



<b>Board Agenda Item #:</b>	IV B- Action Item
<b>Date:</b>	December 15, 2019
<b>To:</b>	Magnolia Public Schools – Board of Directors
<b>From:</b>	Alfredo Rubalcava, CEO and Superintendent
<b>Staff Lead:</b>	Erdinc Acar, Chief Academic Officer
<b>RE:</b>	Disclosure of Potential Conflict of Interest for MSA-7 and Approval of Contract

**Recommended Motion:**

Magnolia Educational & Research Foundation dba Magnolia Public Schools (“MPS”) Staff recommends that the MPS Board of Directors approve a contract between MSA-7 and DirectEd, an independent vendor. The contract may involve a conflict of interest due to the fact that the MSA-7 Principal, Meagan Wittek, is the spouse of an employee at DirectEd. After full disclosure of the conflict and consideration of all the facts, MPS Staff recommends that the MPS Board approve the DirectEd contract as being in the best interests of MPS and MSA-7.

**Background**

On May 1, 2019 MPS solicited proposals to establish a contract through competitive negotiations for the purpose of entering into a contract with a qualified vendor to provide special education and related services in grades TK-12 for all MPS Schools. After the qualification process, MPS engaged in a service agreement with Edlogical Group with the MPS Board’s approval on June 13, 2019.

In November 2019, Edlogical informed the MSA-7 school team that they could no longer provide the services due to a capacity issue.

MSA-7 and the MPS home office team identified DirectEd Services as the next qualified service provider. DirectEd also has a service agreement with MPS and has been also serving other MPS schools in various capacities including providing qualified substitute teachers, staff personnel

and professionals in the area of Special Education to provide services to on a temporary and/or long-term basis.

### **Potential Conflict of Interest**

The potential conflict of interest involves MSA-7 Principal Meagan Wittek and her husband who works for DirectEd in the substitute teacher services department. To prevent any actual or perceived conflicts, MSA-7 has not been receiving any substitute teacher services from DirectEd. MSA-7 will continue not receiving the substitute teacher services or any services where Mrs. Wittek's husband is directly involved. MSA-7 is interested in receiving SPED related services specifically in the form of Speech Language Pathologists (SLP) and Speech Language Pathologist Assistants (SLPA).

### **MPS Conflict of Interest Policy**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. Accordingly, MPS has adopted a Conflict of interest Code designating positions and establishing disclosure categories. The "Principal" position falls under two of those categories. A copy of the conflict of interest policy is attached to this report.

MPS is committed to transparency and avoiding any actual or perceived conflicts of interest. Therefore, to mitigate the conflict, MSA-7 Vice Principal Mr. Yoon is designated to deal with any and all DirectED related service including the addition and deletion of services. Further, Mr. Yoon will consult with MPS Home office SPED Director Dr. Artis Callaham to manage all services.

### **Budget Impact**

None

### **Attachment(s)**

- 1- DirectED Service Agreement
- 2- MPS Conflict of Interest Code

**DirectEd**  
Service Agreement

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This Service Agreement (this "Agreement") is made and entered into as of July 1, 2019, by and between New Mediscan II, LLC, doing business as DirectEd Educational Services ("DE") and Magnolia Public Schools ("Client"), located at **(See Exhibit C)**, with reference to the following:

**RECITALS**

Client wishes to retain qualified substitute teachers, staff personnel and professionals in the area of Special Education to provide services to Client on a temporary and/or long-term basis. DE has the ability to provide qualified temporary and long-term professionals to Client. Client wishes to engage DE to provide these services. Accordingly, the parties agree as follows:

**AGREEMENT**

**DE's Duties and Responsibilities**

1. DE will:
  - 1.1 Recruit, screen, interview, train and assign its employed service providers ("Employee") to perform the work described on Exhibit A under Client's supervision at the location specified above;
  - 1.2 Pay Employees' wages and provide them with the benefits offered by DE;
  - 1.3 Pay, withhold, and transmit payroll taxes; provide unemployment insurance; and handle unemployment and Workers' Compensation claims involving Employees. During the term of this Agreement, DE will maintain Workers' Compensation insurance at levels established by applicable state, automobile liability insurance with limits of \$1,000,000 and general liability insurance with limits of \$1,000,000 (individual) and \$3,000,000 (aggregate). Said general liability coverage shall include claims for sexual abuse and molestation. DirectEd shall furnish, at Client's request, a certificate of insurance evidencing such coverage.
  - 1.4 Perform all required background and qualification checks in accordance with Exhibit B of this Agreement;
  - 1.5 Inform Client in the event any Employee becomes non-compliant with any requirement in accordance with Exhibit B of this Agreement;
  - 1.6 Comply with all applicable federal, state and local laws, ordinances and regulations relating to this Agreement and to Employees; and
  - 1.7 Comply with the Family Educational Rights and Privacy Act (FERPA).

