COOPERATIVE DIRECTOR CONTRACT

ARTICLE I
PURPOSE

This Contract is entered into between Cooperative District No.\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Minnesota, hereinafter referred to as the Cooperative District, and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter referred to as the Cooperative Director, a legally qualified and licensed administrator who agrees to perform the duties of the Head Administrator for Education Cooperative.

ARTICLE II
APPLICABLE STATUTE

This Contract is entered into between the Cooperative District and the Cooperative Director in conformance with Minnesota Statutes Section 123B.143.

*NOTE: While Section 123B.143 applies directly to superintendent contracts, and thus is not binding on Cooperative Education Director contracts, this contract will largely follow the same concepts and provisions of a superintendent contract.*

ARTICLE III
LICENSE

The Cooperative Director shall furnish the Cooperative Board, throughout the life of this Contract, a valid and appropriate license to act as an administrator in the State of Minnesota as provided by applicable laws, rules, and regulations.

ARTICLE IV
DURATION, EXPIRATION, TERMINATION
DURING THE TERM, MUTUAL CONSENT, AND CONTINGENCY

Section 1. Duration: This Contract is for a term of \_\_\_\_\_ years commencing on July 1, 20\_\_, and ending on June 30, 20\_\_. It shall remain in full force and effect unless modified by mutual consent of the Cooperative Board and the Cooperative Director or unless terminated as provided in this Contract.

*NOTE: Pursuant to Minn. Stat. § 123B.143, Subd. 1., a School Board may enter into a Contract with a Superintendent for a period of time no longer than three (3) years. The Contract must provide that the School Board, at its discretion, may or may not enter into a subsequent Contract. Such a Contract may not be extended during its term. However, during the last three hundred sixty-five (365) days of such a Contract, a School Board may negotiate and enter into a subsequent Contract to take effect upon the expiration of the existing Contract. Such subsequent Contract must be contingent upon the Superintendent completing the terms of the existing Contract.*

Section 2. Expiration: This Contract shall expire at the end of the term specified in Article IV, Section 1 above. At the conclusion of its term, neither party shall have any further claim against the other, and the Cooperative District’s employment of the Director shall cease, unless a subsequent Contract is entered into in accordance with Minn. Stat. § 123B.143, Subd. 1. If the Cooperative Board elects not to enter into a subsequent contract to take effect upon the expiration of the existing Contract, the Cooperative Board must notify the Director \_\_ days before the expiration of the existing Contract. If the Cooperative Board and the Director are still negotiating a subsequent Contract when an existing Contract expires, the existing Contract can be extended for a “negotiation period,” on mutual agreement by the parties, for up to 30 days.

*NOTE: This provision contains a non-renewal notification provision, so that the Director is notified some period of time prior to the Contract expiring that he or she will not be receiving a new contract.*

*NOTE: In addition, this provision contains the option to extend an existing Contract for up to a 30-day “negotiation period” if the terms of a subsequent Contract are still being negotiated.*

*NOTE: Because this Contract is technically not a superintendent contract, it would be possible to include a “roll-over” provision, by which a contract automatically renews if the Board fails to take non-renewal action by some specified date during the term. However, such a provision should be reviewed by counsel before inclusion in a contract.*

Section 3. Termination During the Term: The Cooperative Director’s employment may be terminated during the term of this Contract only for cause as defined in Minn. Stat. § 122A.40, Subd. 9. and Subd. 13., but, except for purposes of describing grounds for discharge, the provisions of Minn. Stat. § 122A.40 shall not be applicable. If the Cooperative Board proposes to terminate the Cooperative Director during the term of this Contract for cause as described in Minn. Stat. § 122A.40, Subd. 9. or Subd. 13., it shall notify the Cooperative Director in writing of the proposed grounds for termination. The Cooperative Director shall be entitled to a hearing before an arbitrator provided the Cooperative Director makes such a request in writing to the Cooperative Board Chair within fifteen (15) calendar days after receipt of the written notice of the proposed termination. In such event, the parties shall jointly petition the Minnesota Bureau of Mediation Services (BMS) for a list of five (5) arbitrators. The arbitrator shall be selected by the parties through the striking process as provided by BMS rules. The arbitrator shall conduct a hearing under arbitration procedure rules and issue a written decision. The decision of the arbitrator shall be final and binding on the parties, subject to judicial review of arbitration decisions as provided by law. The Cooperative Director may be suspended with pay pending final determination by the arbitrator. If the Cooperative Director fails to request a hearing as provided in this section within the fifteen (15)-day calendar period, he/she shall be deemed to have acquiesced to the School Board’s proposed action, and the proposed action shall become final on such date as determined by the School Board, and the Cooperative Director shall have no further claim or recourse.

