



Office of Children and Family Services

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Local Commissioners Memorandum

Transmittal:	16-OCFS-LCM-14
To:	Local District Commissioners
Issuing Division/Office:	Division of Administration Bureau of Budget Management
Date:	June 24, 2016
Subject:	State Fiscal Year (SFY) 2016-17 Foster Care Block Grant Allocations
Contact Person(s):	See Pages 6 and 7
Attachments:	A. State Fiscal Year (SFY) 2016-17 Foster Care Block Grant Allocations of \$445,526,000

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to provide local departments of social services (LDSSs) with their Foster Care Block Grant allocations for State Fiscal Year (SFY) 2016-17 and the corresponding program implications, as authorized by Chapter 53 of the Laws of 2016.

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 LDSSs 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 2016-17 state appropriations for the Foster Care Block Grant is \$445,526,000. 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 (under the section titled – Human Services Cost-of-Living Adjustment COLA) in this LCM provides additional details on the MSAR payment requirements and the Human Services Cost-of-Living Adjustment (COLA). Of the \$445,526,000, \$409,076,000 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-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 2016-17 Enacted Budget effective April 1, 2016, for New York City (NYC) Administration for Children's Services (ACS) to continue the Close to Home (CTH) initiative.
- 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 LDSSs that have funds left over from their Foster Care Block Grant allocations for SFY 2015-16 – See V. Fiscal Claiming below).

Separate appropriations are available for these expenditures.

The Foster Care Block Grant contains only those state funds that are available for reimbursement of an LDSS's expenditures for the services eligible under 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's claims exceed its Foster Care Block Grant allocation for the current fiscal year.

With the exception of regular foster boarding home programs and pass-through payments to foster parents, section 398-a of the Social Services Law prohibits LDSSs from paying less than the MSARs established by OCFS. LDSSs are 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. 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.

The Foster Care Block Grant can be used only for foster care and KinGAP expenditures during SFY 2016-17. 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's Foster Care Block Grant allocation, for the LDSS's expenditures on preventive services (including reunification services), independent living services, and aftercare services.

Human Services Cost-of-Living Adjustment (COLA)

The SFY 2016-17 Enacted Budget provides a 0.2 percent statutory Human Services COLA that would enhance base funding by \$674,000 for the Foster Care Block Grant.

The Human Services COLA was first enacted in the SFY 2006-07 Budget as a three-year COLA to address inflationary increases and recruitment and retention issues facing not-for-profit agencies to support the foundation of the Human Services service system. Although the SFY 2008-09 Enacted Budget included language to extend the COLA for another three-year period, the Human Services COLA has been annually deferred until now. Currently, the Human Services COLA is authorized for SFY's 2016-17, 2017-18, and 2018-19. The amount of the COLA is tied to the Consumer Pricing Index (CPI). Please refer to the ADM (16-OCFS-ADM-12 – *Cost-of-Living Adjustment (COLA) Applicable to Maximum State Aid Rates (MSARs)* effective April 1, 2016, through June 30, 2016) regarding the application of COLA for MSARs.

Kinship Guardianship Assistance Program (KinGAP)

Chapter 53 of the Laws of 2016 continues to allow eligible expenditures by LDSSs for KinGAP to be reimbursed by Foster Care Block Grant funds, up to the amount of the LDSS's annual Foster Care Block Grant allocation. Eligible expenditures include those for the provision and administration of the Kinship Guardianship Assistance Program, including assistance payments to relative and successor guardians and non-recurring guardianship expenses.

If the LDSS 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.

The federal *Preventing Sex Trafficking and Strengthening Families Act* (P.L. 113-183) authorized KinGAP payments to be made to a successor guardian in the event of the death or incapacity of a relative guardian who was receiving KinGAP on behalf of a former foster child. Part L of Chapter 56 of the Laws of 2015 made state statutory changes needed for compliance with the new federal law, including the authorizing of KinGAP payments to a successor guardian in certain circumstances.

