



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

DEPUTY COMMISSIONER
Office of Performance Improvement and Management Services
O: 518.473-4708
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September 26, 2012

The Honorable Thomas P. DiNapoli
Comptroller
Office of the State Comptroller
110 State Street, 15th Floor
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 (2010-S-32) of Important Steps, Inc.: Compliance with the Reimbursable Cost Manual.

Recommendation #1: The Department should review the exceptions identified by our audit and determine necessary adjustments to Important Steps' tuition reimbursement rates.

The Department has applied \$238,873 of the \$244,874 recommended adjustments to Important Steps' tuition reimbursement rates and is forwarding those rates to the Division of Budget. The Department did not make the \$12,002 disallowance for depreciation of renovations. The Department will instead adjust the expense by \$6,001 for a depreciable life of 10 years versus 5 years and include it as a reimbursable item.

If you have any questions regarding this response, please contact Ann Marsh, Director of the Rate Setting Unit at (518) 473-2020.

Sincerely,

Sharon Cates-Williams

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EXECUTIVE CORRESPONDENCE

OCT 09 2012

OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
COMPTROLLER