*NOTE 3: Minn. Stat. § 122A.40, Subds. 9 and 13 define cause to terminate a teacher contract in Minnesota, and is incorporated into this contract.*

*Grounds for termination at the close of a school year include: “(1) inefficiency in teaching or in the management of a school[;] (2) neglect of duty, or persistent violation of school laws, rules, regulations, or directives; (3) conduct unbecoming a teacher which materially impairs the teacher’s educational effectiveness; or (4) other good and sufficient grounds rendering the teacher unfit to perform the teacher’s duties.”*

*Grounds for termination effective immediately include: “(1) immoral conduct, insubordination, or conviction of a felony; (2) conduct unbecoming a teacher which requires the immediate removal of the teacher from classroom or other duties; (3) failure without justifiable cause to teach without first securing the written release of the school board; (4) gross inefficiency which the teacher has failed to correct after reasonable written notice; (5) willful neglect of duty; or (6) continuing physical or mental disability subsequent to a 12 months leave of absence and inability to qualify for reinstatement[.]”*

Section 4. Mutual Consent: This Contract may be terminated at any time by mutual consent of the School Board and the Cooperative Director.

Section 5. Contingency: If this Contract is a subsequent Contract entered into prior to the completion of an existing Contract, this subsequent Contract is contingent upon the Cooperative Director completing the terms of the existing Contract.

ARTICLE V
DUTIES

The Cooperative Director shall have charge of the administration of the schools under the direction of the Cooperative Board. The Cooperative Director shall be the chief executive officer of the Cooperative District; shall direct and assign teachers and other Cooperative District employees under the Cooperative Director’s supervision; shall organize, reorganize, and arrange the administrative and supervisory staff, including instruction and business affairs, as best serves the Cooperative District subject to the approval of the Cooperative Board; shall select all personnel subject to the approval of the Cooperative Board; shall, from time to time, suggest policies, regulations, rules, and procedures deemed necessary for the Cooperative District; and, in general, perform all duties incident to the office of the Cooperative Director and such other duties as may be prescribed by the Cooperative Board from time to time. The Cooperative Director shall abide by the policies, regulations, rules, and procedures established by the Cooperative Board and the State of Minnesota. The Cooperative Director shall have the right to attend all Cooperative Board meetings and all Cooperative Board and citizen committee meetings, serve as an ex-officio member of the Cooperative Board and all Cooperative Board committees, and provide administrative recommendations on each item of business considered by each of these groups.

ARTICLE VI
DUTY YEAR AND LEAVES OF ABSENCE

Section 1. Basic Work Year: The Cooperative Director’s duty year shall be for the entire twelve (12)-month Contract year, and the Cooperative Director shall perform duties on those legal holidays on which the Cooperative Board is authorized to conduct school if the Cooperative Board so determines. The Cooperative Director shall be on duty during any emergency, natural or unnatural, unless otherwise excused in accordance with Cooperative Board administrative policy.

Section 2. Vacation: The Cooperative Director shall earn \_\_\_\_\_ working days of annual paid vacation each Contract year. Unused vacation must be taken within six (6) months after the end of the Contract year in which it is earned. Upon voluntary termination of employment or expiration of the Contract, if not offered a subsequent Contract, the Cooperative Director shall be entitled to payment for any unused vacation days earned and accrued pursuant to the provisions of this section; however, if the Cooperative Director is involuntarily terminated, he/she shall not be entitled to unused earned and accrued vacation days.

*NOTE: This provision could also provide for pay-out of vacation “upon termination of employment, for any reason.” This would include involuntary termination. Districts are less likely to agree to such a provision, but it is an option to propose.*

Section 3. Holidays: The Cooperative Director shall be entitled to \_\_\_\_\_ paid holidays as designated by the School Board each Contract year.

*NOTE: The specific holidays should be listed.*

Section 4. Sick Leave: As of the effective date of this Contract, the Cooperative Director shall be given \_\_ days of paid sick leave. Thereafter, the Cooperative Director shall earn paid sick leave at the rate of \_\_\_\_ day(s) each working month, and earned sick leave may accumulate to a maximum of \_\_\_\_ days. Upon voluntary termination of employment or expiration of the Contract, if not offered a subsequent Contract, the Cooperative Director shall be entitled to payment for any unused sick leave days earned and accrued pursuant to the provisions of this section; however, if the Cooperative Director is involuntarily terminated, he/she shall not be entitled to unused earned and accrued sick leave days.

