



Andrew M. Cuomo
Governor

NEW YORK STATE
OFFICE OF CHILDREN & FAMILY SERVICES
52 WASHINGTON STREET
RENSSELAER, NY 12144

Sheila J. Poole
Acting Commissioner

Local Commissioners Memorandum

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To:	Local District Commissioners
Issuing Division/Office:	Strategic Planning and Policy Development Administration
Date:	June 17, 2014 (<i>rev. June 20, 2014</i>)
Subject:	SFY 2014-15 Foster Care Block Grant Allocations
Suggested Distribution:	Accounting Supervisors Directors of Social Services
Contact Person(s):	See pages 7 & 8
Attachments:	Attachment A: SFY 2014-15 Foster Care Block Grant Allocations
Attachment Available Online:	No

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to provide local departments of social services (LDSS) with their Foster Care Block Grant allocations for State Fiscal Year (SFY) 2014-15 and the corresponding program implications, as authorized by Chapter 53 of the Laws of 2014.

II. Background

Chapter 57 of the Laws of 2012 extended the Child Welfare Financing Law to June 30, 2017. The Child Welfare Financing Law promotes a reduction in the use of foster care placements through two components:

1. A Foster Care Block Grant capping state reimbursement to LDSS for foster care services and administration at the annual amounts appropriated.
2. Uncapped state reimbursement after applying available federal funds for all child welfare services except for Community Optional Preventive Services (COPS), foster care services and administration.

The SFY 2014-15 state appropriation for the Foster Care Block Grant is \$436,002,000. This includes funding to support the continuation of the required Maximum State Aid Rates (MSAR)

for congregate care programs and the applicable administrative/services rates for therapeutic, special needs, and emergency foster home programs. Section III in this LCM provides additional details on the MSAR payment requirements and the Cost-of-Living Adjustment (COLA). Of the \$436,002,000, a major portion of the Block Grant, or \$399,552,000 is allocated based on historical claims; and \$36,450,000 is set-aside for districts that have reduced their use of foster care days.

III. Program Implications

The Foster Care Block Grant includes state reimbursement for foster care services as follows:

- Care and maintenance, including clothing and special payments; supervision; administrative costs claimed on Schedule D, Schedule D-2, and Schedule K; all tuition for foster children placed in Office of Mental Health (OMH)-licensed residential treatment facilities, as well as in Office of Children and Family Services (OCFS)-licensed child care institutions.
- Supervision of foster care children in federally funded job corps programs.
- Care, maintenance, supervision and tuition of adjudicated juvenile delinquents or persons in need of supervision (JD/PINS) placed in residential programs operated by authorized agencies and in out-of-state residential programs. However, a separate State appropriation continues to be made available in the SFY 2014-15 Enacted Budget effective April 1, 2014, for New York City to continue the Close to Home (CTH) initiative, once the New York City Administration for Children's Services' (ACS) final plan is approved by OCFS. Through contracts with authorized agencies, CTH will provide services for adjudicated delinquents determined by a Family Court as needing non-secure and limited secure placements.
- The provision and administration of the Kinship Guardianship Assistance Program (KinGAP), including assistance payments and non-recurring guardianship expenses.

The Foster Care Block Grant does **not** include federal reimbursement for foster care costs or state reimbursement for the following claims:

- Committee on Special Education (CSE) payments.
- Dormitory Authority payments in excess of the Foster Care Block Grant (for more information, see Fiscal Reference Manual Volume 2 Chapter 4).
- State reimbursement for foster care services for Indian tribes.
- Medical Assistance payments for children in foster care.
- Independent Living Services (except for those LDSS that have funds left over from their Foster Care Block Grant allocations for SFY 2013-14 – See V. Fiscal Claiming below).

Separate appropriations are available for these expenditures.

