

The background of the slide is a light beige, textured surface resembling a spiral-bound notebook. On the left side, a silver metal spiral binding is visible, with the wire looping through a series of holes. The text is centered on the page in a black, serif font.

NYS Education Department

Rate Setting Unit

Tuition Rate Methodology

Presentation for UCP Providers

# Financial Statement Submission

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- Enrollment, expenses and revenues are reported for all programs of an approved provider.
- UCP providers submit data via a certified Consolidated Fiscal Report (CFR).
- UCP providers also submit a set of independently audited financial statements.
- Data is then loaded to RSU's mainframe computer system (SEDFIN – EFRT) and verified through an edit program.

# Program Reporting

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- Programs are reported as approved by SED's Office of Special Education.
- A 9000 series coding system is used to distinguish each program. (9000-9089 school age, 9100 – 9189 preschool).
- Agency Administrative costs are reported under program code 9999 and allocated to each program through the ratio value method of allocation.

# Review of CFR Data

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Costs are grouped in EFRT into non-direct care and direct care categories

□ Direct Care:

- Personal Services PTCs 200-399 (CFR-4)
- Fringe Benefits – PTCs 200-399 (CFR-1)
- Other-Than-Personal Services (CFR-1)
- Equipment - Depreciation & Interest (CFR-1)

□ Non-Direct Care:

- Personal Services PTCs 100-199, 500-599 (CFR-1)
- Fringe Benefits – PTCs 100-199, 500-599 (CFR-1)
- Other-Than-Personal Services (CFR-1)
- Property-Depreciation & Interest (CFR-1)
- Agency Administration (CFR-3)

# Review of CFR Data

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- SED-1 enrollment data is captured separately for the summer and school year.
- SED-1 Care days (session days times FTE enrollment) for summer and school year are captured in order to calculate a per care day (per diem) tuition rate.

## Desk Review of Data – common reporting issues - enrollment

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- ❑ Discrepancies with reported vs. STAC enrollment.
- ❑ Preschool enrollment not prorated if < 5 hours/day.
- ❑ School age number of classes reported based on departmentalization rather than approved number of classes.
- ❑ Calendar year enrollment/session days/number of classes not calculated properly for 4 month (FF) & 6 month (SS) school year segments.

# Desk Review of Data – common reporting issues

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- CFR ‘Other’ lines - insufficient detail provided.
- CFR-6 section 3 FTE/amount paid do not agree to CFR-4.
- 1:1 teacher aides/nurses/interpreters must be reported in program code 9230. Often reported in tuition programs.
- Costs misclassified as to category (NDC vs. DC).
- Costs shifted from CFR-1 to CFR-3 or CFR-3 to CFR-1 between years.

# Desk Review of Data - Adjustments

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- Adjustments applied per Reimbursable Cost Manual and regulations. Examples:
  - Personal services expenses of CEO/Asst CEO/Comptroller compared to public median compensation levels;
  - Operations interest adjusted for late CFR filers;
  - LTAL expenses limited to owner's costs;
  - CFR-1/CFR-3 non-allowable expenses per RCM/regs.



# Types of Tuition Rates

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- Reconciliation - rate based on actual data.
- Audit - rate based on gov't audit of actual data.
- Prospective - rate based on reported data and projected forward for the next school year. (e.g., 16-17 base year cost report is used to establish 18-19 prospective tuition rates).
- Appeal - prospective rate with additional costs due to compliance issues identified in a Special Education Quality Assurance (SEQA) site visit report or emergency health and safety circumstances.

# Rate Calculation Process

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- After adjustments to costs are applied, RSU will proceed to calculate reconciliation rates.
- Recon rates are reviewed by RSU supervisor, and proposed rates are sent to the provider for 15 day review.
- After any comments are addressed and resolved, RSU will proceed to recommend the recon rates to DOB for certification.

# Methodology Timeframe

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- SED submits an annual methodology proposal to the Division of Budget (DOB) each year (usually in April).
- DOB reviews SED's methodology proposal and informs SED of their decision within 45 days of receiving the proposal.
- If the methodology is not approved upon the start of the school year, SED will recommend interim tuition rates based on a previously approved rate. Interim rates may also be issued when delays are experienced in issuing prospective rates.