*NOTE: The first sentence of this provision is optional, but is most favorable to the Cooperative Director. It provides for a “bank” of sick leave upon the start of employment, in addition to leave accrued at the usual rate.*

*NOTE: See note regarding vacation pay-out.*

Section 5. Workers’ Compensation: Pursuant to M.S. Chapter 176, the Cooperative Director injured on the job in the service of the Cooperative District and collecting workers’ compensation insurance may draw sick leave and receive full salary from the Cooperative District, the salary to be reduced by an amount equal to the insurance payments, and only that fraction of the days not covered by insurance will be deducted from accrued sick leave.

Section 6. Bereavement Leave: The Cooperative Director shall be granted bereavement leave for a death within the Cooperative Director’s immediate family. The time utilized shall be in an amount to be determined after conferring with the Cooperative Board Chair. Days utilized [will or will not] be deducted from the Cooperative Director’s sick leave. “Immediate family” is defined as the Cooperative Director’s spouse, child, parent, brother, sister, or other relative who was living in the same household as the Cooperative Director.

Section 7. Emergency Leave: The Cooperative Director may be granted paid emergency leave at the discretion of the Cooperative Board.

Section 8. Jury Service: The Cooperative Director who serves on jury duty shall be granted the day or days necessary as stipulated by the court to discharge this responsibility without any salary deduction or loss of basic leave allowance. The compensation received for jury duty service shall be remitted to the Cooperative District.

Section 9. Military Leave: Military leave shall be granted pursuant to applicable law.

Section 10. Disability: If the Cooperative Director is unable to perform his/her regular duties because of personal illness or disability and has exhausted all accumulated sick leave, the Cooperative Board shall provide additional paid sick leave at a salary equal to \_\_\_\_ percent of the Cooperative Director’s regular salary until the expiration of the waiting period for long-term disability insurance.

Section 11. Medical Leave: Pursuant to M.S. 122A.40, Subd. 12., the Cooperative Director shall have a right to a leave of absence for health reasons.

Section 12. Insurance Application: A Cooperative Director on unpaid leave is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions. The Cooperative Director shall pay the entire premium for such insurance commencing with the beginning of the leave and shall pay to the Cooperative District the monthly premium in advance. In the event the Cooperative Director is on paid leave from the Cooperative District under Section 4. above or supplemented by sick leave pursuant to Section 5. above, the Cooperative District will continue insurance contributions as provided in this Contract until sick leave is exhausted. Thereafter, the Cooperative Director must pay the entire premium for any insurance retained.

ARTICLE VII
INSURANCE

Section 1. Health and Hospitalization and Dental Insurance: The Cooperative District shall provide the Cooperative Director and the Cooperative Director’s dependents with health and hospitalization and dental insurance coverage under the Cooperative District’s group health and hospitalization and dental insurance plans at the expense of the Cooperative District.

[*or*]

The School District shall provide the Cooperative Director and the Cooperative Director’s dependents with health and hospitalization insurance coverage under the School District’s group health and hospitalization insurance plan. The Cooperative District shall contribute the sum of $\_\_\_\_\_\_\_ per month toward the premium for such insurance. The balance of the premium shall be paid by the Cooperative Director through payroll deduction. The Cooperative District shall also provide the Cooperative Director and the Cooperative Director’s dependents with dental insurance coverage under the Cooperative District’s group dental insurance plan. The Cooperative District shall contribute the sum of $\_\_\_\_\_\_\_ per month toward the premium for such insurance. The balance of the premium shall be paid by the Cooperative Director through payroll deduction.

*NOTE: In the event this Contract will cause or does cause penalties, fees, or fines to be assessed against the Cooperative District, the parties agree to reopen negotiations that result in a revised Contract between the parties that eliminates or reduces penalties, fees, or fines to be assessed against the Cooperative District. The amount of any reduction in the Cooperative District’s contribution toward the Cooperative Director’s healthcare benefits as a result of addressing the “highly compensated employee” component of the ACA will be placed into another Cooperative District provided benefit(s) (i.e., a retirement HRA, salary, etc.) as agreed upon between the parties.*

Section 2. Life Insurance: The Cooperative District shall provide, at its own expense, term life insurance for the Cooperative Director under the Cooperative District’s group term life insurance plan in the amount of $\_\_\_\_\_\_\_\_\_\_, payable to the Cooperative Director’s named beneficiary(ies).

