

Schedule 13
Funding Request for the FY 2026-27 Budget Cycle

Health Care Policy and Financing

Request Title

S-15 Public School Health Services Update
BA-15 Public School Health Services Update

Dept. Approval By: _____ **Supplemental FY 2025-26**

OSPB Approval By: _____ **Budget Amendment FY 2026-27**

Summary Information	Fund	FY 2025-26		FY 2026-27		FY 2027-28	
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request	
Total of All Line Items Impacted by Change Request	Total	\$198,563,973	(\$11,112,717)	\$198,563,973	(\$3,209,774)	(\$3,209,774)	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0	\$0
	CF	\$99,281,987	(\$5,556,359)	\$99,281,987	(\$1,604,887)	(\$1,604,887)	
	RF	\$0	\$0	\$0	\$0	\$0	\$0
	FF	\$99,281,986	(\$5,556,358)	\$99,281,986	(\$1,604,887)	(\$1,604,887)	

Line Item Information	FY 2025-26		FY 2026-27		FY 2027-28	
	Fund	Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request
	Total	\$198,563,973	(\$11,112,717)	\$198,563,973	(\$3,209,774)	(\$3,209,774)
06. Other Medical Services, (A) Other Medical Services, (1) Other Medical Services, Public School Health Services	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$99,281,987	(\$5,556,359)	\$99,281,987	(\$1,604,887)	(\$1,604,887)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$99,281,986	(\$5,556,358)	\$99,281,986	(\$1,604,887)	(\$1,604,887)

Auxiliary Data

Requires Legislation? NO

Type of Request?	Health Care Policy and Financing Prioritized Request	Interagency Approval or Related Schedule 13s:	None
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Department Priority: S-15, BA-15 Public School Health Services Funding Adjustment

Summary of Funding Change for FY 2026-27

Fund Type	FY 2026-27 Base Request	FY 2026-27 Incremental Request	FY 2027-28 Incremental Request
Total Funds	\$198,563,973	(\$3,209,774)	(\$3,209,774)
General Fund	\$0	\$0	\$0
Cash Funds	\$99,281,987	(\$1,604,887)	(\$1,604,887)
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$99,281,986	(\$1,604,887)	(\$1,604,887)
FTE	0.0	0.0	0.0

Summary of Request

Problem or Opportunity: The Department's current spending authority is not aligned with the program costs of the Public School Health Services (SHS) program.

Proposed Solution: The Department is requesting a spending authority adjustment to align program costs with the post-pandemic environment and allow the Department to maximize federal reimbursement to participating school districts; funds that must be used for primary and preventative health services to children identified and specified under the district's local service plan.

Fiscal Impact of Solution: The Department requests a reduction of \$11.1 million total funds, including a reduction of \$5.5 million cash funds and a reduction of \$5.5 million federal funds in FY 2025-26; and a reduction of \$3.2 million total funds including a reduction of \$1.6 million cash funds and a reduction of \$1.6 million federal funds in FY 2026-27 and ongoing.

The supplemental criteria applicable to this request is the existence of new data received in November 2025 that results in substantive changes in funding needs. Critical data and calculations for determining current fiscal year expenditures of the SHS program are not available to the Department until November of each state fiscal year.

Requires Legislation	Equity Impacts	Revenue Impacts	Impacts Another Department?	Statutory Authority
No	Positive	No	No	25.5-5-318 C.R.S.

Background and Opportunity

The Public School Health Services (SHS) Program, established in Colorado in 1997 via SB 97-101 “Medicaid Reimbursement For Schools” and co-administered by the Department and the Colorado Department of Education (DOE), allows Colorado’s public school districts and state-operated educational institutions access to federal Medicaid funds for the partial reimbursement of their costs of providing medically-necessary health services to Medicaid eligible students as prescribed in the student’s Individual Education Program (IEP), Individualized Family Service Plan (IFSP) or other medical plan of care where Medical necessity is established. Covered services may include direct medical services including rehabilitative therapies and Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services, and Specialized Non-Emergency Transportation services for students from kindergarten through 12th grade.

The non-federal share of this reimbursement comes from certified public expenditures (CPE) which is a statutorily recognized Medicaid financing approach by which a governmental entity, such as a public school district, incurs an expenditure eligible for federal financial participation (FFP) under the State’s approved Medicaid State Plan. The governmental entity then certifies that the funds expended are public funds and used to support the full cost of providing the Medicaid-covered service or the administrative activity. Based on this certification, the state can claim the federal share of these costs and no other state funds are required.