**Client's Duties and Responsibilities**

2. Client will:
  - 2.1 Properly supervise Employees and be responsible for Client's business operations, services, and confidential information;

- 2.2 Properly supervise, control, and safeguard Client's premises, processes and/or systems, and not permit Employees to operate any vehicle, or entrust them with unattended premises, cash, confidential or trade secret information, or other valuables without DE's prior written approval or as strictly required by the job description provided to DE;
- 2.3 Provide Employees with a safe work site, appropriate information, space to conduct their work and abide by all CalOSHA, standards, policies and procedures;
- 2.4 Immediately notify DE in the event an Employee is not meeting expectations, compromises student safety, or acts inappropriately or in violation of Client or DE policy, or with any other concern;
- 2.5 Comply with all applicable federal, state and local laws, ordinances and regulations relating to this Agreement;
- 2.6 Provide Employees with on-site parking. The Client agrees to be billed for and pay to DE any charges incurred if Employees are required to pay for parking.

### **Payment Terms, Bill Rates, and Fees**

3. Client will pay DE for DE's services at the rate(s) stated on Exhibit A, and will also pay any additional costs or fees incurred by DE or its Employees in providing the services described herein. The rates and terms in Exhibit A shall be updated every July 1st and may reflect increases or decreases in rates. Client will receive a notice of these updates at least 30 days prior to July 1<sup>st</sup>. Fees are due and payable to DE within forty (40) calendar days of the date of the invoice. Invoices are dated using the last billing date of the invoice cycle.

In the event any invoice is not paid within 40 days of the invoice date, Client shall pay to DE a delinquency charge computed on Client outstanding balance as of the date of each invoice equal to one and one half percent per month from the date of each invoice, together with collection costs and fees, including attorneys' fees incurred in connection with collection of such amounts or ensuing arbitration and/or litigation, until each such invoice and all delinquency and attorneys' fees and costs are paid in full. The delinquency charge shall not exceed the maximum amount permitted by law. Late payment may also result in suspension of DE's services under this Agreement. If a portion of any invoice is disputed, Client agrees to promptly pay the undisputed portion by the invoice due date. Client has 40 days from invoice issuance to dispute, in writing, any portion of an invoice. Failure to do so in this time period, forfeits the Client's right to dispute.

- 3.1 Substitute Services will be billed weekly. Invoices will include the date of service, the employee who provided services, the bill rate, and the total costs. Sign in/out sheets and timesheets are not submitted with invoices and should be maintained by Client, if needed. Invoices will be separated by school site. DE will invoice Client for services provided under this Agreement every week for services provided the previous workweek. The DE workweek starts every Sunday and ends the following Saturday.
- 3.2 If Client uses Special Education Services, it will have the option to be billed monthly or weekly. Invoices will include the date of service, the type of service provided the employee who provided services, the bill rate, the total time worked and the total cost. Sign in/out sheets and timesheets are not submitted with invoices and should be maintained by Client, if needed. Invoices will be separated by school site. For weekly billing, DE will invoice Client for services provided under this Agreement every week for services provided the previous workweek. The DE workweek starts every Sunday and ends the following Saturday. For monthly billing, DE will invoice Client for services provided under this Agreement by the

15<sup>th</sup> of every month for the prior month's services. If Client does not provide a billing preference, weekly billing will be the default.

### **Hiring of DE Substitute Department Staff**

- 3.3 Client recognizes and acknowledges that DE spends considerable time and effort and incurs substantial expense in recruiting, employing, training and retaining qualified staff. DE recognizes that its staff pool hopes to gain permanent employment with DE's clients and DE supports the long-term goals of its staff. DE has developed the following fee schedule in order to balance out the costs of recruiting, employing and retaining qualified staff with the long-term goals of its Employees.

Client shall immediately pay to DE the Placement Fee stated on Exhibit A for each Employee that (a) Client hires as its direct employee, independent contractor or sub-contractor, while employed by DE and/or within 90 days of the termination of such Employee's employment with DE or (b) Client causes, directly or indirectly, to leave the employment of DE.

Client must provide DE with 30 calendar days prior notice if they plan to offer a position to a DE Employee.

DE may, at its sole and absolute discretion, modify, waive or reduce the fee.

### **Hiring of DE Special Education Department Staff**

- 3.4 Client recognizes and acknowledges that DE spends considerable time and effort and incurs substantial expense in recruiting, employing, training and retaining qualified staff. DE offers long-term careers to its special education staff and therefore hopes to retain them as long-term Employees. DE expends significant resources on each special education employee and must recuperate those costs if Client hires a DE special education employee.

