



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

DEPUTY COMMISSIONER  
Office of Performance Improvement and Management Services  
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October 30, 2015

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 (2014-S-37) of the of the State Education Department: Milestone School for Child Development.

**Recommendation 1: Review the disallowances resulting from our audit and make the appropriate adjustments to Milestone's CFRs and reimbursement rates as appropriate.**

The Department is currently in the process of reviewing the Consolidated Fiscal Report and OSC audit work papers and will make necessary adjustments and recover any overpayments, as appropriate, by recalculating tuition rates.

**Recommendation 2: Work with Milestone officials to help ensure their compliance with the Manual provisions.**

On March 26, 2015 Milestone notified SED of its planned voluntary closure. The Department will continue to provide technical assistance upon request and will strongly recommend Milestone officials take advantage of our availability to help them better understand the standards for reimbursement as presented in Regulation and the Reimbursable Cost Manual for the remaining cost reports it will submit to the Department.

If you have any questions regarding this response, please contact Suzanne Bolling, Rate Setting Unit, (518) 486-7859.

Sincerely,

  
Sharon Cates-Williams

c: James P. DeLorenzo  
Suzanne Bolling