The Block Grant contains only those state funds that are available for reimbursement of a LDSS's expenditures for the services included in the Foster Care Block Grant. LDSS claims that are eligible to receive federal reimbursement under Title IV-E foster care, Chaffee Independent Living, and Temporary Assistance for Needy Families (TANF)- Emergency Assistance to Families (EAF) [up to the amount of the LDSS's Flexible Fund for Family Services (FFFS)

allocation that it wants to use for TANF EAF JD/PINS, TANF-EAF Tuition, EAF Foster Care Administration, and/or EAF Foster Care Maintenance – See Section IV below] will be submitted for federal reimbursement even if the LDSS claims exceed its Foster Care Block Grant allocation for the current state fiscal year.

Chapter 57 of the Laws of 2005 amended Section 398-a of the Social Services Law to add a new subdivision 2-a that prohibits LDSS from paying less than the MSARs established by OCFS. As of July 1, 2006, LDSS continue to be required to pay 100 percent of the applicable MSAR established by the OCFS for congregate care programs and for each administrative/services rate for therapeutic, special needs, or emergency foster home programs operated by a voluntary agency. In addition, LDSS that were paying at or above the MSARs for applicable programs as of January 1, 2005, are required to continue to pay at least 100 percent of the MSAR in the 2011-12 MSAR rate cycle, as well as for all subsequent rate cycles. The exception to the requirement is regular foster boarding home programs and pass-through payments to foster parents.

The Foster Care Block Grant does not include state expenditures made on behalf of youth placed in OCFS-operated facilities.

This Block Grant can be used only for foster care and KinGAP expenditures during SFY 2014-15. If a LDSS claims less than its allocation, unexpended funds may be used by the LDSS in the next SFY, up to the amount remaining from the LDSS Foster Care Block Grant allocation, for the LDSS expenditures on preventive services (including reunification services), independent living services, and aftercare services.

Cost-of-Living Adjustment (COLA)

Chapter 56 of the Laws of 2014 amends Chapter 57 of the Laws of 2006, as amended by Chapter 56 of the Laws of 2013, by suspending the Human Services COLA that would have been implemented on April 1, 2014. These COLAs are scheduled to resume on April 1, 2016, and extend for a third year into SFY 2018-19.

In lieu of the suspended COLA, Chapter 56 of the Laws of 2014 authorizes increases to Direct Care workers' salary and fringe benefits, as well as payments to foster and adoptive parents. The increase of 2 percent is effective January 1, 2015.

Chapter 53 of the Laws of 2014 provides \$2.95M for the implementation of the increase that will take effect on January 1, 2015. Further guidance will be included in an upcoming OCFS policy directive.

Kinship Guardianship Assistance Program (KinGAP)

Chapter 53 of the Laws of 2014 continues to allow eligible expenditures by LDSS for KinGAP to be reimbursed by Foster Care Block Grant funds, up to the amount of the LDSS annual Foster Care Block Grant allocation. Eligible expenditures include those for the provision and administration of the Kinship Guardianship Assistance Program, including assistance payments and non-recurring guardianship expenses.

If the social services official determines that it is in the best interests of the child for the prospective relative guardian to become the legal guardian, the child resided with the relative in foster care for six consecutive months, and other eligibility requirements are met, the LDSS and the relative may enter into an agreement for assistance and other services. Kinship guardianship assistance payments shall be made to the relative guardian(s) until the child's 18th birthday, or until the child's 21st birthday if the kinship guardianship arrangement became effective on or after the child's 16th birthday and the child meets certain educational or employment criteria, provided the relative guardian is still legally responsible for the child. Also authorized is the payment of non-recurring guardianship payments of up to \$2,000 for the costs of finalizing the guardianship for each child, which are only available for those expenditures that are determined to be eligible for reimbursement. State reimbursement for LDSS costs for the kinship guardianship assistance program is under the foster care block grant. Medical assistance also is available for children in the program.

For additional information on KinGAP, please refer to 11-OCFS-ADM-03.

Allocation Methodology

The methodology used to allocate the Foster Care Block Grant funding is designed to continue the focus on safety, well-being, and permanency for children. It is intended to encourage LDSS to continue to intensify their efforts to reduce foster care days. As in the past eight State Fiscal Years (SFY 2006-07 through SFY 2013-14), the allocation methodology continues the claims-based approach and the \$36,450,000 set-aside incentive to LDSS.

