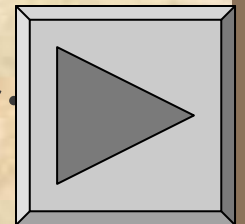


NYS Education Department Rate Setting Unit Tuition Rate Methodology

Introduction to Basic Calculation

Note: highlights will link you to more information on subject area.

<http://www.oms.nysed.gov/rsu/home.html>



Financial Statement Submission

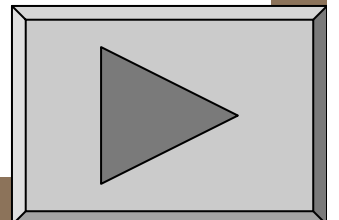
Enrollment, expenses and revenues are reported for all programs of an approved provider.

Private schools submit data via the Consolidated Fiscal Report (CFR).

Public schools and Special Acts submit data via Supplemental Schedules included in the ST-3 Annual Financial Report.

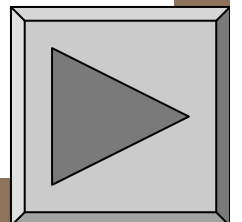
BOCES submit data via Supplemental Schedules included in the SA-111 Financial Report.

[Click here for timelines of activity](#)



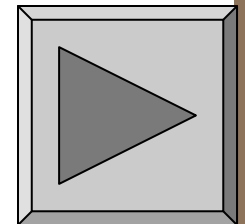
Program Reporting

- 📄 Programs are reported as approved by VESID - Office Special Education and Quality Assurance
- 📄 A 9000 series coding scheme is used to distinguish each program. See list.
- 📄 Agency Administrative costs are reported under program code 9999 and allocated to each program through the ratio value method of allocation.



Program Reporting, cont'd.

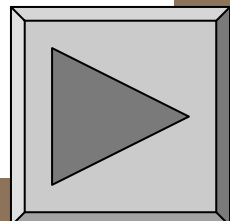
- Private providers must complete CFRs using SED approved software. BOCES may also use the software to complete the SA-111 Supplemental Schedules.
- Data is then loaded to PSRU's mainframe computer system and verified through an edit program.



Desk Review of Data

 Like costs are grouped into non-direct care and direct care categories

- Personal Services/Fringe Benefits -Teachers
- Personal Services/Fringe Benefits - Non Teachers
- Other-Than-Personal Services (OTPS)
- Working Capital Interest
- Equipment - Depreciation & Int.
- Property-Depreciation & Int.



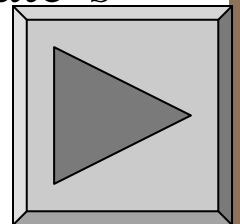
Desk Review of Data, cont'd.

 Adjustments applied per Reimbursable Cost Manual and regulations. Examples:

- Food -\$ limit allowable, unless IEP recommended,
- Personal services of top three administrative staff compared to public median levels;
- Operations interest limited for late filers;
- Depreciation limited to straight line method

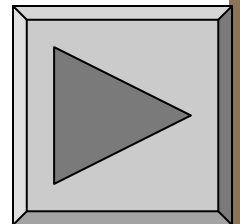
 Adjustments applied per site visit reviews.
Example:

- Direct care staffing positions per Regional Associate's recommendation.



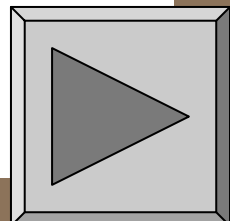
Types of Tuition Rates

- ☰ Reconciliation - rate based on actual data.
- ☰ Audit - rate based on audited data.
- ☰ Prospective - rate based on reported data and projected forward for the next school year. (e.g., 06-07 base year cost report is used to establish the 08-09 prospective tuition rates).
- ☰ Appeal - revised prospective rate due to compliance issues identified in a SEQA site visit report or emergency health and safety circumstances.




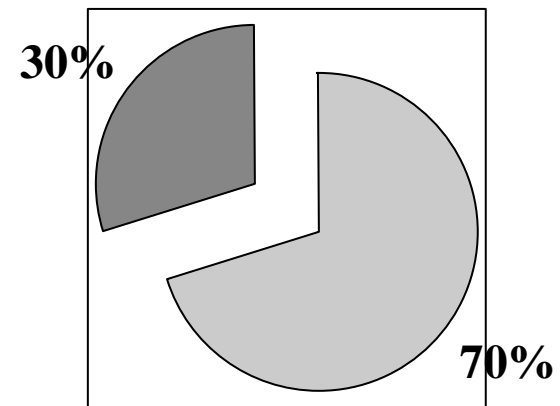
Rate-Setting Methodology

- ☰ Inflation factors: applied to reported base year adjusted costs to arrive at reimbursable school year expenses.
- ☰ Non-direct care screen:
 - limits non-direct care costs to 30% of total reimbursable costs.

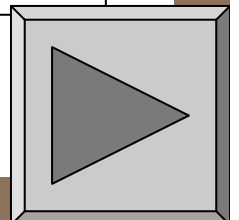


Rate-Setting Methodology, Non-Direct Care Screen

 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 IEP mandates.