Client shall immediately pay to DE the Placement Fee stated on Exhibit A for each special education employee that (a) Client hires as its direct employee, independent contractor or sub-contractor, while employed by DE and/or within 90 days of the termination of such employee's employment with DE or (b) Client causes, directly or indirectly, to leave the employment of DE.

Client must provide DE with 30 calendar days prior notice if they plan to offer a position to a DE special education employee.

DE may, at its sole and absolute discretion, modify, waive or reduce this fee.

### **DE Search Services**

4. The following applies when Client wishes to engage DE for contingent search services.

DE's search services are furnished on a contingency basis and aside from the initial fee, fees are payable if Client engages the services of a candidate that has been referred to the Client, directly or indirectly, through DE's efforts. The fee is payable should Client or its affiliate engage such a candidate for any position within one year after DE's most recent communication relating to such candidate. Candidates are referred to Client in confidence. The candidate referrals and the methodologies DE uses to identify candidates constitute DE's confidential information and valuable trade secrets and are subject to the confidentiality obligations in this agreement. Should Client refer or otherwise identify such a candidate to another company, this constitutes a violation of Client's obligation to maintain the confidentiality of

our candidate referrals. If the other company hires the candidate, Client agrees to pay DE the quoted services fees. Invoices are due 40 calendar days after issuance. Initial fee payment is required before a Search is commenced.

When you engage DE in a search request, Client acknowledges and agrees that DE may place Client's name among a list of companies represented by DE in marketing and advertising materials used by DE, and that DE may use Client's name in conducting the search(es) requested by Client. DE may not otherwise use Client's name for marketing purposes without Client's permission. No representations or endorsements will be attributed to Client from including its name in such customer list.

Either party may terminate the search request without cause and upon 30 days written notice to the other party. Should the search be terminated at the Client's request without cause, they will forfeit the initial fee.

### **Breaks and Meal Periods**

5. DE must comply with state and federal law requiring the payment of overtime. Also, DE must comply with mandatory break and lunch requirements as delineated in the applicable laws. Client shall authorize and permit non-exempt Employees to take a paid 10-minute break for every four (4) hours of work, or major fraction thereof. Non-exempt Employees shall also be entitled and encouraged to take an unpaid, duty-free 30-minute meal period for every work period of more than five (5) hours unless the assignment is less than six hours. For substitute teachers the second rest break may be provided after the last covered class if necessary. DE may adjust the start or end time of an assignment to accommodate for mandatory rest and meal breaks. Client will be notified if these adjustments will extend the workday beyond eight hours. Work days beyond eight hours will incur overtime charges for non-exempt employees. Client agrees to comply with all federal and state laws regarding start/stop times, meal periods and rest breaks, and shall indemnify, defend and hold DE harmless for the same.
6. DE will charge Client a fee for each occurrence where the Client fails to provide an uninterrupted duty-free rest break or uninterrupted duty-free meal break as required in Section 5. Further, Client shall be responsible for any and all penalties assessed against DE in connection with such violation of meal and rest break laws. See Exhibit A for fee schedule.
7. The failure to provide meal and rest breaks for non-exempt Employees may result in overtime charges if the hours worked exceed eight (8) hours in a workday. In the event any overtime hours are worked, Client will be charged and agrees to pay DE at the overtime rate. Client acknowledges and agrees that any requirement by Client for a DE Employee to arrive early or leave later than scheduled will also result in the Client being billed overtime for such time. See Exhibit A for fee schedule.

### **Confidential Information**

8. The parties acknowledge they may receive information that is proprietary or confidential to the other party or to persons or entities affiliated with or engaged in providing services to the other party. The parties agree to hold such information in strict confidence and not disclose such information to third parties or use such information for any purpose other than performing their services for the other party pursuant to this Agreement.

### **Cooperation**

9. The parties agree to cooperate fully and provide assistance to the other party in the investigation and resolution of any complaint, claim, action or proceeding that may be brought by or involve Employees in any way.

### **Indemnification and Limitation of Liability**

10. DE shall indemnify Client, its subsidiaries, affiliated entities, directors, owners, agents, representatives, and employees, from and against all losses, liabilities, expenses, and claims for damages (including court costs and reasonable attorney's fees) which may be asserted or claimed against Client as a result of any negligent act or error or omission directly caused by DE or its Employee(s), including without limitation any violation or breach of this Agreement.
11. Client shall indemnify DE, its subsidiaries, affiliated entities, directors, owners, agents, representatives, and employees, from and against all losses, liabilities, expenses, and claims for damages (including court costs and reasonable attorney's fees) which may be asserted or claimed against DE as a result of any act or error or omission directly caused by Client, its employees or agents, including without limitation any violation or breach of this Agreement.

