

May 18, 2006

TO: Chief School Administrators
School Business Administrators/Board Secretaries
Directors of Special Services
County Superintendents
County Supervisors of Child Study
County School Business Administrators
Directors, Private Schools for the Disabled

FROM: Katherine P. Attwood, Director
Office of Fiscal Policy and Planning

SUBJECT: Private Schools for the Disabled Mandated Tuition Contract for the 2006-2007
School Year

Attached is the private school for the disabled mandated tuition contract for the 2006-2007 school year. The regulations for private schools for the disabled (both Finance and Special Education) are currently before the State Board of Education and contain various proposed amendments to the current regulations. Since the proposed amendments are not scheduled to be effective until October 2006, minor changes to the 2005-2006 contract were required for 2006-2007 to reflect generic code references in the contract instead of specific code references. For instance, N.J.A.C. 6A:23-4.2(h)2ii which is proposed to change to N.J.A.C. 6A:23-4.2(h)3ii will be identified as N.J.A.C. 6A:23-4.2(h). The dates indicated in sections #9 and #9a which require additional tuition payments, due to private schools to be paid only in the second year following the actual school year, were changed to reflect the correct school year. In addition, section #3B Extraordinary Services was changed to provide a breakdown of tuition rates for both July through August and September through June.

The contract provides the private schools/school districts the ability to execute only one contract for each pupil which would include all the available services, if applicable (ten month school year, extended school year and extraordinary services). There is no need to execute separate contracts for a pupil for each time period and/or service. I recommend that the parties (private schools/school districts) execute only one contract per pupil for the entire July through June school year.

The tentative per diem tuition rates for 2006-2007 set by the department in the memoranda dated December 15, 2005 and March 6, 2006 are the maximum tentative per diem tuition rates that may be charged during the school year. For example, a private school for the disabled with a

maximum tentative per diem tuition rate of \$150.00 with a total of 30 enrolled days for July through August and 180 enrolled days for September through June will have a total July through June tuition rate of \$31,500. An example follows:

3A. JULY TO JUNE SCHOOL YEAR - The SENDING DISTRICT agrees to pay the APPROVED PRIVATE SCHOOL each month a tentative tuition charge based upon a per diem rate of \$150.00 (two decimal places) for the total number of days such pupil was enrolled during the month. The per diem rate was determined by dividing the tentative tuition rate for the school year of \$31,500.00 by the estimated number of days school will be in session, but not less than 180 days (July through June) of 210 and rounding to the nearest two decimal places. For July through August, if applicable, such pupil will be enrolled for 30 days for a total tentative tuition charge of \$4,500.00 (two decimal places), and/or for September through June, if applicable, such pupil will be enrolled for 180 days for a total tentative tuition charge of \$27,000.00 (two decimal places). The July through June total tentative tuition charge will be \$31,500.00 (two decimal places).

If a pupil was not enrolled for both the extended and the ten month school years, I would recommend the private school or school district insert "N/A" in the time period (July-August or September-June) the pupil will not be enrolled.

There are private schools for the disabled that serve both full-day, half-day or only half-day pupils. In order to identify the full-day and half-day rates, private schools may add the following language, as it appears below in bold: **"for a full-day or \$_____ for a half-day and "for a full-day or \$_____ for a half-day."**

3A. JULY TO JUNE SCHOOL YEAR - The SENDING DISTRICT agrees to pay the APPROVED PRIVATE SCHOOL each month a tentative tuition charge based upon a per diem rate of \$150.00 (two decimal places) **"for a full-day or \$75.00 for a half-day"** for the total number of days such pupil was enrolled during the month. The per diem rate was determined by dividing the tentative tuition rate for the school year of \$31,500 **"for a full-day or \$15,750 for a half-day"** by the estimated number of days school will be in session, but not less than 180 days (July through June) of 210 and rounding to the nearest two decimal places.

According to the regulations and the contractual language, private schools for the disabled have the option of requiring payment no later than the first of each month prior to the services being rendered or no later than 60 days after the last day of each month in which services were rendered. If the private school chooses payment no later than the first of the month prior to services being rendered, payment is due by July 1 for an extended school year program that begins in July and by September 1 for the ten month school year. In addition, private schools for the disabled may charge interest at one percent per month on the unpaid balance of tuition received 30 days after the due date. In order to provide adequate time for the local school district to meet this obligation, it's incumbent upon the private school for the disabled to bill the local school districts on a timely basis. I would recommend that the private schools prepare the monthly tuition bills so that they are received by the local school districts at least six weeks prior to the payment due date.

The private school for the disabled is required to send the local school district a monthly attendance record and a monthly enrollment record for each pupil. Using the above recommendation of six weeks prior to the payment date, a pupil's first three monthly tuition bills will include only the proposed monthly enrollment times the per diem rate. It will not be until the fourth month of enrollment that the pupil's actual attendance record for the first month will be available.

Sections #9 and #9a of the contract require a mutually agreed upon date that the sending district agrees to pay the private school for the disabled any increase in the final tuition rate charged from the original tentative tuition rate charged. The regulation requires any increase due to the private school from the school district in the 2006-2007 school year to be paid in the 2008-2009 school year. Please consider that both parties must agree to the actual due date in the 2008-2009 school year.

The contract is now available on the Department of Education's website at www.state.nj.us/education. Under the pull down "Overview of DOE Programs", click on "Finance." Under the "Division of Finance" homepage, click on "Private Schools for the Disabled" under the heading "Most Requested Items" which is on the right side of the page. At the "Private Schools for the Disabled" homepage click on ">2006-2007 School Year – Annual Information; the contract is identified as "> 2006-2007 New Jersey Department of Education Mandated Tuition Contract."

If you have any questions concerning this memorandum, please contact Jim Verner at (609) 984-4229 or Elise Sadler-Williams at (609) 777-4483.

KPA/JV/privates/2006-2007 tuition contract memo.doc

Attachment

c: Members, State Board of Education
Acting Commissioner Davy
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Penelope Lattimer
Albert A. Monillas
William King
Jay Doolan
Barbara Gantwerk
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