

MOUNTAIN BOCES

INTERGOVERNMENTAL AGREEMENT

(Separation)

THIS INTERGOVERNMENTAL AGREEMENT (Separation) (“IGA”) is entered into with an effective date of _____, 2016, by and among Mountain Board of Cooperative Educational Services (Mountain BOCES) and the following Mountain BOCES member school districts:

- Garfield County School District 16 (“Garfield 16”)
- Garfield County School District RE-2 (“Rifle”)
- Roaring Fork School District RE-1 (“RFSD”)

The above-listed school districts will be referred to collectively as the “West Group.”

RECITALS

A. The West Group and Mountain BOCES have agreed, with approval of the Colorado Department of Education (“CDE”), that the West Group will separate from Mountain BOCES effective July 1, 2017, and on or before that date will form a new board of cooperative educational services provisionally named and referred to herein as “Two Rivers BOCES”, while Buena Vista School District R-31, Lake County School District R-1, Park County School District RE-2, and Salida School District R-32-J (collectively referred to herein as “the East Group”) will continue as members of Mountain BOCES, which will continue to use the name “Mountain BOCES” within and under the existing Mountain BOCES administrative unit.

B. CDE has approved Two Rivers BOCES as an administrative unit to include the West Group, which will take effect July 1, 2017.

C. Mountain BOCES owns various assets and includes programs and functions, some of which can be divided relatively easily, but some of which it would be impractical to divide, and which will therefore be allocated either to Mountain BOCES or Two Rivers BOCES in the separation.

NOW, THEREFORE, Mountain BOCES and each of the West Group Districts adopt and approve this IGA to outline the division and allocation of assets and programs to which the West Group and Mountain BOCES have agreed, as follows:

1. Distribution of Fund Balances Existing as of June 30, 2017:

- a. Undesignated funds in Mountain BOCES accounts, based upon audited financial statements for the fiscal year ending June 30, 2017, will be distributed to either Mountain BOCES or Two Rivers BOCES in proportion to their respective member district student populations as determined by the 2016 K-12 October count. The General Fund Account, Technology Account, and the Motor Pool/Transportation Account will be the primary sources of undesignated funds. It is estimated that the total amount to be distributed will be approximately \$1.7 Million, more or less. To provide start-up operating funds for Two Rivers BOCES, it is agreed that the sum of \$750,000.00 shall be distributed to Two Rivers BOCES on July 1, 2017, with the remaining balance of the Two Rivers BOCES share, as well as the Mountain BOCES share, of undesignated funds to be distributed after the audit is completed in the proportion indicated hereinabove.
 - b. Fund balances in any account related to a specific program that is designated pursuant to section 5 below will remain with such program. Programs with separate fund balances include:
 - i. Yampah Mountain High School (YMHS)
 - ii. Rebound
 - iii. YMHS Capital Projects
 - iv. Professional Learning
 - v. Supplemental and Blended Learning
 - c. The proceeds of grant awards that remain on deposit in Mountain BOCES accounts will go to the entity that was responsible for the award.
2. Allocation of funds from other revenue sources:
- a. Revenue and expenditures resulting from funds generated through the *Empowering Digital Learning for All Act*, CRS 22-5-119 (“the Act”) (supplemental and blended learning) will become the responsibility of Two Rivers BOCES and all unencumbered funds received pursuant to the Act and remaining in Mountain BOCES accounts as of June 30, 2017, will be distributed to Two Rivers BOCES.
 - b. Funds generated under HB 1345 are currently accounted for separately by the East Group as one accounting unit and the West Group as another accounting unit. As of July 1, 2017, any unspent HB 1345 revenue in the East Group will be allocated directly to Mountain BOCES and any unspent HB 1345 revenue in the West Group will be allocated directly to Two Rivers BOCES. .

- c. Current GT Director/Screening Funds will be used to exhaustion by end of FY17, and GT Director/Screening Grants will be submitted by the East Group on behalf of Mountain BOCES and the West Group on behalf of Two Rivers BOCES for funding in FY18.
- d. Any remaining funds from the FY17 budget designated for grant writing expenses will be distributed to Mountain BOCES or Two Rivers BOCES in proportion to the October 2016 student count.

3. Contingency Escrow:

An escrow account in the amount of \$300,000 will be created to cover any unforeseen liabilities of Mountain BOCES arising prior to the July 1, 2017. By way of illustration and not by way of limitation, this may include unemployment benefits claims, workers compensation charges (experience modification), and potential special education claims related to actions or omissions of Mountain BOCES staff. The chief financial officers of Mountain BOCES and Two Rivers BOCES will confer and determine what liabilities, if any, should be paid from the Contingency Escrow and in what amounts. Should the chief financial officers disagree and be unable to reach consensus on such payments, the issue will be referred to the executive directors of Mountain BOCES and Two Rivers BOCES for resolution. If the executive directors are unable to agree, the Contingency Escrow will not be used to pay the obligation in question. The Contingency Escrow shall continue as a separate account until all funds on deposit therein are exhausted, or until June 30, 2020, whichever is sooner. Any balance remaining in such account as of July 1, 2020 shall be distributed as provided in paragraph 1.a. above.

