

Direct Payment to 4201 Schools for Minimum Wage Costs
2016-17, 2017-18 and 2018-19 school year

This guidance covers how minimum wage funding may be requested by State Supported Schools for the Blind and Deaf (4201 schools). Please note, 4201 schools that operate an approved preschool program pursuant to section 4410 of the New York State Education Law, must seek minimum wage compliance funding by submitting a request for a prospective and/or reconciliation rate adjustment for the approved 4410 programs. Please see the STAC website for more information as to how to submit such request:

<http://www.oms.nysed.gov/stac/4201/>

4201 Schools Minimum Wage funding requests must be submitted to the NYSED Rate Setting Unit (RSU) through the 4201 Minimum Wage Survey. This guidance is comprised of three sections:

I. Instructions for Requesting 4201 Minimum Wage Funding – must be submitted by July 31, 2018

This section details how to complete the FUNDING REQUEST form to request minimum wage funding for your 4201 program’s 2016-17, 2017-18, and 2018-19 school year.

II. Instructions for Certifying a 2016-17 and 2017-18 funding amount– must be submitted by July 31, 2018. The 2018-19 Certification form is due March 1, 2019.

This section details how to complete the 2016-17, 2017-18, and 2018-19 CERTIFICATION forms for minimum wage funding.

III. July 31, 2018 Submission Date

4201 Schools Minimum Wage Survey Submission Instructions are at the end of this guidance.

Questions regarding this guidance 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: 4201 Schools Minimum Wage Survey

4201 providers impacted by the Minimum Wage Act during the 2016-17, 2017-18 and/or 2018-19 school year may request additional funding by submitting the 4201 Schools Minimum Wage Survey to the Rate Setting Unit.¹ To determine the amount of funding that may be directly paid to the 4201 Schools, each 4201 school will be responsible for submitting the 4201 Schools Minimum Wage Survey for each of its impacted programs seeking minimum wage funding. **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 4201 program does not submit a request for funding, there will be no minimum wage funding added to the 4201's Certificate of Approval for the 2016-17, 2017-18, or 2018-19 school years. Failing to request funding for minimum wage compliance for the 2016-17, 2017-18, and 2018-19 school year will not impact a program's ability to make a minimum wage funding requests for subsequent school years.

Each 4201 School 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 Maximum Projected Amount of funding for minimum wage compliance. The Chief Administrator will be required to attest to the accuracy of the information being provided on four forms to be submitted as part of the 4201 Schools Minimum Wage Survey: the FUNDING REQUEST form (i.e., the Funding Request Tab), the 2016-17 CERTIFICATION form (i.e., the 2016-17 Certification Tab), the 2017-18 CERTIFICATION form (i.e., the 2017-18 Certification Tab), and the 2018-19 CERTIFICATION form (i.e., the 2018-19 Certification Tab).

Additional funding for minimum wage compliance is based on 2015-16 reported data reported as part of the 4201 Schools Minimum Wage Survey. If a 4201 School believes that it is entitled to additional minimum wage funding for the 2016-17, 2017-18, or 2018-19 school year, it will be required to provide a detailed accounting of its minimum wage costs. See separate instructions for requesting additional minimum wage funding.

The 2016-17, 2017-18, and 2018-19 minimum wage funding to the 4201 Schools will be directly paid to each school with additional funding provided annually in the New York State appropriation for minimum wage funding. It will be added to each school's 2018-19 Certificate of Approval (COA) Maximum funding amount and carried forward at the same amount in future COAs for all subsequent school years. Prior year COAs will not be amended, however, if minimum wage funding is requested for either the 2016-17, and/or 2017-18 school year, that funding will be directly paid (above the reconciled COA amount) to the impacted 4201 School.

4201 programs will be required to submit 2016-17, and 2017-18 CERTIFICATION forms, certifying that minimum wage funding amounts 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 corresponding school year. Absent a signed 2016-

¹ Eligible programs for 4201 Schools Minimum Wage funding include the 9260 Education Program, the 9279 Residential Program, and the 9315 Deaf Infant Program.

17or 2017-18CERTIFICATION form, minimum wage funding will not be included in a 4201 School's 2018-19 COA or paid out for the corresponding year. 2018-19 requested funding for minimum wage will be included in the 2018-19 COA, and the 2018-19 CERTIFICATION form is due March 1, 2019.

I. 4201 Schools Minimum Wage Survey Instructions

Open the 4201 Schools Minimum Wage Survey from the RSU email attachment.

The FUNDING REQUEST form is located on the "Funding Request" TAB of the 4201 Schools Minimum Wage Survey. Please note: a separate 4201 Schools Minimum Wage Survey must be submitted to the Rate Setting Unit for each 4201 program code for which funding is being requested.

The 4201 Schools Minimum Wage Survey will use **2015-16 school year salary and fringe benefits data** as the basis for the maximum projected amount.