### **Term of Agreement**

12. This Agreement shall begin on the date first written above and shall continue for a term of one year. This Agreement at the end of such term will be automatically renewed for successive one year periods unless terminated sooner. This Agreement may be terminated by either party on fifteen (15) days' written notice, or at any time by mutual written agreement of the parties.
13. DE reserves the right to immediately terminate this Agreement in the event: (i) Client breaches any duty under this Agreement, including but not limited to the failure to timely pay any amounts due to DE; (ii) if required by law or regulation; or (iii) if Client becomes insolvent or commits any act of bankruptcy, or a petitioner for involuntary bankruptcy is filed against Client, or Client makes a general assignment for the benefit of creditors under the bankruptcy or insolvency laws.
14. On termination, DE shall have no further obligation to provide Client with Employee. The provisions regarding Confidential Information and Cooperation shall continue in effect subsequent to and regardless of termination of this Agreement.

### **Notices**

15. Any notice, request, demand, consent, approval or other communication required or permitted under this Agreement must be in writing and will be deemed to have been given (a) on actual delivery, if delivery is by hand, or (b) on receipt if delivery is by facsimile, or (c) five (5) days after deposit in the U.S. mail, postage prepaid, certified or registered mail, return receipt requested. Each such notice shall be sent to the respective parties at the address indicated below. Any party may change its address for purposes of this Section by giving the other party written notice as provided in this Section.

To DE:

**DirectEd**

Attn: Contracts Dept.  
21820 Burbank, Suite 310  
Woodland Hills, CA 91367  
Fax: 813-321-0420

To Client:

**Magnolia Public Schools**

Attn: Suat Acar  
250 E. 1<sup>st</sup> Street, Suite 1500  
Los Angeles, Ca, 90012  
Fax: 714-362-9588

### **Nature of Relationship**

16. The parties desire and intend and shall be deemed to be independent contractors, and not in any partnership, joint venture, principal-agent, fiduciary-beneficiary, employment, or other relationship. DE shall be solely responsible for all forms of compensation and benefits, if any, and all obligations of any kind or nature, including but not limited to taxes, insurance premiums, and withholdings from compensation to Employees, whether arising from negotiation or by law, of Employees placed with Client under this Agreement. DE shall complete and submit a Form W-9 to Client annually, as requested.

### **Additional Provisions**

17. The provisions in this Agreement which by their nature survive the expiration or termination of this Agreement (including, but not limited to, the conversion of DE Employees to permanent employees of Client) shall continue in effect after expiration or termination until they have been fully performed or until by their nature they have expired.
18. No provision of this Agreement may be amended or waived unless agreed to in writing signed by each of the parties.
19. If any term, provision, covenant or condition of this Agreement shall be held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, such decision shall not affect the validity of any remaining portion, and the remaining portion shall stand in full force and effect, and shall in no way be affected, impaired or invalidated. Any provision thus affected shall be modified to the extent necessary to bring the provision within the applicable requirements of the law.
20. This Agreement, including attached exhibit(s), constitutes the entire Agreement between the parties regarding its subject matter, and supersedes all prior agreements and understandings between the parties, whether oral or written, relating to its subject matter.
21. The provisions of this Agreement shall benefit and bind the parties and their respective heirs, representatives, successors, and assigns.
22. A party's delay or failure to enforce any one or more provisions of this Agreement on one or more occasions will not be a waiver of that or any other provision on any other occasion(s) or of the party's right thereafter to enforce each and every provision of this Agreement.
23. A party shall have no right or power to and shall not purport to transfer or assign this Agreement without prior written consent from the other party.
24. This Agreement shall be governed by the laws of the State of California. Any legal action arising from, involving or relating to this Agreement shall be brought in a court of competent jurisdiction located in Los Angeles, California.
25. **ARBITRATION OF DISPUTES:** The parties shall have all rights provided by the Federal Arbitration Act, and, if applicable, California law, to seek non-binding arbitration of any contractual dispute regarding this Agreement. In the event of any express or implied conflict between the Federal Arbitration Act and California law, the Federal Arbitration Act shall govern. To that end, no impediments to the invocation of this provision shall arise by virtue of any provision of California law which by its terms is focused upon the exercise of contractual dispute resolution procedures. The prevailing party in any such non-binding arbitration shall be awarded its reasonable costs and attorney's fees incurred in connection with the dispute. Such non-binding arbitration may be decided by a single neutral arbitrator under the auspices of the American Arbitration Association and that such arbitration be conducted in Los Angeles, California, with each side to advance one half of the arbitrator's estimated fee, pending the award of



costs therein. With respect to any effort to enforce the above-stated non-binding arbitration provision or any other controversy or claim arising out of or relating to this Agreement, each party hereto consents to the personal jurisdiction over such party of the Courts of the State of California and that venue is proper in Los Angeles County. In the event any action (arbitration and/or court proceeding) is brought by either party arising out of or concerning this Agreement, the prevailing party in such action shall be entitled to recover as an element of its cost of suit, and not as damages, reasonable attorney's fees to be fixed by the court or arbitration panel. "Prevailing party" shall be the party who is entitled to recover its cost of suit, whether or not the suit proceeds to final judgment. For purposes of clarity no issues of malpractice or negligence may be decided by arbitration.

