

SHARED SERVICES ARRANGEMENT (COOPERATIVE) AGREEMENT

THE STATE OF TEXAS
COUNTY OF MARTIN

Coahoma Independent School District, Forsan Independent School District, Glasscock County Independent School District, Grady Independent School District, Greenwood Independent School District, and Stanton Independent School District agree to enter into this written contract to operate their special education programs jointly. Shared services arrangement (SSA) (Cooperative) funds are to be allocated in accordance with the SSA districts' agreement.

For special education federal and state fund sources that flow through a grant application process, a SSA fiscal agent is responsible for ensuring that funds are used in accordance with grant provisions. If the funds are not used in accordance with grant provisions or if other federal requirements are not met, the fiscal agent is financially responsible to the TEA for the consequences of instances of noncompliance (eg., refunds due to the TEA, withholding of grant reimbursements, etc.), regardless of whether the fiscal agent has retained and expended grant funds on behalf of the SSA or flowed funds to member LEA's of the SSA.

A. Administrative

1. A management board comprised of member district superintendents, or their designated representatives, is formed to govern the Cooperative. The management board responsibilities are as follows:
 - a. Function as the advisory body for the Cooperative special education program
 - b. Consider and approve operational plans (operational guidelines, policies/procedures) of the Cooperative special education program
 - c. Approve implementation strategies of the Cooperative special education program
 - d. Develop and approve policy statements for the Cooperative special education program not governed by state and federal law, Texas Education guidelines, or Commissioner's rules
 - e. Approve the Cooperative budget, financial reports and audits
 - f. Recommend employment of the Cooperative director, professional and non-professional support staff and shared personnel to the fiscal agent board of trustees
 - g. Perform duties required by the federal and state governments

2. Stanton Independent School District is designated as the fiscal agent for the shared services arrangement (Cooperative). As fiscal agent, Stanton Independent School District must be accredited and must have grade kindergarten through 12.

The management board will consider other districts wishing to join the 87-20 Special Education Cooperative. A majority vote of the management board is required for another district to join. A district joining the Cooperative may be required to share in the capital expense (building, land, equipment) previously incurred and other reasonable costs the management board deems necessary.

A member district may withdraw from the Cooperative by notifying the other Member Districts and TEA of its intention to withdraw before January 1 preceding the last fiscal year the Member District intends to remain in the Cooperative. If the Fiscal Agent sustains a financial loss due to action of any member school, that school will reimburse Fiscal Agent for all expenses incurred including cost of hearings and legal action if a reduction in force is required due to the withdrawal of member district(s).

3. The Superintendent of the Fiscal Agent will serve as the chair person for the management board.
4. Regular management board meetings are scheduled for the Tuesday after the second Monday of the month unless otherwise provided by the Board. The management board will convene at least two times per year. The purposes of the meetings are for conducting and reviewing the administration and operation of the Cooperative.
5. The Cooperative director will serve as secretary to record the minutes of each board meeting unless otherwise provided by the management board.
6. Cooperative operational guidelines will be approved by the management board and each member district's board of trustees. Each member district will submit a copy of the board minutes or a letter signed by the superintendent indicating approval of the operational guidelines to the Cooperative director.
7. Each member district board is responsible for employing and dismissing staff that serve only that district. Itinerant staff serving cooperative member district schools are governed by the general policies of the fiscal agent unless otherwise approved by the management board.

B. Financial

1. Revenues are expended by the Cooperative in accordance with the Standard Application System for federal funds and budgeted local costs:
 - a. All state and/or local Cooperative expenses – salaried and contracted personnel, except federally funded employee