CPE-based financing must recognize actual costs incurred. The Centers for Medicare and Medicaid Services (CMS) require providers to use a federally approved cost reporting methodology to document the actual cost of providing the services, typically determined through a statistically valid time study, periodic cost reporting, and reconciliation of any interim payments to actual incurred cost. For qualifying school-based administrative activities, the amount of time that school staff members spend on Medicaid-related activities is also determined based on time studies.

The SHS Program facilitates provider reimbursements through its federally approved, cost-based methodology whereby the Department and its contractor calculate the amount of CPE to assure compliance with federal requirements. The methodology used to determine the amount of allowable CPE is described below:

- For each participating provider, the vendor first compiles cost pool information; including salary, benefits and contracted costs for all random moment time study (RMTS) participants, and indirect costs.
- The costs are then converted to allowable Medicaid costs by applying the statewide RMTS percentages against the direct service (DS) cost pool.

- The allowable costs are then adjusted to reflect the program's qualifying clients by applying the Individual Education Program (IEP) student utilization ratio.
- Costs of supplies, materials, transportation, and other costs are added.

Program reimbursements are made to providers via interim payments and, upon final reconciliation of annual cost report data, a cost settlement payment. Additionally, a separate but similar calculation is used for determining the Medicaid administrative claiming (MAC) component of the program which is reimbursed on a quarterly basis.

The SHS program costs for FY 2025-26 are projected to be less than the Department's current spending authority. Despite the expenditures, on a cost report year basis, showing moderate growth, the balance between interim payments and cost settlement has shifted and affected the fiscal year expenditures. Interim payments in FY 2024-25 comprised over ninety-six percent of the total expenditures leaving its settlement payment, occurring in FY 2025-26, much lower than in previous years. This balance between interim payments and cost settlement is expected to continue in FY 2025-26.

Proposed Solution and Anticipated Outcomes

The Department requests a reduction of \$11.1 million total funds including a reduction of \$5.5 million cash funds and a reduction of \$5.5 million federal funds in FY 2025-26 and a reduction of \$3.2 million total funds including reductions of \$1.6 million cash funds and \$1.6 million federal funds in FY 2026-27 and ongoing to align spending authority with projected costs of providing local school health services and related administration. The cash funds portion of this request represents funds certified as public expenditures incurred by school districts or boards of cooperative educational services that are eligible for federal financial participation under Medicaid and do not impact any State cash funds.

The Medicaid funds received through the SHS Program are entirely federal funds. The federal funds are made available to deliver primary and preventative health services to Colorado's public-school children, identified and specified under the provider's local services plan (LSP). The LSP, written by the school district with community input, describes the types and cost of services to be provided with the funds. This allows providers to address some of the health care needs unique to their local communities. The most common areas to use the funds according to a provider's LSP are to fund nursing services and for mental health needs for all students.

Types of services that can be funded include, but are not limited to, the following:

- Clinic aid or nurse services.
- Dental, vision and pharmacy vouchers to uninsured or under-insured students.
- Outreach and enrollment assistance toward access of medical assistance benefits for uninsured families.
- Health supplies and equipment; and
- Physical or mental health services.

By allowing the Department to reimburse SHS providers on a timely basis for their incurred Medicaid costs, the approval of this request would ensure the retention of current participating

providers and help attract new providers to the program, thus furthering the Department's mission of improving health care access and outcomes.

Supporting Evidence and Evidence Designation

This request falls under the Evidence Informed designation.

Evidence Summary

Program Objective	The SHS program serves low-income Colorado students, especially students with special needs. Additionally, the federal reimbursement funding must be used for primary and preventative health services to all students as identified and specified under the district's local service plan.
Outputs being measured	Number of children served have either an individual education plan (IEP) or Individualized Family Service Plan (IFSP) or other medically necessary plans of care. The amount of federal funding received by the districts and its targeted use.
Outcomes being measured	Number of children served represents a measurable outcome towards achieving health care equity and access for low-income children, especially children with a disability. Because the federal funds are required for improving and expanding the delivery of primary and preventive health services to Colorado's public-school children identified and specified under the providers' Local Services Plan (LSP), the types and cost of services to be provided are a measured outcome.
Evidence Designation with Brief Justification	The Department designates the program as Evidence-Informed. The growth of the overall program resulting in an expansion of services and an increase in the utilization of services supports the designation.

