

ANDERSON COUNTY CO-OP SHARED SERVICES ARRANGEMENT

The Cayuga Independent School District, Elkhart Independent School District, Frankston Independent School District, Neches Independent School District, Slocum Independent School District, and Westwood Independent School District, (collectively, “Member Districts” and individually, a “Member District”), hereby agree to cooperatively operate their special education programs under the authority of Education Code Sections 11.1511(c)(4), 11.157 and Texas Government Code Section 791.001 et seq., as the Anderson County Special Education Co-op (“the Shared Services Arrangement” or “SSA” or “Cooperative” or “Co-op”). Member Districts agree that:

1. General Covenants and Provisions

1.1 The purpose of this Agreement is to create a cooperative shared services arrangement whereby the Member Districts may provide for the efficient delivery of legally required special education and related services to eligible students with disabilities.

1.2 The Member Districts do not intend by entering this agreement, or otherwise, to create a separate or additional legal entity.

1.3 The Cooperative's administrative offices will be located in Frankston, Texas.

1.4 The special education program will be operated in compliance with federal and state law, including the Individuals with Disabilities Education Act, 20 U.S.C. § 1401 et seq.; Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq.; Chapter 29 of the Texas Education Code; implementing regulations for all applicable statutes; section 1.3.3 of the *Financial Accounting and Reporting Module* of the Texas Education Agency (“TEA”) Financial Accountability System Resource Guide (“FASRG”), and the Cooperative operating guidelines approved by all Member Districts. All special education terms and acronyms used in this Agreement shall have the meanings and definitions provided to such terms and acronyms as set out in Chapter 33 of the Individuals with Disabilities Education Act (“IDEA”), 20 United States Code Annotated Section 1400 et seq., 34 CFR Part 300, the Texas Education Code, Chapters 29 and 30 and the Texas Administrative Code, 19 TAC 89.1001 et seq. Such terms and acronyms shall include, but not be limited to, “FAPE” or Free Appropriate Public Education, Child Find, “IEP” or Individualized Education Program, “LEA” or Local Education Agency, “LRE” or Least Restrictive Environment, Special Education, Evaluations, Eligibility Determinations, Educational Placements, Procedural Safeguards, “SEA” or State Education Agency, “MOE” or Maintenance of Effort, “ESEA” or Elementary and Secondary Education Act, Texas Education Agency (“TEA”), and “ARD” or Admission, Review and Dismissal Committee.

1.5 Any SSA policies or operating guidelines inconsistent with the provisions contained herein shall be deemed null and void.

1.6 Each Member District retains the responsibility for providing services and programs pursuant to Section 504 of the Rehabilitation Act. Notwithstanding the foregoing, the SSA will comply with Section 504 of the Rehabilitation Act as indicated in Section 1.4.

2. Management

2.1 The Cooperative will be governed by a management board (the “Co-op Board”) composed of the superintendents or their designee of the Member Districts as the representatives of the boards of trustees of the Member Districts. Each superintendent or their designee shall attend the regularly scheduled Co-op Board meetings. Superintendents shall keep their respective Member District boards advised of Co-op Board actions.

2.2 The superintendent of the Fiscal Agent, as designated in 4.1, will serve as chairperson of the Co-op Board. The special education director will initially serve as secretary of the Co-op Board. The secretary or designee will record, prepare, and maintain minutes of each Co-op Board meeting. The Co-op Board may from time to time elect a chairperson from among its members and designate a secretary, said secretary may or may not be a member of the Co-op Board. It is agreed and understood that in the event the chairperson is unable to participate in Co-op Board meeting, then that chairperson’s designee may serve in the role of chairperson for that meeting.

2.3 Except as otherwise provided herein, actions shall require the approval of a majority of a quorum of the Co-op Board. One vote per Member District is permitted. The Fiscal Agent, as a Member District, is permitted one vote. Proxies are not permitted.

2.4 The Co-op Board shall annually designate its regular meeting dates for conducting and reviewing the administration and operation of the shared services arrangement. The Board shall hold at least four meetings each year. The Co-op Board may hold other, regular meetings at the dates, times and places designated by the chairperson. Special meetings of the Co-op Board may be called by the chairperson or at the written request of any Co-op Board member.

