

# **Tuition Rate Processes at the Agency of Education**

Therapeutic Independent Schools  
&  
Schools eligible to receive public money

## There are two types of tuition funding for approved independent schools, 2228.1, 2229 & 2232

**Therapeutic schools** enroll students with IEPs or 504 Plans. These students are publicly placed by a referring supervisory union or school district.

These schools must apply for an initial tuition rate and apply for subsequent annual rate increases from the Agency of Education under Rule requirements 2228.1, 2229 & 2232.

Independent Schools **approved to receive public funding** (called eligible independent schools).

These schools receive annual average announced tuition (AAT) for publicly placed students.

The Agency's Finance Division publishes an AAT rate report annually in late winter, early spring.

Special education costs that exceed AAT may be paid for through excess costs agreements negotiated between the placing public school and the independent school.

**The Agency of Education does not set these rates.**

# Excess Cost Agreements & State Board Rule 2231 Requirements

## **Written Agreement 2231.1**

Instructional excess costs to provide additional instructional supports for students, pursuant to IEP requirements that exceed tuition.

## **Written Agreement 2231.2**

Non-instructional excess costs to support student access to his/her education, pursuant to IEP requirements that exceed tuition.

(including, but not limited to 1:1 or 2:1 student support staff salaries and benefits)

# Therapeutic School Tuition Rate Requirements

- All therapeutic schools must apply for and receive an approved tuition rate from the Agency of Education.
- Therapeutic schools cannot charge LEAs more than the approved maximum rate calculated and approved by the Agency.
- Therapeutic Schools must provide copies of AOE official rate letters to all placing LEAs during enrollment contracting cycle.
- If an independent school does not provide the official rate letter, copies may be obtained on the Independent School Team's webpage.
- If a student requires additional services that are not covered by the approved maximum tuition rate, a written agreement contract may be negotiated and executed by the placing public school and the independent school, pursuant to Rule 2231, 2231.1, 2231.2

# Application Rate Variances

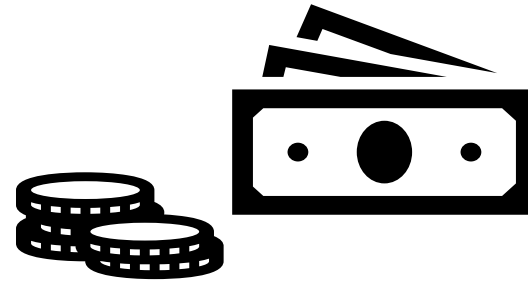
## Tuition Rate Calculation Considerations

- ✓ Vermont independent school program models vary widely throughout the State.
- ✓ Depending upon the educational needs of the students enrolled, educational costs will also vary widely even between and among independent schools serving similar student demographic groups.
- ✓ Tuition rate applications require documentation of expenditures for the cost of serving each special education school's student population "based upon the actual or anticipated costs that are reasonably related to providing educational services." Rule 2232 (d)

# Tuition Rate Application Information, Rule 2232 (a) – (k)

The tuition rate application is divided into several expenditure/program cost budget detail pages and applicable to each school's program model...

- ✓ Staffing and Benefits (including professional development & staff tuition)
- ✓ Contracted Service providers SLPs, OTs, and other providers that serve all students
- ✓ Student Transportation Costs
- ✓ Operational Costs: Administrative Office & Educational Programming
- ✓ Clinical Services & other student specific mental health services
- ✓ Office Supplies
- ✓ Education Supplies
- ✓ Equipment Costs & Depreciation
- ✓ Student core educational activity fees
- ✓ Rent, utilities
- ✓ School breakfast and hot lunch programs
- ✓ Other items required by enrolled student population



# Agency Rate Setting Procedures and Requirements

Three step process

Tuition rate applications are reviewed, vetted and calculated in accordance with SBE requirements and Agency of Education policy.

A draft official rate letter is generated.



Draft letters are presented to the AOE's Rate Setting Committee with corresponding applications and support documents. The Rate Committee is comprised of teams/divisions whose work also impacts independent school programs.



Once the Rate Committee approves a rate, an official rate letter is forwarded to the head of school. Rate letters define what expenditures are included in an official rate set by the AOE.

# Final Steps

Effective 7-1-23 and 7-1-24 Therapeutic Independent Schools have two options when requesting a tuition rate increase.

## Option 1

Schools may request a cost-of-living rate increase only, requiring heads of school to sign required assurances, after which an updated official rate letter is generated. Submission of a full tuition rate application is not required. The NIPA deflator rate is reported by the AOE's ED Finance Division to the Independent School Team member responsible for vetting rate applications and calculating annual tuition rates.

## Option 2

Schools may complete and submit a tuition rate application that includes reported costs that are only those net of other available restricted revenue sources per Rule 2232 (d), and have been accurately deducted, prior to tuition rate application submission. The school may be required to provide financial verification of reporting at the discretion of the Secretary of Education or the State Board of Education. Independent schools must report annual off-setting Medicaid funding.



# Questions?



**"Mr. Osborne, may I be excused?  
My brain is full."**