Of the \$436,002,000 appropriation for state reimbursement for foster care services in SFY 2014-15, \$399,552,000 continues to be distributed to LDSS according to their respective shares of historical claims. In accordance with budget appropriation language, the percentage of funds allocated to each LDSS reflects the LDSS share of the statewide gross foster care claims (originals and supplemental) for the 12-month period ending June 30, 2013, that were submitted to the state on or before January 2, 2014.

The allocation of the \$36,450,000 set-aside is based on the LDSS reduction in the utilization of foster care days during two periods: from FFY 2009 to FFY 2011 (\$9,112,500) and from FFY 2011 to FFY 2013 (\$27,337,500). Reductions in care days during the more recent period continues to be weighted more heavily (75 percent) than reductions during the earlier period (25 percent). This methodology continues to recognize the accomplishments of those LDSS that have decreased their foster care utilization over the past five years, while providing a more generous incentive to those LDSS that have achieved more recent reductions in care days.

LDSS allocations for each component of the SFY 2014-15, Foster Care Block Grant are provided in Attachment A.

IV. Other Related SFY 2014-15 Budget Actions

The SFY 2014-15 Enacted Budget continues to appropriate \$964M of TANF funding for the Flexible Fund for Family Services (FFFS). The FFFS provides LDSS with the flexibility to

determine local funding priorities. LDSS can use their FFFS allocation to fund the TANF EAF JD/PINS, TANF-EAF Tuition costs, EAF Foster Care Administration and EAF Foster Care Maintenance, as well as any other eligible TANF purpose. LDSS will receive separate guidance on the process for indicating the portion of their FFFS allocations that they choose to use to reimburse expenditures associated with TANF-EAF JD/PINS, TANF-EAF Tuition, EAF Foster Care Administration and EAF Foster Care Maintenance.

Prior to the establishment of the FFFS in SFY 2005-06, 50 percent of Federal TANF-EAF funds were used to offset the Foster Care Block Grant. In SFY 2014-15, there continues to be no offset taken against the Foster Care Block Grant appropriation. Therefore, the full \$436,002,000 in funding continues to be available to LDSS under the Foster Care Block Grant, as well as the amounts the LDSS opt to use out of their FFFS allocations to cover these associated expenditures. The EAF foster care swap is no longer in effect.

V. Claiming

The Foster Care Block Grant is an annual capped allocation for foster care costs that are ordinarily reimbursed during the state fiscal year. The Foster Care Block Grant payments are generally made on a monthly basis, and there is no state share settlement of the claims filed for state reimbursement. The reimbursement schedule below sets forth the relevant periods for the foster care maintenance, administration and tuition costs covered by this year's allocations. The scheduled time periods relate to when expenditures are paid. If an LDSS exceeds its allocation for a particular state fiscal year, there is no additional funding. Any LDSS claims submitted for a particular state fiscal year that do not receive state reimbursement during that state fiscal year may not be claimed against that LDSS Block Grant apportionment for the subsequent state fiscal year.

There is no Maintenance of Effort (MOE) requirement associated with the Foster Care Block Grant.

Supplemental claims are paid from the Foster Care Block Grant allocation that covers the period when the expenditures are paid by the LDSS for the services or administrative costs, as it pertains to the allowable claiming period.

Federal reimbursement will not be affected by this Block Grant and will be settled in the normal manner subject to the availability of federal funds. Expenditures for the allocations included in this LCM are claimed as follows:

Foster Care	Schedule K	LDSS - 3479
	Schedule H	LDSS - 4283
	Schedule D-2	LDSS - 2347-B
	RF 17 Claim Package for Special Project Claiming	LDSS - 4975
KinGAP	Schedule K	LDSS - 3479
	Schedule D-2	LDSS - 2347-B

Please refer to the Fiscal Reference Manual (FRM), Volume 2, Chapter 3 for instructions on completing the Schedules K “Reimbursement Claim for Foster Care and Adoption Expenditures” and the Schedule H “Non-Title XX Services for Recipients.” The Schedule D “DSS Administrative Expenses Allocation and Distribution by Function and Program,” the Schedule D-2 “Allocation for Claiming General Services Administration Expenditures,” and the RF-17 Claim Package instructions are in the FRM, Volume 3. The FRMs are available at <http://otda.state.ny.net/bfdm/finance>.