4. Non-cash Assets:

a. Leadville Office

- i. The Leadville office building (“Leadville Facility”) will remain the property of Mountain BOCES.
- ii. The office equipment (Computers, servers, furniture, printers, etc.) in the Leadville Facility will be offered to Mountain BOCES, with the understanding that any such equipment Mountain BOCES determines to be surplus to its needs will be offered to Two Rivers BOCES. If Two Rivers BOCES accepts any such equipment it shall be responsible for the pick-up and transport of the same.

b. Courier Vehicle

The Courier Vehicle [make, model, year?] shall remain the property of the Mountain BOCES.

c. Student Equipment

Any Mountain BOCES-owned equipment, device, assistive technology, software license, or educational materials that a student is using as of the end of the 2016-17 school year will be deemed the property of Mountain BOCES if the student resides in an East Group District, and will be deemed the property of Two Rivers BOCES if the student resides in a West Group District.

d. Staff Equipment

Any Mountain BOCES-owned equipment, computer, phone, device, vehicle, furniture, software license, or educational materials allocated to and used by a specific staff member as of the end of the 2016-17 school year will be deemed the property of Mountain BOCES if such staff member or his/her replacement will be an employee of Mountain BOCES in FY18, and will be transferred to Two Rivers BOCES if such staff member or his/her replacement will be an employee of Two Rivers BOCES in FY18.

e. Additional Equipment

During the summer of 2017, the Executive Directors, Special Education Directors, and Directors of Finance (or equivalent position) of Mountain BOCES and Two Rivers BOCES, and the supervisor of the Education Resource/Equipment Center, will confer together to divide the remaining equipment, computers, phones, devices, furniture, software licenses and educational materials. Any unclaimed items will remain the property of Mountain BOCES.

5. Specific Programs:

The following programs will be allocated as set forth below, and the recipient of the program will also receive any and all capital accounts, other accounts, investments, buildings, equipment, facilities, licenses, permits, and property of any kind or nature that is allocated to such program as of June 30, 2017.

a. YMHS

YMHS shall continue to remain a program of the West Group which includes all of the participating districts in that program. Two Rivers BOCES will assume governance of YMHS on July 1, 2017.

b. Colorado School for the Deaf and Blind (CSDB) Service

Mountain BOCES will retain all vehicles assigned to the CSDB Transportation program and will remain responsible for and operate such program, but Two Rivers BOCES will have the right to participate without being charged any non-member additional cost for a period of five years commencing July 1, 2017.

c. Professional Learning: Alternative Licensure, Induction, Mentor Certification, State Model Evaluator Training

Mountain BOCES will retain the Professional Learning Program and all program approvals for Alternative Licensure, Induction, Mentor Certification and State Model Evaluator Training programs, but Two Rivers BOCES will have the right to participate without being charged any non-member additional cost for a period of 5 years.

d. Supplemental and Blended Learning

Two Rivers BOCES will have this program; see paragraph 2.a. above.

e. Rebound

Rebound shall continue to remain a program of the West Group which includes all of the participating districts in that program. Two Rivers BOCES will assume governance of YMHS, including the Rebound program, on July 1, 2017.

f. Educational Effectiveness Liaison Network

Mountain BOCES will retain the Educational Effectiveness Liaison Network Program.

6. Colorado Mountain College (CMC):

CMC has campuses within both regions, and is currently a member of Mountain BOCES. Neither the West Group nor Two Rivers BOCES will attempt to interfere with CMC's relationship with the East Group or Mountain BOCES in any way, but CMC may be offered membership in Two Rivers BOCES upon terms and conditions to be determined.

7. Implementation Costs/Legal Services:

To the extent it is necessary and appropriate to incur legal fees and other expenses for the implementation of the provisions of this IGA during the course of FY17, Mountain BOCES general fund shall be used to pay such fees and expenses. The parties agree that Mountain BOCES' general counsel, Darryl Farrington of the firm Semple, Farrington & Everall, P.C., can serve the best interests of all the parties hereto and will be authorized to prepare such legal documents and render such legal advice as needed in carrying out the separation contemplated herein, notwithstanding any conflict of interest or potential conflict of interest that may exist, with the understanding that if a legal dispute arises between the East Group and the West Group Mr. Farrington will cease to act in connection with this separation on behalf of any party thereto.

8. Assignment of Rights and Duties:

It is understood and agreed that the West Group Districts have signed as parties to this IGA with the expectation and intention that their rights, entitlements, and obligations hereunder, as well as the assets and specific programs listed above as being allocated to Two Rivers BOCES, will be assigned to Two Rivers BOCES as soon as Two Rivers BOCES is formed in accordance with CRS 22-5-103, and Mountain BOCES hereby approves and authorizes such assignment in advance. Upon written notice to Mountain BOCES of the official creation of Two Rivers BOCES and the assignment contemplated in this section 8, the West Group Districts will no longer have any individual liabilities or obligations hereunder, except to the same extent, if any, that the liabilities and obligations of Mountain BOCES may apply to the individual Districts of the East Group.

9. Agreement Binding:

This IGA is binding upon the parties hereto and their respective employees, directors, agents, successors, and assigns, and is contractual, and not merely a recital.

SIGNED BY THE PARTIES on the date above written.

_____ School District _____

By: _____
School Board President

By: _____
School Board Secretary

By: _____
Superintendent

Mountain BOCES

By: _____
Mountain BOCES Board President

By: _____
Mountain BOCES Board Secretary

By: _____
Mountain BOCES Executive Director