Tuition Rate Adjustments for Minimum Wage Costs

2017-18 prospective rate & 2016-17 and 2017-18 reconciliation rate

This guidance covers how minimum wage funding may be requested by approved private programs serving school-age students with disabilities (chapter 853 schools), Special Act School Districts, State Support Schools (4201 schools), and approved private preschool special class and special class integrated programs.

Minimum Wage funding requests must be submitted to the NYSED Rate Setting Unit (RSU) through the 2017-18 Minimum Wage Survey. This guidance is comprised of three sections:

1. **Instructions for Requesting a 2016-17 Reconciliation Rate Adjustment & a 2017-18 Prospective Rate Adjustment – must be submitted by July 13, 2018**

This section details how to complete the Funding Request form to request minimum wage funding for your program’s 2016-17 reconciliation rate and 2017-18 prospective rate.

1. **Instructions for Certifying a 2016-17 Reconciliation Rate Adjustment – must be submitted by July 13, 2018 & for Certifying a 2017-18 Reconciliation Rate Adjustment – must be submitted with the applicable fiscal reports due by your program for the 2017-18 school year.**

This section details how to complete the 2016-17 CERTIFICATION form for minimum wage funding to be included in your program’s 2016-17 reconciliation rate and how to complete the 2017-18 CERTIFICATION form for minimum wage funding to be included in your program’s 2017-18 reconciliation rate.

1. **July 13, 2018 Submission Date**

2017-18 Minimum Wage Survey Submission Instructions are at the end of this guidance.

Questions regarding this guidance or the 2017-18 Minimum Wage Survey are to be submitted in writing to: mwage@nysed.gov

**Minimum Wage Act**

The Minimum Wage Act (Article 19 of the New York State Labor Law), which was signed into law on April 4, 2016, established regional benchmarks for the gradual increase of the minimum wage in New York State to $15.00 per hour.  The regional minimum wage rates are scheduled to increase each year on 12/31 until they reach $15.00 per hour following the schedule below.

**General Minimum Wage Rate Schedule**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|   Location |  12/31/16 |  12/31/17 |  12/31/18 |  12/31/19 |  12/31/20 |   2021\*  |
|   NYC (11 or more employees) |   $11.00 |   $13.00 |   $15.00 |  |  |  |
|   NYC (10 or less employees) |   $10.50 |   $12.00 |   $13.50 |   $15.00 |  |  |
|   Long Island & Westchester |   $10.00 |   $11.00 |   $12.00 |   $13.00 |   $14.00 |  $15.00  |
|   Rest of State (ROS) |    $9.70 |   $10.40 |   $11.10 |   $11.80 |   $12.50 |  \* |

\* Annual increases for the rest of the state will continue until the rate reaches $15 minimum wage (and $10 tipped wage).

**Introduction: 2017-18 Minimum Wage Survey**

Providers impacted by the Minimum Wage Act during the 2016-17 and/or 2017-18 school year may request a rate adjustment to their 2016-17 reconciliation and/or 2017-18 prospective tuition rates by submitting the 2017-18 Minimum Wage Survey to the Rate Setting Unit.[[1]](#footnote-1) To determine the amount of funding that may be added to the 2016-17 reconciliation and/or 2017-18 prospective tuition rates, each approved eligible provider will be responsible for submitting the 2017-18 Minimum Wage Survey for each program seeking a minimum wage rate adjustment. **Please be advised that these additional funds are intended to support direct employee salary costs and related mandated fringe benefits associated with increases in minimum wage.**

If **a program does not submit a request for funding**, there will be no minimum wage rate adjustments on behalf of that program for the 2016-17 or 2017-18 school year rates as part of the approved tuition rate-setting methodology for those years.  Failing to request funding for a minimum wage rate adjustment for the 2016-17 and 2017-18 school year rates will *not* impact a program’s ability to make minimum wage funding requests for subsequent school years.