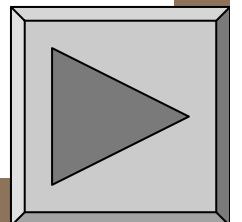


 Direct Care  Non-Direct Care




Rate-Setting Methodology, cont'd.

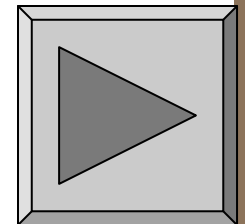
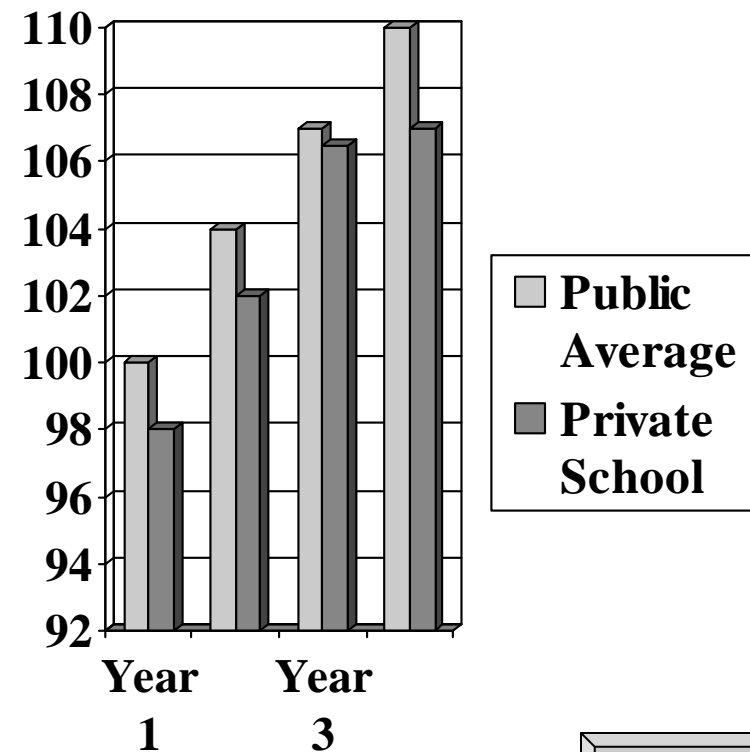
- Offsetting revenues are subtracted from expenses to reduce the expenses funded by other sources (i.e., Medicaid, Building Aid, etc.).
- Total cost screen limits the rate growth to a maximum percentage over the report year's reconciliation rate (if prospective rate) or the previous year's reconciliation rate (if reconciliation rate).



Rate-Setting Methodology

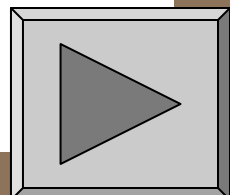
Total Cost Screen

 The purpose of this screen is to ensure that the program's per diem expenses are not increasing greater than the parameter allowed by DOB.



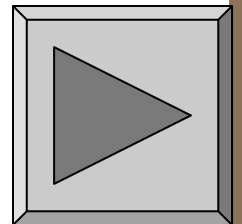
Final Tuition Rate

- ☞ 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 basis.




Tuition Rate Certification & Authorization


- ☰ Each tuition rate has to be approved (certified) by the Division Of 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).

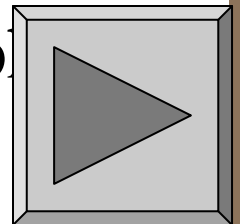


New Programs

 New programs have to be approved by the VESID Office of Special Education and Quality Assurance.

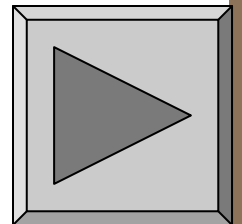
 New preschool integrated programs and SEIT programs must submit a budget to be reviewed by RSU. This budget will serve as the basis for the program's tuition rate for the first two years of operation.

 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.



Exceptions

- ☞ Tuition rate appeals are allowed 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, can be submitted and reviewed by RSU.



School Age Programs (Students 5-21)

- ☰ Who Places: Committees on Special Education (CSE) places students in a private day program.
- ☰ 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 instate residential program.
- ☰ Who Pays: 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 OCFS.

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

- Who Places: Committee on Preschool Special Education places student in an approved private 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).

Statutory References

 Article 81 of the NYS Education Law

 Education of Children Residing in Child Care Institutions

 <http://www.assembly.state.ny.us/leg/?cl=30&>

 [a=90](#)

 Article 89 of the NYS Education Law

 Education of Children with Handicapping Conditions

 <http://www.assembly.state.ny.us/leg/?cl=30&>

 [a=95](#)

Statutory References, continued

☰ Part 200 of the Regulations of the Commissioner of Education

☰ Students with Disabilities

☰ <http://www.vesid.nysed.gov/specialed/publications/lawsandregs/coverpage.htm>

☰ Section 200.9 of the Regulations of the Commissioner

☰ Tuition rates for approved programs educating students with disabilities ages 3-21

☰ <http://www.vesid.nysed.gov/specialed/publications/lawsandregs/part200.htm#209>

RSU Contacts

- ☰ Each approved provider is assigned to a particular accountant within RSU.
- To contact the assigned accountant see the employee staff listing.
- ☰ Any general questions can be forwarded to the office e-mail address at Rateweb.

End