- positions, and other budgeted expenses (supplies, materials, equipment, insurance, maintenance, utilities, benefits, substitutes, fiscal agent fee, etc.) will be combined and prorated by each member district's prior year federal child count.
- b. The Cooperative director will coordinate and authorize purchase requisitions from budgeted special education funds with approval from the fiscal agent business office. A requisition file is maintained along with a library card/inventory system to track the location of materials, supplies, and services purchased.
 - c. Member districts having special needs pertaining to local programs will direct their requests to the Cooperative director.
 - d. The fiscal agent business offices will use acceptable accounting procedures approved by the Texas Education Agency and its independent auditor. The Cooperative responds to queries posed by the independent auditor.
2. In the event the Cooperative is terminated, all payroll obligations to date, which are properly certified, shall be satisfied by the fiscal agent. Title to properties maintained by the fiscal agent and/or each member district shall be the common property of the Cooperative. Any funds which may have accrued to any agency for the current year's operations shall be considered final and shall not be included in termination procedures.
 3. Each member district will be assessed a prorate contribution of state and/or local funds to the Cooperative on the following basis:
 - a. Cooperative expenses – salaried and contracted personnel, except federally funded employee positions, and other budgeted expenses (supplies, materials, equipment, insurance, maintenance, utilities, benefits, substitutes, fiscal agent fee, etc.) will be combined and prorated by each member district's prior year federal child count.
 - b. The fiscal agent will invoice each member district twice yearly for its portion of the annual prorate budget contributions for the combined Cooperative expenses. Upon receipt of the invoice, each member district will make prompt payment.
 4. Uncontrollable costs not anticipated in the annual budgeting process will be addressed through budget amendment procedures and the additional costs will be charged to member districts using the same prorate formula in the original budget. Cooperative expenses not covered by the Foundation School Program will be borne by each member district based on its prorate share of the prior year federal child count.
 5. Should the fiscal agent incur costs as a result of any litigation against the Cooperative, such costs shall be allocated between the member districts based upon a proportionate amount determined by a ration that compares

the weighted ADA of each member district's students being served to the total cooperative ADA based upon the October "as of" date in PEIMS.

6. Residential placement expenses will be incurred according to state guidelines. The Cooperative SAS for current IDEA-B funds will set aside 25% (or the percentage specified by the state) for residential placement as a guarantee to the Texas Education Agency the amount of set-aside may be amended for other joint Cooperative needs. The member district placing a student residentially will pay the cost of placement, not to exceed the 25% set-aside amount, and the per pupil costs. If the cost of residential placement is paid from the Cooperative IDEA-B account, the member district placing a student residentially will reimburse the amount, not to exceed the 25% set-aside, to the fiscal agent. If more than one member district places a student residentially, the costs, not to exceed the 25% set-aside, of placements will be borne equally by those member districts.
7. In the event a member district wishes to withdraw from the Cooperative, the member district's vested interest in the capital assets of the Cooperative will be purchased by the remaining members at a cost not to exceed the original cost. Normally, items will be depreciated on the straight-line method. In the event the leaving member and the management board cannot agree, the matter will be referred to an independent arbitrator.

C. Legal

1. Litigation expenses will be borne by the individual member district involved in the legal action (legal counsel, hearing, mediation, court cost, attorney fee, etc.). Other Cooperative member districts will assume no responsibility of legal expenses incurred by another Cooperative member district.
2. Litigation expenses for actions taken against the fiscal agent pertaining to the Cooperative including actions taken by employees, students, or parents will be prorated among the member districts based on the prior year federal child count.

D. Designation of Responsibilities for the Fiscal Agent

1. Employment of personnel
Employees of the Cooperative (SSA) central office shall meet all Texas Education Agency, fiscal agent, and management board requirements. Upon recommendation of employment by the management board or the cooperative director, contracts will be

issued by the fiscal agent, but compensation and benefits will be as specified in Cooperative operational guidelines. Expenses for salaries, benefits (Workers' Compensation Insurance, unemployment taxes, health insurance, Medicare, sick leave) and other benefits will be borne by each member district in a prorated share established by the management board. Cooperative employees of federally funded projects will be paid 100% from the funds administered by the fiscal agent.

2. Budgeting and Accounting

The cooperative director and the fiscal agent will jointly prepare an annual budget proposal for the management board. The budget adopted by the Cooperative management board will be presented to the fiscal agent's Board of Trustees and integrated into the fiscal agent's district budget. The fiscal agent will assume the fiscal responsibilities of the Cooperative. Cooperative funds will be disbursed by the fiscal agent. Authority to write checks, record receipts, and maintain accounts will be the responsibility of the fiscal agent. The Cooperative director will have authority to incur financial obligations within the approved budget. The fiscal agent will be responsible to the Texas Education Agency and to the member districts for fiscal accounting. The independent auditor of the fiscal agent shall audit the Cooperative accounts.

3. Responsibility for Reporting

The fiscal agent will submit financial reports and applications required by the Texas Education Agency. Financial statements indicating budget accounts, encumbrances and expenditures of all cooperative special education funds will be prepared for monitoring by the Cooperative office and will be reviewed by the management board. Questions concerning expenditures may be directed by the management board; upon request invoices, vouchers, and supportive data will be made available for inspection to each member district's representative. A review of the fiscal agent's independent audit will be presented to the management board.