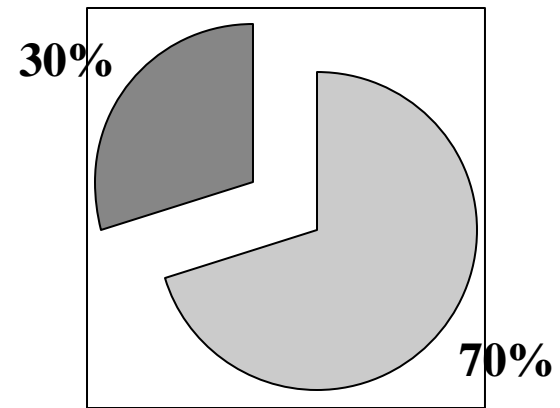
# Rate-Setting Methodology

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- Trend/growth factors: applied to reported base year adjusted costs to arrive at prospective/appeal tuition rate gross costs.
- Non-direct care screen:
  - limits non-direct care costs to 30% of total reimbursable costs.

# Rate-Setting Methodology, Non-Direct Care Screen

- This cost screen ensures that at least 70% of the reimbursable expenses are direct care in order to provide services to meet the student's Individualized Education Program (IEP) mandates.



□ Direct Care ■ Non-Direct Care

# Rate-Setting Methodology, cont'd.

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- Offsetting revenues are subtracted from expenses to account for expenses funded by other sources (e.g. grants, , etc.).
- Total cost screen limits the tuition rate growth to a previously issued tuition rate plus approved growth parameters when applicable.

# Rate-Setting Methodology

## Total Cost Screen

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- The purpose of this screen is to ensure that the program's per diem expenses are not increasing greater than the growth parameter allowed by the approved tuition methodology.
- For 2018-19 tuition rates, costs per student care day are limited to the following:
  - Prospective rates – higher of 2016-17 reconciliation or 2017-18 prospective rates plus approved growth.
  - Reconciliation rates – higher of 2017-18 recon rate plus approved growth or 2018-19 prospective rate.

# Final Tuition Rate

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- Total care days equals 2 month full time equivalent (FTE) student enrollment times days in session plus 10 month FTE student enrollment times days in session.
- Per diem rate equals reimbursable expenses divided by total care days.
- Tuition rate equals per diem rate times days in session. Rates are calculated on a five hour/day (special class) and 1/2 hour/day (SEIT, SA NSPCL) basis.



# Tuition Rate Certification & Authorization

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- Each tuition rate has to be approved (certified) by the Division of the Budget.
- Once certified, the tuition rate is authorized by RSU.
- After authorization, the tuition rate is processed through the System to Track and Account for Children (STAC).

# New Programs

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- New programs must be approved by SED's Office of Special Education.
- New preschool integrated programs must submit a budget to be reviewed by RSU. This budget will serve as the basis for the program's tuition rate for the first two years of operation.
- New special class programs receive a regional weighted average per diem rate for the first two years of operation. This rate is based on an average of tuition rates of similar programs in the geographic area.

# Other Tuition Rates

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- The following programs/services are funded through a regional average tuition rate:
  - Preschool Special Education Itinerant Services
  - 1:1 Aides (Teacher aide/Nurse/Interpreter)
  - Preschool Evaluations
  - Preschool Transportation
  - Preschool Related Services Only
  - School Age Summer Non-Special Class Programs
- These rates are not subject to reconciliation.

# Exceptions to Methodology

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- Tuition rate appeals are allowed per 200.9 of regulations to address compliance issues and health and safety concerns.
- Requests for waivers to the cost screens, due to unusual circumstances or factors as specified in rate methodology letters, may be submitted for RSU's review.

For SED use:  
Waiver #: \_\_\_\_\_  
Date Rec: \_\_\_\_\_

**State Education Department  
Rate Setting Unit  
Tuition Rate Waiver Request**

Date: Click or tap to enter a date.

Provider Name: \_\_\_\_\_

School Code: \_\_\_\_\_

Provider Contact Name: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_ Contact Email: \_\_\_\_\_

Rate Year: Choose an item.

Rate Type: Choose an item.

