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**NEW YORK STATE**  
**OFFICE OF CHILDREN & FAMILY SERVICES**  
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**John A. Johnson**  
*Commissioner*

### **Local Commissioners Memorandum**

<b>Transmittal:</b>	06-OCFS-LCM-02
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Strategic Planning and Policy Development Administration
<b>Date:</b>	May 12, 2006
<b>Subject:</b>	SFY 2006-07 Foster Care Block Grant Allocations
<b>Suggested Distribution:</b>	Accounting Supervisors Directors of Social Services
<b>Contact Person(s):</b>	See pages 6 and 7
<b>Attachments:</b>	A. Allocation of \$382.5 million
<b>Attachment Available On – Line:</b>	Yes

#### **I. Purpose**

The purpose of this Local Commissioners Memorandum (LCM) is to provide social services districts with their Foster Care Block Grant allocations for State Fiscal Year (SFY) 2006–07 and the corresponding program implications as authorized by Chapters 53 of the Laws of 2006.

#### **II. Background**

New York’s Child Welfare Financing Law promotes a reduction in the use of foster care placements through three components:

1. A Foster Care Block Grant capping State reimbursement to social services districts for foster care services and administration at the annual amounts appropriated.
2. Uncapped 65 percent State reimbursement after applying available Federal funds (Title IV-E and EAF) for all child welfare services except foster care services and administration.

3. A Quality Enhancement Fund administered by the Office of Children and Family Services (OCFS) to increase the availability and quality of children and family services programs.

The SFY 2006-07 State appropriation for the Foster Care Block Grant is \$382.5 million, an increase of \$9.0 million. This increase supports the cost-of-living adjustment for foster parents and foster care providers effective October 1, 2006. Section III in this ADM provides additional details of the cost-of-living adjustment. The appropriation also includes funding to support the increases previously paid for the Worker Recruitment and Retention Add-On to the Maximum State Aid Rates (MSARs) for programs located in New York State. Of the \$382.5 million, a major portion of the Block Grant, or \$346.05 million, is allocated based on historical claims. The balance of \$36.45 million is set aside for districts that have reduced their use of foster care days.

Note: The allocations contained in this LCM total \$382.5 million, which is \$4 million higher than the preliminary allocations that were sent to local Social Services Commissioners in the letter dated January 19, 2006. This higher funding level represents funding added in the 30-Day Amendment to support the expenses associated with the cost-of-living adjustment (COLA).

### 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; including all tuition for foster children placed in OMH-licensed residential treatment facilities, as well as in 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 placed in residential programs operated by authorized agencies and in out-of-state residential programs.

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.
- State reimbursement for foster care services for Indian tribes.
- Medical Assistance payments for children in foster care.
- Independent Living Services (except for those districts that have funds left over from their Foster Care Block Grant allocations for SFY 2005-06 – 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 district's expenditures for the services included in the Foster Care Block Grant. District claims that are eligible to receive Federal reimbursement under Title IV-E foster care, Independent Living and TANF-EAF [up to the amount of the district's combined TANF allocation which includes the Flexible Fund for Family Services (FFFS) allocation that it has indicated that it wants to use for TANF EAF JD/PINS and/or TANF-EAF NYC Tuition – See Section IV below] will be submitted for Federal reimbursement even if the district's claims exceed its Foster Care Block Grant allocation for the current SFY.

As previously stated in 03-OCFS-LCM-06 and 05-OCFS-LCM-04, beginning with services provided on or after July 1, 2004, the Worker Recruitment and Retention Add-On Rate is no longer claimed and paid separately. Rather, the annual value of the approved Add-On Rate for each program is included in the applicable OCFS-approved MSARs and Committee on Special Education (CSE) Maintenance Rates. Each local district's Foster Care Block Grant allocation reflects the cost of the Add-On Rates.

The Foster Care Block Grant does not include State expenditures made on behalf of youth placed in Office of Children and Family Services operated facilities.

This Block Grant can be used only for Foster Care expenditures during SFY 2006-07. If a local social services district claims less than its allocation, unexpended funds may be used by the district in the next SFY, up to the amount remaining from the district's Foster Care Block Grant allocation, for the district's expenditures on preventive services (including reunification services), independent living services and aftercare services.