The parties, intending to be legally bound, duly execute this Agreement as of the date stated above.

**Magnolia Public Schools**

Signature: Alfredo Rubalcava

Printed Name: Alfredo Rubalcava

Title: CEO & Superintenden

Date: 7/1/19

**DirectEd Educational Services**

Signature: Natoh Tucker

Printed Name: Natoh Tucker

Title: Director, Bus Admin

Date: Effective: 7-1-2019

## Exhibit A

### FEES FOR SUBSTITUTE TEACHERS & SCHOOL SUPPORT STAFF

Rates and Fees for Day-to-Day and Long Term Substitute Teacher Assignments <sup>1</sup>	Rates
Half Day <sup>2</sup> – Fewer than 4 hours	\$150.00 per day
Full Day – 4.01 – 8.0 hours	\$245.00 per day
Half Day – Fewer than 4 hours – Assigned Long Term Sub (10+ school days)	\$145.00 per day
Full Day – 4.01 – 8.0 hours – Assigned Long Term Sub (10+ school days)	\$235.00 per day
Extended Day – 8.01 – 9.0 Hours	\$295.00 per day
Overtime Fee <sup>3</sup> , Weekend Assignments <sup>4</sup> and Failure to Provide Lunch or Rest Break <sup>5</sup>	\$50.00 per hour/occurrence
No Notice Cancellation Fee <sup>6</sup>	\$130.00 per occurrence
Rates and Fees for Long Term Substitute Teacher Assignments Requiring Lesson Planning or Grading <sup>7</sup>	Daily Rate
Teacher with 30-day Sub Permit <sup>8</sup>	\$365.00 per day
Credentialed Teacher Assignment <sup>8+9</sup>	\$380.00 per day
Additional Duties Fee, Missed Prep Fee or Failure to Provide a Duty Free Lunch <sup>10</sup>	\$50.00 per hour/occurrence
Lesson Planning for non-DirectEd Substitute Teacher <sup>11</sup>	\$50.00 a day
Rates and Fees for School Support Staff <sup>12+13</sup> (6 hour minimum)	Hourly Rate
Office Assistant	\$32.50 per hour
SpEd Aide or Teacher Assistant	\$32.50 per hour
Certified Nursing Assistant (CAN)	\$32.50 per hour
Licensed Vocational Nurse (LVN) – 4 hour minimum permitted	\$41.50 per hour
SpEd Aide – NCI Certified or QBS Trained	\$35.00 per hour
BII Substitute	\$36.50 per hour
BII Substitute – NCI Certified or QBS Trained	\$39.00 per hour
After-School Assignment (Any assignment that starts after 2:30pm. 3-hour minimum required.)	\$50.00 per hour
Overtime Fee <sup>3</sup> , Weekend Assignments <sup>4</sup> and Failure to Provide Lunch or Rest Break <sup>5</sup>	\$50.00 per hour/occurrence
LVN Overtime Fee <sup>3</sup>	\$65.00 per hour

No Notice Cancellation Fee <sup>6</sup>	\$130.00 per occurrence
<b>Placement Fees for Substitute Teachers and School Support Staff</b>	
1-90 assigned days at client site	\$3,500 flat rate fee
>90 assigned days at client site	\$1,500 flat rate fee

