



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

Agenda Item Summary

Meeting Date: May 14, 2025

Agenda Section: Discussion and Possible Action

Agenda Item Title: Approval of MOU – Shared Services Cost Allocation (Head Start Program)

From: Tony Kingman, Chief Financial Officer

Additional Presenters if Applicable: N/A

Description: South San Antonio ISD is proposing a Memorandum of Understanding (MOU) between the District and the South San Antonio ISD Head Start Program to formalize the reimbursement of shared services costs. The MOU outlines a cost allocation methodology tied to student enrollment percentages, allowing for an efficient, transparent, and sustainable sharing of expenses for services such as library access, health services, technology support, campus security, and utilities. This structure ensures that Head Start students continue to receive necessary district support without creating administrative inefficiencies. All funds will remain within South San Antonio ISD and will be used exclusively to support student services.

Historical Data: South San Antonio ISD has historically provided a range of district services to the Head Start Program without a formal reimbursement structure in place. In reviewing current operational practices and fiscal management standards, the District identified an opportunity to formalize a cost-sharing agreement to better align funding practices with service delivery. The proposed MOU is intended to streamline financial processes while maintaining the current level of services provided to Head Start students.

Recommendation: It is recommended that the Board approve the Memorandum of Understanding between South San Antonio ISD and the South San Antonio ISD Head Start Program, effective February 1, 2025.

Purchasing Director and Approval Date:

Funding Budget Code and Amount: Headstart Program - Fund 205

Goals: 3. SSAISD will implement program initiatives and activities that reflect a commitment to preparing 100% of students for post-secondary educational or career paths



Memorandum of Understanding Between South San Antonio Independent School District and the South San Antonio ISD Head Start Program

Effective Date: February 1, 2025

Term: February 1, 2025 – January 31, 2026 (Head Start Fiscal Year)

I. Purpose

This Memorandum of Understanding ("MOU") is entered into by and between South San Antonio Independent School District ("South San Antonio ISD" or "District") and the South San Antonio ISD Head Start Program ("Head Start Program") for the purpose of formalizing a financial arrangement whereby the Head Start Program will reimburse the District for specific operational services funded from the District's General Fund. This agreement is intended to ensure transparency, compliance with federal and state regulations, and equitable allocation of shared service costs across district programs.

This MOU serves as a formal and binding record of mutual understanding and cooperation between both parties in the interest of promoting operational efficiency and fiscal integrity in support of early childhood education.

II. Scope of Services

The District agrees to provide the following services to the Head Start Program during the Head Start Fiscal Year 2025–2026. Each service area is defined in accordance with the **Texas Education Agency's Financial Accountability System Resource Guide (FASRG)**:

- 1. Library Services (Function 12)**

Provision of instructional support services including campus libraries, certified librarians, media resources, literacy support, and access to digital library platforms.

- 2. Health Services (Function 33)**

Delivery of physical and mental health support through school nursing services, including but not limited to first aid, medication administration, immunization monitoring, and coordination of student wellness initiatives.

- 3. Security and Monitoring Services (Function 52)**

District-level security services, including security personnel assigned to campuses,



emergency preparedness, surveillance systems, and visitor monitoring systems to ensure a safe and secure learning environment.

4. **Data Processing and Technology Services (Function 53)**

Centralized technology infrastructure support encompassing information systems management, internet and network services, instructional and administrative software, technical support, and student information system access.

5. **Utilities (Object Codes 5255 – 5288)**

Proportional operating costs for essential utilities including water, sewage, electricity, and solid waste services that are directly tied to Head Start program operations at district facilities.

All functions listed herein align with expenditure definitions prescribed by the TEA.

III. Cost Allocation Methodology

The cost of the above services will be calculated using the following methodology:

- The **total cost** of eligible services is derived from the most recent **Annual Financial Report (AFR)**, specifically Schedule G-1, and reflects actual expenditures incurred by the District under the **General Fund**, exclusive of any federal or state program allocations.
- The **Head Start Program's proportional share** is determined by the following formula:

$(\text{Head Start Enrollment} \div \text{Total District Enrollment}) \times \text{Total Cost of Eligible Services}$

- The **Total District Enrollment** figure shall be based on the Texas Education Agency's (TEA) official **Snapshot Report** as of the District's fiscal year.
- This MOU shall only apply in full if the Head Start Program receives an annual federal grant award of **\$2,000,000 or greater**. In the event the award amount is **less than \$2,000,000**, the total calculated cost shall be reduced by **50%**.
- If the actual Head Start grant award is amended or adjusted during the fiscal year, the District and the Head Start Program shall review and reconcile the cost-sharing obligations accordingly at the close of the Head Start Program's fiscal year.

The calculated cost and payment structure for the fiscal year shall be provided as an annual addendum to this agreement.

IV. Payment Terms



The Head Start Program shall reimburse the District in **twelve (12) equal monthly installments**, with payments due on the **last business day of each month**, beginning February 28, 2025. The exact annual and monthly amounts will be documented in Addendum 1 to this agreement.

V. Points of Contact

Head Start Program:

Rebecca Herrera, Director

South San Antonio ISD Head Start Program

District:

Dr. Saul Hinojosa, Superintendent

South San Antonio ISD

VI. Term and Renewal

This MOU shall remain in effect for one (1) fiscal year from the effective date, terminating on January 31, 2026. The agreement shall automatically renew for subsequent Head Start fiscal years unless amended or terminated as described herein.

VII. Amendments and Termination

This MOU may be amended or terminated by mutual written agreement of both parties. Notice of intent to amend or terminate must be submitted no fewer than **ninety (90) days prior to the end of the current fiscal year**.

VIII. Board Approval

This MOU is contingent upon formal approval by the South San Antonio ISD Board of Trustees. No financial obligations described herein shall be binding until such approval is secured and documented in the official board minutes.



IN WITNESS WHEREOF, the undersigned authorized representatives of the parties have executed this Memorandum of Understanding as of the effective date written above.

Rebecca Herrera
Director, South San Antonio ISD Head Start Program
Date: _____

Dr. Saul Hinojosa
Superintendent, South San Antonio ISD
Date: _____

Addendum 1: FY 2025–2026 Allocation Summary

Based on the **2023–2024 Annual Financial Report** (Schedule G-1), the **total General Fund expenditures** for the services outlined in this MOU are as follows:

- Library Services (Function 12)
- Health Services (Function 33)
- Security Services (Function 52)
- Data Processing Services (Function 53)
- Utilities (Object Codes 5255–5288)

Total Cost of Services: \$8,187,265

Head Start Proportional Share (3.88% based on 288 out of 7,429 students): \$317,395

Monthly Payment Amount: \$26,449.58

This addendum shall be updated annually based on the most recent audit and official student enrollment snapshot.