Each provider seeking additional funding for minimum wage costs must have its Chief Administrator report salary and fringe benefits data which will be used to determine a **rate adjustment to the 2016-17 reconciliation rate and/or 2017-18 prospective tuition rate**.  The Chief Administrator will be required to attest to the accuracy of the information being provided on two forms to be submitted as part of the 2017-18 Minimum Wage Survey: the Funding Request form (i.e., the Funding Request Tab) and the 2016-17 CERTIFICATION form (i.e., the 2016-17 Certification Tab).

The 2016-17 reconciliation rate and 2017-18 prospective rate adjustment is based on 2015-16 reported data reported as part of the 2017-18 Minimum Wage Survey. If a provider believes that it is entitled to additional minimum wage funding for the 2016-17 reconciliation rate, it will be required to provide a detailed accounting of its minimum wage costs. **See separate instructions for requesting additional minimum wage funding for the 2016-17 reconciliation rate.**

The 2017-18 prospective rate adjustment amount will be carried forward at the same amount when calculating the 2017-18 reconciliation rate, unless a provider believes that it is entitled to additional minimum wage funding, in which case the provider will be required to provide a detailed accounting of its minimum wage costs. **RSU will release further guidance at a later time with detailed accounting instructions for providers seeking additional minimum wage funding, beyond what is calculated for the 2017-18 school year.**

Programs will be required to submit a 2016-17 CERTIFICATION form certifying that the 2016-17 reconciliation rate adjustment amount will be used to support direct employee salary costs and related mandatory fringe benefits expenses incurred and the school/program was in compliance with the minimum wage requirements for the 2016-17 school year. Absent a signed 2016-17 CERTIFICATION form, minimum wage funding will not be included in the 2016-17 reconciliation rate. Providers will also be required to submit a 2017-18 CERTIFICATION form for the 2017-18 school year which will be due with the applicable fiscal reports due for such period.

**I. 2017-18 Minimum Wage Survey Instructions - 2016-17 Reconciliation Rate Adjustment & 2017-18 Prospective Rate Adjustment**

Download the 2017-18 Minimum Wage Survey excel document from the Rate Setting Unit website: <http://www.oms.nysed.gov/rsu/Manuals_Forms/>

The Funding Request form is located on the “*Funding Request*” TAB of the 2017-18 Minimum Wage Survey. Please note: a separate 2017-18 Minimum Wage Survey must be submitted to the Rate Setting Unit for each program code for which funding is being requested.

The 2017-18 Minimum Wage Survey will use **2015-16 school year salary and fringe benefits data** as the basis for the maximum projected amount. Calendar year-end filers must combine the relevant data from the 2015 (FF) reporting period and the 2016 (SS) reporting period to create the requested 2015-16 school year salary and fringe benefits data.

Steps to complete the 2017-18 Minimum Wage Survey - Funding Request form for a 2016-17 reconciliation rate and/or 2017-18 prospective rate adjustment:

1. Identify the School Program *(Section 1 of Funding Request Tab)*: Select your School & Program from the drop-down menu - School code should automatically update. If your school or program are not included in the School & Program drop-down menu, you may manually enter the information.
2. Input Salary and Mandated Fringe Benefits Data *(Section 2 of Funding Request Tab)*: Input data related to the position(s) for which you are seeking additional minimum wage funding. If only one employee is impacted, you should only report the information pertaining to that single employee. Data pertaining to positions or employees not impacted by the increase in minimum wage does not need to be reported.

The minimum wage is based on where an employee performs work. Workers must be paid the minimum wage rate for their work location regardless of where the main office of their employer is located. Therefore, it is possible that a program with different approved locations may have employees subject to different minimum wage rates. Salary and Mandated Fringe Benefits data must be reported for each applicable location and there are three separate TABs in the 2017-18 Minimum Wage Survey (NYC Salary & Fringe, LI-W Salary & Fringe, ROS Salary & Fringe) to capture this data.

