

Office of Children's Services

Cost Study of Private Day Special Education Programs

Interim Report

Report to the Governor and Chairmen of the House
Appropriations and Senate Finance Committees pursuant to
Item 282 (M) of Chapter 2 of the 2018 Appropriation Act.

December 1, 2018

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Authority

This interim report has been prepared and submitted to fulfill the requirements of Item 282 (M) of Chapter 2 of the 2018 Appropriation Act. This provision requires the Office of Children's Services (OCS) to contract for a study on the current rates paid by localities to special education private day programs licensed by the Virginia Department of Education. The study shall include an examination of the adequacy of the current rates for private educational services for children placed outside of public school settings, and include recommendation for implementing a rate-setting structure for educational services reimbursed through the Children's Services Act. The study shall consider the impact on local school districts, local governments, and public and private educational services providers. The Office of Children's Services shall provide an interim report on the study's findings to the Governor and the Chairmen of the Senate Finance and House Appropriations Committee by December 1, 2018, and a final report, including recommendations, by July 1, 2019.

Overview

The Office of Children's Services issued a Request for Proposals to solicit a contractor to conduct the study as required by the Appropriation Act. Public Consulting Group (PCG) was selected as the contractor. The remainder of this report reflects the work of PCG to initiate the project.

Commonwealth of Virginia
Office of Children's Services

Study of Private Special Education Day
Program Rates

Preliminary Report

Public Consulting Group, Inc.

November 2018

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I. BACKGROUND

The Virginia Children’s Services Act serves as the statutory funding mechanism for private day special education programs for students with educational disabilities. Such programs are licensed by the Virginia Department of Education (VDOE), and students are placed in such programs based on an Individualized Education Program (IEP) as specified in the Individuals with Disabilities Education Act (IDEA) and relevant Virginia regulations governing special education services.

In 1993, The Children’s Services Act (CSA) established a single state pool of funds to support services for eligible youth and their families. State funds, combined with local community funds, are managed by local interagency teams who plan and oversee services to youth. Currently, rates for such programs are negotiated between providers of private day special education programs and individual local governments through the Children’s Services Act (CSA) program in that locality. Overall costs are a shared responsibility between the state general funds and local government matching funds. Over the past several years, costs for private day special education programs have risen substantially as a result of both an increasing number of students being placed into the programs and increased rates per student.

The Virginia General Assembly has been engaged in ongoing study and oversight of this activity of government and has directed (Appropriation Act, Chapter 2, Item 282. M.) the Office of Children’s Services (OCS), the state administrative agency for the Children’s Services Act, to contract for a study of the rates paid for private day special education programs. OCS put out a call for proposals and chose to contract with Public Consulting Group, Inc. (PCG) on for this effort. The contract runs from October 2018 through June 2019.

The contract specifies two reports to be completed. The first is this preliminary report submitted to the Virginia General Assembly in December 2019. This preliminary report includes:

- A description of the cost study methodology and plan for stakeholder meetings;
- The results of an environmental scan of the available rates; and,
- How different states fund private day special education.

The final report will be submitted to OCS no later than June 1, 2019 and to the Virginia General Assembly for July 2019. The final report will include:

- ✓ The finalized environmental scan of the states and the District of Columbia regarding mechanisms for funding private day special education programs;
- ✓ The results of the cost study and a suggested rate setting methodology;
- ✓ A summary of the findings of the stakeholder meetings; and,
- ✓ Recommendations and considerations of the impact of those recommendations on local school districts, local governments, and public and private educational services providers.

II. INTRODUCTION

Many states have faced pressure to formulate more transparent, data-driven methodologies for the establishment of health, human services and education provider rates, while also facing pressure to demonstrate return on investment. Rates must consider *cost, quality, fairness*, and *simplicity* and strike a balance between these competing priorities.