Unclaimed Foster Care Block Grant funds from SFY 2014-15 that an eligible LDSS wishes to use during SFY 2015-16 for eligible preventive, independent living, and aftercare services must be reported through the RF 17 claim package for special project claiming. These costs should be identified as F17 functional costs and reported on the Schedule D in the F17 column in the RF2A claim package. The individual project costs should also be reported under the project label “**FCBG Savings SFY 2014 2015**” on the LDSS-4975A “RF-17 Worksheet, Distribution of Allocated Costs to Other Reimbursable Programs.”

For October 1, 2014 through September 30, 2015, program costs should be reported as object of expense 37 – Special Project Program Expense on the LDSS-923B Summary-Program (page 2) “Schedule of Payments for Expenses Other Than Salaries for Other Reimbursable Programs.”

Total project costs and share should be reported on the LDSS-4975 “Monthly Statement of Special Project Claims Federal and State Aid (RF-17).”

The reported expenditures are eligible for 100 percent state reimbursement up to the amount of the unclaimed Foster Care Block Grant funds from SFY 2014-15. Any such claims submitted by a LDSS for which there are insufficient unclaimed funds available from the LDSS SFY 2014-15 Foster Care Block Grant allocations are subject to 62 percent state reimbursement net of any available federal funds.

For ACS, State Close to Home (CTH) funding is available at 100 percent for the non-federal share of CTH youth, up to the funding limit. CTH foster care expenditures above the CTH funding limit may be claimed for reimbursement as 100 percent state share using Foster Care Block Grant funds. After CTH and Foster Care Block Grant funding is exhausted, once a final ACS plan is approved and services are eligible, 62 percent state child welfare financing may be provided for child preventive services for TANF eligible CTH youth, provided the child welfare threshold provisions are met. Information regarding the Child Welfare Threshold can be found in FRM Volume 1, Chapter 8 guidelines.

The reimbursement schedule for the SFY 2014-15 Foster Care Block Grant is as follows:

Foster Care

- Foster Care Maintenance Claims: January 1, 2014, through December 31, 2014
- Foster Care Administration Claims: October 1, 2013, through September 30, 2014
- Foster Care Tuition Claims: January 1, 2014, through December 31, 2014
- RF 17 Claim Package for Special Project Claiming: October 1, 2014, through September 30, 2015

VI. Contact Information

Any fiscal questions regarding the Foster Care Block Grant should be directed to:

Bryan Bagstad, Local Operations Manager, Bureau of Budget Management,
(518) 474-1361

Deborah Davis, Assistant Director, Bureau of Budget Management, (518) 474-1361

Programmatic questions should be directed to the appropriate Regional Office, Division of Child Welfare and Community Services:

BRO – Dana Whitcomb, (716) 847-3145
E-mail – Dana.Whitcomb@ocfs.ny.gov

RRO – Karen Buck, (585) 238-8201
E-mail – Karen.Buck@ocfs.ny.gov

SRO – Kelly Proctor-Leon, (315) 423-1200
E-mail – Kelly.Proctor-Leon@ocfs.ny.gov

ARO – Kerri Barber (518) 486-7078
E-mail – Kerri.Barber@ocfs.ny.gov

SVRO – Yolanda Desarme, (845) 708-2498
E-mail – Yolanda.Desarme@ocfs.ny.gov

NYCRO – Raymond Toomer, (212) 383-1788
E-mail – Raymond.Toomer@ocfs.ny.gov

Questions pertaining to the FFFS Plan and Claiming may be directed to the Office of Temporary and Disability Assistance:

FFFS Plan

Elida Tomasulo, (518) 474-8905
E-mail – Elida.Tomasulo@otda.ny.gov

Claiming

Regions I-V: Edward Conway, (518) 474-7549
E-mail – Edward.Conway@otda.ny.gov

Region VI: Michael Simon, (212) 961-8250
E-mail – Michael.Simon@otda.ny.gov

/s/ Rayana Gonzales

Issued By:

