





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

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September 1, 2023

To: Approved Preschool Special Education Programs Licensed by the New York State Office of Children and Family Services or New York City Department of Health and Mental Hygiene  
District Superintendents  
Superintendents of Schools  
Public School Administrators  
Directors of Special Education  
Directors of Pupil Personnel Services  
Chairpersons of Committees on Preschool Special Education  
Administrators of State-Administered Prekindergarten Programs  
Organizations, Parents and Individuals Interested in Special Education

From: Christina Coughlin, Chief Financial Officer   
Christopher Suriano, Assistant Commissioner 

Subject: Workforce Retention Grant

The New York State Office of Children and Family Services (OCFS) is accepting applications under the Workforce Retention Grant from eligible OCFS licensed/registered providers. The grant may be used to offer bonus payments to eligible existing staff, as well as provide funding to support recruitment of new staff. Approved preschool special education programs that are licensed/registered by OCFS and Article 47 day care centers permitted by the New York City Department of Health and Mental Hygiene (DOHMH) may be eligible to apply and receive funding for eligible staff working in their tuition-based programs or separate childcare programs. The application instructions and eligibility criteria are available on the [OCFS Workforce Retention Grant webpage](#). **The deadline for applications is September 15, 2023.**

As with other grant funding, the Workforce Retention Grant is considered off-setting revenue for the purposes of calculating tuition rates. To ensure that providers can maximize the benefits of grant-funded bonuses such as this, the New York State Education Department (NYSED) has updated the July 2023 edition of the Reimbursable Cost Manual

(RCM) to state that grant-funded bonuses are not subject to the same rules that apply to tuition rate-funded bonuses, except that the expenses are still subject to the non-direct care screen parameter (to the extent the funding is used for staff positions eligible under the grant who are reported as a non-direct care position title). For example, the Workforce Retention Grant bonuses *may* be paid during the first year of employment and *may* exceed five percent of the salary of the individual receiving the retention bonus, in accordance with the Workforce Retention Grant requirements. See section 13.A (14) Retention Bonus in [NYSED's Reimbursable Cost Manual](#).

If the Workforce Retention Grant off-setting revenue results in a reduction to the program's authorized tuition rate upon reconciliation in the rate year in which the grant funds were recognized, programs will be held harmless from this impact in future years' tuition rates. Chapter 56 of the Laws of 2021 directs NYSED to hold harmless tuition rates in subsequent school years to reflect the impact of extraordinary federal revenue received in the prior year. This means that any potential adverse impact of the Workforce Retention Grant to tuition rates would be limited to the year the revenue was reported and not carried forward into future authorized tuition rates.

Regarding the treatment of the Workforce Retention Grant revenue for financial reporting, the grant revenue should be reported to align with the corresponding eligible expenses funded by the grant as reported on Consolidated Fiscal Report (CFR) Schedule CFR-1 Account Code 22040 Federal Grants. Workforce Retention Grant revenue received after the fiscal year in which the expenses were incurred should be reported on the CFR of the year the expense was incurred as a reconciling item to the provider's certified financial statements.

We hope this information is helpful and encourage providers to visit the [OCFS Workforce Retention Grant webpage](#) for more information.