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

The SFY 2006-07 Article VII bill enacted as part of the State budget supports a new three-year COLA based on the Consumer Price Index, applicable to programs for which OCFS establishes MSARs, and also applicable to MSARs for foster and adoptive parents. In addition, COLAs can be applied to home and community based waiver services pursuant to subdivision 9 of Section 366 of the Social Services Law (SSL) for which local districts have chosen to use preventive services funds to support a portion of the cost. The first COLA will be effective October 1, 2006, with subsequent COLAs effective April 1, 2007 and April 1, 2008. Additional funding of \$9.0 million is provided in the Foster Care Block Grant for the SFY 2006-07 partial year cost of this new initiative. A separate communication will be forthcoming regarding the specific impacts of the COLA on MSARs.

### **Allocation Methodology**

The methodology used to allocate the Foster Care Block Grant funds is designed to continue the focus on safety, well-being, and permanency for children. It is intended to encourage districts to continue to intensify their efforts to reduce foster care days. The Child and Family Services Review Program Improvement Plans at the State and local levels provide a roadmap for advancing an agenda of positive outcomes for children in New York State.

This year's allocation methodology continues the claims-based approach used for SFY 2004-05 and SFY 2005-06. It also continues the practice of setting aside funds to offer an incentive for districts that realize reductions in foster care days. As in the previous year, the set aside is \$36.45 million for SFY 2006-07 to provide a strong incentive for reducing foster care days.

Of the \$382.5 million appropriation for State reimbursement for foster care services in SFY 2006-07, \$346.05 million is distributed to districts according to their respective shares of historical claims. In accordance with budget appropriation language, the percentage of funds allocated to each district reflects the district's share of the statewide gross foster care claims (originals and supplementals) for the 12-month period ending June 30, 2005, that were submitted to the State on or before January 3, 2006.

The allocation of the \$36.45 million set-aside is based on the district's reduction in the utilization of foster care days during two periods: from FFY 2001 to FFY 2003 (\$9.1 million) and from FFY 2003 to FFY 2005 (\$27.3 million). Reductions in care days during the more recent period are weighted more heavily (75 percent) than reductions during the earlier period (25 percent). This methodology recognizes the accomplishments of those districts that have decreased their foster care utilization over the past five years, while providing a more generous incentive to those districts that have achieved reductions in the years since the implementation of the Child Welfare Financing legislation and during the period of the Child and Family Services Review Program Improvement Plan.

District allocations for each component of the SFY 2006-07 Foster Care Block Grant are provided in Attachment A.

#### **IV. Other Related SFY 2006-07 Budget Actions**

**Combined TANF Allocations** - On May 4, 2006, districts were notified of their combined share of the Flexible Funds for Family Services (FFFS) at a statewide level of \$1.025 billion and TANF reappropriations for New York Works Compliance Fund, for an additional \$16 million statewide, for a combined total of \$1.041 billion of 100 percent TANF funding for the SFY 2006-07 (hereinafter "combined TANF allocations". The combined TANF allocations provide districts with the flexibility to determine local funding priorities. Districts can use their combined TANF allocations to fund the TANF Emergency Assistance to Families (EAF) Juvenile Delinquents (JD) / Persons In Need of Supervision (PINS) and TANF-EAF NYC Tuition costs, as well as any other eligible TANF purpose. Districts will receive separate guidance on the process for indicating the portion of their combined TANF allocations that they choose to use to reimburse expenditures associated with TANF-EAF JD/PINS and TANF-EAF NYC Tuition.

Prior to the establishment of FFFS in SFY 2005-06, 50 percent of Federal TANF-EAF funds were used to offset the Foster Care Block Grant. In SFY 2006-07 as in SFY 2005-06, no offset is taken against the Foster Care Block Grant appropriation of \$382.5 million. Therefore, the full \$382.5 million in funding is available to districts under the Foster Care Block Grant, as well as the amounts the districts opt to use out of their combined TANF allocations to cover these

associated expenditures. The EAF Foster care swap will continue with TANF funds that are separate from these combined TANF allocations.

**Maximum State Aid Rate (MSAR) Minimum Payment Requirements** - 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 social services districts from paying less than the MSARs established by OCFS. Effective July 1, 2006, local social services districts will 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. The exception to the requirement is regular foster boarding home programs and pass-through payments to foster parents (note, however, that the COLA is applied to foster boarding home programs and foster parents). In addition, districts that were paying at or above the MSAR for applicable programs as of January 1, 2005, will be required to continue to pay at least 100 percent of the MSAR in the 2006-07 MSAR rate cycle, as well as for all subsequent rate cycles. In SFY 2006-07 funding increased by \$4.699 million, to a total of \$7.833 million, for the payment of the required MSAR so that effective July 1, 2006, the rates districts are paying are equal to the applicable rates published by OCFS for congregate care programs, as well as for the administrative services rates for therapeutic, special needs, and emergency foster home programs.

