

December 19, 2003

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  
Business Managers/Bookkeepers, Private Schools for the Disabled

FROM: Richard Rosenberg, Assistant Commissioner  
Division of Finance

SUBJECT: 2004-2005 Tentative Per Diem Tuition Rates and 2002-2003 Preliminary Per  
Diem Tuition Rate Adjustments for Private Schools for the Disabled

In accordance with N.J.A.C. 6A:23-4.2(i), the private schools for the disabled tentative per diem tuition rates for the 2004-2005 school year are attached. For pupils enrolled for a full day, local school districts are responsible to pay the full day per diem tuition rate, as certified by the Commissioner of Education.

**Tentative Per Diem Rates for 2004-2005**

The attached list indicates the tentative per diem tuition rate (column 1) each private school for the disabled is approved to charge in the 2004-2005 school year. The tentative per diem tuition rate contained in this memorandum is the maximum tentative per diem tuition rate a private school may charge local school districts unless a higher tentative per diem tuition rate is approved by the department based on the process on the following page. For your information, also included is the 2003-2004 enrolled days in the private school's calendar (column 2) and the 2004-2005 projected school year tentative tuition rates (column 3) based on the amounts in columns 2 and 3. Columns 2 and 3 are presented only to provide the sending districts with a projected school year tuition rate; these are **not** the maximum tuition rates the private school may charge for 2004-2005. The maximum ten month school year and if applicable, the extended school year tuition rates to be charged are based on the tentative per diem tuition rate the private school chooses to charge (not in excess of column 1) and the number of possible enrolled days in the ten month school year and if applicable, the extended school year.

A private school may charge the local school district any amount up to the tentative per diem tuition rate (column 1), but the same amount must be charged to all local school districts. It is very important that the local school district contact the private school to determine the tentative per diem tuition rate the private school will be charging for the 2004-2005 school year and the number of enrolled days the private school anticipates in the ten month school year and if applicable, the extended school year. It is possible that the

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number of enrolled days reflected in column 2 for the 2003-2004 school year may change in the 2004-2005 school year, which would increase or decrease the total school year tentative tuition rate charged.

In accordance with N.J.A.C. 6A:23-4.2(i) the tentative tuition rates calculated for the 2002-2003 and 2003-2004 school years could not be lower than the amount the private school was charging as a tentative tuition rate in the prior school year. In accordance with N.J.A.C. 6A:23-4.2(i) there is no such save harmless allowance regarding the calculation of the 2004-2005 tentative tuition rates and those in subsequent school years. As a result, the tentative tuition rates for some private schools in column (1) for the 2004-2005 school year are lower than the tentative tuition rates the private schools are charging in the 2003-2004 school year.

The total tentative tuition rate charged for one pupil for the school year will be based on the number of enrolled days for the pupil times the tentative per diem tuition rate. A written contractual agreement between the private school for the disabled and local school district must establish the tentative per diem tuition rate and the number of enrolled days in the school year for each pupil.

During the first two years of operation, the tentative per diem tuition rates for the new private schools for the disabled are determined by the department, based on a budget filed by the school. Therefore, a school that opened in 2003-2004 will be required to submit a budget to determine the 2004-2005 tentative per diem tuition rate. These schools are marked with an "A".

The certified actual cost per student – per diem rate which may be charged to a local school district for the school year will be determined from the year-end audit report. The certified actual cost per student – per diem rate may be higher or lower than the tentative per diem tuition rate originally charged. Likewise, the certified tuition rate, which may be charged to a local school district for extraordinary services, will also be determined from the year-end audit report, and this rate may be higher or lower than the tuition rate originally charged.

#### **Application For A Higher Tuition Rate**

If the tentative per diem tuition rate places an undue financial hardship on the private school, a higher tentative per diem tuition rate may be approved by the Department of Education through a request submitted no later than February 2, 2004 (January 31 falls on a Saturday). The procedure for applying for a higher tentative per diem tuition rate is contained in N.J.A.C. 6A:23-4.2(j). Private schools interested in requesting a higher per diem tuition rate should contact Jim Verner at (609) 984-4229 or Elise Sadler-Williams at (609) 777-4483 concerning the application procedure.

#### **Application for A Higher Tuition Rate by Type**

For the school years beginning in 2001-2002, N.J.A.C. 6A:23-4.1 et seq. allows private schools to charge separate tuition rates by class type, if the required accounting records are maintained. Any private school interested in charging separate tuition rates by class type should contact Jim Verner at (609) 984-4229 or Elise Sadler-Williams at (609) 777-4483 concerning the application procedure. The request must be submitted no later than February 2, 2004.

#### **Additional Rate for Extraordinary Services**

An additional tuition rate (separate from the rate contained in this memorandum) may be approved by the sending districts for a particular pupil who requires extraordinary services. Once the sending district agrees to pay for a pupil's extraordinary services, the sending district board of education shall notify the Commissioner within 30 days of such agreement. The notification shall include the pupil's initials, the name of the private school, the type of extraordinary service(s) and the cost of the additional service(s).

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**Public School Budgets - 2002-2003 (Over)/Under Charges**

Also, attached are the 2002-2003 preliminary per diem (over)/under charges (column 4) for the July through June school year. The amounts in this column indicate the per diem (over) charges (in brackets) which are due to the local school districts and the per diem under charges which are due to the private schools. In addition, there are 33 private schools which are identified by a "D" next to the name of the school on the attached listing who are due undercharges as a result of extraordinary services.

The preliminary per diem undercharges addressed above must be taken into consideration when budgeting for the 2004-2005 school year including undercharges for extraordinary services. In accordance with N.J.A.C. 6A:23-4.2(m), a district board of education must pay the approved private school for the disabled the difference no later than the end of the second fiscal year following the audit year. Therefore, local school districts must adequately budget the preliminary per diem undercharges from column 4 in their 2004-2005 budgets since these funds are due to the private schools by June 30, 2005. To properly budget the undercharges, the local school districts must determine the total number of enrolled days for all students enrolled in the private school for the disabled times the per diem undercharge. In accordance with N.J.A.C. 6A:23-4.2(l), the approved private school for the disabled must pay the district board of education for such differences no later than June 30 of the school year in which the audit is received. For accounting purposes, refunds on prior year expenditures are considered miscellaneous income and recorded in Refund of Prior Year's Expenditures (A/C 10-1980).

The preliminary adjustments are strictly for budgetary purposes and must not be used for billing purposes. The Office of Fiscal Policy and Planning is currently reviewing the private school audits to determine if the certified actual cost per pupil was properly calculated and if the audit meets the department's compliance requirements. Since this process will not be completed prior to formulating the 2004-2005 local school district budgets, the preliminary per diem adjustments were presented to allow for budgeting estimates. The department will publish the audited tuition rates, which are certified by the Commissioner, when this process is completed. Due to possible errors in the audits, individual audited tuition rates certified by the Commissioner and the final (over)/under charges may be different from those presented in this memorandum. If this occurs, adjustments will be necessary.

Questions concerning this memorandum should be referred to Jim Verner at (609) 984-4229 or Elise Sadler-Williams at (609) 777-4483.

RR/JV/m/2004-2005 tuition memo.doc

Attachment

c: Dwight Pfennig  
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