

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



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'10 Memo #27

Date: March 17, 2010

To: Superintendents of Schools
Special Education Director

From: Office of the Commissioner of Education

Division of Instruction
Bureau of Special Education

Re: Catastrophic Aid Cost-School Year 2009-2010
(July 1, 2009 to June 30, 2010)

The New Hampshire Department of Education, Bureau of Special Education, is offering guidance for 2009-2010 Catastrophic Aid. The guidance includes eligibility for CAT AID, Application for CAT AID, Allowable Costs and Timelines for CAT AID.

ELIGIBILITY FOR CATASTROPHIC AID

In order to qualify for CAT AID:

1. Students must have been placed in special education programs for their disability that have been approved for special education by the Department of Education.
2. School districts must have entered in the New Hampshire Special Education Information System (NHSEIS) student evaluation and placement data. 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).
3. The cost to the district for implementing the student's Individualized Education Program during the 2009-2010 school year must exceed 3-1/2 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 programs (July 1, 2009 to August 31, 2009).
4. For any student eligible for reimbursement under catastrophic aid, the district obligation of 3-1/2 times estimated cost per pupil will be paid only once, even if that student transferred to one or more school district(s) during the school year. This means that the 3-1/2 times the Estimated Cost per Pupil liability will be prorated among the districts in which the student resided.

Please note that the Estimated Cost per Pupil Tuition for Fiscal Year 2010 has been established at \$12,144.38. Use the figure of \$42,505.33 for 3-1/2 times. Ten times the Estimated Cost per Pupil is established at \$121,443.80.

APPLICATION FOR CATASTROPHIC AID

1. Districts must enter all invoices, by line item, for each student whose cost exceeds 3-1/2 times the Estimated State Average Tuition, of \$42,505.33.
2. 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 in the district's share of the catastrophic aid.
3. It is the district's responsibility to maintain accurate fiscal records of invoices and vouchers for audit purposes.
4. 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.
5. For Fiscal Year 2010, all exceptional costs of \$1,000.00 or more, and all transportation costs of \$5,000.00 or more shall be entered into NHSEIS, and districts are required to submit documents supporting these costs to the Department of Education.

ALLOWABLE COSTS

1. 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 catastrophic aid calculations.
2. For district-operated programs, only direct costs attributable to each student's Individualized Education Plan (IEP) may be claimed. No indirect cost such as pro-ration of regular staff salaries, building maintenance and operations, regular transportation, standard textbooks and school supplies will be allowed. If the program serves students from other districts on a tuition basis, the funds received must be subtracted from the operational costs of the program to accurately calculate the host district's real or net cost.
3. Districts may not submit catastrophic aid costs for students who received Court-Ordered Placement Aid for the same placement(s) during the 2009-2010 school year.

DISALLOWED COSTS

1. Indirect costs which have been incurred for common or joint objectives and cannot be identified with the provision of special education and related services as included in a student's IEP.
2. Costs on invoices for services not found in a student's IEP; cost on invoices for which there was not agreed on in the IEP and cost on invoices for excess services not found in the child's IEP.
3. Student is in a placement not approved for his/her disability.
4. Placement is not in the student's IEP for the timeframe of the invoices submitted.
5. Consultations to staff, consultative services consult, consult to regular teacher. Consultation of any type is a disallowable cost.

6. For Fiscal Year 2010, all instructional costs entered for public school programs (SAU and LEA) and all out-of-state programs will require districts to submit documents supporting these costs to the Department of Education.
7. For Fiscal Year 2010, all services that do not have rates set by the New Hampshire Department of Education will require districts to submit documents supporting these costs to the Department of Education.
8. Costs will be considered allowable only if they represent services listed in the student's Individual Education Plan (IEP). Costs incurred for services that are not listed in the student's IEP will be considered unallowable.

TIMELINES FOR CATASTROPHIC AID

The NH Department of Education, Bureau of Special Education, must provide to the Division of Revenue Administration the estimated amount of catastrophic aid reimbursement to be received by each school district. This information must be provided by the end of August so that tax rates can be set in a timely fashion. Your cooperation in meeting the following deadlines is critical.

Deadlines:

Districts should be entering catastrophic aid data into NHSEIS on a monthly basis. The NHDOE is available to assist districts throughout the year in the CAT AID process.

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| July 31, 2010 | Deadline for districts to have entered Catastrophic Aid data into NHSEIS. Submit transportation, exceptional costs and all other documentation mentioned above to the NHDOE, along with a screen print of the NHSEIS financial summary page. |
| July 31, 2010 | Districts will create a list of all students for which they are applying for Catastrophic Aid for the Superintendent's signature and submit to the NHDOE. |

To assist us in documentation we would appreciate you notify Lisa Morrissette, at 271-3738, if you had a student eligible for catastrophic aid who moved to or from your district during the 2009-2010 school year.

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