### FEES FOR SPECIAL EDUCATION PROVIDERS, ASSESSORS AND CONSULTANTS

Special Education Provider Rates <sup>15+16</sup> <small>(Minimum Visit Rates are for on-site visits. Off-site time is billed in 15 min. increments)</small>	Hourly Rate	Minimum Billing Increments
Program Administrator	\$158.00	4 hours
Case Manager	\$109.50	4 hours
Resource Teacher (RST)	\$82.00	7 hours for direct services
School Psychologist	\$109.50	1 hour for IEPs, consult and on-site services
Academic Assessor	\$109.50	1 hour for IEPs, consult and on-site services
Deaf and Hard of Hearing (DHH)	\$122.00	1 hour for IEPs and consult; 3 hours for direct services
Augmentative and Alternative Communication Assessment (AAC)	\$115.00	1 hour for assessments; 3 hours for direct services
Assistive Tech Assessment	\$115.00	1 hour for assessments; 3 hours for direct services
Educational Audiologist	\$165.00	1 hour for IEPs, consult and on-site services
Credentialed School Nurse w/ Audiometrist Certificate (SN)	\$98.50	1 hour for IEPs, consult and on-site services
DIS Counselor	\$83.00	1 hour for IEPs and consult; 3 hours for direct services
Speech and Language Pathologist (SLP)	\$115.00	1 hour for IEPs and consult; 3 hours for direct services
Speech and Language Pathology Assistant (SLPA) <small>Supervisor provided by DE and Client is not charged for supervision separately.</small>	\$74.00	3 hours for direct services
Unsupervised Speech and Language Pathology Assistant (SLPA) <small>Supervisor not provided by DE</small>	\$67.00	3 hours for direct services
Occupational Therapist (OT)	\$115.00	1 hour for IEPs and consult; 3 hours for direct services
Certified Occupational Therapist Assistant (COTA) <small>Supervisor provided by DE and Client is not charged for supervision separately.</small>	\$74.00	3 hours for direct services
Unsupervised Certified Occupational Therapist Assistant (COTA) <small>Supervisor not provided by DE</small>	\$67.00	3 hours for direct services
Adapted Physical Education Teacher (APE)	\$96.00	1 hour for IEPs and consult; 3 hours for direct services
Behavior Intervention Development (BID)	\$109.50	1 hour for IEPs and consult; 2 hours for direct services
Educationally Related Intensive Counseling Services or Educationally Related Mental Health Services (ERICS or ERMHS)	\$109.50	1 hour for IEPs and consult; 3 hours for direct services
Behavior Intervention Implementation (BII)	\$36.50	6 hours

Behavior Intervention Implementation (BII) – NCI Certified or QBS Trained	\$39.00	6 hours
Expert Consult	\$190.00	2 hours for on-site services; 15 mins for off-site meetings
Translation – Special Education Reports in Spanish	\$100.00	No minimum
Vision, Hearing or Scoliosis Screening or Lice Check (if fewer than 50 students, hourly School Nurse rate applies)	\$5.00	Per student / per screening
Overtime fee for SLPA, COTA and BII (non-exempt employees) <sup>17</sup>	1.5 times	
Failure to Provide Lunch Break/ Rest Break <sup>5</sup> (non-exempt employee)	1 Hour	
Other Providers not listed in the agreement	Contact for quote	
<b>Placement Fees for Special Education Providers and Assessors</b>		
0-1,500 hours of service charged to the Client for that employee	\$15,000 flat fee	
>1,500 hours of service charged to the Client for that employee	\$3,500 flat fee	

### SEARCH FEES

Description of Search Fees	Fee
<b>Initial Fee</b> – billed for each position requested by Client	\$500
<b>Teacher and Counselors Final Fee</b>	\$3,500
<b>School Psychologist or School Administrator Final Fee</b>	\$7,500
<b>Other</b>	Quoted

### TRAINING FEES

Description of Fees	Fee
<b>Training Services</b> DE provides an array of training options. Call us and we will create a customized plan to address your needs.	Contact for quote

#### Exhibit A Notes:

1. The hours billed is based on the following calculation. DE will add 15 minutes to the start and 15 minutes to the end time of the Client's bell schedule. An additional 15 minutes may be added to the start of the workday, if a morning break is not included in the Client's bell schedule. Lunch is unpaid, so the duration of the lunch is deducted from the calculation.
2. For an assignment to qualify as a half day assignment the calculation of hours must include 15 minutes prior to the substitute's first class and 15 minutes after substitute's last class.
3. Employees will be paid overtime if they work more than 8 hours per day.
4. Any assignment that starts after 2:30pm or any assignment on a Saturday or Sunday is paid at this rate. A 3-hour minimum applies to these assignment types.
5. This fee applies when Client prohibits a non-exempt employee from taking their scheduled lunch and/or rest breaks