Government Spending	Quality Control	Equity & Politics	Simplicity
<ul style="list-style-type: none"> • Efficiency • Cost containment • Increased accountability • Reduced fraud • Balanced budget • Optimizing multiple funding streams 	<ul style="list-style-type: none"> • High quality service provision • Use of Evidence Based Practices • Individualized services • Client choice • Provider flexibility and capacity 	<ul style="list-style-type: none"> • Geographical equity • Disproportionately favoring one type of service or delivery • Trends over time • Stakeholder satisfaction • Compliance with federal or state instructions/initiatives • Positive relationships with providers 	<ul style="list-style-type: none"> • Stability from year to year • Common rates for all providers or certain provider types • Standardized method • Limited reporting requirements

The figure above illustrates some of the elements to consider in evaluating service provider rates. There can be tension in balancing these competing priorities, such as between cost and quality, but if any of these elements is out of balance, the result can be a system that is improperly funded, overly complex, unfair, or ineffective. PCG will work with OCS and its stakeholders to identify the collective priorities and goals for the current rate evaluation and rate setting methodology development process.

III. NATIONAL ENVIRONMENTAL SCAN

PCG conducted an environmental scan to research and identify private day special education program rate setting practices nationally. PCG sought information from all 50 states and the District of Columbia to capture:

- How comparable rates are established and negotiated;
- What comparable rates are in other states;
- What is included in comparable rates in other states;
- How costs are shared between the state and local entities; and,
- Other data as specified by OCS

To conduct this research, PCG used these resources:

- Internet research to find published materials by other state agencies about private day special education program rate methodologies, existing rate schedules and funding sources; and,
- Follow-up interviews with targeted states.

In many states, rates and corresponding methodologies are unavailable, as rates are negotiated between the provider and the local school district, and the state does not publish these rates. However, PCG found exceptions that have greater coordination of private day special education program funding and rate setting. A summary of PCG’s findings are below, and further information on selected state policies and practices can be found in Appendix A.

FUNDING

While public information is not available in many states, regarding, PCG found information online or had prior knowledge of how state entities fund private day special education programs in Colorado, Illinois, Maryland, Massachusetts, Minnesota, New Hampshire, New Jersey, and North Carolina. In some of these states and likely many others, the local school district has the responsibility to fund private day special education programming with little direct state government contribution (e.g., Michigan and Wisconsin). In other states, the state provides additional funding when costs exceed a certain level for local school district. In Massachusetts, for example, there is an “extraordinary relief” circuit breaker program that supports districts whose special education expenses increase by 25 percent or more on a year-to-year basis.

Several states, such as Massachusetts, Maryland, and Missouri, provide state funds on an individual student basis once exceptional case criteria have been met. As an example, in Missouri, state funding for private day special education programs begins once the local school district has spent 3 times the current expenditure per average daily attendance. Once expenditures exceed this threshold, the state pays 100% of the excess costs. In Maryland, state funding begins after 3 times the local school district “basic cost” has been met, with the state share set at 70% for costs exceeding that amount.

Other states use a weighted methodology based on the needs of students to determine general funding for special education. In these states, the per pupil funding for basic educational is increased by a coefficient related to acuity of need. Georgia, for example, utilizes five separate special education categories based on acuity. These weights range from 2.3968 to 5.8151. Georgian local school districts may utilize those funds to meet all free and public education requirements. Other example states utilizing similar models include Florida, Louisiana and Texas.

PCG did not find another state with a state entity like CSA that serves as a direct funding medium between local districts and providers of private day special education programs. In Virginia, CSA serves as the funder of children’s programming and youth services throughout the state, including private day special education programs.

PCG also found that some states do not heavily utilize private day special education programs, instead relying on local school district or other public educational collaboratives to provide these services. For example, Minnesota only has one such private program in the state.

RATES AND METHODOLOGY

Overall, private day special education program rates and the methodologies to set those rates vary widely across states reviewed. Also, in many states, there is little available information about rates and corresponding methodologies as rates are often negotiated between the provider and the local district.

