EXHIBIT 1
DATE 3/6/2013
SB 291

Billings Elementary School District 2, Yellowstone County and Billings High School District 2, Yellowstone County

Multidistrict Agreement
Pursuant to Mont. Code Ann. § 20-3-363 (2011)

This Multidistrict Agreement (hereinafter the "Agreement") is entered into this 19th day of November, 2012 by and between Billings Elementary School District 2, Yellowstone County (the "Elementary District") and Billings High School District 2, Yellowstone County (the "High School District") (collectively the "Districts").

WHEREAS, the Districts have an opportunity under current Montana law to collaborate and to pay collectively for staff, contracted services, equipment and supplies to meet the needs of and to benefit the students of both Districts and to receive additional state funding for doing so;

WHEREAS, pursuant to Montana law, the boards of trustees of any two or more school districts may enter into a 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 delineated in Montana law and outlined below. Mont. Code Ann. § 20-3-363 (1);

WHEREAS, the Montana legislature declared the intent of section 363, described herein, is to increase the flexibility and efficiency of school districts without an increase in local taxes. Mont. Code Ann. § 20-3-363 (4);

WHEREAS, an agreement made pursuant to Mont. Code Ann. § 20-3-363 must be approved by the board of trustees of all participating districts by April 1 of the current fiscal year in which the agreement is executed and by April 1 in any subsequent year to which the agreement applies. Mont. Code Ann. § 20-3-363(1);

WHEREAS, all expenditures in support of such a multidistrict agreement may be made from the interlocal cooperative fund as specified in Mont. Code Ann. §§ 20-9-703 and 20-9-704. Each participating district of the multidistrict cooperative may transfer funds into the interlocal cooperative fund from the general fund or any other budgeted fund of the district. Transfers to the interlocal cooperative fund from each participating school 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. All transfers must be completed by April 1 of the current fiscal year in which the agreement is executed and by April 1 in any subsequent year to which the agreement applies. Mont. Code Ann. § 20-3-363 (2);

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. Mont. Code Ann. § 20-3-363 (3); and

WHEREAS, it is not the intent of either District to supplant funding of either District with funds transferred hereunder, but rather to supplement both District's funds through the efficiencies provided by multidistrict agreements and otherwise as provided for in Montana law.

NOW THEREFORE, the districts hereby agree as follows:

1. The Districts agree to create a multidistrict cooperative for the purpose of increasing efficiencies by collaborating, collectively paying for staff, collectively paying for contracted services, collectively purchasing supplies, collectively providing in-service training, and collectively purchasing equipment for the Districts, as provided for in section 20-3-363, MCA;

2. The Districts agree to create an interlocal cooperative fund for the purpose of transferring funds from the participating districts for the purpose(s) stated herein;

3. The High School District is designated as the prime agency hereunder and as such shall establish a nonbudgeted interlocal cooperative fund for the purpose of the financial administration of this Agreement.

4. The Elementary District is designated as a cooperating agency hereunder and in accordance with section 20-9-704, shall transfer its financial support under the terms of this Agreement to the prime agency by district warrant.

5. Any and all amounts transferred into the interlocal cooperative fund by either District shall come from: (1) 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 (2) any other budgeted fund of a participating district.

6. Any and all amounts transferred into the interlocal cooperative fund by either District must be transferred before April 1, 2013 and before April 1 of any subsequent year to which this Agreement applies.

7. The Elementary District shall contribute hereunder an amount not to exceed $70, 000. The High School District shall contribute hereunder an amount not to exceed $30,000. Any and all amounts transferred into the interlocal cooperative fund by each District must be for the purposes provided for herein. The Districts' contributions shall be in accordance with applicable Montana law, including without limitation the requirement that if transfers of funds are made from any school district fund supported by a nonvoted levy, the District making such a transfer may not increase its nonvoted levy for the purpose of restoring the amount of the funds transferred. Mont. Code Ann. § 20-3-363 (4).

8. The term of this Agreement shall be from November 19, 2012 to June 30, 2013. This Agreement may be extended annually by mutual approval of the Board of

Trustees of each District. Any remaining fund balance in the cooperative at year end may be carried over to the subsequent year. Renewal of this interlocal cooperative must be approved by the Board of Trustees of each District before April 1st of each year. The interlocal cooperative may be dissolved upon mutual consent of both parties in writing before April 1 of each fiscal year to which the agreement applies. This Agreement may be changed upon mutual approval of the Districts.

9. Expenditure of the funds provided for hereunder shall be made pursuant to Montana law. The parties direct the Districts' administration to spend the funds provided for hereunder in a way that benefits the students of both Districts and that takes into consideration the relative size of the Districts as measured by student enrollment, the source of the funding, and the return realized by the citizens of each District.

10. The Districts' Superintendent is also hereby directed to collaborate at least annually with the other elementary districts in the High School District to maximize student benefit hereunder, including, without limitation, potentially establishing multidistrict agreements or providing in-service training to teachers to better prepare elementary and middle school students for high school._Changes may be made to this Agreement only upon approval by each District. The Districts will be provided with a monthly accounting summary of expenditures from the prime agency.

11. Upon termination of this Agreement by one or both Districts, the funds shall be returned to the Districts on a pro rata share based on the initial contribution described above of the current funds held by the prime agency with said funds to revert back to the original fund(s) from which the money was transferred as a result of participation in the multidistrict cooperative hereunder.

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

As agreed on this 19th day of November, 2012

Billings Elementary School District 2, Yellowstone County	Billings High School District 2, Yellowstone County
Teresa Stroebe	Teresa Stroebe
By: Teresa Stroebe, the Chair of the Board of Trustees, Billings Elementary School District 2	By: Teresa Stroebe, the Chair of the Board of Trustees, Billings High School District 2
Date: 11/19/12	Date: 11/19/12

ATTEST:

Leo Hudetz, Clerk

Date: 11/19/2

This Agreement was approved by a vote of the Board of Trustees of the Billings Elementary School District 2 and the Board of Trustees of the Billings High School District 2, Yellowstone County, Montana, at a properly noticed public meeting held on November 19, 2012, and has been made part of the minutes for that meeting.

Leo Hudetz, Clerk