**IV. Fiscal and 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 this year’s allocations.

The scheduled time periods relate to when expenditures are paid. If a social services district exceeds its allocation for a particular SFY, there is no additional funding. Any social services district claims submitted for a particular SFY that do not receive State reimbursement during that SFY may not be claimed against that district's block grant apportionment for the subsequent SFY.

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 district for the services or administrative costs, regardless of when the supplemental claims are submitted.

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 allocations included in this LCM are claimed as follows:

Foster Care	Schedule K	LDSS - 3479
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Schedule H	LDSS - 4283
Schedule D-2	LDSS - 2347-B
Special Project Form	LDSS - 3922

Please refer to the Fiscal Reference Manual, Volume 2, Chapter 3 for instructions on completing Schedules K and H, and the Special Claims Form. The instructions for the Schedules D and D-2 are in the Fiscal Reference Manual Volume 3 (or Volume 4 for New York City). The Fiscal Reference Manual is accessible to local districts and sister agencies at the following intranet site address: <http://otda.state.nyenet/bfdm/#>.

Unclaimed Foster Care Block Grant Funds from SFY 2006-07 that an eligible district wishes to use during SFY 2007-08 for eligible preventive, independent living and after care services must be reported on the "Reimbursement Claim for Special Projects," (LDSS – 3922) with "Saving FCBG 06-07" indicated in the project name box. Costs should be reported in the non-Administrative column. The reported expenditures are eligible for 100 percent State reimbursement up to the amount of the unclaimed Foster Care Block Grant Funds from SFY 2006-07. Any such claims submitted by a social services district for which there are insufficient unclaimed funds available from the district's SFY 2006-07 Foster Care Block Grant allocation are subject to 65 percent State reimbursement net of any available Federal funds.

The reimbursement schedule for SFY 2006-07 Foster Care Block Grant is as follows:

- Foster Care Maintenance: January 1, 2006 through December 31, 2006
- Foster Care Administration: October 1, 2005 through September 30, 2006
- Foster Care Tuition EAF: October 1, 2005 through September 30, 2006
- Non-EAF Foster Care Tuition: January 1, 2006 through December 31, 2006
- Special Project Claims Form: January 1, 2006 through December 31, 2006

EAF Foster Care Maintenance, Administration and Tuition other than TANF EAF JD/PINS and TANF EAF NYC Tuition costs are only counted toward the Foster Care Block Grant if the costs are not eligible to be swapped for Public Assistance reimbursement.

## V. Contact Information

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

Deborah Hanor, Director, Bureau of Budget Management at (518) 474-1361.

Andrea Sweda, Assistant Director, Bureau of Budget Management at (518) 402-3324.

**Programmatic questions should be directed to the appropriate Regional Office, Division of Development and Prevention Services:**

BRO - Linda Brown (716) 847-3145

User ID: [Linda.Brown@ocfs.state.ny.us](mailto:Linda.Brown@ocfs.state.ny.us)

RRO - Linda Kurtz (585) 238-8201

User ID: [Linda.Kurtz@ocfs.state.ny.us](mailto:Linda.Kurtz@ocfs.state.ny.us)  
SRO - Jack Klump (315) 423-1200  
User ID: [Jack.Klump@ocfs.state.ny.us](mailto:Jack.Klump@ocfs.state.ny.us)  
ARO – Glenn Humphreys (518) 486-7078  
User ID: [Glenn.Humphreys@ocfs.state.ny.us](mailto:Glenn.Humphreys@ocfs.state.ny.us)  
YRO - Pat Sheehy (914) 377-2080  
User ID: [Patricia.Sheehy@ocfs.state.ny.us](mailto:Patricia.Sheehy@ocfs.state.ny.us)  
NYCRO - Fred Levitan (212) 383-1788  
User ID: [Fred.Levitan@ocfs.state.ny.us](mailto:Fred.Levitan@ocfs.state.ny.us)

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

**FFFS Plan:**

Jane Wagner, (518) 402-3599  
Susanne Haag, (518) 486-6291

**Fiscal Claiming:**

Regions I-IV: Carolyn Oleyourryk 1-800-343-8859, ext. 4-7549 or (518) 474-7549  
E-mail - [Carolyn.Oleyourryk@otda.state.ny.us](mailto:Carolyn.Oleyourryk@otda.state.ny.us)

