



# PIEDMONT REGIONAL EDUCATION PROGRAM

## **PROJECTED BUDGET FY16 Code of Virginia 22.1-26 Establishment of Regional Programs Joint Board of Control**

**Serving Albemarle County, Charlottesville City, Culpeper County, Fluvanna  
County, Greene County, Louisa County, Madison County, Nelson County,  
Orange County  
*Fluvanna County Public Schools – Fiscal Agent***

*February 25, 2015*

*Toni Elitharp, PH.D, Executive Director*

## Explanation of Justification for Participation in Regional Program

- The state provides reimbursement for participation in the **ED program**, the **MD & A** program, **Hearing Impairment** and the **Ivy Creek Program**.
- Although school divisions must **deduct Basic aid (ADM)**, the **state reimbursement** for those students **is regained** by the schools at a **higher rate** [the reimbursement may be between \$10,000-15,000 instead of (\$5,550 ADM)].
- The reimbursement program was instituted to assist school divisions in providing high cost services to low incidence populations.
- The **reimbursement rate is based on the actual incurred costs** for the school division (**your personnel along with the total costs of** services, operational costs, materials and supplies incurred through **PREP**).
- The total incurred cost is the amount on which the state reimbursement is calculated. **The state reimbursement rate is calculated at 1-LCI** (Local Composite Index).
- Each school division receives **two types of reimbursement**:
  1. **State reimbursement at 1-LCI** times total incurred cost
  2. **Program Reimbursement**-paid back to you by PREP for total amount (100%) of your personnel costs.

## How Net Cost is Calculated

- Please be reminded that **the total cost for all services appears to be much higher than the actual net cost** to your division. The rationale is provided below:

Your total cost is shown as **\$1,169,721.21**

However, you receive “Program Reimbursement” of **\$710,977.78** and *estimated* “State Reimbursement” of **\$712,952.27**

The total reimbursement you receive is **\$1,423,930.05**

Your total cost **\$1,169,721.21** minus your total reimbursement of **\$1,423,930.05** means your actual **net cost is - \$254,208.84.**

- Table 1: Estimated Projected Cost**

| Cost to LEA           | Education and Related | MD & Autism  | Emotional Disabilities | Ivy Creek    | Hearing      | Total Cost            |
|-----------------------|-----------------------|--------------|------------------------|--------------|--------------|-----------------------|
| <b>Culpeper</b>       | \$82,074.72           | \$478,030.75 | \$206,747.48           | \$251,208.94 | \$151,659.32 | \$1,169,721.21        |
| <b>Prior Year</b>     | \$144,801.61          | \$529,971.44 | \$205,247.02           | \$251,209.10 | \$142,724.43 | \$1,273,953.60        |
| <b>Difference</b>     | Reduced APE           | -\$51,940.69 | \$1,500.46             | -\$0.16      | \$8,934.89   | -104,232.39           |
| <b>Percent Change</b> | NA                    | -9.80%       | 0.73%                  | 0.00%        | 6.26%        | 8.2% (APE Eliminated) |

| Cost to LEA                  | Education and Related | MD & Autism  | Emotional Disabilities | Ivy Creek    | Hearing      | Total Cost          |
|------------------------------|-----------------------|--------------|------------------------|--------------|--------------|---------------------|
| <b>FY16</b>                  | \$82,074.72           | \$478,030.75 | \$206,747.48           | \$251,208.94 | \$151,659.32 | \$1,169,721.21      |
| <b>State Reimbursement</b>   | \$0.00                | \$313,349.16 | \$135,522.97           | \$164,667.46 | \$99,412.68  | <b>\$712,952.27</b> |
| <b>Program Reimbursement</b> | \$0.00                | \$389,965.23 | \$171,513.23           | \$0.00       | \$149,499.32 | <b>\$710,977.78</b> |
| <b>State Share</b>           |                       | 0.6555       | 0.6555                 | 0.6555       | 0.6555       |                     |

**Reimbursement \$ 1,423,930.05**

## ADM Deduction vs. Reimbursement

- If you look solely at profit-loss due to ADM and incurred operational costs it looks this way:
- While your Finance Director will deduct an approximate ADM loss from the Students Record Collection Finance Section, you will ultimately receive a projected state reimbursement of \$712,952.27 which is approximately \$511,709.27 more than what you would have received in ADM for those students counted in the regional reimbursement packages (approximate ADM per student \$5,439.00). However-additional costs to participate (operational costs) plus your loss of ADM totaled \$326,702.77.
- ***Therefore after all calculations are totaled your division receives approximately \$386,249.50 more from the state by participating in the Regional Program to help pay for those high cost student needs.***
- The total state reimbursement you receive helps pay for the PREP services, materials, supplies, operational and administrative costs incurred and in most cases leaves an additional amount to be used to pay for other services such as related services which is a fee for service cost –and not part of the reimbursement programs.

• **Table 2: Estimated ADM Deduction (Culpeper)**

| MD & Autism                    | Emotional Disabilities         | Ivy Creek                      | Hearing                        | Total ADM Loss                 |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 18 Students                    | 10 Students                    | 6 Students                     | 3 Students                     | 37 Students                    |
| ADM LOSS                       | ADM LOSS                       | ADM LOSS                       | ADM LOSS                       | ADM Loss                       |
| \$97,902.00                    | \$54,390.00                    | \$32,634.00                    | 16,317.00                      | \$201,243.00                   |
| **Additional Operational Costs | **Additional Operational Costs | **Additional Operational Costs | **Additional Operational Costs | **Additional Operational Costs |
| \$88,065.52                    | \$35,234.25                    | \$0.00                         | \$2,160.00                     | \$326,702.77                   |
| Total Loss                     | Total Loss                     | Total Loss                     | Total Loss                     | Total Loss                     |
| \$185,967.52                   | \$89,624.25                    | \$32,634.00                    | \$18,477.00                    | <b>\$326,702.77</b>            |

- **Note: \*\* Additional Operational costs for services delivered with non-participation in reimbursement programs.**
- **When all costs are taken into account - your participation in the Regional Program brings your division an additional \$386,249.50 (State Reimbursement of \$712,952.27-\$326,702.77) above what you would have received through basic aid for these 37 students. (Approximately \$10,439.00 ADM per student instead of \$5,439.00).**