* 1. Salary: Foreach applicable location TAB(NYC Salary & Fringe, LI-W Salary & Fringe, ROS Salary & Fringe),please enter the total hours that direct Employed Staff (employees not independent contractors) were paid at each of the identified hourly wage bands, by Position Title Code (PTC), using 2015-16 payroll data.
		1. Salaries include all taxable and non-taxable salaries and wages paid to employees on the agency payroll, payment for services (fee for service), and per diem pay.  Hours worked and paid leave time should be included but do not count hours paid that were recorded for weeks that school was not in session and the employee was not working or not on paid leave time (for example, if the school session calendar is 46 weeks but hours paid is booked on payroll for 52 weeks as an annualized salary, then only the actual hours worked and paid leave time hours should be counted for the year). For purposes of this minimum wage survey, do not include salary that is accrued or severance pay to regular employees; and do not include any portion of fringe benefits, overtime, or any potential non-recurring payments in hourly wage.  If an employees salary changed during the reporting period (2015-16 school year), resulting in being captured in a different wage band, report all the hours paid under the last wage band in effect prior to 12/31/2015. You may round Hours to the nearest hundredth (two decimal places).

* + 1. When completing the survey, you will need to account for any vacant position, by band, at the hiring rate of the position.
		2. Please be advised that the total hours paid associated with agency administration staff (PTC 601 – 690) will need to be prorated so the hours reflected on the location TABs represent the portion of the administration staffs’ hours paid that were allocated to the respective programs. To prorate these hours, the total administration hours paid for each applicable agency administration PTC must be determined and then multiplied by each program’s respective “Program Admin %.”
			1. For fiscal year-end filers (July – June), the “Program Admin %” is the quotient of dividing the “Agency Admin. Alloc.” costs reported on schedule CFR-1 line 65 by the “Net Agency Administration” costs reported on schedule CFR-3 line 42, of the 2015-16 CFR.

Input the “Agency Admin. Alloc.” Costs and the “Net Agency Administration” costs above the rows containing agency administrative staff positions and the applicable “Program Admin %” will appear.

* + - 1. For calendar year-end filers (Jan – Dec), the “Agency Admin. Alloc.” costs and “Net Agency Administration” costs associated with the 2015-16 school year must be determined before the “Program Admin %” can be calculated. To determine the “Agency Admin. Alloc.” costs associated with the 2015-16 school year, calendar year-end filers must combine the data reported on schedule CFR-1 line 65 under the 2015 (FF) reporting period of the 2015 CFR with the corresponding data reported under the 2016 (SS) reporting period of the 2016 CFR. Similarly, to determine the “Net Agency Administration” costs associated with the 2015-16 school year, calendar year-end filers must combine the data reported on schedule CFR-3 line 42 of the 2015 CFR with the corresponding data reported on the 2016 CFR and divide the results by two. Once these calculations have been performed, the “Program Admin %” can be calculated by dividing the “Agency Admin. Alloc.” costs by the “Net Agency Administration” costs associated with the 2015-16 school year, following the steps above.

Input the “Agency Admin. Alloc.” Costs and the “Net Agency Administration” costs from the combined (FF) and (SS) CFRs above the rows containing agency administrative staff positions and the applicable “Program Admin %” will appear.