The fiscal agent will report its audit exceptions and action to be taken to the management board. Any audit exception, excluding misappropriation of funds on the part of the fiscal agent, will be shared on a prorated formula based on the prior year federal child count.

Annually the fiscal agent must submit the PEIMS 032 and 033 record that reports expenditures by the SSA fiscal agent which were made on behalf of the member LEA's.

4. Administrative costs

Each Cooperative member district will contribute a fee to the fiscal agent for the costs of administrative services. The fee and payment calculations will be determined by the management board during annual budgeting considerations and recommendations. The fiscal agent may claim in-direct costs allowed by federal funding sources upon submission of the final expenditure report.

5. Transportation

The Cooperative assumes responsibility for payment of costs of contracted parent transportation for students with an eligible disability participating in out-of-district related services; payment for this excess transportation costs may be from federally funded sources.

E. Designation of Responsibilities for Member LEA's

1. Employment of Personnel

Employees of each member district will meet all Texas Education Agency and local board of trustees requirements. Each member district board of trustees will be responsible for the issue and execution of contracts with employees hired by the district. For local district employees expenses for salaries, benefits (Workers' Compensation insurance, unemployment taxes, health insurance, Medicare, sick leave) and other benefits will be borne by the member district.

2. Budgeting and Accounting

Each member district superintendent will have the opportunity to participate in the review of the proposed Cooperative budget during management board meetings and to approve the final document. The member district superintendent will participate in the review and approval of cooperative budget reports during management board meetings. The independent audit of the fiscal agent's Cooperative financial records will be presented during a management board meeting for review and approval. Each member district will be responsible for receiving and expending state special education funds generated as a result of the Foundation School Program. The member districts will abide by state requirements that are currently in effect, or may be required in the future, for expenditure of these funds.

3. Reporting

Financial statements indicating budget accounts, encumbrances and expenditures of all cooperative special education funds will be

available for review and approval by member district superintendents at management board meetings. Questions concerning expenditures may be directed by the management board; upon request invoices, vouchers, and supportive data will be made available for inspection by the fiscal agent to each member district superintendent. A review of the fiscal agent's independent audit will be presented to the management board for approval. Audit exceptions arising from a single member district's use of special education personnel or funds for purposes other than those uses allowed by federal and state regulations will be the responsibility of the member district. The member district will report the exceptions both to the fiscal agent and the management board. Action to be taken to satisfy the exception will be indicated.

4. Administrative costs

Each Cooperative member district will contribute a fee to the fiscal agent for the costs of administrative services. The fee and payment calculations will be determined by the management board during annual budgeting considerations and recommendations.

5. Transportation

Costs of usual transportation demands (to-and-from school, extracurricular/co-curricular events, bus routes for related services out-of-district) are borne by each member district.

6. Maintenance of Effort

Every member district is responsible for "Maintenance of Effort" (MOE). Each member district shall provide information pertaining to MOE to the fiscal agent in a timely manner.

Any member district that falls short of the MOE would be solely responsible for that breach and any financial repercussions that result from said breach.

F. General Summary of the Services Shared

1. The purpose of this Agreement is to create a cooperative Arrangement whereby the member districts may provide for the efficient delivery of legally required special education and related services to eligible students with disabilities.
2. The goal of the 87-20 Special Education Cooperative is to Assist the Member Districts to provide educational opportunity to all children with disabilities, age's birth through 21.

3. The 87-20 Special Education Cooperative may coordinate Efforts with ESC XVIII, ECI, Head Start programs, Department Of Health, MHMR, CRCGs, Department of Human Resources, Texas Rehabilitation Commission, and Texas Commission for the Blind.
4. The 87-20 Special Education Cooperative will assist the Member Districts with a system for identifying students within Its jurisdiction that are in need of special education for child find purposes.
5. The special education program will be operated in compliance With federal and state law, including the Individuals with Disabilities Education Act, the Americans with Disabilities Act, Chapter 29 of the Texas Education Code; implementing regulations for all applicable statues; and the Cooperative Policies approved by all member districts.

Signatures indicate that this contract has been approved by each member districts board of trustees.

Agreed To By:

Coahoma Independent School District

Forsan Independent School District

Superintendent

Superintendent

Date

Date

Glasscock County Independent School District

Grady Independent School District

Superintendent

Superintendent

Date

Date

Greenwood Independent School District

Stanton Independent School District

Superintendent

Superintendent

Date

Date