The SHS program serves low-income Colorado students, especially students with special needs, and delivers additional health services to Colorado public school children each year without additional General Fund expenditures. The Department measures annual utilization of the program. For example, during FY 2023-24, 26,700 enrolled children with an IEP, IFSP, or other medical plans of care, received school health services reimbursed through Medicaid. In FY 2024-25, this figure increases to 27,052.

Also, the number of children served represents a measurable outcome towards the Department's goal of promoting health care equity and access for low-income children, especially children with a disability. And, because federal funds are required for the improving and expanding the delivery of primary and preventive health services to Colorado's public-school children identified and specified under the providers' Local Services Plan (LSP), the types and cost of services to be provided are a measured outcome. For example, in FY 2023-24, the most common area to use the funds, according to provider LSPs, was to fund additional nursing services and mental health for all students. The most common areas that were funded statewide through school districts' LSPs were nursing services at \$30.1 million and

mental health services at \$16.9 million. Additional information can be found in the program's annual report.¹

Promoting Colorado for All

The SHS program serves low-income Colorado students, especially students with special needs. Additionally, the federal reimbursement funding must be used for primary and preventative health services to all students as identified and specified under the district's local service plan.

Assumptions and Calculations

This request is based on the Department's expected amount of aggregate certified public expenditures calculated in accordance with the methodology previously described. Detailed calculations for this request are provided in the attached appendix.

Table 1 shows a summary of the total incremental funding request by fiscal year, line item and fund source. The federal medical assistance percentage (FMAP) used for the calculation of federal funds varies according to the applicable period and component of the program. Tables 2.1 through 2.3 show the calculations to determine the incremental requests. The MAC component receives the standard 50% federal match while the interim payments and cost settlement components receive the applicable FMAP at the time the cost was incurred.

Tables 3.1 and 3.2 illustrate the crosswalk between the program's cost report year totals and the corresponding state fiscal year in which the reimbursement payments are made. These tables are necessary because the program's interim payments are made in one state fiscal year, and the cost settlement payments occur in the following state fiscal year. The quarterly MAC payments of each cost report year also span the same two fiscal years with two payments occurring in each state fiscal year. The Department assumes for cost projection purposes that each quarterly MAC payment is equal to one-fourth of the allowable MAC reimbursement attributable to each cost report year.

Tables 4.1 and 4.2 show historical and projection data for interim payments and cost settlement payments respectively. The Department's contracted vendor determines the allocation percentage, shown in table 4.2 row B, by using three years of historical data and modifications based on provider input. Table 4.3 shows a schedule of current year aggregate interim payments with fund splits.

Tables 5.1 and 5.2 show the historical and projected calculations of direct services and specialized transportation allowable reimbursements. The reimbursements are calculated for each cost report year by applying the formula components to the direct services cost pool in accordance with the program's federally approved methodology. Growth is expected for both cost pools, along with indirect costs, consistent with the program's historical trends. Additionally, formula components are expected to follow an upward trend as the SHS program

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https://hcpf.colorado.gov/sites/hcpf/files/2024%20OCT_HCPF%20LRFI%204%20School%20Health%20Services.pdf

continues to mature amid the increased training and outreach efforts of the Department and participating providers. Table 5.3 shows the projected expenditures resulting from SHS program expansion to include free-care services. The methodology sequencing is similar to the direct service table with the direct services cost pool figure applied against ratios specific to the provision of the free care services.

Regarding RMTS percentage, a variety of factors impact the calculation including the random nature of the distribution of surveys, the public health emergency unwind influence on activities during surveyed moments, and ongoing staff pool list updates by participating districts. Additionally, on the recommendation of the Department's consultant, beginning October 1, 2024, certain activities within the RMTS designations were reclassified from direct services to administrative. These factors are reflected in the RMTS percentages row in table series 5 and 6 and result in a downward level shift in the direct services expenditures and a corresponding upward shift in administrative expenditures.

Tables 6.1 and 6.2 show the historical and projected calculations of Medicaid administrative claiming allowable reimbursements. These reimbursements are derived from two cost pools as MAC services are performed by those within the direct services cost pool (row A) and the MAC-specific cost pool (row D). Growth is expected in all cost pools, along with indirect costs, consistent with the program's historical trends.