* 1. Mandated Fringe Benefits: Foreach applicable location TAB(NYC Salary & Fringe, LI-W Salary & Fringe, ROS Salary & Fringe)**,** please enter the 2015-16 Mandated Fringe Benefits expenses and the 2015-16 Personal Services expenses corresponding to the program for which minimum wage funding is being requested.
		1. Program Mandated Fringe Benefit Rate:
			1. For fiscal year-end filers (July – June), the 2015-16 Mandated Fringe Benefits expenses are reported on schedule CFR-1 line 18 and the 2015-16 Personal Services expenses are reported on schedule CFR-1 line 16, of the 2015-16 CFR, respectively.
			2. For calendar year-end filers (Jan – Dec), the 2015-16 Mandated Fringe Benefits expenses must be calculated by combining the mandated fringe benefits reported on schedule CFR-1 line 18 under the (FF) reporting period of the 2015 CFR with the mandated fringe benefits reported under the (SS) reporting period of the 2016 CFR. Similarly, for calendar year-end filers, the 2015-16 Personal Services expenses must be calculated by combining the personal services expenses reported on schedule CFR-1 line 16 under the (FF) reporting period of the 2015 CFR with the personal services expenses reported under the (SS) reporting period of the 2016 CFR.
		2. Agency Administration Mandated Fringe Benefit Rate:
			1. For fiscal year-end filers (July – June), the 2015-16 Mandated Fringe Benefits expenses are reported on schedule CFR-3 line 3 and the 2015-16 Personal Services expenses are reported on schedule CFR-3 line 1, of the 2015-16 CFR, respectively.
			2. For calendar year-end filers (Jan – Dec), the 2015-16 Mandated Fringe Benefits expenses must be calculated by combining the mandated fringe benefits reported on schedule CFR-3 line 3 under the (FF) reporting period of the 2015 CFR with the mandated fringe benefits reported under the (SS) reporting period of the 2016 CFR. Similarly, for calendar year-end filers, the 2015-16 Personal Services expenses must be calculated by combining the personal services expenses reported on schedule CFR-3 line 1 under the (FF) reporting period of the 2015 CFR with the personal services expenses reported under the (SS) reporting period of the 2016 CFR.
		3. Once the Mandated Fringe Benefits expense and Personal Services expense data has been calculated and entered, the spreadsheet will automatically calculate the 2015-16 Mandated Program Fringe Percent and the 2015-16 Mandated Admin Fringe Percent and will apply it to applicable wage costs to determine the “Minimum Wage Add-On” by location.
1. Maximum Projected Amount *(Section 3 of Funding Request Tab)*: The “Minimum Wage Add-On” funding for each applicable location TAB will be combined to calculate a “2016-17 Minimum Wage Maximum Projected Amount” and a “2017-18 Minimum Wage Maximum Projected Amount.” This calculation may be viewed on the Fiscal Impact TAB.
2. Input Minimum Wage Funding Request *(Section 4 of Funding Request Tab)*: There are two opportunities to submit a request for Minimum Wage Funding as part of the 2017-18 Minimum Wage Survey: (1) a 2016-17 reconciliation rate adjustment; and (2) a 2017-18 prospective rate adjustment.
	1. **Input a Request for a 2016-17 Reconciliation Rate Adjustment**: The 2016-17 reconciliation rate adjustment must not exceed the 2016-17 Maximum Projected amount. To receive a 2016-17 reconciliation rate adjustment for minimum wage funding, the 2016-17 CERTIFICATION form must be completed and submitted as part of the 2017-18 Minimum Wage Survey.
	2. **Input a Request for a 2017-18 Prospective Rate Adjustment**: Your 2017-18 prospective rate adjustment request may not exceed the “2017-18 Minimum Wage Maximum Projected Amount.”

1. Rate Adjustment Amount *(Section 5 of Funding Request Tab)*:
	1. The **2016-17 reconciliation rate adjustment** equal the lesser of the “2016-17 Minimum Wage Funding Request - Reconciliation Rate Adjustment” *(found in section 4 of the Funding Request Tab)* or the “2016-17 Minimum Wage Maximum Projected Amount” *(found in section 3 of the Funding Request Tab).*
	2. The **2017-18 prospective rate adjustment** amount is calculated as the lesser of the “2017-18 Minimum Wage Maximum Projected Amount” *(found in section 3 of the Funding Request Tab)* or the “2017-18 Minimum Wage Funding Request - Prospective Rate Adjustment” *(found in section 4 of the Funding Request Tab).*
2. Input Contact Information *(Section 6 of Funding Request Tab)*: Input the requested contact information of the Chief Administrator.
3. Input Attestation for the 2016-17 Reconciliation Rate & 2017-18 Prospective Rate Funding Request *(Section 7 of Funding Request Tab)*: The Chief Administrator is required to attest to the accuracy of the information being provided in the 2017-18 Minimum Wage Survey. Once all data has been entered/calculated for steps 1 through 6, please either: print out the screen and have the agency’s Chief Administrator sign the attestation and attach the signed form as a PDF file; or inset an electronic signature and add the appropriate date and save the file as a PDF. **No funding will be provided absent this attestation**.

