



## APPROVAL OUTSIDE VENDOR (NON-CUSD) CONTRACT

*All contracts must be approved by the Board of Education*

Please return this signed cover sheet and the contract to the Business Office for review  
**at least fourteen (14) working days prior to the next Board meeting.**

Once received and approved by the Business Office, **the contract will be returned to the requesting department and you must agendize the item for approval by the Board of Education** at their next regularly scheduled meeting.

**Site/Department:** Special Education & Counseling

**Date(s) of Contracted Service:** 07/01/2020-06/30/2021

**Contractor Name:** Monterey County Office of Education

**Cost (not to exceed):** State-approved indirect cost rate

**Description of Service:** This agreement is between MCOE and participating Monterey County Schools. MCOE will billback the districts for Special Education services provided to CUSD district students.

**Contract Terms:** Prepayment Penalty: ☐ Yes ☒ No Auto Renewal: ☐ Yes ☒ No

☐ Venue for Legal Disputes Reviewed by Cabinet Member ☐ Legal Counsel Reviewed

☐ Pupil Records Rider ☐ New Vendor (if checked, need W9) ☐ Other \_\_\_\_\_

☐ Fingerprinting/TB Questionnaire completed ☐ Insurance Received

☐ Ratified, reason \_\_\_\_\_

**Funding Source:** ☒ District ☐ ASB ☐ PTO/PTA ☐ Other \_\_\_\_\_

☐ Fund 40 ☐ Fund 14 ☒ Fund 01 **Budget Source** Special Education  
01.6500.0.5001.9200.7142.00.000.0000.0023

***I have read and understand the terms of and approve the attached contract:***

Steve Gonzalez  
Site/Department Administrator Signature

06/08/2020  
Date

☒ Reviewed by C.B.O. before being agendized. yp  
initials

Board Approval Date: \_\_\_\_\_

☐ Copy sent to the Site/Department \_\_\_\_\_  
Date

**2020-21**

**AGREEMENT REGARDING  
MCOE-PROVIDED SPECIAL EDUCATION  
PROGRAMS AND TRANSPORTATION**

The following agreement for the period July 1, 2020, through June 30, 2021, between the Monterey County Office of Education (MCOE) and the participating school districts in Monterey County (Districts) defines the provisions under which MCOE will billback the districts for Special Education services and transportation provided to the districts' students.

1. For billing purposes, MCOE will apply the MCOE State-approved indirect cost rate for all allowable costs incurred in accordance with the California School Accounting Manual guidelines to the Special Education costs and Special Education Transportation costs. Indirect costs include such general MCOE overhead expenditures as: accounting, budgeting, payroll, personnel management, purchasing, and data processing.
2. The calculation of the maximum base employee total compensation, defined as negotiated salary and benefit changes, amount will be based on the average current year collectively bargained total compensation percentage increases of the Class 3 County Offices of Education and Monterey County school districts over 2,500 Average Daily Attendance (ADA). In such case where MCOE settles with an amount greater than this average, MCOE will have the following year to bargain an amount that falls within the two-year average.
3. It is the responsibility of the Business Advisory Committee to monitor and review MCOE's Special Education budget, staffing, revenues and expenses.
  - a. The MCOE will provide to the Business Advisory Committee the following:
    - i. Special Education budget development documentation (April)
    - ii. MCOE Special Education budget assumptions, including enrollment and staffing projections by April of the year preceding the budget (April)
    - iii. Transportation Program revenue and expenditure information, and cost allocation information (April)
    - iv. Special Education revenues and expenses quarterly (October, February, May, and when records are closed, but no later than October of the following fiscal year)
    - v. Special Education student enrollments monthly report sent electronically to Special Education Directors. The report includes district of residence, cost centers and classroom location.
    - vi. An opportunity to allow the Committee to review this agreement annually to determine if adjustments need to be made (January)
    - vii. Requests from the Superintendents' Council for analysis or recommendation of financial impacts of the Billback Agreement (as necessary)
    - viii. SELPA (Special Education Local Plan Area) Income Distribution Agreement annually and when revised (August, and when necessary)
  - b. By February 1 the MCOE will submit an updated projection of the current year billback to all participating districts.