Table 1.1 Summary by Line Item FY 2025-26									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds	FFP	Source
A	(6) Other Medical Services; Public School Health Services	(\$11,112,717)	0.0	\$0	(\$5,556,359)	\$0	(\$5,556,358)	50.00%	Table 2.1 Row F
B	Total	(\$11,112,717)	0.0	\$0	(\$5,556,359)	\$0	(\$5,556,358)	50.00%	Row A

⁽¹⁾ Cash funds represent funds certified as public expenditures incurred by school districts or boards of cooperative educational services that are eligible for federal financial participation under Medicaid.

Table 1.2 Summary by Line Item FY 2026-27									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds	FFP	Source
A	(6) Other Medical Services; Public School Health Services	(\$3,209,774)	0.0	\$0	(\$1,604,887)	\$0	(\$1,604,887)	50.00%	Table 2.2 Row G
B	Total	(\$3,209,774)	0.0	\$0	(\$1,604,887)	\$0	(\$1,604,887)	50.00%	Row A

⁽¹⁾ Cash funds represent funds certified as public expenditures incurred by school districts or boards of cooperative educational services that are eligible for federal financial participation under Medicaid.

Table 2.1 FY 2025-26 Incremental Request								
Row	Description	Total Funds	General Fund	Cash Funds (CPE)	Reappropriated Funds	Federal Funds	FMAP	Source
<i>Public School Health Services - Provider Payments</i>								
A	Initial Appropriation	\$198,563,973	\$0	\$99,281,987	\$0	\$99,281,986	50.00%	FY 2025-26 Long Bill (SB 25-206)
B	Medicaid Administrative Claiming (MAC)	\$37,552,711	\$0	\$18,776,356	\$0	\$18,776,355	50.00%	Table 3.1, Row A [FY 2025-26 projected]
C	Cost Settlement	\$5,409,629	\$0	\$2,704,814	\$0	\$2,704,815	50.00%	Table 3.1, Row B [FY 2025-26 projected]
D	Interim Payment	\$144,488,916	\$0	\$72,244,458	\$0	\$72,244,458	50.00%	Table 3.1, Row C [FY 2025-26 projected]
E	Estimated Expenditures	\$187,451,256	\$0	\$93,725,628	\$0	\$93,725,628	50.00%	Row B + Row C + Row D
F	Incremental Request	(\$11,112,717)	\$0	(\$5,556,359)	\$0	(\$5,556,358)	NA	Row E - Row A

Table 2.2 FY 2026-27 Incremental Request								
Row	Description	Total Funds	General Fund	Cash Funds (CPE)	Reappropriated Funds	Federal Funds	FMAP	Source
<i>Public School Health Services - Provider Payments</i>								
A	Initial Appropriation	\$198,563,973	\$0	\$99,281,987	\$0	\$99,281,986	50.00%	FY 2025-26 Long Bill (SB 25-206)
B	FY 2024-25 Base Request	\$198,563,973	\$0	\$99,281,987	\$0	\$99,281,986	50.00%	Row A
C	Medicaid Administrative Claiming (MAC)	\$39,392,353	\$0	\$19,696,177	\$0	\$19,696,176	50.00%	Table 3.1, Row A [FY 2026-27 projected]
D	Cost Settlement	\$7,138,263	\$0	\$3,569,131	\$0	\$3,569,132	50.00%	Table 3.1, Row B [FY 2026-27 projected]
E	Interim Payment	\$148,823,583	\$0	\$74,411,792	\$0	\$74,411,791	50.00%	Table 3.1, Row C [FY 2026-27 projected]
F	Estimated Expenditures	\$195,354,199	\$0	\$97,677,100	\$0	\$97,677,099	50.00%	Row C + Row D + Row E
G	Incremental Request	(\$3,209,774)	\$0	(\$1,604,887)	\$0	(\$1,604,887)	NA	Row B - Row F

Table 3.1 - Aggregate Certified Public Expenditure (CPE) by State Fiscal Year (FY)