2.5 The Director, on behalf of the Co-op Board and through the Fiscal Agent, may purchase goods and services necessary to administer and operate the Co-op.

2.6 Additional powers and duties of the Co-op Board shall be determined by Co-op policy or operating guidelines.

2.7 The SSA Board may by a 2/3 vote of its membership, recommend revocation of the membership of a Member District for non-compliance with the terms of the Agreement, for non-compliance with the policies and procedures of the Co-op, or for non-compliance with the terms and conditions of any written agreement between the Co-op and the Member District in question. Disposition of property shall be governed by Section 5.5. Any applicable TEA timelines and requirements shall apply to any reconfiguration. The Co-op Board shall submit its recommendation to revoke the membership of the Member District to the Member Districts’ Board of Trustees for final approval by each Board of Trustees. The Board of Trustees of the Member District being recommended for revocation shall have no vote in such proceeding.

Revocation will be subject to the approval of all Member Districts with the exception of the Member District being recommended for revocation. The Member District whose membership is being revoked shall return to the Co-op any supplies, equipment, or fixtures in its possession that were purchased with Co-op funds, prior to or by the effective June 30th final day of the Member District's participation in the Co-op. The Member Districts further agree that any uncommitted surplus funds, after charges and liabilities, remaining in the Co-op's fund balance as of the June 30th date set forth above, shall remain with the Co-op. Fund balance is defined as (437) which include any local share contributed by the Member Districts. It is further agreed that the Member District subject to revocation shall pay all costs and fees related to, resulting from or associated with its revocation, including, but not limited to non-renewals, legal costs, insurance or any other expenses or obligations.

2.8 Any Member District which does not agree to the terms of this Agreement and does not properly execute this Agreement will not be considered a party to this contract and will be deemed to have been withdrawn from the Co-op without the necessity of further action by the remaining Member Districts, person, entity or agency. Disposition of property shall be governed by Section 5.5.

3. Personnel

3.1 The chief administrator of the Cooperative will be the Special Education Director ("Director" or "Co-op Director"), who will be recommended for employment to the board of trustees of the Fiscal Agent district by the Co-op Board. The Director shall serve under a contract with the Fiscal Agent district and be subject to the personnel policies of the Fiscal Agent district. Administrative decisions regarding daily operations of the instructional program and approved budgeted expenditures consistent with Co-op operating guidelines are within the authority of the Director. Co-op Board operating guidelines will determine the extent of the additional administrative authority and contractual power of the Director. Duties of the Director may include, but are not limited to:

- a. Assist and support Member Districts to provide appropriate instruction and other services for all eligible students.
- b. Recommend for Hire, supervise, and evaluate Co-op personnel, subject to the approval of the Fiscal Agent Board of Trustees.
- c. Assist and support Member Districts to carry out instructional programs in compliance with state and federal requirements.
- d. Account for the expenditure of all Co-op funds, unless such responsibility is retained by the Member District.
- e. Assign Co-op personnel based upon needs of the Co-op.

3.2 The Director shall serve as Fiscal Agent's deputy officer for Co-op related public records for purposes of the Texas Public Information Act and the Local Government Records Act. The Director will send to each Member District any records requests submitted to the Co-op, and the corresponding records in the possession of the Co-op. Each Member District retains responsibility for records requested pursuant to the Texas Public Information Act, Family

Educational Rights and Privacy Act (“FERPA”) or Individuals with Disabilities Education Act (“IDEA”) that are submitted directly to that Member District.

3.3 Co-op personnel, which may include, director, supervisors, educational diagnostician(s), associate psychologist(s), VAC(s), speech therapist(s), Co-op office paraprofessional staff, and Co-op office personnel are employed by the Fiscal Agent and are subject to the personnel policies of the Fiscal Agent, including but not limited to all policies governing contracts, at-will employment, standards of conduct, leave and other benefits. The Fiscal Agent may consider recommendations from the Management Board when employing Co-op personnel, but the Fiscal Agent retains final hiring and termination authority regarding employment of Co-op personnel.

3.4 Except as otherwise provided herein, personnel who provide special education services for Member Districts, but who are employed by a Member District, and not the Fiscal Agent, and serve under contract with that school district are subject to the all of the policies of that school district, including all personnel policies, including, but not limited to, those governing leave and other benefits, as well as to all SSA Operating Guidelines.