Other states calculate their rates in a variety of ways, from collecting cost reports and audited financial statements to utilizing formulas based on the number of student days and revenue. Unlike other states researched, North Carolina has a monthly rate established per student, as well as an additional \$50 annual fee per student to cover expenses such as supplies, equipment and education-related materials.

Maryland has a per diem rates ranging from \$99.16 to \$499.91. Maryland’s rates are set based on a calculation that considers the number of student days in the upcoming fiscal year, revenue from the tuition rate in the upcoming fiscal year, as well as other revenue. Maryland also caps indirect costs at 10 percent of direct costs.

Massachusetts’ pricing regulation for special education programs generally funds the programs at the same amount every year, allowing for inflation. For FY19, inflation adjustments range from 0.04 percent for “Other Comm. Prod/Svcs.” to 48.95 percent for “Personnel” based upon the Consumer Price Index, the Employment

Cost Index and the actual cost of benefits for the previous fiscal year. Massachusetts and Maryland both collect cost information from providers on an annual basis.

An additional factor for some rate methodologies that can vary is the number of instructional days in the school year. Some schools fund year-round programs, while others are based on 180 or 220 days. Varying numbers of student days can also account for how rates differ widely across states.

IV. COST STUDY METHODOLOGY AND PLAN FOR STAKEHOLDER MEETINGS

To determine providers' current costs for operating private day special education programs, PCG will collect cost and program information using two main tools: cost reporting and personnel rosters. These tools will capture information in a way that is similar to how providers report information to meet the Regulations Governing the Operations of Private Schools for Students with Disabilities (section 8VAC20-671-220) fiscal accountability guidelines. PCG will review Virginia regulations and policies related to private day special education programs, to understand program requirements and reflect those in our draft design for the cost tools. The cost tools will capture the following information:

- Staffing;
 - Personnel costs for educational/direct service and support staff;
 - Other administrative staff costs, including but not limited to: data entry; billing; quality assurance; and supervision;
- Other capital and operating costs (including but not limited to: facility; supplies; equipment, translation and interpretation);
- Costs related to the implementation of future programs (e.g., specific Evidence Based Practices);
- Ancillary services offered (e.g. required speech, physical or occupational therapies; transportation);
- Days of service.

To ensure a collaborative and transparent process, PCG will work closely with OCS and other stakeholders to fine-tune the cost reporting tools, data collection plan, and analysis plan as necessary. Once the tools have been developed and distributed, PCG will work closely with OCS and Virginia's provider community to give providers adequate support and training throughout the cost reporting process. PCG will conduct information sessions for providers via webinar to train in the data collection for the cost study and will record the sessions for those unable to attend the "live" sessions.



PCG will distribute the cost report by email to providers of private day special education programs, as identified by OCS. At the same time, we will also include detailed instructions for completion. PCG will allow four weeks for providers to complete the cost surveys, but we will engage OCS and the provider community to determine appropriate timeframes, within the overall project deadlines.

To give providers comprehensive support throughout the cost reporting and time study period, we will provide technical assistance by:

- Designating a 1-800 technical assistance line for all providers to access with any questions;
- Establishing an email address for both provider technical assistance and as a repository for data;
- Making PCG's recorded webinars available throughout the process;
- Providing additional training materials and assistance to providers, as needed.

PCG will collect and catalog all cost submissions using a customized tracking database. We will also follow-up with providers via phone or email for late submissions. PCG will verify cost report data for accuracy and consistency, using backup documentation submitted by providers to aid in our initial quality assurance process.

Throughout this process, PCG will track all communication with providers in a database.

Stakeholder Engagement

In October 2018, OCS and PCG held four stakeholder sessions in Richmond, Virginia. A two-hour session was held for the each of the following stakeholder groups:

- Local school division (LEA) personnel, including special education administrators;
- Local government representatives, including CSA staff;
- State legislative committee (House Appropriations and Senate Finance) and Department of Planning and Budget staff; and,
- Private day special education program representatives.