Row	Reimbursement Component	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 projected	FY 2026-27 projected
A	Medicaid Administrative Claiming (MAC)	\$12,421,215	\$15,739,166	\$15,835,259	16,057,942	21,567,810	37,552,711	39,392,353
B	Cost Settlement	\$32,156,293	\$26,544,867	\$38,330,766	65,668,343	59,342,656	5,409,629	7,138,263
C	Interim Payment	\$81,245,080	\$89,260,797	\$98,733,664	109,631,103	141,441,255	144,488,916	148,823,583
D	Total Aggregate CPE	\$125,822,588	\$131,544,830	\$152,899,689	191,357,388	222,351,721	187,451,256	195,354,199

Table 3.2 - Aggregate Certified Public Expenditure (CPE) by Cost Report Year (CRY) & State Fiscal Year (FY)

Row	Cost Report Year	Reimbursement Component	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 projected	FY 2026-27 projected	Total
B	CRY 2020-21	MAC Interim Payment Cost Settlement	\$6,227,390 \$81,245,080	\$9,511,776 - \$26,544,867	- - -	- - -	- - -	- - -	- - -	\$123,529,113
C	CRY 2021-22	MAC Interim Payment Cost Settlement	- - -	\$6,227,390 \$89,260,797	\$7,208,965 - \$38,330,766	- - -	- - -	- - -	- - -	\$141,027,918
D	CRY 2022-23	MAC Interim Payment Cost Settlement	- - -	- - -	\$8,626,294 \$98,733,664	\$7,439,700 - \$65,668,343	- - -	- - -	- - -	\$180,468,001
E	CRY 2023-24	MAC Interim Payment Cost Settlement	- - -	- - -	- - -	\$8,618,242 \$109,631,103	\$7,666,712 - \$59,342,656	- - -	- - -	\$185,258,713
F	CRY 2024-25	MAC Interim Payment Cost Settlement	- - -	- - -	- - -	- - -	\$13,901,098 \$141,441,255	\$18,147,611 - \$5,409,629	- - -	\$178,899,593
G	CRY 2025-26 projected	MAC Interim Payment Cost Settlement	- - -	- - -	- - -	- - -	- - -	\$19,405,100 \$144,488,916	\$19,405,100 - \$7,138,263	\$190,437,379
H	CRY 2026-27 projected	MAC Interim Payment Cost Settlement	- - -	- - -	- - -	- - -	- - -	- - -	\$19,987,253 \$148,823,583	\$196,150,500
I	Total Aggregate CPE		\$125,822,588	\$131,544,830	\$152,899,689	\$191,357,388	\$222,351,721	\$187,451,256	\$195,354,199	

Table 4.1 - Historical Amounts of Interim Payments and Cost Settlement Payments by Cost Report Year							
Row	Item	Cost Report Year 2020-21	Cost Report Year 2021-22	Cost Report Year 2022-23	Cost Report Year 2023-24	Cost Report Year 2024-25 ⁽¹⁾	Source
A	Interim Payments for Direct Services & Specialized Transportation	\$81,245,080	\$89,260,797	\$98,733,664	\$109,631,103	\$141,441,255	Annual Cost Settlement Report
B	Cost Settlement for Direct Services & Specialized Transportation	\$26,544,867	\$38,330,766	\$65,668,343	\$59,342,656	\$5,409,629	
C	Total Allowable Reimbursement for Direct Services & Specialized Transportation	\$107,789,947	\$127,591,563	\$164,402,007	\$168,973,759	\$146,850,884	Row A + Row B

⁽¹⁾Preliminary data for Cost Report Year 2024-25 provided to Department by contracted vendor in November 2025. Final cost report data will be available in March 2026.

Table 4.2 - Projected Amounts of Interim Payments and Cost Settlement Payments by Cost Report Year					
Row	Item	Cost Report Year 2025-26	Cost Report Year 2026-27	Cost Report Year 2027-28	Source
A	Total Allowable Reimbursement for Direct Services & Specialized Transportation	\$151,627,179	\$156,175,994	\$160,861,274	Table 5.2, Row M
B	Interim Payment Allocation Percentage ⁽¹⁾	95.29%	95.29%	95.29%	Department estimate
C	Interim Payments for Direct Services & Specialized Transportation	\$144,488,916	\$148,823,583	\$153,288,291	Row A * Row B
D	Cost Settlement for Direct Services & Specialized Transportation	\$7,138,263	\$7,352,411	\$7,572,983	Row A - Row C