3.5 The SSA reserves the right to adopt an annual salary schedule for itinerant and/or SSA personnel that will supersede any salary schedule adopted by the Fiscal Agent. Should said right be exercised, the Fiscal Agent shall adopt the SSA salary schedule for the employment of itinerant and/or SSA personnel. Such option shall be exercised no later than thirty (30) days prior to the date on which the Fiscal Agent adopts its salary schedule.

3.6 Any hearing on a Co-op employee grievance, termination, or nonrenewal is the responsibility of, and will be held in accordance with, the policies of the Fiscal Agent. However, if the employee has a contractual relationship with a Member District other than the Fiscal Agent, any hearing is the responsibility of, and will be held in accordance with, the policies of that Member District.

3.7 Co-op personnel shall be evaluated pursuant to the evaluation policies and procedures of the Fiscal Agent. However, each Member District shall have the right to provide appropriate input into the evaluation process concerning Co-op personnel performance of duties related to each Member District.

3.8 Paraprofessional personnel are employed and paid by the Member Districts based on needs of the Member District. The paraprofessional staff are considered employees of the Member District as an at-will employee. The paraprofessional will be subject to all policies of that Member District (see Section 3.4). The Co-op will reimburse the Member Districts for the paraprofessionals, not to exceed the budgeted amount.

4. Fiscal Agent

4.1 CAYUGA INDEPENDENT SCHOOL DISTRICT will serve as the Fiscal Agent for the Cooperative. CAYUGA INDEPENDENT SCHOOL DISTRICT acknowledges that it is an accredited Texas school district and that it offers grades kindergarten through 12.

4.2 Except as otherwise provided herein, the Fiscal Agent is responsible for applying for, receiving, collecting, expending, and distributing all funds, regardless of source, in accordance with the budget adopted by the Co-Op Board. The Co-op, on behalf of the Fiscal Agent, shall provide accounting services, reports, Co-op records, suitable facilities for special education administrative and support staff, and shall perform any other responsibilities required by Co-op operating guidelines. It is agreed and understood that the Fiscal Agent assumes no responsibility for a Member Districts failure to maintain its effort. It is agreed that Anderson County Special Education Co-op Director certifies receipt of Medicaid funds. The Co-op may retain a portion of the Medicaid funds to cover operating costs not to exceed the amount outlined and approved by the Anderson County Special Education Co-op Management Board.

4.3 The Co-op, on behalf of the Fiscal Agent, will account for salaries and expenses of Co-op personnel, itinerant personnel and Co-op office staff as set forth in Section 3 herein. Co-op operating expenses; IDEA, Part B funds; Elementary and Secondary Education Act and any other applicable funds will also be managed by the Fiscal Agent. The Fiscal Agent will maintain personnel records and payroll systems for itinerant staff and Co-op office staff.

4.4 Except as may be provided herein, the Co-op Director, on behalf of the Fiscal Agent, will prepare and submit, on behalf of the Co-op, any reports or applications required by federal or state law or Co-op operating guidelines.

4.5 The Co-op Director, on behalf of the Fiscal Agent and Co-op, may negotiate contracts with outside service providers for special education and related services for students with disabilities in accordance with law and Co-op policies. The Fiscal Agent shall request compliance the Americans with Disabilities Act and Family Educational Rights and Privacy Act by each service provider.

4.6 The Fiscal Agent must notify other Member Districts of any intention to withdraw as Fiscal Agent of the Co-op on or before December 1st preceding the end of the last fiscal year it intends to serve as Fiscal Agent. The SSA Board may agree to waive the timelines pertaining to notification of the other Member Districts. It is agreed and understood that the withdrawing Fiscal Agent will notify TEA, if required, of its intent to withdraw as Fiscal Agent on or before February 1st preceding the end of the last fiscal year it intends to serve as Fiscal Agent. After a satisfactory independent audit of the Co-op's accounts, the transfer of Fiscal Agent status will become effective July 1.

4.7 Should the Fiscal Agent cease for any reason to serve, the Co-op Board will by majority vote of a quorum appoint another Member District as Fiscal Agent, subject to approval by that Member District's board of trustees.