These sessions achieved a multitude of goals, including introducing the project and methodology, eliciting feedback from each stakeholder group, and answering questions stakeholders may have regarding the project. Each session had unique responses and questions based upon the concerns of individual groups, but common questions and comments included:

- Concerns over unknown future fiscal and policy implications of this study;
- A general desire for the preliminary report to be made public;
- Questions on timing of when the preliminary and final rate study reports will be released;
- Clarifying how providers with private day special education programs closely integrated with other program types, such as residential programs, need to participate in the cost study; and,
- Feedback on how to best collect true costs of each program, given the variability of services and supports offered to students in each program.

V. NEXT STEPS

From the most recent stakeholder engagement sessions, the team learned private day special education programs vary from provider to provider, as do the rates for such programs. Our team will work with OCS and the provider community to better understand the special education day program model, so that costs can be best captured and the model can be effectively priced. Factors that will be considered include understanding what is included in each provider's "base tuition," defining services, and understanding the range of ancillary services provided (e.g. therapies).

The table below illustrates potential rate setting methodologies and options the team will explore. Options for rate methodologies include: calculating rates based on reported costs and service units (dividing allowable cost pool by service units to calculate a rate), calculating a rate based on a model program based on required and reported staffing ratios, and tiered rates based on program (services offered related to level of need of students).

PCG will identify the benefits and issues for each potential approach. Through additional stakeholder engagement, we will continue to define the program model including staffing, and costs collected from the cost survey will then inform the model price. PCG will evaluate factors such as teacher:student ratios, additional direct service staff:student ratios, salary data, and the potential service array provided, in addition to indirect costs. Below is a review of each methodology approach, including potential issues. Please note this does not include all potential risks and issues with each approach.

Type of Rate	Program Cost-based Rate (Actual Provider Costs)	Program Type Cost-based Rate (Average Provider Costs)	Model Cost-based Rate
Description	Each individual program has a rate based on its own historical costs, possibly trended forward/adjusted for inflation.	Each type of program has the same rate (given a specified level of care where applicable), based on an average or percentile of all historical costs for that program type, possibly trended forward.	State decides what level of service is required for a specific program type and costs are based on achieving that level of service.
Underlying Principle	Support for existing infrastructure of programs.	Incentive to reduce costs to the average.	State defines appropriate staffing levels and program models.
Possible Issues	<p>May promote existing program inefficiencies.</p> <p>May underestimate some costs.</p> <p>Multiple rates for the same types of programs can be administratively burdensome</p>	<p>With multiple re-calculations may drive costs below what is needed.</p>	<p>May require provisions for exceptional cases.</p>

PCG will research and explore each of these options to propose a model that best fits Virginia’s needs while ensuring sufficient and quality programming to properly address student needs.

Data Collection and Verification

January - February 2019

The data verification process will run in tandem with the analysis and collection of all program and expense data. Because providers may be unfamiliar with cost report tools, it will be necessary to provide comprehensive quality assurance and follow up. PCG will contrast each submission against requested backup documentation and conduct additional QA, flagging providers with missing or questionable data. After noting questions and data discrepancies, PCG may send follow-up emails to all providers. This communication may include the following requests and verifications:

- Confirmation that everything in the cost report submission(s) contains only relevant expenses related to the private day special education program;
- Explanation of variances or discrepancies in the data;
- Questions related to personnel salaries, FTEs, and associated tax and fringe benefit totals;

After updating the final dataset with the responses from providers, PCG will perform its analysis to identify trends. By taking extra time to improve the quality of submissions from providers, PCG and OCS will agree on a reasonable dataset that can be used in the rate methodology recommendations. In the event that there are areas that sufficient submitted data doesn't meet quality benchmarks, PCG and OCS have a risk management plan in place for alternative sources. PCG will use this data to calculate preliminary inputs and rates for use in developing a final rate methodology.

