The Program is specifically limited to: (1) such obligations as are imposed by the Unemployment Insurance Law of the State of Montana; and (2) the limitations set forth in Section 2, Paragraph 5 as set forth hereinabove.
6. The Program may purchase excess insurance if the Board of Directors determines it to be in the best interests of the Program and the Participating Members.
7. The Program may raise funds by the issuance of bonded indebtedness in an amount necessary to assure the continued solvency of The Program if approved by the Board of Directors. The proceeds of which bonded indebtedness may be used in lieu of or in addition to excess insurance and surety bonds to the fullest extent permitted by applicable Montana Law.

8. The Board of Directors may, in its discretion, approve agreements with various third-party service providers to provide services necessary for the efficient operation of The Program.
9. The Program will realize investment income in accordance with applicable investment laws which shall be treated as revenue to the Program.
10. The Program has the authority to establish financial reserves to ensure the ongoing viability of The Program and to account for future unexpected conditions that may impact the viability of The Program.
11. Contributions, investment income, special assessments, profits or other income paid to or derived from The Program shall not be commingled with the funds of any other program.

Section 4 – Contribution Rates and Payments:

1. Contribution rates shall be adopted by The Program's Board of Directors on a fiscal year basis to be effective July 1 of each year, provided, however, that the Board of Directors may make such mid-term adjustments to rates or special assessments as may be appropriate and in the best interests of The Program and the Participating Members to accomplish the goals of the Program. Contribution rates shall be applied to each Participating Member's payroll.
2. The contributions charged Participating Members will be sufficient to secure and pay for services necessary for the efficient operation of The Program, including but not limited to the following services:
 - a. Reimbursement of claims paid
 - b. Payment of the administrative fund tax (AFT)
 - c. General administration of The Program
 - d. Claims assistance and legal advocacy
 - e. Investment services
 - f. Legal services
 - g. Accounting and auditing services
 - h. Actuarial/Consulting services
 - i. Risk management consulting services
3. Each Participating Member agrees to pay the contributions at the rate and on the schedule approved by The Program's Board of Directors. As set forth in Section 2, Paragraph 4, failure to timely pay contributions is grounds for termination of membership in The Program.
4. Subject to the following conditions set forth hereinbelow, the obligation of any Participating Member to pay contributions under this Agreement will terminate upon the earliest of the following events:
 - a. withdrawal of such Participating Member from The Program pursuant to Section 5, Paragraph 1; or
 - b. termination of such Participating Member from The Program pursuant to Section 5, Paragraph 3.

Provided however, that no such withdrawal or termination shall extinguish (i) the obligations of such Participating Member to pay contributions with respect to coverage periods of such Participating Member prior to such withdrawal or termination, (ii) the obligations of such Participating Member to pay Special Assessments as provided in Section 4, Paragraph 1 with respect to coverage periods of each Participating Member, whether such Special Assessments are imposed either prior or subsequent to such withdrawal or termination, or (iii) the right to receive the benefits of such coverage with respect to coverage periods of such Participating Member prior to such withdrawal or termination.

5. There shall be no abatement of contribution payments. Notwithstanding the authority of The Program to terminate a Participating Member for failure to timely file reports and/or timely pay contributions, in the event a Participating Member fails to make any of the contribution payments required on the date due as established by the Board of Directors, the payment in default shall remain the obligation of the Participating Member until paid in full. For any late contribution payments or late report filing, the member agrees to pay The Program any applicable penalties and/or interest that The Program assesses.

Section 5 -- Rights and Obligations Upon Withdrawal or Termination of Membership In The Program:

1. Any Participating Member may withdraw from The Program by giving at least sixty (60) calendar days' notice in writing to The Program pursuant to the Notice requirements set forth in Section 7, Paragraph 1 of its desire to withdraw.
2. In no event shall withdrawal from or termination of a Participating Member's participation in The Program release a Participating Member from its obligation to pay any and all amounts due The Program resulting from default under the terms of this Agreement, nor shall such withdrawal or termination release a Participating Member from its obligation to pay contributions or special assessments as provided herein. Notice of withdraw shall be revocable only at the sole discretion of The Program.
3. When, upon recommendation of the Program Director and action of The Program's Board of Directors, a Participating Member has been deemed to have engaged in any conduct and/or inaction that warrants termination of a Participating Member's membership in The Program as set forth in Section 2, Paragraph 4 above, the Participating Member will be given at least sixty (60) calendar days' notice (sent via email to the Business Manager and Board Chair and also certified mail return receipt requested addressed to the District's or Cooperatives Business Manager) that the Participating Member's membership in The Program is being terminated as of a date certain. Said notification shall include the basis for such termination. The action of The Program's Board of Directors shall be final and binding.
4. In no event shall termination from The Program release a Participating Member from its obligation to pay contributions with respect to coverage periods.
5. Upon notice of withdrawal from a Participating Member or termination of a Participating Member from The Program, The Program and the Participating Member shall promptly notify the Unemployment Insurance Division of the Montana Department of Labor and Industry.

Section 6 -- Joint and Several Liability:

1. Each Participating Member agrees to assume and guarantees to pay, or otherwise discharge promptly, any and all the liabilities and obligations which The Program may incur pursuant to the terms of this Agreement and the Unemployment Insurance Laws of the State of Montana.
2. This Agreement represents a direct financial guarantee to the present and former employees of all Participating Members of The Program for the full amount of any and all liabilities or obligations on amounts not limited to each Participating Member's "pro rata" share. Each Participating Member understands and agrees that it shall be jointly and severally liable with the other Participating Members for the full amount of any and all known and unknown reimbursable unemployment compensation claims of the Program arising during the membership of the Participating Member in The Program.
3. In the event The Program shall fail to reimburse for claims when due, the Participating Member will pay the same, and the payment may be enforced against the Participating Member to the same extent as if said payment was its sole liability. The Participating Member understands and agrees that it shall be jointly and severally liable with the other Participating Members for the full amounts of any and all known or unknown claims of The Program arising during the membership of the Member with the Program.

Section 7 – Notice and Enforceability:

1. All notices or other communications hereunder shall be sufficiently provided when sent to the Program Director via email or other electronic means and upon acknowledgement back to the sender of receipt by the Program Director. If mailing is utilized as a means of notice, any notice or other communication shall be deemed to have been received five business days after deposit in the United States mail in certified form, postage prepaid, to the Participating Member at the physical address The Program has on file.

If mailing to The Program, such notice or communication should be addressed to:


Montana Schools Unemployment Insurance Program
863 Great Northern Blvd., Ste. 301
Helena, MT 59601

2. This Agreement shall inure to the benefit of and shall be binding upon The Program and the Participating Members and their respective successors and assigns.
3. This Agreement is enforceable by The Program, Participating Members of the Program, and/or the Unemployment Insurance Division of Montana Department of Labor and Industry. The undersigned is held and firmly bound for the payment of any and all legal fees and costs incurred by The Program and/or the State of Montana in any actions taken to enforce this Agreement.

4. In the event any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
5. The Program and the Participating Members agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of The Program hereby provided or intended so to be or for carrying out the expressed intention of this Agreement.
6. This Agreement shall be governed by and construed in accordance with the laws of the State of Montana.

Effective this 1st day of July, 2024.

MONTANA SCHOOLS UNEMPLOYMENT INSURANCE PROGRAM

By 

Program Director, MTSUIP
Laren Carparelli

PARTICIPATING MEMBER

By _____
Authorized Representative (signature)

Printed Name of Authorized Representative

School District/Cooperative Name (please provide the full "name"
of your District – not just the "district number")

Certificate Of Completion

Envelope Id: 2B7D0969D9414D628B5F4E73167D6FDF
Subject: MTSUIP Multi-District Participation Agreement 07.01.24.pdf
Source Envelope:
Document Pages: 9
Certificate Pages: 2
AutoNav: Enabled
Envelope Stamping: Enabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Sent

Envelope Originator:
MTSBA Admin
lford@mtsba.org
IP Address: 69.146.227.202

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Status: Original
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lford@mtsba.org

Location: DocuSign

Signer Events

Lacey Porrevecchio
lporrevecchio@bigfork.k12.mt.us
Business Manager
Bigfork School District
Security Level: Email, Account Authentication (None)
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Paul Sandry
psandry@jbsattorneys.com
Security Level: Email, Account Authentication (None)
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Tom Stack
tstack@bigfork.k12.mt.us
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Payment Events

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