S-15, BA-15 Public School Health Services Adjustment
 Appendix A: Assumptions and Calculations

**Table 4.3 - Schedule of Interim Payments
 FY 2025-26**

Row	Description	Total Funds	Cash Funds (CPE)	Federal Funds	FMAP	Source
A	July 2025	\$12,900,796	\$6,450,398	\$6,450,398	50.00%	Payment Schedule provided by Department's School Health Services Program staff
B	August 2025	\$12,900,796	\$6,450,398	\$6,450,398	50.00%	
C	September 2025	\$12,900,796	\$6,450,398	\$6,450,398	50.00%	
D	October 2025	\$12,900,796	\$6,450,398	\$6,450,398	50.00%	
E	November 2025	\$12,900,796	\$6,450,398	\$6,450,398	50.00%	
F	December 2025	\$12,900,796	\$6,450,398	\$6,450,398	50.00%	
G	January 2026	\$12,900,796	\$6,450,398	\$6,450,398	50.00%	
H	February 2026	\$12,900,796	\$6,450,398	\$6,450,398	50.00%	
I	March 2026	\$10,320,637	\$5,160,319	\$5,160,319	50.00%	Projected modification for final four months
J	April 2026	\$10,320,637	\$5,160,319	\$5,160,319	50.00%	
K	May 2026	\$10,320,637	\$5,160,319	\$5,160,319	50.00%	
L	June 2026	\$10,320,637	\$5,160,319	\$5,160,319	50.00%	
M	Totals	\$144,488,916	\$72,244,458	\$72,244,458	50.00%	Sum of Row A thru Row L

Table 5.1 - Historical Calculations of Direct Services (DS) & Specialized Transportation Costs by Cost Report Year

Row	Item	Cost Report Year 2020-21	Cost Report Year 2021-22	Cost Report Year 2022-23	Cost Report Year 2023-24	Cost Report Year 2024-25	Source
A	Salaries, Benefits & Contracted Staff Costs	\$450,545,145	\$468,251,679	\$566,675,696	\$681,046,368	\$776,809,207	Annual Program Expenditures Report
B	Supplies & Materials Costs	\$3,266,372	\$1,540,488	\$2,704,021	\$1,446,249	\$1,908,317	Annual Program Expenditures Report
C	Subtotal	\$187,006,333	\$208,768,236	\$256,267,627	\$294,948,432	\$778,717,524	Row A + Row B
D	Indirect Costs %	17.48%	18.92%	16.73%	17.46%	19.19%	Annual Program Expenditures Report
E	Subtotal	\$529,313,141	\$556,863,794	\$661,506,523	\$799,968,626	\$925,911,918	Row A * (1 + Row B)
F	RMTS ⁽¹⁾ %	35.33%	37.49%	38.74%	36.87%	29.87%	Annual Program Expenditures Report
G	Subtotal	\$187,006,333	\$208,768,236	\$256,267,627	\$294,948,432	\$276,569,890	Row E * Row F
H	IEP ⁽²⁾ %	46.63%	54.28%	56.74%	49.85%	46.53%	Annual Program Expenditures Report
I	Total Allowable Reimbursement - Direct Services	\$87,206,115	\$113,316,011	\$145,398,074	\$147,033,211	\$128,677,576	Row G * Row H
J	Specialized Transportation	\$10,339,061	\$3,376,195	\$6,145,694	\$7,022,897	\$5,721,441	Annual Program Expenditures Report
K	Total Allowable Reimbursement - Direct Services & Specialized Transportation	\$97,545,176	\$116,692,206	\$151,543,768	\$154,056,108	\$134,399,018	Row I + Row J
L	Total Allowable Reimbursement - Free Care Services	\$7,538,690	\$10,899,357	\$12,858,239	\$14,917,651	\$12,451,866	Table 5.3, Row I
M	Grand Total	\$105,083,866	\$127,591,563	\$164,402,007	\$168,973,759	\$146,850,884	Row K + Row L

⁽¹⁾ Random Moment Time Study weighted percentage based on annual average statewide allowable DS

⁽²⁾ Individualized Education Program (IEP) student utilization ratio applied on a district-specific basis

Table 5.2 - Projected Calculations of Direct Services (DS), Specialized Transportation & Free Care Services by Cost Report Year