4.8 The Co-op agrees to provide each Member District, upon request, with an accounting of the prior year's budget and how much state and local funds were expended on behalf of that Member District through a copy of the annual audit report that applies to the Co-op as part of the Fiscal Agent's audit.

4.9 The Fiscal Agent, as a Member District, is subject to SSA operational guidelines and requirements of this Shared Services Arrangement agreement.

5. Member Districts' General Obligations

5.1 Each Member District acknowledges federal funds received from the State earmarked for special education programs and services flow directly to the Co-op through the Fiscal Agent. Member Districts agree that any other funds assessed under Co-op operating guidelines or other legal requirement will be remitted within sixty (60) calendar days from the date the invoice is received.

5.2 In the event an ARD Committee determines that a student of a Member District requires residential placement to receive educational benefits, each Member District shall pool its 25% IDEA Part-B formula funds (“set-aside” funds) with the set-aside funds of all other Members Districts, to be applied for payment of related services and residential costs associated with the residential placement of any student residing within a Member District of the Co-op.

Except as otherwise provided herein or otherwise determined by the United States Department of Education (“DOE”), the Director will comply with the procedures of 19 T.A.C. § 89.61 when contracting for educational residential placements for a student served by a Member District.

Additionally, the Member District of residence of residentially-placed student shall provide an amount no less than its local tax share per average daily attendance for payment of residential costs of such student, as per 19 T.A.C. § 89.61.

The Member District wherein the residentially placed student resides shall be responsible for reimbursing the other Member Districts their respective 25% set aside fund share which TEA charged against each Member District for the residential placement costs. It is further agreed that the Management Board, by majority vote, may modify the terms of the amount of reimbursement due to each Member District, as set forth above.

5.3 Each Member District agrees to cooperate with the Fiscal Agent in maintaining the proper fiscal, personnel, and student records for the Co-op operations. Member Districts agree to operate special education programs in compliance with state and federal law.

5.4 Unless otherwise provided herein, title to and ownership of all personal property of whatever type or nature, acquired, purchased, encumbered, or committed to by the Co-op with Co-op funds, whether through purchase, lease, time payment, or any other acquisition agreement, regardless of whether the source of such Co-op funds was from local, state, federal, or private sources, are the property of the Co-op, and not that of individual Member Districts. All personal property of whatever nature, individually purchased with Member District funds or otherwise acquired by individual Member Districts from local resources shall remain that Member District's property, regardless of its use by the Co-op for Co-op educational services. Agreements pertaining to the title to, ownership or purchase of real property are not governed by the terms of the SSA

Agreement. Any such agreements related to real estate are subject to the laws governing property in the state of Texas.

5.5 A Member District may withdraw from the SSA by providing the other Member Districts with written notice of its proposed action at least one hundred twenty (120) calendar days on or before the February 1st preceding the end of the school year which the Member District intends to be its final year in the SSA. Upon receipt, the SSA's Fiscal Agent shall submit such written notice-of intent-to-withdraw to the Texas Education Agency prior to February 1st, if required. Upon delivery of such notice, the Member District's withdrawal from the SSA shall be effective on the following June 30th, at the end of the SSA's fiscal year. The withdrawing Member District shall return to the Co-op any supplies and equipment in its possession that was purchased with Co-op funds, prior to or by the effective June 30th final day of the withdrawing Member District's participation in the SSA. The Member Districts further agree that any fund balance, including roll forward monies, remaining in the SSAs operating fund as of the June 30th date set forth above, shall remain with the SSA. It is agreed and understood that the withdrawing Member District shall pay all costs and fees related to, resulting from, or associated with the withdrawal, including, but not limited to, non-renewal proceedings, legal costs, legal fees, or any other expense pertaining to the drafting of an agreement reflecting the reconfiguration.

5.6 Repayments to the Texas Education Agency due to a violation of federal rules on Maintenance of Effort ("MOE") by any school district shall be the responsibility of the Member District that violated the MOE requirement. The Member District agrees to submit payment to the Fiscal Agent in the amount equal to the repayment due TEA. Upon receipt of the payment, the Fiscal Agent will submit to TEA the amount of repayment due from IDEA-Part B funds.