Also, during this time, PCG will share data trends with OCS, providers, and other stakeholders including current program staffing levels and costs. We will compare the data to contract and regulatory requirements and engage in discussions about any pending or desired program changes. We will factor this feedback and analysis into our finding and recommendations.

Developing Findings and Recommendations

March – June 2019

PCG will use the cost study and environmental scan findings to inform the development of our final recommendations. First, PCG will assess the adequacy and appropriateness of current rates based on the cost study and national environmental scan. Next, PCG will use the results from this current rate analysis, cost study, and national environmental scan to develop a preliminary rate methodology. PCG will review this methodology with OCS and revise as needed.

PCG will then draft a presentation to include the proposed rate methodology and the findings from the current rate analysis, the national environmental scan, and cost study. PCG will present these findings at four regionally dispersed stakeholder meetings with local school districts, local governments, and public and private educational services providers, facilitated by PCG within Roanoke, Richmond, Northern Virginia and the Tidewater areas.

Incorporating the stakeholder feedback, PCG will draft our proposed final recommendations in a report informed by the cost report, research, and stakeholder information collected no later than May 1, 2019, formatted using the Virginia legislative publication guidelines. PCG will work with OCS to review and revise the draft recommendations with OCS prior to composing the final report to account for any changes or edits that OCS may desire to ensure a comprehensive and thorough written study of all tasks executed as part of this study. PCG will present the final report onsite and will be available to provide support throughout the reports' use. This report will, at minimum, include the results of:

- The environmental scan of the states and the District of Columbia regarding mechanisms for funding private day special education programs;
- The results of the cost study;
- The summary findings of any stakeholder meetings; and,
- Recommendations and considerations of the impact of those recommendations on local school districts, local governments, and providers of private day special education program.

State	Rate	Rate Detail	Methodology	Fiscal Responsibility
<p>Colorado</p>	<p>Negotiated by schools</p>	<p>Colorado posts rates for all their “facility-based” SPED programs. Although it is not clearly stated which providers are specifically private day vs. child care, etc. the rate methodology process is stated very clearly.</p> <p>School Types: The term <i>Eligible Facility</i> means a day treatment center, residential child care facility or a hospital licensed by either the Colorado Department of Human Services or the Colorado Department of Public Health and Environment.</p> <p>The term <i>Approved Facility School</i> refers to an educational program that is operated by a licensed agency and that has been approved by CDE to receive reimbursement for education services for students placed in the program.</p> <p>Facility Schools apply for two rates:</p>	<p>Negotiated rates</p>	<p>State to Local: The state provides to local governments: Tier A - \$1,250 all students with Disabilities Tier B - Additional funding for students with the following disabilities Intellectual Disability, Serious Emotional Disability, Hearing Impairment Including Deafness, Visual Impairment Including Blindness, Deaf-blindness, Multiple Disabilities, Traumatic Brain Injury and Autism Spectrum Disorder, Tier C – In-District and Out of District High cost funding. The State of Colorado is divided into 8 regions, each representing Administrative Units (AU) located within that region across the State. Administrative units have the opportunity to apply annually for Tier C funds when a high cost is incurred in order to meet the needs of the student. Thresholds are \$25,000 for In-district students and \$40,000 for Out of District students The Special Education Fiscal Advisory Committee was designed to oversee the allocation of an annual appropriation, currently \$4 million for in district and out of district high cost funding. The committee has the discretion to award grants to administrative units for students with</p>

State	Rate	Rate Detail	Methodology	Fiscal Responsibility
		<p>One rate is established for the tuition cost of the special education program.</p> <p>A second rate is established for the additional education costs that are not covered by the state average per pupil revenue or the approved tuition cost rate</p> <p>Tuition rate staff to child ratios:</p> <p>Serious Emotional Disability Program: 1:3.50 Multiple Disabilities (dual-diagnosed), Autism Spectrum Disorders: 1:2.10</p> <p>Facility Schools have to submit an application for tuition cost rates. The following lists the information required on the application.</p> <ul style="list-style-type: none"> • Program Identification • School location and contact information • Type/Name of Special Education Program • Start and End Dates • Number of Program Days (maximum 176) 		<p>disabilities who qualify as “high cost” students.</p>