Name: Rayana Gonzales
Title: Director, Bureau of Policy Analysis
Division/Office: Strategic Planning and Policy Development

/s/ Derek Holtzclaw

Issued By:

Name: Derek Holtzclaw
Title: Associate Commissioner for Financial Management
Division/Office: Administration

Attachment A

SFY 2014-15 Foster Care Block Grant Allocations

District	Allocation of \$399,552,000	Allocation of the \$9,112,500 Set-Aside	Allocation of the \$27,337,500 Set-Aside	Final SFY 2014-15 Allocation
Albany	5,248,907	234,286	253,721	5,736,914
Allegany	1,321,378	29,377	-	1,350,755
Broome	5,458,073	94,584	250,066	5,802,723
Cattaraugus	1,852,158	-	117,321	1,969,479
Cayuga	1,821,574	-	111,534	1,933,108
Chautauqua	2,046,721	42,764	-	2,089,485
Chemung	1,918,511	170,540	154,232	2,243,283
Chenango	949,587	30,013	-	979,600
Clinton	1,703,082	95,366	-	1,798,448
Columbia	2,747,271	5,490	426,504	3,179,265
Cortland	1,387,591	-	393,969	1,781,560
Delaware	935,384	15,810	-	951,194
Dutchess	6,540,105	75,595	135,569	6,751,269
Erie	15,872,300	352,671	529,565	16,754,536
Essex	798,339	-	-	798,339
Franklin	737,734	0	284,013	1,021,747
Fulton	1,540,722	12,545	119,813	1,673,080
Genesee	764,839	19,212	-	784,051
Greene	1,584,904	39,370	-	1,624,274
Hamilton	17,271	-	10,024	27,295
Herkimer	1,913,884	55,833	-	1,969,717
Jefferson	2,102,437	0	177,020	2,279,457
Lewis	279,038	20,295	89,770	389,103
Livingston	1,168,106	40,908	57,068	1,266,082
Madison	1,143,399	89,695	-	1,233,094
Monroe	13,173,755	498,514	699,663	14,371,932
Montgomery	1,098,806	-	241,952	1,340,758
Nassau	9,692,780	253,026	970,523	10,916,329
Niagara	3,382,527	-	370,100	3,752,627
Oneida	5,301,888	253,610	611,748	6,167,246
Onondaga	7,497,604	208,157	152,293	7,858,054
Ontario	1,231,345	-	138,642	1,369,987
Orange	7,842,060	87,530	210,829	8,140,419
Orleans	508,399	3,626	-	512,025
Oswego	1,552,546	254,616	78,334	1,885,496
Otsego	815,961	49,878	-	865,839
Putnam	670,486	26,095	27,413	723,994
Rensselaer	4,326,472	85,725	-	4,412,197
Rockland	3,006,624	62,973	99,627	3,169,224
St. Lawrence	2,482,129	-	-	2,482,129
Saratoga	1,830,080	56,288	96,249	1,982,617
Schenectady	5,948,513	-	437,718	6,386,231

Schoharie	1,091,491	-	44,470	1,135,961
Schuyler	636,059	4,133	-	640,192
Seneca	649,791	26,000	-	675,791
Steuben	2,230,421	-	154,647	2,385,068
Suffolk	15,815,291	167,773	-	15,983,064
Sullivan	1,786,037	-	-	1,786,037
Tioga	895,473	22,787	-	918,260
Tompkins	2,114,675	-	-	2,114,675
Ulster	4,627,690	49,406	56,598	4,733,694
Warren	1,021,800	5,396	204,599	1,231,795
Washington	1,008,780	20,063	101,483	1,130,326
Wayne	1,089,983	-	-	1,089,983
Westchester	20,616,884	339,447	1,221,254	22,177,585
Wyoming	991,696	-	12,820	1,004,516
Yates	555,913	-	-	555,913
Upstate Totals	187,347,274	3,899,397	9,041,151	200,287,822
New York City	212,204,726	5,213,103	18,296,349	235,714,178
Statewide Totals	399,552,000	9,112,500	27,337,500	436,002,000