



# **Amendments to Subchapter 18: Tuition for Private Schools for Students with Disabilities Second Discussion**

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**January 4, 2017**



## Universe of Approved Private Schools for Students with Disabilities (APSSDs)

- 159 APSSDs operating in New Jersey
  - 113 non-profit (about 71%)
  - 46 for-profit (about 29%)
- Approximately 9,900 students
- Annual cost to operate is about \$642 million
- Average yearly tuition of about \$65,000 per student



## Student Placement Process at APSSDs

- IEP team in sending school district makes the decisions on the student's special education program
- IEP team must consider all programs able to serve student's needs
  - May include in-district, programs at other public schools, county special services school districts, APSSDs
- IEP team may determine the APSSD is only appropriate placement for the student
  - May be students with significant special needs
- Cost of tuition may only be considered if two or more placements can implement the student's IEP



# Ensure Responsible Use of School District Funds

## Monitoring of APSSDs

Three-pronged approach:

Office of Special Education Programs	Office of School Facilities and Finance	Office of Fiscal Accountability and Compliance
<ul style="list-style-type: none"> <li>Monitoring and general supervision</li> <li>County office of special education</li> <li>Oversee the APSSDs' special education instruction and related services under the students' IEPs</li> </ul>	<ul style="list-style-type: none"> <li>Desk reviews of APSSDs' audited financial statements</li> <li>Ensures APSSDs are appropriately expending tuition paid by public school districts</li> <li>Verifies the final tuition rate</li> <li>Provides guidance on the regulations</li> </ul>	<ul style="list-style-type: none"> <li>On-site fiscal monitoring every six years</li> <li>Ensures compliance with all statutes, regulations, and appropriate accounting and auditing requirements</li> </ul>



## Calculation of Tuition Rates

Current Information	Highlights of proposed amendments
<p>Except for limited circumstances, an APSSD charges the same tuition rate for every student that attends the APSSD.</p> <p>Tuition rates vary between different APSSDs because it is based on the actual cost of services per student at each school</p> <p>Can vary because of:</p> <ul style="list-style-type: none"> <li>• The education programs implemented;</li> <li>• The particular administrative decisions of the APSSD; and</li> <li>• The number of students enrolled.</li> </ul>	<p><b>Notice of increased tuition:</b></p> <ul style="list-style-type: none"> <li>• Proposed new 6A:23A-18.3(a)2 and (a)2i clarify when a school must notify the school and the Department when they anticipate the final tuition rate will be more than 10 percent above the tentative rate</li> <li>• Requires more detailed information</li> </ul> <p><b>Administrative/Instructional Cost Percentages</b></p> <ul style="list-style-type: none"> <li>• Proposed new 6A:23A-18.3(a)3 adjusts the administrative and instructional costs over the course of five school years by .5% each year</li> <li>• Minimum instructional will be 57.5%</li> <li>• Maximum administrative will be 22.5%</li> </ul>



# Ensure Responsible Use of School District Funds

## Transparency - Nepotism

- APSSDs are frequently small, family owned and operated non-profits
  - Several family members may be employed by the APSSD
- Proposed new 6A:23A-18.19 requires an Annual Disclosure Statement:
  - **Related parties** with whom APSSDs do business
  - **Nepotism**
  - If APSSDs do not disclose certain relationships, the transactions are deemed non-allowable and cannot be included in the tuition rate
- Proposed new 6A:23A-18.20 requires APSSDs to develop and implement a nepotism policy
- Both seek to bring APSSDs into alignment with the disclosures and policies required of school districts



# Ensure Responsible Use of School District Funds

## Appropriate Tuition Rates (1 of 2)

Subject	Current Rule	Proposed Change
Maximum salaries	Current 6A:23A-18.2(o) and (p) set maximum salaries based on the highest salary in the State or in the county depending on the position title	Proposed 6A:23A-18.3(o) and (p) – freeze on all maximum salaries except certain related services positions
Litigation costs	No current rule requiring that litigation costs must be included in the administrative cost category limit	Proposed 6A:23A-18.4(a)7 - First \$15,000 of each litigation must be included in the administrative cost category limit
Health insurance coverage waivers	Allowable only if approved by the Commissioner pursuant to current 6A:23A-18.4(f)13	Proposed 6A:23A-18.5(f)1 allows waivers of health insurance coverage as long as the waiver incentive does not exceed <b>\$5,000 per year</b>
Entertainment/ Food and Beverage	Current 6A:23A-18.5(a)17-18: <ul style="list-style-type: none"> <li>Entertainment costs limited to \$1,000</li> <li>Food/beverage at staff meetings - \$3,000</li> </ul>	Proposed 6A:23A-18.6(a)17-18 - Entertainment - \$1000 to \$500; Food/beverages at staff meetings - \$3,000 to \$1,500
Travel	Current 6A:23A-18.5(a)32, 34, 35, non-allowable costs, specifically addressed international and first-class travel, and limits on meals and accommodations	Proposed 6A:23A-18.21: <ul style="list-style-type: none"> <li>Defines travel expenditures and sets standards</li> <li>Sets limit to lesser of .0025 of total school costs (budget) or \$20,000</li> </ul>



# Ensure Responsible Use of School District Funds

## Appropriate Tuition Rates (2 of 2)

Subject	Current Rule	Proposed Change
Lease and purchase of passenger vehicles	Current rule only applies to lease of vehicles not used for student transportation	Proposed 6A:23A-18.6(a)15 sets reasonable limits on the way costs associated with purchased, owned and leased passenger vehicles are charged in tuition
Sick benefit payouts	No current rule	Proposed 6A:23A-18.6(a)66 – may not include in tuition a sick benefit payout in excess of 1 percent of employee’s contracted salary amount during that fiscal year
Number of administrative positions	No current rule	Proposed 6A:23A-18.6(a)67 limits number to 3 full-time equivalent administrative positions
Simultaneous salary and retirement benefits	No current rule	Proposed 6A:23A-18.6(a)71 – may not include in tuition the costs of salary, etc. if employee is in retirement for 2 years and is receiving benefits



## New sections not addressed above

Subject	Current Rule	Proposed Change
Behavior modification	No current rule	Proposed 6A:23A-18.22 requires APSSDs to adopt an evidence-based behavior modification policy
Child nutrition	Meals may be paid for by school without reimbursement or parent pay if sending boards approve by resolution. 6A:23A-18.5(a)(20).	Proposed 6A:23A-18.23 provides clear, consolidated guidance on child nutrition programs within APSSDs aligned with the United States Department of Agriculture's and New Jersey Department of Agriculture's rules and guidelines, and ensures that APSSDs providing meals to students are following nutritional guidelines and doing so in a fiscally prudent manner.