Row	Item	Cost Report Year 2025-26	Cost Report Year 2026-27	Cost Report Year 2027-28	Source
A	Salaries, Benefits & Contracted Staff Costs	\$800,113,483	\$824,116,887	\$848,840,394	Growth rate of 3%
B	Supplies & Materials Costs	\$2,238,282	\$2,305,430	\$2,374,593	Growth rate of 3% of 5-year average
C	Subtotal	\$802,351,764	\$826,422,317	\$851,214,987	Row E + Row F
D	Indirect Costs %	19.19%	19.19%	19.19%	Remains constant from 2024-25
E	Subtotal	\$956,357,179	\$985,047,894	\$1,014,599,331	Row A * (1 + Row B)
F	RMTS ⁽¹⁾ %	29.87%	29.87%	29.87%	Remains constant from 2024-25
G	Subtotal	\$285,663,889	\$294,233,806	\$303,060,820	Row C * Row D
H	IEP ⁽²⁾ %	46.53%	46.53%	46.53%	Remains constant from 2024-25
I	Total Allowable Reimbursement - Direct Services	\$132,908,672	\$136,895,933	\$141,002,810	Row G * Row H
J	Specialized Transportation	\$5,893,085	\$6,069,877	\$6,251,974	Growth rate of 3%
K	Total Allowable Reimbursement - Direct Services & Specialized Transportation	\$138,801,757	\$142,965,810	\$147,254,784	Row I + Row J
L	Total Allowable Reimbursement - Free Care Services	\$12,825,422	\$13,210,184	\$13,606,490	Table 5.3, Row I
M	Grand Total	\$151,627,179	\$156,175,994	\$160,861,274	Row K + Row L

⁽¹⁾ Random Moment Time Study percentage based on annual average statewide allowable DS

⁽²⁾ Individualized Education Program student utilization ratio which applied on a district-specific basis

Table 5.3 - Historical Calculations of Free Care Services by Cost Report Year

Row	Item	Cost Report Year 2020-21	Cost Report Year 2021-22	Cost Report Year 2022-23	Cost Report Year 2023-24	Cost Report Year 2024-25	Source
A	Salaries, Benefits & Contracted Staff Costs	\$450,545,145	\$468,251,679	\$566,675,696	\$681,046,368	\$776,809,207	Annual Program Expenditures Report
B	Supplies & Materials Costs	\$3,266,372	\$1,540,488	\$2,704,021	\$1,446,249	\$1,908,317	Annual Program Expenditures Report
C	Subtotal	\$20,817,090	\$28,019,318	\$31,487,710	\$39,678,444	\$778,717,524	Row A + Row B
D	Indirect Costs %	17.57%	18.96%	16.73%	17.46%	19.19%	Annual Program Expenditures Report
E	Subtotal	\$529,696,959	\$557,044,091	\$661,506,523	\$799,968,626	\$925,911,918	Row C * (1 + Row D)
F	RMTS ⁽¹⁾ %	3.93%	5.03%	4.76%	4.96%	4.42%	Annual Program Expenditures Report
G	Subtotal	\$20,817,090	\$28,019,318	\$31,487,710	\$39,678,444	\$40,925,307	Row E * Row F
H	Medicaid Eligibility Rate (MER) - MAC figure	36.21%	38.90%	40.84%	37.60%	30.43%	Annual Program Expenditures Report
I	Total Direct Services CPE Amounts	\$7,538,690	\$10,899,357	\$12,858,239	\$14,917,651	\$12,451,866	Row G * Row H

⁽¹⁾ Random Moment Time Study weighted percentage based on annual average statewide allowable DS

Table 5.4 - Projected Calculations of Free Care Services by Cost Report Year

Row	Item	Cost Report Year 2025-26	Cost Report Year 2026-27	Cost Report Year 2027-28	Source
A	Salaries, Benefits & Contracted Staff Costs	\$800,113,483	\$824,116,887	\$848,840,394	Table 5.2, Row A
B	Supplies & Materials Costs	\$1,965,567	\$2,024,534	\$2,085,270	Table 5.2, Row F
C	Subtotal	\$42,153,066	\$43,417,658	\$44,720,188	Row A + Row B
D	Indirect Costs %	19.19%	19.19%	19.19%	Table 5.2, Row B
E	Subtotal	\$953,689,276	\$982,299,954	\$1,011,768,953	Row A * (1 + Row B)
F	RMTS ⁽¹⁾ %	4.42%	4.42%	4.42%	Table 5.2, Row D
G	Subtotal	\$42,153,066	\$43,417,658	\$44,720,188	Row E + Row F
H	Medicaid Eligibility Rate (MER) - MAC figure	30.43%	30.43%	30.43%	Table 6.2, Row H
I	Total Allowable Reimbursement - Free Care Services	\$12,825,422	\$13,210,184	\$13,606,490	Row G * Row H