5.7 If a School District requests to become a Member District of the SSA, such must be unanimously approved by the entire SSA Management Board and subsequently approved by each Member Districts' Boards of Trustees. It is agreed and understood that any school district seeking to join the SSA may be assessed a fee to be determined by the SSA Management Board prior to obtaining membership. It is agreed and understood that any school district seeking to become a Member District, remains solely responsible for any state compliance issues, federal compliance issues, legal disputes, lawsuits arising under any state or federal law, or administrative hearings or grievances which arose, were initiated, or existed prior to the effective date of the reconfiguration. Once approved as a Member District, any legal issues related to the new Member District, the basis of which occurs subsequent to the effective date of reconfiguration, will be addressed pursuant to Section 10 herein.

6. Fiscal Practices

6.1 The Co-op will operate on a budget prepared by the Director and approved by the Co-op Board and Member District boards of trustees as part of the respective Member Districts' overall budget approval process. Any Member District exceeding budget allocations without the proper budget amendments will be solely responsible for those expenditures which exceed the budget allocations.

6.2 Administrative and uncontrollable costs will be shared by each Member District on a pro rata basis. Each Member District will contribute its share based upon a ratio that compares the district's total special education enrollment to the total Co-op special education enrollment and based upon total number of special education students served by the Co-op in the previous year based on snapshot data.

6.3 The Co-op's accounts will be audited annually by the independent auditor for the Fiscal Agent at Co-op expense. Audit expenses are included in the SSA's state and local budget.

6.4 The Member Districts agree to submit annually a Fiscal Agent administrative fee to the Fiscal Agent. The specific amount of the Fiscal Agent Fee will be determined and approved by the Co-op Board and recorded in the minutes. The fiscal agent fee will be calculated by multiplying the total Co-op state and local budget by a multiplier of .005. The total cost of the secretary of finance position, including salary and benefits, will be added to the fiscal agent fee. The secretary of finance position is assigned to the fiscal agent of the Co-op. If the fiscal agent changes, the secretary of finance position will move to the District acting as the new fiscal agent.

7. Dissolution

7.1 Dissolution of this Agreement shall require the affirmative vote of a majority of the Member Districts. Upon dissolution, the Co-op's funds and any other remaining assets, after any charges and liabilities, will be divided among the Member Districts, prorated in the same manner as administrative costs as provided by Section 6.2. The dissolution will take effect on July 1 after the first February 1st following the dissolution vote. Any dissolution must be consistent with TEA timelines, to the extent required.

7.2 Should the SSA dissolve, instructional materials and equipment purchased for use in each district will remain in the respective districts, and become the property of that district. Any other remaining assets will be divided among the Member Districts based upon the current year's ratio outlined in 6.2.

8. Risk of Loss

8.1 Except as otherwise provided herein, each Member District bears its own risk of loss. "Loss" includes, but is not limited to, damage to or loss of personal or real property, costs of administrative hearings, litigation expenses, awards of actual damages, court costs, attorney's fees, and settlement costs.

8.2 Each Member District will insure its owned or leased vehicles used in the transportation of students with disabilities for at least the statutory maximum limits of school district liability for motor vehicle accidents.

9. Transportation

9.1 Each Member District bears responsibility for providing or contracting for the transportation of each of its transportation-eligible students to each facility at which services are provided. Each Member District may be eligible for reimbursement for travel expenses as approved by the Management Board.

10. Legal Responsibilities

10.1 The Member District wherein the student resides shall be solely responsible for the provision of a Free Appropriate Public Education (“FAPE”).

10.2 The Member District wherein the student resides is responsible for legal costs, court costs and attorney's fees, resulting from litigation directly involving that student. Except as otherwise provided herein, the Member District wherein the student resides is responsible for legal fees incurred due to TEA complaints, Office of Civil Rights (“OCR”) complaints and grievances directly involving that student.