*NOTE: According to the Internal Revenue Service rules, the amount of Cooperative District premium contribution that pays for life insurance coverage in excess of $50,000 is considered taxable income, so the Cooperative District should be certain that it is reporting that contribution as such, and the Cooperative Director needs to know why that amount is being reported.*

Section 3. Long-Term Disability Insurance: The School District shall provide, at its own expense, long-term disability insurance for the Cooperative Director under the Cooperative District’s group long-term disability insurance plan.

Section 4. Eligibility: The eligibility of the Cooperative Director and the Cooperative Director’s dependent(s) and beneficiary(ies) for insurance benefits shall be governed by the terms of the insurance policies purchased by the Cooperative District pursuant to this article.

Section 5. Claims Against the Cooperative District: The Cooperative District’s only obligation is to purchase the insurance policies described in this article, and no claim shall be made against the Cooperative District as a result of denial of insurance benefits by an insurer if the Cooperative District has purchased the policies and paid the premiums described in this article.

ARTICLE VIII
OTHER BENEFITS

Section 1. Tax-Sheltered Annuities: The Cooperative Director is eligible to participate in a tax-sheltered annuity plan through payroll deduction established pursuant to Section 403(b) of the Internal Revenue Code of 1986, M.S. 123B.02, Subd. 15., Cooperative District policy, and as otherwise provided by law.

Section 2. Vehicle: The Cooperative District shall compensate the Cooperative Director for business use of his/her private vehicle at the rate of \_\_\_\_ cents per mile pursuant to M.S. 471.665, Subd. 1.

[*or*]

The School District shall provide the Cooperative Director with a monthly allowance of $\_\_\_\_ for business use of his/her private vehicle pursuant to M.S. 471.665, Subd. 3.

*NOTE: Prohibition Against Combination of Options. One of the two options above should be selected, and the other option deleted. Some School Districts have been utilizing a combination of M.S. 471.665, Subd. 1. and Subd. 3. – i.e., in-district travel and out-of-district travel. However, an opinion by the Minnesota Attorney General indicates that using the combination is improper (see Op. Atty. Gen. 11/20/95).*

*NOTE: Prohibition Against Personal Use of School District Vehicle. Two opinions by the Minnesota Attorney General conclude that a School District may not provide a school district-owned vehicle which the Cooperative Director utilizes for personal use even if the Cooperative Director pays for such personal use (see Op. Atty. Gen. 161b-12 1/24/89 and Op. Atty. Gen. 395b- 10/24/89).*

*NOTE: Statutory Restrictions on Personal Use of District-Owned Vehicles. M.S. 471.666 prohibits personal use of a vehicle owned, leased by, or loaned to a School District, except for incidental use related to School District business. Such a vehicle may not be used for transportation to or from the residence of the School District employee except for narrow, incidental use related to the School District’s business. The effect of this restriction is so limiting that a School District’s provision of District-owned, leased, or loaned vehicles for any personal use by the Cooperative Director is impractical (see M.S. 471.666).*

Section 3. Conferences and Meetings: The Cooperative District shall pay all legally valid expenses and fees for the Cooperative Director’s attendance at professional conferences and meetings with other educational agencies when such attendance is required, directed, or permitted by the Cooperative Board. The Cooperative Director shall periodically report to the Cooperative Board relative to all meetings and conferences attended. The Cooperative Director shall file itemized expense statements to be processed and approved as provided by Cooperative Board policy and law.

ARTICLE IX
SALARY

The Cooperative Director shall be paid an annual salary of $\_\_\_\_\_\_\_\_\_\_\_ for the 20\_\_\_-20\_\_\_ Contract year, $\_\_\_\_\_\_\_\_\_\_\_ for the 20\_\_\_ - 20\_\_\_ Contract year, and $\_\_\_\_\_\_\_\_\_\_\_ for the 20\_\_\_ - 20\_\_\_ Contract year. During the term of this Contract, the annual salary may be modified but shall not be reduced. The annual salary shall be paid in \_\_\_\_ equal installments during the Contract year.

[*or*]

The Cooperative Director shall be paid an annual salary of $\_\_\_\_\_\_\_\_\_\_\_ for the 20\_\_\_ - 20\_\_\_ Contract year. The parties shall endeavor to agree by April 1 of each subsequent year as to the amount of the salary for the following year. During the term of this Contract, the annual salary may be modified but shall not be reduced. The annual salary shall be paid in \_\_\_\_ equal installments during the Contract year.

