

Formulas to Determine Cost of School MH Employee
Example from South Carolina School MH Program

I. Funding Needed for FTE:

Salary + Fringe (Insurance & Benefits) + Agency/Organization Overhead

II. Funding From MH Agency/Organization for FTE:

Reimbursement Mechanisms (Medicaid/ HMO/Insurance/Private-Pay) + Agency Funds (Block Grants, state/county funding, etc.) + School Contracts/Cost-Share Agreements + Legislative Funds + Grant/Foundations + Federal Funds (IDEA, Title I, IV, V, XI, XX, etc.)

Example Total I

FTE Average Salary (Masters + 2 yrs. Exp.)	Fringe @ 33%	Insurance Average Cost @ \$3,500. =	Total FTE Cost
\$30,000.	\$9,900.	\$13,400.	\$43,400.

Example Total I and Total II

A	B	C	D	E	F
Average Salary & Fringe	Monthly Requirement to Meet Cost of FTE	Overhead cost to MH for FTE @ 5% [non reimbursable staff, supplies, supervision]	Monthly Requirement to Meet Cost of FTE	Medicaid Reimbursement Rate [70% (actual service rates) + (D minus E) = Monthly Requirement to sustain FTE]	II. Grant funds and/or School Contract @ \$20,000. (?)
	(A ÷ 12 = B)	(A × 5% = C)	(B+C=D)	(D minus E) = Monthly Requirement to sustain FTE	[\$20K ÷ 12 mos. = \$1,666. p/mo.]
\$43,400.	\$3,617.	\$2,170.	\$5,787.	\$4,051. (70% of D)	(E – F = Funds needed p/mo.)
				{5,787. – 4,051 = 1,736}	\$5,857.
				5,787.+1,736.=	Funds required p/month to sustain FTE through reimbursements
				\$7,523.	

*Funding needed through reimbursement mechanisms and/or contract for FTE monthly to sustain annual salary/fringe