10.3 Except as otherwise provided herein, if the SSA is a named party in an administrative hearing or lawsuit filed in federal or state court, or should the Fiscal Agent incur costs as a result of any litigation against the SSA, each Member District will be responsible for the costs based upon a ratio as outlined in 6.2 herein. If the SSA or its Fiscal Agent is named as a party (in addition to the Member District wherein the student resides) in a Due Process Hearing or legal proceeding in state or federal court (brought pursuant to the IDEA or Section 504) involving a special education student receiving services from a Member District, then such costs shall be allocated among the Member Districts based on the percentage of weighted full-time equivalents as designated by the SSA Board on an annual basis. These costs are limited to reasonable and necessary legal fees incurred by the SSA or its Fiscal Agent which are required for the legal defense of the SSA or its Fiscal Agent, in their respective roles as the SSA or Fiscal Agent. The Fiscal Agent, as a Member District, is subject to 10.1 and 10.2 regarding litigation involving students that reside in the Fiscal Agent Member District.

10.4 Each Member District shall be responsible for legal fees incurred due to complaints, grievances, or litigation arising from an employee with whom the Member District has a contract or with whom the Member District has an employment relationship.

10.5 Should the Fiscal Agent incur costs as a result of any complaints, grievances or lawsuits arising from the Co-op's employee's discharge of duties set forth herein, then such costs shall be divided among the Member Districts based upon the formula set forth in Section 6.2.

10.6 The legal responsibilities stated herein shall survive the expiration of this contract should litigation arise from events that occurred during the term of the contract.

10.7 The Member Districts of this Shared Services Arrangement contract agree to negotiate in good faith in an effort to resolve any dispute related to this Agreement that may arise from the Member Districts. If the dispute cannot be resolved by negotiations, the dispute shall be submitted to mediation before resorting to litigation. If the need for mediation arises, a mutually

acceptable mediator shall be chosen by the parties who shall share the cost of mediation services based upon an equal split between the Member Districts. Mediation is a voluntary dispute resolution process in which the parties to the dispute meet with an impartial person, called a mediator, who will help to resolve the dispute informally and confidentially. Mediators facilitate the resolution of disputes but cannot impose binding decisions. The parties to the dispute must agree before any settlement is binding.

10.8 Any Member District that independently elects to contract with a nonpublic school when appropriate services are available at the Member District or from the SSA, will be responsible for the entire cost of the placement.

11. The Agreement

11.1 This agreement will be automatically renewed by each Member District annually unless notice of withdrawal or dissolution is given under the terms of this agreement.

11.2 This agreement will supersede all previous agreements among the parties in relation to the operation of the Co-op and responsibilities under any prior Cooperative agreement.

11.3 This agreement will apply to and bind the representatives and successors in interest of the parties to this agreement.

11.4 This agreement is governed by the laws of the State of Texas. Venue for any dispute shall be in Anderson County, Texas.

11.5 If any provision of this Agreement becomes or is held violative of any law or unenforceable, then the invalidity of that provision will not invalidate the remaining provisions. The Member Districts agree that all remaining provisions of this Agreement will remain in effect.

11.6 Citations of and references to any specific federal or state statute or administrative regulation in this Agreement include any amendment to or successor of that statute or regulation.

11.7 It is understood and agreed that this Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

11.8 It is agreed and understood that the terms of this Agreement shall not be modified absent written agreement of all parties.

11.9 In the event the majority of the Member Districts agree to all of the terms set forth in this agreement, failure by an individual Member District to agree to the terms of this agreement, shall be deemed an effective withdrawal by that Member District. TEA timelines shall apply, to the extent applicable.

11.10 To the extent that a Member District is no longer accredited by the Texas Education Agency (“TEA”), that Member District is deemed not to be a party to this Agreement.

Approved by the Anderson County Special Education Co-op Management Board on April 14, 2021

CAYUGA INDEPENDENT SCHOOL DISTRICT

BOARD PRESIDENT

DATE OF APPROVAL

ELKHART INDEPENDENT SCHOOL DISTRICT

BOARD PRESIDENT

DATE OF APPROVAL

FRANKSTON INDEPENDENT SCHOOL DISTRICT

BOARD PRESIDENT

DATE OF APPROVAL

NECHES INDEPENDENT SCHOOL DISTRICT

BOARD PRESIDENT

DATE OF APPROVAL

SLOCUM INDEPENDENT SCHOOL DISTRICT

BOARD PRESIDENT

DATE OF APPROVAL

WESTWOOD INDEPENDENT SCHOOL DISTRICT

BOARD PRESIDENT

DATE OF APPROVAL