6. Client may be charged if a confirmed assignment is cancelled once the employee is in route or has arrived at the assignment.
7. Teachers who are lesson planning shall verify their hours with the office manager or other designee on a weekly basis. Lesson planning rates go into effect anytime an assignment requires lesson planning or grading. Client will be billed retroactively, if applicable. Pupil Free Days and Professional Development Days will be billed at the lesson planning rate if the substitute is required to report to work on those days. If transition days are requested, they will be billed as an assignment not requiring lesson planning.
8. If a lesson planning substitute teacher is absent, the Client will be charged the lesson planning rate of that teacher when a DE substitute covers the assignment. This is to compensate the lesson planning stipend DE pays the Employee when absent.
9. This rate applies to teachers who are credentialed in the subjects they are teaching.
10. A Client administrator or administrative designee must approve all additional duties on the Employee's timecard. Additional duties include; office hours, detention coverage, Back-to-School Night, Parent Conferences, etc. Teachers who are lesson planning will be provided the standard preparation time and/or conference periods provided to other teachers at the Client's school site. They must also be provided with a duty-free 30 minute lunch. If neither of these are provided, additional duties fees will apply.
11. Fee applies when a DE employee is absent and creates lesson plans for a non-DE employee.
12. School support staff employees may not have a valid 30-Day Substitute Permit, are not allowed to supervise classrooms independently and should not be left alone with students for extended periods of time. Lunch is deducted from the calculation of hours and is therefore unpaid.
13. Client may not modify the confirmed hours of an assignment request once the Employee is in route to the assignment. Client shall immediately notify DE within 1 business day if Employee does not show up for a confirmed assignment. Client will be charged all confirmed amounts unless DE is notified of the Employee "No Show".
14. Client may be charged if a confirmed assignment is cancelled once the employee is in route or has arrived at the assignment.
15. Additional Terms for Special Education Providers Absent Students/Schedule Changes
  - a. BII Services- Client will be charged the minimum visit of six hours for these services if student is absent and DE is not provided email notice one business day in advance.
  - b. Direct Services- Client will be charged a one-hour service fee in the event that the scheduled student(s) is/are absent or if Client does not allow provider to provide services to students.
  - c. Client must provide at least one business day notice if there is a change in the Client or student's schedule that will impact the Employee's scheduled visit. Failure to notify DE will result in a charge of one hour for the service
16. Additional Terms for Assessment and Consultation Services
  - a. Client may be charged a one-hour service fee, if an IEP meeting is cancelled with less than 24 hours of notice. If a parent or guardian does not attend a scheduled IEP meeting, Client will still be charged a one-hour service fee.
  - b. When an assessment or student consultation is previously scheduled, Client will be charged a one-hour minimum visit if the student(s) is/are absent or if Client decides that the student(s) are not able to be pulled for assessment services. Client must provide at least 1 business day notice if there is a change in the Client or student's schedule that will impact the Employee's scheduled visit. Failure to notify DE will result in a charge of one hour for the service.
17. DE complies with California laws and codes and ensure that all non-exempt employees sent to the Client site are provided with the required number of breaks as prescribed by the law.

## Exhibit B

### Special Education Providers, Substitute Teachers and Support Staff HEALTH SCREENING AND CREDENTIALING REQUIREMENTS

1. DE employees must meet the requirements set forth below in accordance with the below tables based on the location of services being provided. Client agrees to not require the employee to provide any additional items other than those listed below. DE attests that for each of its respective employees they meet the minimum requirements and (a) they have completed all of the health and background screenings requirements below; (b) there has been no break in service greater than 180 days of such employees subsequent to conducting such health and background screenings; and (c) the results of those screenings has not shown any issues that would render such employee reasonably unacceptable to the Client or otherwise negatively impact the health or safety of any child.
  
2. Client understands and agrees that it will incur additional costs for any health screenings and/or credentialing requested that is not set forth in this Exhibit B. In addition, any requests by Client other than as set forth on Exhibit B must be agreed upon in writing before DE shall be required to provide any such additional health screenings and/or credentialing.
  
3. Items on this document cannot be waived or altered unless approved by the Director of Business Administration or the Executive Director of DirectEd Educational Services. Any item waived cannot be an item that places the employee in a non-compliant status per applicable laws and directives.

FOR SERVICES PROVIDED IN CALIFORNIA		
TYPE	FREQUENCY	DETAILS
TB Test	At hire, re-activation, and at expiration	Must be within past 60 days and expires 4 years after test results read
State of California License (RN, LVN, MFT SLP, SLPA, COTA, Health Aides, and CAN only)	At hire, re-activation, and at expiration	Unencumbered license – all flags or suspensions must be explained and evaluated by a Director prior to hire
Non-Violent Crisis Intervention Training (NCI only)	At hire, re-activation, and at expiration	Current and Valid
CTC Permit (30-day permitted substitute teachers only)	At hire, re-activation, and at expiration	Current and valid – all flags or suspensions must be explained and evaluated by a Director prior to hire

CTC Credential (Credentialed teacher, SLP, School RN, APE, BID, DHH, OT, Counselor, School Psych, Case Manager, Program Admin only)	At hire, re-activation, and at expiration	Current and valid – all flags or suspensions must be explained and evaluated by a Director prior to hire
Transcripts (Office, Sped Aide, Teacher Assistant, BII and CPI/NCI only)	At hire, re-activation, and at expiration	Units earned meet or exceed state and district requirements
CPR License (RN, LVN and CAN Only)	At hire, re-activation, and at expiration	Current and Valid
Livescan Results (DOJ/FBI)	At hire or re-activation	Any convictions must be explained and evaluated for Ed Code compliance. If acceptable per Ed Code, evaluated by a Director before hire.