Kinship guardianship assistance payments shall be made to the relative or successor guardian(s) until the child's 18th birthday or until the child's 21st birthday if certain requirements are met. Also authorized is the payment to the relative guardian of eligible non-recurring guardianship payment of up to \$2,000 for the costs of finalizing the guardianship for each child. Medical assistance also is available for children in the program. State reimbursement for LDSS's costs for the KinGAP is under the Foster Care Block Grant.

For additional information on KinGAP, please refer to 11-OCFS-ADM-03. For additional information on KinGAP and successor guardians, please refer to 15-OCFS-ADM-15.

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 LDSSs to continue to intensify their efforts to reduce foster care days. The allocation methodology continues the claims-based approach and the \$36,450,000 set-aside incentive to LDSSs, with the applicable COLA added to the Foster Care Block Grant base allocation.

Of the \$445,526,000 appropriation for state reimbursement for foster care services in SFY 2016-17, \$409,076,000 is allocated to LDSSs according to their respective shares of statewide gross foster care claims (originals and supplemental) for the 12-month period ending June 30, 2015, that were submitted to the state on or before January 2, 2016.

The allocation of the \$36,450,000 set-aside is based on the LDSS's reduction in the utilization of foster care days during two periods: from FFY 2011 to FFY 2013 (\$9,112,500) and from FFY 2013 to FFY 2015 (\$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 LDSSs that have decreased their foster care utilization over the past five years, while providing a more generous incentive to those LDSSs that have achieved more recent reductions in care days.

LDSS allocations for each component of the SFY 2016-17 Foster Care Block Grant are provided in Attachment A.

IV. Other Related SFY 2016-17 Budget Actions

The SFY 2016-17 Enacted Budget continues to appropriate \$964 million of TANF funding for the Flexible Fund for Family Services (FFFS). The FFFS provides LDSSs with the flexibility to determine local funding priorities. LDSSs 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. LDSSs 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.

V. Claiming

The Foster Care Block Grant is an annual capped allocation for foster care costs that are ordinarily reimbursed during the SFY. 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 the SFY 2016-17 allocations. The scheduled time periods relate to when expenditures are paid. If an LDSS exceeds its allocation for a particular fiscal year, there is no additional funding. Any LDSS’s claims submitted for a particular fiscal year that do not receive state reimbursement during that fiscal year may not be claimed against that LDSS’s Block Grant apportionment for the subsequent 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.

Federal reimbursement will not be affected by the Foster Care 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](#).

Unclaimed Foster Care Block Grant funds from SFY 2016-17 that an eligible LDSS wishes to use during SFY 2017-18 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 FY 2017 on the LDSS-4975A, *RF-17 Worksheet Distribution of Allocated Costs to Other Reimbursable Programs*.

For October 1, 2016, through September 30, 2017, 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 the SFY 2016-17 allocation. Any such claims submitted by an LDSS for which there are insufficient unclaimed funds available from the LDSS's SFY 2016-17 Foster Care Block Grant allocations are subject to 62 percent state reimbursement net of any available federal funds.

For the New York City Administration for Children's Services (ACS) Close to Home (CTH), funding is available at 100 percent for the non-federal share of CTH youth, up to the funding limit. Non-secure 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, if ACS's plan is approved and services are eligible, 62 percent state child welfare financing may be provided for child preventive services for 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 2016-17 Foster Care Block Grant is as follows:

Foster Care

- Foster Care Maintenance Claims: January 1, 2016, through December 31, 2016
- Foster Care Administration Claims: October 1, 2015, through September 30, 2016
- Foster Care Tuition Claims: January 1, 2016, through December 31, 2016
- RF 17 Claim Package for Special Project Claiming: October 1, 2016, through September 30, 2017

Contact Information

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

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

**Programmatic questions should be directed to the appropriate regional office,
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NYCRO – Ronni Fuchs, (212) 383-1676
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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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/S/ Derek J. Holtzclaw

Issued By:

