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## Local Commissioners Memorandum

<b>Transmittal:</b>	14-OCFS-LCM-17
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Administration
<b>Date:</b>	November 3, 2014
<b>Subject:</b>	<b>SFY 2014-15 Revised Foster Care Block Grant Allocations Updated for the Statutory Trend Factor for Direct Care and Direct Support Professional Workers Initiative</b>
<b>Suggested Distribution:</b>	Accounting Supervisors Directors of Social Services
<b>Contact Person(s):</b>	See pages 6 & 7
<b>Attachments:</b>	Attachment A: SFY 2014 -15 Foster Care Block Grant Allocations of \$436,002,000 Adjusted for the Statutory Trend Factor for Direct Care and Direct Support Professional Workers Initiative
<b>Attachment Available Online:</b>	No

### I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to provide local departments of social services (LDSS) with the revised Foster Care Block Grant (FCBG) allocations based on the Statutory Trend Factor for Direct Care and Direct Support Professional Workers Initiative for State Fiscal Year (SFY) 2014-15 and the corresponding program implications, as authorized by Chapter 53 of the Laws of 2014 and Chapter 60 of the Laws of 2014, respectively.

### II. Background

The SFY 2014-15 state appropriation for the Foster Care Block Grant of \$436,002,000 has been increased by an additional \$2,714,303 for the Statutory Trend Factor Initiative applicable to the FCBG allocations to total \$438,716,303, with corresponding program implications, including the foster and adoptive parents payments and Kinship Guardianship Assistance rates.

The FCBG includes funding to support the continuation of the required Maximum State Aid Rates (MSARs) 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 \$438,716,303, a major portion of the FCBG, or \$402,266,303, is allocated based on historical claims and Statutory Trend Factor; and \$36,450,000 is set-aside for districts that have reduced their use of foster care days.

### III. Program Implications

The FCBG continues to include 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 a 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 FCBG 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 FCBG (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 FCBG allocations for SFY 2013-14 – See V. Fiscal Claiming below).

Separate appropriations are available for these expenditures.

The FCBG contains only those state funds that are available for reimbursement of an LDSS's expenditures for the services included in the FCBG. 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 FCBG 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 MSARs 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 MSARs in the 2011-12 MSAR rate cycle, as well as for all subsequent rate cycles. The exceptions to this requirement are regular foster boarding home programs and pass-through payments to foster parents.

The FCBG does not include state expenditures made on behalf of youth placed in OCFS-operated facilities.

The FCBG can be used only for foster care and KinGAP expenditures during SFY 2014-15. If an 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 FCBG allocation, for the LDSS expenditures on preventive services (including reunification services), independent living services, and aftercare services.

### **Cost-of-Living Adjustment (COLA)**

Chapter 60 of the Laws of 2014 suspends the Human Services COLA that would have been implemented on April 1, 2014 until April 1, 2016, and extends the authorization for the COLA into SFY 2018-19.

Chapter 60 of the Laws of 2014 also authorizes a 2.0 percent increase to Direct Care and Direct Support Professional workers' salaries and salary-related fringe benefits as well as payments to foster and adoptive parents and Kinship Guardianship Assistance rates. LDSS will not be required to submit any special claims to finance the required payments of the STF initiative. Please see 14-OCFS-ADM-07 for information regarding application of the Statutory Trend Factor in the SFY 2014-15 MSARs.

### **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 FCBG funds, up to the amount of the LDSS annual FCBG 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 18<sup>th</sup> birthday or until the child's 21st birthday if certain requirements are met. 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 FCBG. Medical assistance also is available for children in the program.

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

### **Allocation Methodology for Revised FCBG Base and Set-Aside Allocations**

The methodology used to allocate the Revised FCBG 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, with the applicable Statutory Trend Factor Initiative funding added to the FCBG base allocation.

Of the \$438,716,303 total appropriation for state reimbursement for foster care services in SFY 2014-15, \$402,266,303 is allocated to LDSS according to their respective shares of 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 remains 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 FCBG 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 FCBG. In SFY 2014-15, there continues to be no offset taken against the FCBG appropriation. Therefore, the full \$438,716,303 in funding continues to be available to LDSS under the FCBG, 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 FCBG is an annual capped allocation for foster care costs that are ordinarily reimbursed during the state fiscal year. The FCBG 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 FCBG apportionment for the subsequent state fiscal year.

There is no Maintenance of Effort (MOE) requirement associated with the FCBG.

Supplemental claims are paid from the FCBG 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 the FCBG 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 Schedule 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 FRM is available at <http://otda.state.nyenet/bfdm/finance>.

Unclaimed FCBG 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 FCBG funds from SFY 2014-15. Any such claims submitted by an LDSS for which there are insufficient unclaimed funds available from the LDSS SFY 2014-15 FCBG allocations are subject to 62 percent state reimbursement net of any available federal funds.

