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Date: June 9, 2006

To: Administrators of Intermediate Care Facilities (ICF/DDs – Chapter 721)
Administrators of Developmental Centers (ICF/DDs – Chapter 721)
Administrators of Children's Residential Projects (CRPs – ICF/DDs)
Select Superintendents of Public School Districts
Select School District Business Officials

From: James F. Moran, Deputy Commissioner
Division of Administration and Revenue Support - OMRDD
Robert J. Scalise, Coordinator - Medicaid Services Unit
Harold Matott, Coordinator - STAC and Special Aids Unit

Subject: Change in funding process for students residing and educated in an Intermediate Care Facility (ICF) (Chapter 721 of the Laws of 1979) or a Childrens' Residential Project (CRP) pursuant to Education Law Section 3202.5 (Effective Date July 1, 2006).

The Office of Mental Retardation and Developmental Disabilities (OMRDD) will no longer directly pay Intermediate Care Facilities (ICF) or Children's Residential Project (CRP-ICF) facilities for educating resident children. Instead, the school districts responsible for educating such students will be required to contract with and pay the ICF/DD or CRP/ICF. SED will subsequently reimburse districts for these costs.

There will be no change to the current reimbursement system for children who reside in an ICF/DD and are educated in a Public School District, BOCES or in an SED Approved private school.

Under New York State Education Law and regulations school districts are responsible for the education of children placed in an Intermediate Care Facility (ICF) or Children's Residential Project (CRP-ICF) as follows:

1. **Children residing in an ICF/DD facility (Chapter 721 of the Laws of 1979) and placed by the school district of location (where the facility is located) in an SED approved education program operated by that facility.** The school district of location (where the facility is located) is responsible for contracting with and paying the ICF/DD facility for the educational services.

2. **Children residing in an ICF/DD facility (Chapter 721 of the Laws of 1979) and educated in the Public School District, BOCES or an SED approved private school.** The school district of location (where the facility is located) is responsible for providing, or contracting and paying for, the educational services.

3. **Children residing and educated in a CRP/ICF facility.** The school district of residence (where the parent resides) is responsible for contracting with and paying the CRP/ICF facility for the educational services.

School districts will be reimbursed by the State Education Department for 100% of the approved education cost. For the 2006-2007 school year and subsequent years, districts will receive 25% of the approved costs in October/November, 45% of the approved costs in February/March and the remaining 30% in August/September of each school year. The school district of residence (where the parent resides) will be assessed an amount equal to that district's basic contribution amount in the following aid year.

Effective for the 2006-2007 School Year (July 1, 2006 thru June 30, 2007) ICF/DDs and CRP/ICFs must enter into new contracts with appropriate school districts. The new contracts have been approved by SED and OMRDD, and are being sent to each ICF/DD and CRP/ICF. The ICF/DD and/or the CRP/ICF will arrange to have these new contracts appropriately signed by the school district administrator and the ICF/DD or CRP/ICF administrator.

Contracts (Agreements) with an ICF/DD and a School District of Location:

If an ICF/DD other than a CRP/ICF has one or more school age children in residence on July 1, 2006, the ICF/DD and the school district in which the ICF/DD is located must sign a new contract [either the AGREEMENT (New York City) or the AGREEMENT ICF/DD PLACEMENTS OTHER THAN NEW YORK CITY, as appropriate]. The ICF/DD must submit two contracts with original signatures to SED by August 14, 2006. If other school age children are placed in the ICF/DD after July 1, there is no need for the ICF/DD and the school district to enter into a new contract; the contract already signed will apply to the newly placed children.

If an ICF/DD other than a CRP/ICF does not have any school age children in residence on July 1, 2006, but subsequently a school age child is placed into it or a child already residing in the ICF/DD becomes school age, the ICF/DD will need to sign a contract with the school district of location and submit two copies of the contract with original signatures to SED at the address below. These contracts are due to SED within 45 days of the day the child is placed in the ICF/DD or becomes school age. If any additional school age children are subsequently placed into the ICF/DD, or if any other children residing in the ICF/DD subsequently become school age, there is no need for the ICF/DD and the school district to enter into a new contract; the contract already signed will apply to these children.

Contracts (Agreements) between the CRP/ICF and the school district of residence:

Each CRP/ICF will have to execute a new contract with each school district of residence for the school age children residing in the CRP/ICF. A CRP/ICF may have multiple contracts, one for each school district of residence. If a CRP/ICF already has school age children in residence on July 1, 2006, these contracts (two with original signatures) are due to SED by August 14, 2006. If a school age child is placed in the CRP/ICF after July 1, 2006, and the CRP/ICF and the district of residence for that child have already signed a contract (because another child who has the same district of residence already resides in the CRP/ICF), there is no need for the CRP/ICF and the district to sign a new contract. The existing contract will cover the newly placed child.

If a school age child is placed in the CRP/ICF after July 1, 2006, and there is no child already residing in the CRP/ICF with the same district of residence as the newly placed child's, the CRP/ICF and the district will have to sign a contract. Two contracts with original signatures will be due to SED within 45 days of the new child's placement into the CRP/ICF.

Please submit Agreements (Contracts) to SED at the address below:

The New York State Education Department
The Medicaid Services Unit
89 Washington Avenue
Room 304 Education Building
Albany, New York 12234

If you have any questions, please contact Wayne Borek from OMRDD at Wayne.Borek@omr.state.ny.us or by telephone at (518) 474-3558 or Harold Matott from SED at hmatott@mail.nysed.gov or by telephone at (518) 474-7116 or Robert Scalise from SED at rscalise@mail.nysed.gov or by telephone at (518) 474-8856.

Thank you very much for your cooperation in this matter.

cc: Christine Doran, OMRDD
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Barbara Mastriano, SED