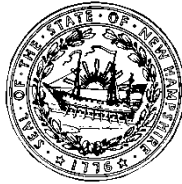


Virginia M. Barry, Ph.D.
Commissioner of Education
Tel. 603-271-3144



Paul Leather
Deputy Commissioner of Education
Tel. 603-271-3801

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, N.H. 03301
FAX 603-271-1953
Citizens Services Line 1-800-339-9900

Bureau of Special Education FY'11 Memo #13

Date: October 8, 2010

To: Superintendents of Schools
Special Education Director

From: Office of the Commissioner of Education

Division of Instruction
Bureau of Special Education

Re: Chapter 402 – Court Ordered Placement
School Year 2010 – 2011 (July 1, 2010 to June 30, 2011)

The New Hampshire Department of Education, Bureau of Special Education is providing guidance for the payment of Chapter 402 for 2010-2011.

ELIGIBILITY FOR CHAPTER 402 - COURT ORDERED PLACEMENT

To qualify for Chapter 402:

1. Students must have a court order placing them at a residential school, foster care, or group home.
2. The Department of Health and Human Services (DHHS) must have financial responsibility for the residential cost of the student.
3. Students must not be attending a public school.
4. Students must be placed in special education programs approved by the Department of Education for their primary disability.
5. School districts must have entered student evaluation and placement data in the New Hampshire Special Education Information System (NHSEIS). The data must be in compliance with the requirements of the New Hampshire Rules for the Education of Students with Disabilities (effective June 30, 2008).
6. The cost to the district for implementing the student's Individualized Education Program during the 2010-2011 school year must exceed 3 times the Estimated Cost per Pupil. The student may have been placed in more than one (1) program during this period, in which case, costs are accumulative. This includes approved Extended School Year services (July 1, 2010 to August 31, 2010).

7. The Department of Education's financial responsibility to the service providers is the difference between 3 times the Estimated Cost per Pupil paid by the district to the service providers and the total approved special education costs.
8. For any student eligible for payment under Chapter 402, the district obligation of 3 times the estimated cost per pupil must be paid, even if that student transferred to one or more districts during the school year. This means that the 3 times the Estimated Cost per Pupil liability will be prorated among the districts in which the student resided and each district will be liable to pay the prorated amount.

Please note that the Estimated Cost per Pupil Tuition for Fiscal Year 2011 has been established at \$12,144.38. Use the figure of \$36,433.14 for 3 times.

APPLICATION FOR CHAPTER 402

1. Districts must submit a copy of the current court order for placement that pertains to the 2010-2011 school year for each 402 eligible student.
2. Districts must submit to the Department of Education a copy of each invoice with the student's name received from vendors.
3. On copies of submitted invoices that are at cap or beyond cap, districts must print clearly on the invoice copy the amount the district is responsible to pay and the amount the Department of Education is responsible to pay.
4. It is the responsibility of the district to verify the service costs as submitted by the vendor.
5. Districts must accurately enter in NHSEIS each invoice received from vendors, by line item, for each student who is found to be Chapter 402 eligible.
6. Districts must accurately enter in NHSEIS the exact amount due as indicated on the invoice received from the vendor.
7. Costs for students whose data is found in non-compliance with the NH Rules for the Education of Children with Disabilities will not be computed for Chapter 402.
8. It is the district's responsibility to maintain accurate fiscal records of invoices and vouchers for audit purposes.
9. Costs which exceed rates established by the NHDOE will be disallowed, the NHDOE will only allow for the established rate. For students who are placed out-of-state, the NHDOE will consider the established rate, which is the rate set by the State's Department of Education.
10. For Fiscal Year 2011, all services that do not have rates set by the New Hampshire Department of Education will require districts to submit documents supporting these costs.

ALLOWABLE COSTS

1. Costs will be considered allowable if they are direct services to the student.
2. Costs will be considered allowable only if they represent services and dates of services listed in the student's Individualized Education Program (IEP).
3. For private special education programs, rates have been established by the Department of Education. The rates are the maximum costs which will be allowed when figuring the final Chapter 402 payment calculations.
4. Only direct costs attributable to each student's Individualized Education Plan (IEP) may be submitted for payment.
5. Before the Department of Education processes Chapter 402 payments, it is the responsibility of the districts to make all payments to vendors for direct services provided up to the meeting of the cap and resolve any overpayment of services to vendors.

DISALLOWED COSTS

Cost Incurred for:

1. Services that are not identified in the student's IEP.
2. Placements that are not identified in a court order.
3. Transportation while attending a court ordered residential program with no justification.
4. Overpayment to a vendor.
5. Amounts over the approved rate.
6. Services not agreed upon in the IEP.
7. Sessions above the number of units identified in the IEP.
8. Placement not approved for student's primary disability.
9. Placement not in the student's IEP for the time frame of the invoice submitted.
10. Services provided in a timeframe that does not match the IEP's timeframe for services.
11. Consultations to staff, consultative services consult, consult to regular teacher. Consultation of any time is a disallowable cost.

October 8, 2010

Page - 4 -

Technical Assistance for NHSEIS Financials-Chapter 402

- Districts enter Chapter 402 invoices into NHSEIS on a monthly basis.
- The NHDOE is available to districts throughout the year to provide assistance with the Chapter 402 process, including how to accurately enter invoices in NHSEIS and other related processes.

If you had an eligible Chapter 402 student move into, or from, your district during the 2010-2011 school year, please notify Lisa Morrissette at 271-3738.

Should you need further information or clarification, please contact Lisa Morrissette at (603) 271-3738 or lmorrissette@ed.state.nh.us.