For New York City (NYC), 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 FCBG funds. After CTH and FCBG funding is exhausted, if a NYC 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 the FRM Volume 1, Chapter 8 guidelines.

The reimbursement schedule for the SFY 2014-15 FCBG 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

### **Contact Information**

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

Shonna Clinton, Local Assistance Manager, Bureau of Budget Management,  
(518) 474-1361  
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**Programmatic questions should be directed to the appropriate Regional Office, Division of Child Welfare and Community Services:**

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

**FFFS Plan**

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**Claiming**

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Region VI: Michael Simon, (212) 961-8250  
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*/s/ Derek Holtzclaw*

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**Issued By:**

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

**Attachment A****SFY 2014-15 Foster Care Block Grant Allocations**

<b>District</b>	<b>Allocation of \$402,266,303</b>	<b>Set-Aside Based on Trended Change for 2009-2011</b>	<b>Set-Aside Based on Trended Change for 2011-2013</b>	<b>Revised SFY 2014- 15 Allocation</b>
Albany	5,284,565	234,286	253,721	5,772,572
Allegany	1,330,355	29,377	-	1,359,732
Broome	5,495,152	94,584	250,066	5,839,802
Cattaraugus	1,864,740	-	117,321	1,982,061
Cayuga	1,833,949	-	111,534	1,945,483
Chautauqua	2,060,625	42,764	-	2,103,389
Chemung	1,931,544	170,540	154,232	2,256,316
Chenango	956,038	30,013	-	986,051
Clinton	1,714,652	95,366	-	1,810,018
Columbia	2,765,934	5,490	426,504	3,197,928
Cortland	1,397,017	-	393,969	1,790,986
Delaware	941,738	15,810	-	957,548
Dutchess	6,584,534	75,595	135,569	6,795,698
Erie	15,980,126	352,671	529,565	16,862,362
Essex	803,762	-	-	803,762
Franklin	742,746	-	284,013	1,026,759
Fulton	1,551,189	12,545	119,813	1,683,547
Genesee	770,035	19,212	-	789,247
Greene	1,595,671	39,370	-	1,635,041
Hamilton	17,388	-	10,024	27,412
Herkimer	1,926,886	55,833	-	1,982,719
Jefferson	2,116,720	-	177,020	2,293,740
Lewis	280,934	20,295	89,770	390,999
Livingston	1,176,041	40,908	57,068	1,274,017
Madison	1,151,167	89,695	-	1,240,862
Monroe	13,263,249	498,514	699,663	14,461,426
Montgomery	1,106,271	-	241,952	1,348,223
Nassau	9,758,627	253,026	970,523	10,982,176
Niagara	3,405,506	-	370,100	3,775,606
Oneida	5,337,906	253,610	611,748	6,203,264
Onondaga	7,548,538	208,157	152,293	7,908,988
Ontario	1,239,710	-	138,642	1,378,352
Orange	7,895,334	87,530	210,829	8,193,693

<b>District</b>	<b>Allocation of \$402,266,303</b>	<b>Set-Aside Based on Trended Change for 2009-2011</b>	<b>Set-Aside Based on Trended Change for 2011-2013</b>	<b>Revised SFY 2014-15 Allocation</b>
Orleans	511,853	3,626	-	515,479
Oswego	1,563,093	254,616	78,334	1,896,043
Otsego	821,504	49,878	-	871,382
Putnam	675,041	26,095	27,413	728,549
Rensselaer	4,355,863	85,725	-	4,441,588
Rockland	3,027,049	62,973	99,627	3,189,649
St. Lawrence	2,498,991	-	-	2,498,991
Saratoga	1,842,512	56,288	96,249	1,995,049
Schenectady	5,988,923	-	437,718	6,426,641
Schoharie	1,098,906	-	44,470	1,143,376
Schuyler	640,380	4,133	-	644,513
Seneca	654,205	26,000	-	680,205
Steuben	2,245,573	-	154,647	2,400,220
Suffolk	15,922,730	167,773	-	16,090,503
Sullivan	1,798,170	-	-	1,798,170
Tioga	901,556	22,787	-	924,343
Tompkins	2,129,041	-	-	2,129,041
Ulster	4,659,128	49,406	56,598	4,765,132
Warren	1,028,741	5,396	204,599	1,238,736
Washington	1,015,633	20,063	101,483	1,137,179
Wayne	1,097,388	-	-	1,097,388
Westchester	20,756,941	339,447	1,221,254	22,317,643
Wyoming	998,433	-	12,820	1,011,253
Yates	559,690	-	-	559,690
Upstate Totals	188,619,993	3,899,397	9,041,151	201,560,542
New York City	213,646,311	5,213,103	18,296,349	237,155,761
Statewide Totals	402,266,303	9,112,500	27,337,500	438,716,303