Region V: Michael Borenstein (631) 854-9704  
E-mail – [Michael.Borenstein@otda.state.ny.us](mailto:Michael.Borenstein@otda.state.ny.us)

Region VI: Marian Borenstein (212) 961-8250  
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*/s/ Susan A. Costello*

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**Issued By:**

Name: Susan A. Costello  
Title: Deputy Commissioner  
Division/Office: Administration

## Attachment A

## SFY 2006-07 Foster Care Block Grant Allocations

District	Allocation of \$346,050,000	Allocation of the \$9,112,500 Set-Aside	Allocation of the \$27,337,500 Set- Aside	Total Allocation
Albany	6,478,278	196,593	313,151	6,988,022
Allegany	1,006,339	31,174	-	1,037,513
Broome	4,150,991	38,874	13,341	4,203,206
Cattaraugus	1,642,707	-	182,423	1,825,130
Cayuga	1,135,044	-	114,407	1,249,451
Chautauqua	1,342,879	55,914	-	1,398,793
Chemung	1,895,772	-	218,044	2,113,816
Chenango	766,387	-	22,389	788,776
Clinton	1,153,300	-	-	1,153,300
Columbia	2,383,719	-	92,428	2,476,147
Cortland	721,315	-	33,215	754,530
Delaware	713,855	-	-	713,855
Dutchess	4,133,865	-	266,322	4,400,187
Erie	13,827,917	118,554	1,059,492	15,005,963
Essex	527,220	-	-	527,220
Franklin	726,892	-	-	726,892
Fulton	1,061,257	18,252	60,881	1,140,390
Genesee	628,163	28,704	36,550	693,417
Greene	1,159,964	-	42,564	1,202,528
Hamilton	60,471	-	-	60,471
Herkimer	1,212,629	-	85,129	1,297,758
Jefferson	1,510,692	-	130,728	1,641,420
Lewis	222,847	20,868	8,147	251,862
Livingston	569,557	-	53,855	623,412
Madison	1,327,337	22,408	75,698	1,425,443
Monroe	12,983,996	216,331	-	13,200,327
Montgomery	719,898	32,605	-	752,503
Nassau	9,681,981	115,082	109,350	9,906,413
Niagara	2,715,971	50,347	41,799	2,808,117
Oneida	5,275,762	-	140,159	5,415,921
Onondaga	6,670,198	22,909	-	6,693,107

**SFY 2006-07 Foster Care Block Grant Allocations**

<b>District</b>	<b>Allocation of \$346,050,000</b>	<b>Allocation of the \$9,112,500 Set-Aside</b>	<b>Allocation of the \$27,337,500 Set- Aside</b>	<b>Total Allocation</b>
Ontario	715,087	-	-	715,087
Orange	5,163,960	-	136,168	5,300,128
Orleans	299,392	2,032	-	301,424
Oswego	2,106,142	48,415	106,398	2,260,955
Otsego	1,065,705	8,712	50,219	1,124,636
Putnam	511,090	-	-	511,090
Rensselaer	3,472,462	10,598	-	3,483,060
Rockland	3,446,997	8,602	205,059	3,660,658
St. Lawrence	1,192,265	14,853	-	1,207,118
Saratoga	2,252,741	15,865	9,049	2,277,655
Schenectady	4,229,646	80,937	-	4,310,583
Schoharie	475,771	17,305	43,467	536,543
Schuyler	218,326	-	30,809	249,135
Seneca	464,978	15,491	56,561	537,030
Steuben	1,758,485	-	35,238	1,793,723
Suffolk	14,185,093	-	230,072	14,415,165
Sullivan	1,011,986	16,348	38,190	1,066,524
Tioga	501,197	14,662	47,458	563,317
Tompkins	966,287	2,725	71,734	1,040,746
Ulster	2,966,584	51,613	26,982	3,045,179
Warren	1,020,022	-	-	1,020,022
Washington	533,168	-	56,288	589,456
Wayne	1,076,193	34,810	-	1,111,003
Westchester	15,806,975	62,794	10,142	15,879,911
Wyoming	528,302	-	52,105	580,407
Yates	241,850	3,217	1,504	246,571
<b>Upstate Totals</b>	<b>154,617,907</b>	<b>1,377,594</b>	<b>4,307,515</b>	<b>160,303,016</b>
<b>New York City</b>	<b>191,432,093</b>	<b>7,734,906</b>	<b>23,029,985</b>	<b>222,196,984</b>
<b>Statewide Totals</b>	<b>346,050,000</b>	<b>9,112,500</b>	<b>27,337,500</b>	<b>382,500,000</b>