## Exhibit C

### Locations

#### **Magnolia Science Academy 1- Reseda (6-12)**

18238 Sherman Way  
Reseda, CA 91335  
(818) 609-0507

#### **Magnolia Science Academy 2- Valley (6-12)**

17125 Victory Blvd.  
Lake Balboa, CA 91406  
(818) 758-0300

#### **Magnolia Science Academy 3- Carson (6-12)**

1254 East Helmick Street  
Carson, CA 90746  
(310) 637-3806

#### **Magnolia Science Academy 4- Venice (6-12)**

11330 West Graham Place  
Los Angeles, CA 90064  
(310) 473-2464

#### **Magnolia Science Academy 5- Los Lobos (6-8)**

18230 Kittridge St.  
Reseda, CA 91335  
(818) 705-5676

#### **Magnolia Science Academy 6- Palms (6-8)**

3754 Dunn Dr.  
Los Angeles, CA 90034  
(310) 842-8555



**Magnolia Science Academy 7- Northridge (TK-5)**

18355 Roscoe Blvd.  
Northridge, CA 91325  
(818) 886-0585

**Magnolia Science Academy 8- Bell (6-8)**

6411 Orchard Ave.  
Bell, CA 90201  
(323) 826-3925

**Magnolia Science Academy- Santa Ana (TK-12)**

2840 West 1<sup>st</sup> Street  
Santa Ana, CA 92703  
(714) 479-0115

**Magnolia Science Academy-San Diego (6-8)**

6525 Estrella Ave  
San Diego, CA 92120  
(619) 644-1300

**MAGNOLIA EDUCATIONAL & RESEARCH FOUNDATION**  
**CONFLICT OF INTEREST CODE**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations §18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict of interest code for the **Magnolia Educational & Research Foundation. (MERF)**

Individuals holding designated positions shall file statements of economic interests with the **MERF**, which will make the statements available for public inspection and reproduction (Government Code § 81008). All statements will be retained by **MERF**.

**APPENDIX A  
DESIGNATED POSITIONS**

<u>Designated Positions</u>	<u>Disclosure Category</u>
Members of the Governing Board	1, 2
Corporate Officers (e.g., CEO/President, CFO/Treasurer, Secretary)	1, 2
Chief External Officer	1, 2
Regional Director – South	1, 2
Regional Director – North	1, 2
Chief Operations Officer	1, 2
Chief Academic Officer	1, 2
Chief Accountability Officer	1, 2
Principals	3
Consultants/New Positions	*

\*Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation:

The CEO/President or designee may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The CEO/President or designee’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code (Government Code § 81008).

**APPENDIX B**  
**DISCLOSURE CATEGORIES**

Category 1

Designated positions assigned to this category must report:

- a. Interests in real property located in whole or in part within a two-mile radius of:
  - The Los Angeles Unified School District, the Santa Ana Unified School District, or the San Diego Unified School District, or
  - Any facility utilized by MERF's charter schools, or
  - A proposed site for a MERF facility.
- b. Investments and business positions in business entities, or sources of income (including gifts, loans, and travel payments) that engage in the purchase or sale of real property or are engaged in building construction or design.

Category 2

Designated positions assigned to this category must report:

- a. Investments and business positions in business entities or sources of income (including receipt of gifts, loans, and travel payments) that are contractors engaged in the performance of work or services, or sources that manufacture, sell, repair, rent or distribute school supplies, books, materials, school furnishings or equipment of the type to be utilized by MERF.

Category 3

Designated positions assigned to this category must report:

- a. Investments and business positions in business entities or sources of income (including receipt of gifts, loans, and travel payments) that are contractors engaged in the performance of work or services, or sources that manufacture, sell, repair, rent or distribute school supplies, books, materials, school furnishings or equipment of the type to be utilized by the designated position's department. For the purpose of this category a Principal's department is his/her entire school.

This is the last page of the conflict of interest code for **Magnolia Educational & Research Foundation**.



**CERTIFICATION OF FPPC APPROVAL**

Pursuant to Government Code Section 87303, the conflict of interest code for **Magnolia Educational & Research Foundation** was approved on 11/11 2017. This code will become effective on 12/1 2017.

A handwritten signature in blue ink, appearing to be "B. Lau", written over a horizontal line.

Brian G. Lau  
Senior Commission Counsel  
Fair Political Practices Commission