- c. During March and April the Business Advisory Committee will review MCOE draft budget, and projected enrollments and assumptions related to the Special Education programs and Special Education Transportation for the next school year. By the May BAC meeting, the districts will receive their estimated billback with an adjustment for program transfers for the following fiscal year.
  - d. Once the MCOE officially adopts its budget, a detailed Special Education budget will be submitted to Districts. If MCOE amends the Special Education budget based on the State Budget Act, the revision will be reviewed by the Business Advisory Committee. A detailed budget will include the total revenue and expense for each of the cost centers, as well as transportation.
- 4. MCOE will strive to ensure that students enrolled in MCOE SDC self-contained classes serving the LEAs within the SELPA attain a target of 85% ADA based on the P2 attendance period.
- 5. Districts agree to submit requested changes in MCOE-provided transportation to MCOE by submitting a letter of intent (see Exhibit A) no later than December 1, and a signed Memorandum of Understanding between the Monterey County Superintendent of Schools and the district taking back the services, by no later than March 1 of the year preceding the year of the requested change.
- 6. MCOE will have the stipulations related to this agreement reviewed as part of the annual independent audit. The purpose of the review will be to ensure compliance with this agreement and the accuracy of revenues, expenses, and student counts.
- 7. Districts agree that the excess costs of Special Education Transportation will be distributed to Districts based on the following:
  - a. One half the excess cost for transportation will be divided by the proration calculation of days of enrollment to the total number of instructional days for the year for students assigned to transportation. This per pupil cost is multiplied by the prorated number of students transported for each district.
  - b. One half the excess costs for transportation will be distributed based on actual use (one-way home to school miles for all students divided into one-half excess costs establishes a cost per student mile). This cost is multiplied by the student miles traveled by MCOE students from each district. Miles for wheelchair students will be increased by a factor of 3.
  - c. Reimbursement to parents who transport their own children will be included as part of transportation excess cost allocation. The reimbursement will be based on the IRS rate per mile.
- 8. Special Education Program costs are assigned into cost centers and will be distributed to Districts as specified below:

- a. Itinerant visually-impaired and hearing-impaired services to special day class students will be reported by assigned FTE. Excess costs for these services will be reflected in the total billback for the Special Day Class (SDC), Medically Fragile, Preschool or Deaf/Hard of Hearing (DHH) cost center. Excess costs are defined as the total expenses for each cost center, less the revenue assigned to each cost center.
- b. Itinerant Speech and Occupational Therapy services for students enrolled in special day classes will be reported in the “Speech” and “OT” cost centers. Excess costs will be billed to districts by service minutes. The billback spreadsheet will provide the actual service minutes provided to each district, as well as overall totals for MCOE. The total excess costs of providing services to districts will be divided by the total actual service minutes and then distributed among districts based upon the actual minutes provided to each district.
- c. Itinerant visually impaired and hearing-impaired services for students not enrolled in special day classes will be reported in the “Itinerant” cost center. Excess costs will be billed to districts by instructional minutes. The billback spreadsheet will provide the actual instructional minutes provided to each district, as well as overall totals for MCOE. The total excess costs of providing services to districts will be divided by the total actual instructional minutes and then distributed among districts based upon the actual minutes provided to each district.
- d. Total excess costs for the year, divided by the proration calculation of days of enrollment to the total number of instructional days for the year, will determine the per pupil cost for the “Infant”, “SDC”, Medically Fragile, Preschool and DHH (ages 3 to 22) cost centers. The billback will be based on each district’s prorated enrollment times the per pupil cost.

MCOE will provide regular emails based on reporting period to District Special Education Directors and CBOs reporting countywide student counts by program cost center.