Table 6.1 - Historical Calculations of Medicaid Administrative Claiming (MAC) by Cost Report Year							
Row	Item	Cost Report Year 2020-21	Cost Report Year 2021-22	Cost Report Year 2022-23	Cost Report Year 2023-24	Cost Report Year 2024-25	Source
A	Salaries, Benefits & Contracted Staff Costs - Direct Services (DS)	\$442,511,378	\$468,251,679	\$566,675,696	\$681,046,368	\$776,809,207	Medicaid Administrative Claims Report
B	RMTS% for MAC - Direct Services (DS)	2.78%	2.11%	2.45%	2.67%	8.36%	RMTS Calculation Report
C	Subtotal	\$12,301,816	\$9,880,110	\$13,883,555	\$18,183,938	\$64,941,250	Row A * Row B
D	Salaries, Benefits & Contracted Staff Costs - MAC	\$120,357,905	\$134,776,980	\$118,737,059	\$119,000,520	\$130,194,636	Medicaid Administrative Claims Report
E	RMTS% - MAC Administrative	20.34%	14.23%	16.44%	14.17%	14.30%	RMTS Calculation Report
F	Subtotal	\$24,480,798	\$19,178,764	\$19,520,373	\$16,862,374	\$18,617,833	Row D * Row E
G	Total	\$36,782,614	\$29,058,874	\$33,403,928	\$35,046,312	\$83,559,083	Row C + Row F
H	Medicaid Eligibility Rate (MER)	32.45%	39.12%	40.61%	37.40%	30.67%	Medicaid Administrative Claims Report
I	Adjusted Total	\$11,935,958	\$11,368,133	\$13,566,695	\$13,107,321	\$25,627,571	Row G * Row H
J	Indirect Cost Rate	31.86%	18.19%	18.42%	24.24%	25.06%	Medicaid Administrative Claims Report
K	Total Allowable Reimbursement - MAC	\$15,739,166	\$13,436,355	\$16,065,994	\$16,284,954	\$32,048,709	Row I * (1 + Row J)

⁽¹⁾ Random Moment Time Study weighted percentage based on annual average statewide allowable DS & TCM

Table 6.2 - Projected Calculations of Medicaid Administrative Claiming (MAC) by Cost Report Year						
Row	Item	Cost Report Year 2025-26	Cost Report Year 2026-27	Cost Report Year 2027-28	Source	
A	Salaries, Benefits & Contracted Staff Costs - Direct Services (DS)	\$800,113,483	\$824,116,887	\$848,840,394	Growth rate of 3%	
B	RMTS% for MAC - Direct Services (DS) ⁽¹⁾	10.25%	10.25%	10.25%	Level shift starting QE 12/31/2025 due to updated RMTS definitions per CMS	
C	Subtotal	\$82,011,632	\$84,471,981	\$87,006,140	Row A * Row B	
D	Salaries, Benefits & Contracted Staff Costs - MAC	\$134,100,475	\$138,123,489	\$142,267,194	Growth rate of 3%	
E	RMTS% - MAC Administrative	14.30%	14.30%	14.30%	Remains constant from 2024-25	
F	Subtotal	\$19,176,368	\$19,751,659	\$20,344,209	Row D * Row E	
G	Total	\$101,188,000	\$104,223,640	\$107,350,349	Row C + Row F	
H	Medicaid Eligibility Rate	30.67%	30.67%	30.67%	Remains constant from 2024-25	
I	Adjusted Total	\$31,034,360	\$31,965,390	\$32,924,352	Row G * Row H	
J	Indirect Cost Rate	25.06%	25.06%	25.06%	Remains constant from 2024-25	
K	Total Allowable Reimbursement - MAC	\$38,810,200	\$39,974,506	\$41,173,741	Row I * (1 + Row J)	

⁽¹⁾ Random Moment Time Study weighted percentage based on annual average statewide allowable DS & TCM