Steps to complete the 4201 Schools Minimum Wage Survey - FUNDING REQUEST form for 2016-17, 2017-18, and 2018-19 funding:

- 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 4201 Schools Minimum Wage Survey (NYC Salary & Fringe, LI-W Salary & Fringe, ROS Salary & Fringe) to capture this data.

- a) Salary: For each 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.
 - i) 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).

- ii) When completing the survey, you will need to account for any vacant position, by band, at the hiring rate of the position.
 - iii) 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.

- (2) 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.

- b) **Mandated Fringe Benefits:** For each 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.
 - i) **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.
 - ii) **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.
 - iii) 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.
- 3) **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”, a “2017-18 Minimum Wage Maximum Projected Amount”, and a “2018-19 Minimum Wage Maximum Projected Amount.” This calculation may be viewed on the Fiscal Impact TAB.
- 4) **Input Minimum Wage Funding Request (Section 4 of Funding Request Tab):** There are three opportunities to submit a request for Minimum Wage Funding as part of the 4201 Schools Minimum Wage Survey: (1) for expenses incurred during the 2016-17 school year;(2) for expenses incurred during the 2017-18 school year; and (3) for expenses incurred during the 2018-19 school year.
 - a) **Input a Request for 2016-17, 2017-18, or 2018-19 funding:** The 2016-17, 2017-18, or 2018-19 funding request must not exceed the Maximum Projected amount for the corresponding school year.

- 5) Minimum Wage Funding Amount (Section 5 of Funding Request Tab):
- a) The **2016-17 minimum wage funding amount** is equal the lesser of the “2016-17 Minimum Wage Funding Request” (*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*).
 - b) The **2017-18 minimum wage funding amount** is equal the lesser of the “2017-18 Minimum Wage Funding Request” (*found in section 4 of the Funding Request Tab*) or the “2017-18 Minimum Wage Maximum Projected Amount” (*found in section 3 of the Funding Request Tab*).
 - c) The **2018-19 minimum wage funding amount** is equal the lesser of the “2018-19 Minimum Wage Funding Request” (*found in section 4 of the Funding Request Tab*) or the “2018-19 Minimum Wage Maximum Projected Amount” (*found in section 3 of the Funding Request Tab*).
- 6) Input Contact Information (Section 6 of Funding Request Tab): Input the requested contact information of the Chief Administrator.
- 7) Input Attestation for the 4201 Minimum Wage 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 4201 Schools 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. 4201 Schools Minimum Wage Survey Instructions – Certification Forms

The Minimum Wage funding will be directly paid out for the 2016-17, 2017-18, 2018-19 school year and included as part of the 2018-19 4201 COA, provided that a CERTIFICATION form is submitted for any school year for which a funding request is made. If a 4201 program believes that it is entitled to additional minimum wage funding for 2016-17, 2017-18, and/or 2018-19 beyond what is calculated in the 4201 Schools 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 4201 Schools Minimum Wage Survey. The 2017-18 CERTIFICATION form is located under the “2017-18 Certification” TAB of the 4201 Schools Minimum Wage Survey. The 2018-19 CERTIFICATION form is located under the “2018-19 Certification” TAB of the 4201 Schools Minimum Wage Survey.

Steps to complete the CERTIFICATION forms:

- 1) Identify the School Program: Enter or verify the School & Program and School Code on the applicable CERTIFICATION form.
- 2) Minimum Wage Funding Amount: View the applicable minimum wage Funding Amount
- 3) Input Attestation: The Chief Administrator is required to certify that the minimum wage funding amount was used to support direct employee salary costs and related mandatory fringe benefits incurred and the school/program will comply 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, and the 2017-18 Certification forms must be submitted as part of the 4201 Schools Minimum Wage Survey for any school year in which your program is requesting funding. The 2018-18 Certification form must be submitted on March 1, 2019 – failure to submit this form will result in the April 1st payment of the COA being reduced in order to recoup minimum wage funding from the program.

III. Submit the 4201 School Minimum Wage Survey to the NYSED Rate Setting Unit:

Three document types must be submitted with your minimum wage funding request for each program seeking funding: 1) the completed 4201 School Minimum Wage Survey in Excel format; 2) the 4201 Schools Minimum Wage Survey Funding Request form with a signed attestation in PDF format; 3) the applicable MINIMUM WAGE CERTIFICATION forms for the 2016-17 and 2017-18 school years (corresponding with any funding request) with a signed attestation in PDF format. Attach the three document types to an email titled "4201 Schools Minimum Wage Survey" and send to mwage@nysed.gov. **The 4201 Schools Minimum Wage Survey must be submitted no later than July 31, 2018. The 2018-19 Certification form is due March 1, 2019.** Questions regarding this guidance or the 4201 Schools Minimum Wage Survey are to be submitted in writing to: mwage@nysed.gov