



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

DEPUTY COMMISSIONER
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April 16, 2015

RECEIVED
EXECUTIVE CORRESPONDENCE

APR 22 2015

OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
COMPTROLLER

The Honorable Thomas P. DiNapoli
Comptroller
Office of the State Comptroller
110 State St. 15th Flr
Albany, NY 12236

Dear Comptroller Dinapoli:

In accordance with the provisions of Section 170 of the Executive Law, the following are actions that the State Education Department (Department) has taken, or will be taking, to implement the recommendations contained in the Office of the State Comptroller's (OSC) Final Audit Report (2011-S-21), Compliance with the Reimbursable Cost Manual: Children's Center for Early Learning Inc.(Center).

Recommendation 1: Review the disallowances addressed in our report and adjust the Center's Consolidated Fiscal Reports (CFRs) and tuition reimbursement rates as appropriate.

On March 27, 2015, the Department received from OSC the information needed to apply the audit adjustments. We are in the process of reviewing and applying the recommended adjustments to the Center's tuition reimbursement rates for all the findings.

Recommendation 2: Work with Center officials to help ensure that only eligible costs are included on any of their CFRs prepared after the audit scope period.

The Center has voluntarily closed its special class, special class in an integrated setting program, special education itinerant services and multidisciplinary evaluation programs. The Department's Rate Setting Unit (RSU) will provide technical assistance to the Center regarding the expectations of the financial reporting requirements and for reimbursement as presented in the Regulations and the Reimbursable Cost Manual (RCM) for the Center's remaining financial submissions to the Department.

Recommendation 3: Direct Center officials to disclose all less-than-arm's-length transactions where CFRs have been prepared.

As previously stated, the Center has voluntarily closed its special class, special class in an integrated setting program, special education itinerant services and multidisciplinary evaluation programs. The Department's RSU will provide technical assistance to the Center

regarding the expectations of the financial reporting requirements and for reimbursement as presented in the Regulations and the RCM for the Center's remaining financial submissions to the Department.

If you have any questions regarding this response, please contact Suzanne Bolling, Director of Special Education Fiscal Services at 518/486-7859.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Cates-Williams", with a stylized flourish at the end.

Sharon Cates-Williams