- e. MCOE charter schools and alternative education programs are responsible for paying the full cost of their Special Education programs and services. These programs will receive a funding allocation based upon the SELPA income distribution agreement to assist with these costs. No costs from MCOE alternative education programs or MCOE charter schools will be included in the billback.
- f. All services specific to an individual student, as determined in the IEP, will be billed to the student’s district of residence regardless of whether the service is provided by MCOE or a private vendor contracted by MCOE (e.g., one-to-one aides, bus riders, Behavior Paraeducators, and Braille assistants). One-to-one aides and bus riders will only be provided by MCOE if the IEP process determines the need for the one-to-one assistance program.
- g. SELPA will enter into master contracts with non-public agencies to provide one-to-one aides as determined in the IEP. The cost for this contracted service will be added as a direct service for the student’s district of residence. MCOE will be responsible for entering into an Individual Service Agreement (ISA) as specified in the IEP.

9. Districts' billback amounts for the excess costs of MCOE-operated Special Education and Special Education Transportation shall be paid to MCOE in accordance with the following provisions:
- a. From July to September, monthly transfers will be based on each district's prior year April count, less the estimated student count for program transfers and transportation takebacks applied to the current year Special Education adjusted budget. Fund transfers from districts will be based on the estimate of total excess cost in increments of 5% for July and August, and 9% of the estimated billback for the month of September.
  - b. From October to January, monthly transfers will be based on current year October count participation and a revised and updated estimate of excess costs. The remaining amount of billback will be calculated by taking the updated estimate of excess cost, less what has been paid to date. Fund transfers will be based on the remaining amount of the billback in increments of 9% of the estimated billback for October to January.
  - c. From February to June, monthly transfers will be based on current year February count participation and a revised and updated estimate of excess cost. The remaining amount of billback will be calculated by taking the updated estimate of excess costs, less what has been paid to date. These transfers are based on the remaining amount of the billback. The increments will be 20% of the remaining billback amount for each month from February to June.
  - d. By November 1 of the current year, the actual amount of prior year billback will be calculated and compared to each district's payments through June of the prior year. Any final adjustment for the prior year billback will be a fund transfer by November 1 of the current year.
  - e. The MCOE will use actual daily enrollment, prorated by the total number of instructional days possible between the first day of school and each reporting period for October, February, and June) to calculate the enrollment for the Infant, SDC, Medically Fragile, Preschool and DHH cost centers.
10. Modifications to this agreement may be made in accordance with Item 3.a.vi and with the agreement of all parties.

**Monterey County Office of Education:**

\_\_\_\_\_ **School District:**

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**District Superintendent**

\_\_\_\_\_  
Date Approved

\_\_\_\_\_  
Date Approved

## EXHIBIT A

### SAMPLE LETTER FROM SCHOOL DISTRICT TO MCOE TO REQUEST TAKEBACK OF TRANSPORTATION

*Date (must be received by MCOE prior to December 1 of the year preceding the takeback)*

Dr. Colleen Stanley, Associate Superintendent  
Finance and Business Services  
Monterey County Office of Education  
901 Blanco Circle  
P.O. Box 80851  
Salinas, California 93912-0851

Dear Dr. Stanley,

The \_\_\_\_\_ School District is providing timely notice to MCOE of its intent to take back transportation of MCOE special education students that attend school in \_\_\_\_\_ (District) beginning with the 20\_\_\_\_ - 20\_\_\_\_ fiscal year.

Please provide students' needs as follows:

- Riders needed
- Students needing a wheelchair
- Special needs that MCOE should be made aware of

I look forward to receiving this information to determine the best transportation approach to each student. Thank you in advance for your assistance in making this a smooth transition. Please contact me at \_\_\_\_\_ - \_\_\_\_\_ or email \_\_\_\_\_ if there are any other issues that need to be discussed.

Sincerely,

District Superintendent

cc: Dr. Deneen Newman, Deputy Superintendent  
Joshua Jorn, General Services Director II  
Eleanor Taylor, Transportation Supervisor  
(school district staff)