State	Rate	Rate Detail	Methodology	Fiscal Responsibility
		<ul style="list-style-type: none"> • Estimated Average Number of Students • Total all students including kids with and without IEPs • Certification Information <p>Special Education Program Costs</p> <p>Instructional</p> <ul style="list-style-type: none"> • Total salaries excluding benefits • FTEs • Employee Benefits • Purchased Services • Speech/Language Pathologists • Educational Interpreters • Instructional Staff Travel • Instructional Supplies and Materials (maximum \$200/student) • Instructional Capital Outlay (equipment) <p>Support Costs</p> <ul style="list-style-type: none"> • Salaries • FTEs • Physical Education • Other Specialty Teachers • Education Coordinators • Employee Benefits • Purchased Services • Support Staff Travel 		

State	Rate	Rate Detail	Methodology	Fiscal Responsibility
		<ul style="list-style-type: none"> • Other (Field Trips, Admission Fees, etc.) • Supplies and Materials • Support Capital Outlay <p>Additional Education Costs</p> <ul style="list-style-type: none"> • Administrative Business Services • Building Occupancy – Education and Support (176 days) • Janitorial • Regular Education <p>Education Program Revenues All revenue</p> <p>Personnel List</p> <ul style="list-style-type: none"> • assignment title and/or job code, i.e., special education teacher (202), special education teaching assistant (416), special education director (102), etc. • last name • first name • social security number (required for licensing verification) • FTE • gross salary amount • benefits amount 		

State	Rate	Rate Detail	Methodology	Fiscal Responsibility
		<ul style="list-style-type: none"> licensing information (type, endorsement, expiration date) 		
Illinois	<p>All Tuition Count: 340 Average: \$268.12 Min: \$47.60 Max: \$755.64</p> <p>Regular Tuition Count: 268 Average: \$244.32 Min: \$47.60 Max: \$755.64</p> <p>Intensive Tuition Count: 72 Average: \$356.72 Min: \$177.47 Max: \$662.03</p>	<p>Daily rates include day and residential programs but do not include room and board</p> <p>“Intensive” rates are regular rates that include an add-on for a dedicated one-to-one aide; for these rates, the child’s IEP would require a dedicated aide during the entirety of the school day.</p>	<p>Calculated per provider Some providers will use the same rate at all its facilities, while other providers may have a different rate for each facility. For those providers with calculated rates, a copy of the provider’s audited financial statements (with the independent auditor’s opinion thereon) must be submitted, together with a completed on-line Consolidated Financial Report. Instructions for completing the CFR may be found here, under the “Rate Setting” menu. This booklet will detail some of the cost items and revenue items to be reported. Rates are calculated based on allowable costs in five separate areas (Program, Occupancy, Capital, Support, and Administration) added together with an inflation factor (on all cost areas except Capital), divided by the census</p>	<p>State to Local: For tuition rates, the reimbursement amount from the state to the district is equal to the full amount paid by the school district, less an amount equal to twice the district’s per capita cost for educating students in the district. Those reimbursements typically lag one year, as the enrollments are often not finalized until well after the end of the school year (and fiscal year).</p>
Maryland	<p>Per diem: FY2019 \$99.16 – 499.91</p>	<p>Tuition rates and residential rates are issued as per diem rates.</p>	<p>The budget template includes:</p> <ul style="list-style-type: none"> Number of student days Number of billable weeks 	<p>Education Article § 8-406 (d), Annotated Code of Maryland, states that payment or reimbursement for a nonpublic program may not be</p>

