



COMMONWEALTH of VIRGINIA


Scott Reiner, M.S.
Executive Director

OFFICE OF CHILDREN'S SERVICES
Administering the Children's Services Act

Administrative Memorandum #23-06

To: CPMT Chairs
CSA Coordinators
Private Day Special Education Providers

CC: The Honorable John Littel, Secretary of Health and Human Resources
The Honorable Leah Mills, Deputy Secretary of Health and Human Resources
Samantha Hollins, Virginia Department of Education
Mike Tweedy, Senate Finance and Appropriations Committee
Susan Massart, House Appropriations Committee

From: Scott Reiner, Executive Director 

Date: July 24, 2023

Subject: Implementation of Rate Setting for Private Day Special Education Programs

Item 285 of the 2023-2024 Appropriations Act (Chapter 2) directs the Office of Children's Services (OCS) to develop and implement statewide rate setting for private day special education tuition effective July 1, 2023. However, during the 2023 General Assembly session, both the House of Delegates and the Senate of Virginia adopted language in their respective versions of the amended 2023-2024 budget, which would rescind the requirement for the implementation of statewide private day special education rates.

Due to the delay in adopting a budget and to remain in compliance with this requirement of state law and until a budget is adopted by the General Assembly, OCS is required to implement the statewide rate-setting methodology.

To fulfill this requirement set forth in Chapter 2, the following rate-setting model will be implemented for the 2023 – 2024 school year.

- Localities should use the rates as set forth in the attached CSA Private Day Special Education Rate Fiscal Impact Study 2022 to inform their negotiations with the private day special education providers, however, in no event will the Children Services' Act (CSA) state pool reimburse localities for private day special education tuition for the 2023 – 2024 school year at a level higher than a statewide two percent rate (2%) above the rates established for the 2022 – 2023 school year.

- Private day programs may have several program rates and a statewide two percent rate (2%) will be applied at each program rate.
- Ancillary special education services as specified in the student's Individualized Education Program (IEP) remain as separately billable services.
- This statewide two percent (2%) rate cap model applies only to private day programs located in the physical boundaries of Virginia.
- CSA programs should use the Service Name Code 54 (Private Day School – Tier 1) in the Local Expenditure, Data, and Reimbursement System (LEDRS) for all placements. Information technology staff at OCS will be building appropriate validations to ensure compliance with the rate-setting model. Placements in private day programs outside of Virginia should use Service Name Code 72 (Private Day School (Out of State)).

OCS has reviewed and considered the rates developed by the consultants and is choosing to implement the above rates as this statewide model will minimize disruption upon localities and providers as well reduce the fiscal impact upon the Commonwealth.

OCS appreciates your cooperation and flexibility in implementing this requirement. Please contact my office scott.reiner@csa.virginia.gov if you require additional assistance.