

DASNY / Property Parameter Waiver Proposals
Questions and Answers – 1/24/06

1. Section IIIA. is referenced in the letter of December 2, 2005 to voluntary agencies regarding the framework for health and safety considerations. Where is Section III A. outlining the health and safety considerations?

This was a typo. Those considerations are specified in subparagraph 2a of Section IIIA of 05-OCFS-LCM-18. The same considerations are specified in subparagraph 2a of Section IA in the voluntary agency letter dated December 2, 2005.

2. Why is there no 50% State reimbursement for counties in the Parameter Waiver Plan?

The DASNY (Dormitory Authority of the State of New York) program for voluntary agencies is an initiative that provides for limited special financing through DASNY, when an application for such financing meets all the necessary requirements of OCFS, the State Division of the Budget, and any other State agency that licenses the applicable facility, as well as the requirements of DASNY. Such requirements have been outlined in 05-OCFS-LCM-18 and in the letter to voluntary agencies on this subject dated December 2, 2005.

For those projects approved for DASNY financing, Chapter 472 of the Laws of 2004 established a separate funding formula and funding source to support DASNY approved payments for foster children. Specifically, a 50/50 State and local funding formula is available to each local social services district (local DSS) making such payments, after such local DSS would exhaust its allocation of the Foster Care Block Grant on an annual basis. The Property Parameter Waiver is an administrative mechanism that allows a voluntary agency to obtain a higher Maximum State Aid Rate (MSAR) to support a capital project within existing funding sources and formulas available to the local DSS. Therefore, reimbursement to local DSSs for the costs associated with Property Parameter Waivers is limited to their Foster Care Block Grant allocations when making payments for foster children.

For foster children, the higher MSAR that would be approved for a specific program under the Property Parameter Waiver mechanism would be chargeable to the Title IV-E program for IV-E eligible placements, and the balance would be funded through available Foster Care Block Grant dollars plus local dollars, as needed. The 50/50 formula specified above for the DASNY program would be applicable for foster children placed in DASNY funded programs.

For CSE placements, the existing formula of 40 percent State, 40 percent local DSS, and 20 percent local school district would be applicable to higher

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MSARs established to fund a project under the Property Parameter Waiver mechanism. The same formula would be applicable to fund the add-on rate for a CSE placement in a DASNY program. The formula and funding source is the same for CSE placements for either the DASNY mechanism or Property Parameter Waiver program.

3. Are there Federal dollars tied to either of these funding plans?

Yes. As specified above, counties can benefit from Federal reimbursement with either plan as it relates to foster children. The higher MSAR for a Property Parameter Waiver, or the DASNY add-on rate, would be chargeable to Title IV-E for each IV-E eligible placement/payment in either program.

There is no Federal reimbursement with respect to the funding formula for CSE placements, as specified above,

4. Which entity needs to complete the Vendor Questionnaire in the application packet, and is that questionnaire needed as part of the initial application?

Yes. For clarity, the voluntary agency that is submitting the capital project application is for this purpose the VENDOR. The Vendor Questionnaire is a more recent requirement of the Office of the State Comptroller, and that questionnaire is needed as part of the initial application for either the DASNY program or the Property Parameter Waiver program.

5. What are the OCFS decisions regarding “statewide bed planning and development”, as specified in the letter to voluntary agencies on December 2, 2005?

To date, such decisions have not been made by OCFS, but could be made based upon emerging needs that are identified for specific types of programs, as well as for emerging needs in specific regions.

6. How does an agency construct a proposal that will involve multiple facilities and multiple timetables?

Your submission to OCFS must clearly explain the way in which your proposal would affect each program for which OCFS establishes a rate. It is acceptable to submit one proposal for each “project”, rather than separate applications/proposals, as long as the one proposal clearly specifies the project plans for the specific facilities associated with each program rate, including specific timelines for each “project”.

Where you are submitting one proposal that involves multiple programs, you must submit an attachment that would allocate project costs to all applicable

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programs. For example, a residential project might involve hard-to-place cottages and regular program cottages, which would dictate an allocation of the project to those two programs. It is also possible for the same project to have an impact on the residential Medicaid rate and tuition rate, in which case the cost allocation of the project would need to also include those two programs.

The DASNY application and the Property Parameter Waiver application are independent procedures. Therefore, do not combine the two funding arrangements in a single project proposal.

7. Is NYS putting any money at all into the Property Parameter Waiver option?

This question is answered above under Question 2.

8. Are there any meetings, teleconferences or communication sessions planned for these proposals?

There are no sessions being planned. However, as specified in recent communications, agencies are welcome to contact Catherine Korszun at (518) 474-9732, or by e-mail at Catherine.Korszun@dfa.state.ny.us regarding questions they may have. Also, agencies should feel free to contact their OCFS Regional Offices with questions or concerns, and OCFS home office and regional office staff will make every effort to be responsive to such requests.

9. Is there a due date for the Property Parameter Waiver application?

No. This is a currently an on-going or “rolling” application procedure. By contrast, the initial target date for DASNY proposals is January 31, 2006.

10. If a Property Parameter Waiver is approved, what is the impact on the agency and the county? When does reimbursement start?

The voluntary agency will be required to complete Standards of Payment (SOP) forms with a separate accounting of the approved capital project costs (i.e., a separate cost center or column on the OCFS-FC-2652 along with a separate presentation by program on other SOP forms that are relevant). Such costs will be the basis of an additional rate that will be added to the MSAR in effect for the same period when expenditures for an approved capital project would begin. All intensified MSARs based on approved cost projections will be reconciled as follows: the lower of either the budget-based projection or the actual costs, as approved, will determine the final MSAR for each period in which a budget-based projection was the basis for the higher rate. Each county with placements in programs affected

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by OCFS approval of higher MSARs for capital projects will be responsible for paying the higher rates published by OCFS, both interim and final rates.

It should be clear that due to recent changes in law, each county with placements into congregate care programs is required to pay no less than the established MSAR in effect for the program as of 7/1/06. Thus, the statement above that "...county with placements in programs affected by OCFS approval of higher MSARs for capital projects will be responsible for paying the higher rates published by OCFS..." will be true for all congregate care MSARs established as of 7/1/06.

11. What are the years of depreciation for these projects?

The acceptable depreciation rules are specified in an attachment to each application packet. The attachment is titled "Revised Guidelines for Determining and Reporting Depreciation of a Capital Project Standards of Payment Program Manual (Revision to Chapter 4, Section C)."

12. If the majority of the children at an agency are CSE placements, do you require support from the local school districts?

If the majority of the placements are or will be from Committees on Special Education, it will be necessary to secure support from local school districts as a way for the voluntary agency to obtain certifications from a majority of referral sources. As stated in recent communications, there is no minimum standard for demonstrating support from referral sources, but the 80 percent level of support is strongly recommended for existing programs.

13. Does the DASNY financing allow for replacement of the entire facility?

Chapter 472 of the Laws of 2004 provides financing for "...residential facilities to be replaced, reconstructed, rehabilitated, improved, renovated, or otherwise provided for, furnished or equipped." Chapter 472 specifies that applications for such financing will need to meet all requirements of OCFS, the State Division of the Budget, and any other State agency that licenses the applicable facility, as well as the requirements of DASNY. Chapter 472 additionally requires the State to determine that the proposed costs for such projects "...are reasonable, necessary and cost effective based upon the application of cost per square foot guidelines and any other standards applicable to the type of program..." However, there is a \$30 million statewide limit on DASNY financing, which OCFS must take into consideration when determining which proposals will be funded.