State	Rate	Rate Detail	Methodology	Fiscal Responsibility
		<p>Related services and supplemental service rates are issued as hourly rates. A onetime or annualized fixed rate can be issued for a specific student need, by request only. Unallowable costs include, but are not limited to:</p> <p>Amortization/debt</p> <ul style="list-style-type: none"> • Loan interest • Capital Development (Fundraising/Marketing) • Capital Improvement • Contributions/Donations • Corporate/Excise/Income Taxes • Franchise • Gifts and Incentives to Staff • Goodwill • Intellectual Property • Loans • School Building or Construction • Assessment Costs, Assistive Tech, and Medical Technology requested by IEP Team • Daily Transportation to and from school 	<ul style="list-style-type: none"> • Standard related services and % of students utilizing <p>Services utilized by over 80% of students may be eligible for costs to be included in base education per diem rate.</p> <p>Services utilized by under 80% of students attending school may be filed for separate reimbursement</p>	<p>provided if the payment or reimbursement would require an additional contribution from the State.</p> <p>Education Article §8-415</p> <p>The State and the counties shall share collectively in the cost of educating children with disabilities in nonpublic programs under § 8-406 of this subtitle.</p> <p>(3) (i) Subject to the limitation under subparagraph (ii) of this paragraph, for each of these children domiciled in the county, the county shall contribute for each placement the sum of:</p> <ol style="list-style-type: none"> 1. The local share of the basic cost; 2. An additional amount equal to 200 percent of the basic cost; and 3. A. For fiscal year 2009, an additional amount equal to 20 percent of the approved cost or reimbursement in excess of the sum of items 1 and 2 of this subparagraph; and B. For fiscal year 2010 and each subsequent fiscal year thereafter, an additional amount equal to 30 percent of the approved cost or reimbursement in excess of the sum of items 1 and 2 of this subparagraph. <p>(ii) The amount that a county is required to contribute under subparagraph (i) of this</p>

State	Rate	Rate Detail	Methodology	Fiscal Responsibility
				<p>paragraph may not exceed the total cost or reimbursement amount approved by the Department.</p> <p>(4) For each of these children, the State shall contribute an amount equal to the amount of the approved cost or reimbursement in excess of the amount the county is required to contribute under paragraph (3) of this subsection.</p>
<p>Massachusetts</p>	<p>Daily rate: \$158.13 - \$683.17</p> <p>Average: \$351.87</p> <p>Median: \$329.57</p> <p>(99 programs)</p>	<p>Operational Services Division (OSD) regulation 808 CMR 1.06(7)(b) (Compliance, Reporting and Auditing For Human And Social Services) authorizes OSD to set tuition prices for Individual Student Program (formerly unapproved, specialized or sole source) placements. These prices are authorized only after approval of the placement has been granted by the Department of Elementary and Secondary Education (DESE) under its regulation. The minimum requirement for the pricing of these placements is the approval of the Individual Student Program placement by the Department of Elementary and Secondary Education (DESE) with a program budget and price calculation on the budget</p>	<p>Massachusetts pricing regulation for special education is generally funded at the same price as it had been the previous year with an allowance for inflation, which is estimated each year. New and reconstructed (i.e., a substantially changed program) programs must notify all entities that purchase the program of the intent to request an increase and the amount of the increase by October 1, submit an application and the Operational Services Division (OSD) will authorize the increase sometime after July 1 of the following fiscal year. Costs are collected every year.</p>	<p>State to Local: Chapter 70 Education Aid (Foundation Budget less Local Contribution) - The state assumes in-district special education placements will make up 3.75 percent of a district’s non-vocational enrollment in grades 1-12, and 4.75 percent of its vocational enrollment. Out-of-district special education placements are assumed to make up one percent of enrollment. In FY 2015, the state provided districts with \$23,332 for each assumed, in-district, special-needs student and \$26,461 for each assumed, out-of-district, special-needs student. The state also provides aid when students impose costs greater than four times the state average foundation budget per pupil, which reimburses 75 percent of costs incurred above that threshold. There is also an “extraordinary relief” circuit breaker program that supports districts whose special education</p>