Program Code(s):

Waiver Request:	Amount	Amount	Amount
<input type="checkbox"/> Non-Direct Care Cost Screen Waiver	\$ _____	_____	_____
<input type="checkbox"/> Total Cost Screen Waiver	\$ _____	_____	_____
<input type="checkbox"/> Rebased Budget Rate			
<input type="checkbox"/> Other _____			

**Rationale for Waiver Request:**

- Compliance Issues - Site Visit/Compliance review
- Direct Care Staffing Appeal
- Instructional Classroom Staffing Intensification
- Related Services Intensification
- Health and Safety
- Other \_\_\_\_\_

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# Tuition Waivers

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- May be requested by provider by submitting tuition waiver request form.
- Waiver requests may be submitted for the following:
  - Compliance Issues - Site Visit/Compliance review
  - Direct Care Staffing Appeal
  - Instructional Classroom Staffing Intensification
  - Related Services Intensification
  - Health and Safety
  - Other

# Tuition Waivers

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- RSU reviews waiver request for completeness and merit. If additional information is needed or basis of waiver does not meet criteria, RSU will notify provider.
- If waiver request meets criteria, RSU waiver administrator will log waiver request and forward to RSU accountant and supervisor for processing.

# Tuition Waivers

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- RSU prepares waiver package for submission to DOB. Package includes a narrative summary of the waiver request, accompanied by supporting documentation and data analysis.
- Completed waiver packet is reviewed by waiver administrator. After review is complete, RSU may share the proposed waiver rate with the provider prior to submission of the waiver tuition rates to DOB.



# Tuition Waivers

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- When a waiver rate is ready for submission to DOB, RSU will prepare a provider-specific tuition rate certificate.
- DOB will review the tuition rate waiver request, and will contact RSU with any questions.
- After any issues are addressed, DOB will either approve or deny the waiver request. If denied in part, RSU may resubmit the waiver request for the item(s) that DOB and SED were able to reach agreement on.

# Tuition Waivers

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- If waiver includes staffing appeal, OSE written support is required, and included in the waiver package to DOB.
- Any other written support on behalf of the program is encouraged.
- Depending on the waiver issues, the waiver process can be lengthy.

# Tuition Waivers

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- RSU is working to standardize our presentation of waiver packages to facilitate the review process.
- Also, through the submission of waiver requests at one entry portal via the [rateweb@nysed.gov](mailto:rateweb@nysed.gov) account, RSU can manage the requests to better ensure consistency in waiver preparation.

# School Age Programs (Students 5-21)

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- Who Places: Committee on Special Education (CSE) places student in private day or residential programs.
- Who Pays: District of residence pays 100% of the SED established tuition rate and is eligible for private excess cost aid.
- Who Places: County local social service district places student in approved in-state or out-of-state residential program.
- Who Pays: With some exceptions (e.g., 4201 schools, Office of Mental Health programs and CRP programs), the local social service district is responsible for the cost of education and pays 100% in the first instance and collects 50% from the NYS Office for Children and Family Services (OCFS).

# Preschool Programs (Section 4410 of Education Law) students ages 3-4

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- Who Places: Committee on Preschool Special Education places student in an approved private or public program.
- Who Pays: County/municipality of residence is responsible for paying 100% of the SED established approved tuition rate in the first instance. State reimburses 59.5% of the expense after one year through the System to Track and Account for Children (STAC).

# Excessive Teacher Turnover Prevention

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- There is \$8 million in Excessive Teacher Turnover Prevention funding for 2018-19 and 2019-20.
- School-age and preschool share equitably under the same formula
- Funds are directly added onto program rates – and reconciled in amount.
- To keep funds on reconciliation, usage forms are required
- NYSED is collecting teacher retention data on usage forms

# Minimum Wage Funding

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- The 2016 Minimum Wage Act established regional benchmarks for the gradual increase of the minimum wage in New York State to \$15.00 per hour.
- Special education providers impacted by the Minimum Wage Act are provided with the opportunity to request a rate adjustment by submitting a survey.
- Minimum wage funding is added to tuition rates, carried forward and is not reconciled in amount so long as programs are in compliance with the minimum wage law.