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

Attachment A				
SFY 2016-17 Foster Care Block Grant Allocations				
\$36.450 Million Set Aside Based on Trended Foster Care Days				
Trended Change for 2011-2013 & 2013-2015				
District	Prorated Foster Care Claims	Set Aside Based on Trended Change for 2011-2013	Set Aside Based on Trended Change for 2013-2015	Proposed Allocation
Albany	5,986,971	84,574	-	6,071,545
Allegany	1,647,114	-	-	1,647,114
Broome	5,623,111	83,355	608,325	6,314,791
Cattaraugus	2,035,316	39,107	-	2,074,423
Cayuga	1,522,225	37,178	204,744	1,764,147
Chautauqua	1,952,597	-	31,766	1,984,363
Chemung	1,608,339	51,411	48,116	1,707,866
Chenango	835,680	-	85,755	921,435
Clinton	2,192,686	-	-	2,192,686
Columbia	2,702,983	142,168	227,067	3,072,218
Cortland	1,236,394	131,323	513,829	1,881,546
Delaware	1,010,222	-	53,922	1,064,144
Dutchess	7,739,526	45,190	-	7,784,716
Erie	19,816,294	176,522	-	19,992,816
Essex	760,271	-	22,890	783,161
Franklin	1,067,395	94,671	-	1,162,066
Fulton	1,597,863	39,938	27,295	1,665,096
Genesee	930,490	-	-	930,490
Greene	1,955,199	-	206,479	2,161,678
Hamilton	21,242	3,341	-	24,583
Herkimer	1,894,770	-	153,325	2,048,095
Jefferson	1,807,171	59,007	78,281	1,944,459
Lewis	465,756	29,923	-	495,679
Livingston	1,127,519	19,023	18,019	1,164,561
Madison	1,347,507	-	132,603	1,480,110
Monroe	12,730,064	233,219	475,824	13,439,107
Montgomery	1,130,318	80,651	-	1,210,969
Nassau	9,100,623	323,508	454,702	9,878,833
Niagara	3,952,116	123,367	-	4,075,483
Oneida	6,332,737	203,916	-	6,536,653
Onondaga	9,184,196	50,764	-	9,234,960
Ontario	1,593,283	46,214	-	1,639,497
Orange	7,652,863	70,276	407,887	8,131,026
Orleans	572,938	-	4,371	577,309
Oswego	1,451,843	26,111	106,943	1,584,897
Otsego	1,023,146	-	195,869	1,219,015
Putnam	859,340	9,138	2,603	871,081
Rensselaer	4,541,508	-	315,992	4,857,500
Rockland	3,411,844	33,209	-	3,445,053
St. Lawrence	2,900,364	-	-	2,900,364

Attachment A				
SFY 2016-17 Foster Care Block Grant Allocations				
\$36.450 Million Set Aside Based on Trended Foster Care Days				
Trended Change for 2011-2013 & 2013-2015				
District	Prorated Foster Care Claims	Set Aside Based on Trended Change for 2011-2013	Set Aside Based on Trended Change for 2013-2015	Proposed Allocation
Saratoga	2,351,534	32,083	-	2,383,617
Schenectady	5,394,083	145,906	148,753	5,688,742
Schoharie	1,225,504	14,823	-	1,240,327
Schuyler	349,251	-	86,256	435,507
Seneca	1,014,222	-	-	1,014,222
Steuben	2,474,147	51,549	47,048	2,572,744
Suffolk	17,740,816	-	-	17,740,816
Sullivan	2,083,972	-	-	2,083,972
Tioga	687,401	-	115,486	802,887
Tompkins	2,115,224	-	169,141	2,284,365
Ulster	4,649,616	18,866	344,622	5,013,104
Warren	1,140,649	68,200	-	1,208,849
Washington	1,014,767	33,828	117,054	1,165,649
Wayne	898,348	-	134,706	1,033,054
Westchester	21,614,547	407,085	138,810	22,160,442
Wyoming	1,140,337	4,273	-	1,144,610
Yates	612,524	-	65,200	677,724
Upstate Totals	201,828,766	3,013,717	5,743,683	210,586,166
New York City	207,247,234	6,098,783	21,593,817	234,939,834
Statewide Totals	409,076,000	9,112,500	27,337,500	445,526,000