State	Rate	Rate Detail	Methodology	Fiscal Responsibility
		<p>form or facsimile. This budget must be tailored to the cost of only those services to be provided to the student.</p> <p>OSD reviews current and prior year budgets for organizations when authorizing the tuition price. Programs may not charge different prices for the same program, budgets should basically be the same for all Individual Student Program placements, with the exception of certain lines reflecting the customized nature of services designed for the individual student.</p> <p>Many programs use Medicaid and other funding sources to reimburse costs for extra customized services.</p>		<p>expenses increase by 25 percent or more on a year-to-year basis.</p>
Minnesota	<p>Daily rate \$152.00 (1 program)</p>		<p>The rate is negotiated between the service provider and the school district.</p>	<p>Local: It is the district's responsibility for education services and costs when students are placed in private programs. A district will receive roughly 55-63% back in the main state Special Education aid appropriation for the</p>

State	Rate	Rate Detail	Methodology	Fiscal Responsibility
				<p>Special education portion of the invoice.</p> <p>The special education student is also reported in the statewide student accounting system so the resident district also generates general education revenue (regardless of whether or not the student has an IEP) equal to roughly \$7,500 for a full-time student.</p> <p>If the student is considered a ward of the state (parents' rights are terminated) then there is an additional appropriation to cover the remaining unreimbursed costs.</p>
New Hampshire	(For Residential Programs) Daily rate \$122.00 - \$519.00	Rate includes educational costs only	<p>The Special Education Programs rate is calculated as: Net Expenses (Total Expenses less Total Revenue), Annual Rate (Net Expenses divided by 90 percent Program Capacity), and Daily Rate (Annual Rate divided by Length of Program Year).</p> <p>The Special Education Therapies rate is calculated as: Net Expenses (Total Expenses less Total Revenue), and Therapy Rate (Net Expenses divided by Units of Service)</p>	New Hampshire calculates the amount of adequacy aid for each special education student every two years. For fiscal years 2018 and 2019, the base rate is \$3,636.06 and an additional \$1,956.09 in State aid for each special education student with an individualized educational plan (IEP).
New Jersey	Per pupil cost (private): \$45,358.00 per year		An Approved Private Schools for Students with Disabilities (APSSD) shall report all tuition rates on a per diem and school-	State to Local: The state currently assumes 14.78 percent of students will require special education services and 1.72 percent of

State	Rate	Rate Detail	Methodology	Fiscal Responsibility
	<p>Per pupil cost (county special services): \$65,266.00 per year</p>		<p>year basis, calculated as the number of enrolled days in the school year multiplied by the per diem rate. An APSSD that operates both a 10-month and an extended school year shall report tuition rates for both the July/August through June and September through June school years.</p>	<p>students will require only speech services, and funds those students at \$5,112 and \$1,221, respectively. All districts receive this special education funding, even if they are too wealthy to qualify for other formula aid. The allocation is adjusted for local cost of living. There is also a reimbursement available for high-cost individual students; reimbursement rates and high-cost thresholds vary depending on the type of placement. School districts may apply for additional aid if they serve unusually high numbers of students requiring especially cost-intensive services. There is also state funding available for students with special transportation needs.</p>
<p>North Carolina</p>	<p>Monthly \$999.10 (maximum 8 months per school year) Annual fee - \$50 per child (supplies, equipment and education-related materials)</p>	<p>All services education and otherwise as specified in the IEP, excluding transportation. No more than 10% may be for administrative purposes.</p>	<p>Rates are negotiated locally The State sets a baseline of reimbursement directly to LEAs for eligible children.</p>	<p>State funds are grants; Eligibility is reviewed and determined each year by the State as grant funds are available. The State capped individual reimbursement at \$10,041 for SFY17 (the most recent year of available data.) All funds above this cap required for the LEA responsibility to provide a Free and Appropriate Public Education (FAPE) are the responsibility of the LEA.</p>



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