**II. 2017-18 Minimum Wage Survey Instructions – Certification Form**

The 2016-17 Minimum Wage Reconciliation Rate Adjustment Amount will be included in the 2016-17 reconciliation rate so long as the program submits a 2016-17 CERTIFICATION form. The 2017-18 Minimum Wage Prospective Rate Adjustment Amount will be included in the 2017-18 reconciliation rate so long as the program submits a 2017-18 CERTIFICATION form. If a program believes that it is entitled to additional minimum wage funding for 2016-17 or 2017-18, beyond what is calculated in the 2017-18 Minimum Wage Survey, it will be required to provide a detailed accounting of its minimum wage costs.

The 2016-17 CERTIFICATION form is located under the “2016-17 Certification” TAB of the 2017-18 Minimum Wage Survey. The 2017-18 CERTIFICATION form is located under the “2017-18 Certification” TAB of the 2017-18 Minimum Wage Survey.

Steps to complete the CERTIFICATION forms to receive a 2016-17 and/or 2017-18 reconciliation rate adjustment:

1. Identify the School Program: Enter or verify the School & Program and School Code on the applicable CERTIFICATION form.
2. Rate Adjustment Amount: View the applicable minimum wage rate adjustment amount – for the 2016-17 school year, it is the “2016-17 Reconciliation Rate Adjustment Amount” and for the 2017-18 school year it is the “2017-18 Prospective Rate Adjustment Amount.”
3. Input Attestation: The Chief Administrator is required to certify that the minimum wage rate adjustment amount was used to support direct employee salary costs and related mandatory fringe benefits incurred and the school/program was in compliance with the minimum wage requirements for the corresponding school year. Once all required data has been entered, please print out the MINIMUM WAGE CERTIFICATION form and have the agency’s Chief Administrator sign the attestation and attach the signed form as a PDF file. **No funding will be provided absent this attestation**.

The 2016-17 Certification form must be submitted as part of the 2017-18 Minimum Wage Survey.

The 2017-18 Certification form must be submitted with the applicable fiscal reports due by your program for the 2017-18 school year.

**III. Submit the 2017-18 Minimum Wage Survey to the NYSED Rate Setting Unit:**

Three documents must be submitted with your minimum wage funding request for each program seeking a rate adjustment: 1) the completed 2017 Minimum Wage Survey in Excel format; 2) the 2017-18 Minimum Wage Survey and Prospective Rate Funding Request form with a signed attestation in PDF format; 3) the MINIMUM WAGE CERTIFICATION form with a signed attestation in PDF format. Attach the three documents to an email titled “2017-18 Minimum Wage Survey” and send to mwage@nysed.gov. **The 2017-18 Minimum Wage Survey must be submitted no later than July 13, 2018.** Questions regarding this guidance or the 2017-18 Minimum Wage Survey are to be submitted in writing to: mwage@nysed.gov

1. Eligible providers that may request that minimum wage funding be added to tuition rates for the 2016-17 and 2017-18 school years include: approved private programs serving school-age students with disabilities (chapter 853 schools), Special Act School Districts, State Support Schools (4201 schools), and approved private preschool special class and special class integrated programs. [↑](#footnote-ref-1)