*NOTE: Options. Cooperative Boards should use only one of the paragraphs above. The first paragraph fixes a salary for more than one year, while the second paragraph fixes the salary for one year and requires mutual agreement for the subsequent year(s). Practices vary from Cooperative District to Cooperative District.*

*NOTE: Certain benefits can be built into subsequent contracts which are not available in initial contracts. The most important such benefit to consider in negotiating subsequent contracts is severance pay.*

ARTICLE X
EVALUATE PERFORMANCE

The Cooperative Board shall oversee, direct, and evaluate the Cooperative Director’s performance as the Cooperative Board sees fit.

*NOTE: The Cooperative Board and Cooperative Director should discuss a process for conducting at least an annual evaluation of the Cooperative Director’s performance.*

ARTICLE XI
OTHER PROVISIONS

Section 1. Outside Activities: While the Cooperative Director shall devote full time and due diligence to the affairs and the activities of the Cooperative District, he/she may also serve as a consultant to other school districts or educational agencies, lecture, engage in writing and speaking activities, and engage in other activities if, as solely determined by the Cooperative Board, such activities do not impede the Cooperative Director’s ability to perform the duties of the Cooperative Director. However, the Cooperative Director may not engage in other employment, consultant service, or other activity for which a salary, fee, or honorarium is paid without the prior approval of the Cooperative Board.

Section 2. Indemnification and Provision of Counsel: In the event that an action is brought or a claim is made against the Cooperative Director arising out of or in connection with his/her employment and the Cooperative Director is acting within the scope of employment or official duties, the Cooperative District shall defend and indemnify the Cooperative Director to the extent provided by law. Indemnification, as provided in this section, shall not apply in the case of malfeasance in office or willful or wanton neglect of duty, and the obligation of the Cooperative District in this regard shall be subject to the limitations as provided in M.S. Chapter 466.

Section 3. Dues: The Cooperative Director is encouraged to belong to and participate in appropriate professional, educational, economic development, community, and civic organizations when such membership will serve the best interests of the Cooperative District. Accordingly, the Cooperative District will pay the membership dues for such organizations as are required, directed, or permitted by the Cooperative Board. The Cooperative Director shall present appropriate statements for approval as provided by law.

*NOTE: Until 2007, School Districts were restricted to paying dues for their administrators to belong to professional and educational organizations, but the 2007 Minnesota Legislature enacted M.S. 123B.02, Subd. 24., allowing School Districts to pay dues for other organizations if their School Boards deemed such membership to be appropriate.*

Section 4. Medical Examination: The Cooperative Director shall have a comprehensive medical examination not less than once every \_\_\_\_ years. A summary document from the physician certifying the fitness of the Cooperative Director to perform the duties of the position shall be provided to the Cooperative Board Chair. The cost of said examination not covered by the Cooperative District’s insurance program shall be paid by the Cooperative District.

[Section 5. Other Applicable Provisions: In this section, other terms and conditions of employment as agreed on between the parties should be included. Items such as severance pay, payment for unused sick leave, and extended leaves of absence, if provided to the Cooperative Director, are examples of what could be included. Since Cooperative Directors’ contracts vary greatly in the manner in which they address such provisions, no attempt has been made to develop specific model Contract language. However, if the parties are considering the inclusion of such provisions, both MSBA and MASA may be able to provide sample language upon request.]

*NOTE: Since July 31, 1993, severance pay for highly compensated employees has been restricted. A “highly compensated employee” is an employee with estimated annual wages that are greater than sixty percent (60%) of the governor’s salary and are equal to, or greater than, eighty percent (80%) of the estimated annual wages of the second highest paid employee of the School District. Severance pay for highly compensated employees is restricted to an amount equivalent to six (6) months of wages. For purposes of this restriction, payments for accumulated vacation and sick leave liquidated to cover the cost of group term insurance may be paid in addition to the six (6) months of severance pay. For exceptions to the six (6)-month restriction, see M.S. 465.722, Subd. 3., which may be found in section “D.5.” of “Chapter 3” in the MSBA Service Manual.*

ARTICLE XII
SEVERABILITY

The provisions of this Contract shall be severable, and if any such provision or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of this Contract or the application of any provision thereof.

IN WITNESS WHEREOF, I have subscribed IN WITNESS WHEREOF, we have subscribed

my signature this \_\_\_\_ day of our signatures this \_\_\_\_ day of

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_.

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Cooperative Director Cooperative Board Chair

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 Cooperative Board Clerk