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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 96 LCM-110

Date: December 23, 1996

Division: Services & Community
Development

TO: Local District Commissioners

SUBJECT: FY 1996/97 Maximum State Aid Rates (MSARs) for Foster Care
Programs and SED Approved Residential Schools for the Period
September 1, 1996 - June 30, 1997

ATTACHMENTS: A-MSAR Foster Boarding Home Ceilings for 1996/97
B-SILP Double Occupancy Rate-Budget Calculation for 1996/97
C-SILP Triple Occupancy Rate-Budget Calculation for 1996/97
D-SILP 4-Bed Mother/Child Rate-Budget Calculation for 1996/97
E-COLAs for the 1996/97 Parameters for MSARs and CSE
Maintenance Rates for Voluntary Foster Care Agencies and
In-State SED Approved Residential Schools
F-MSARs and CSE Rates for Voluntary Foster Care Agencies
and SED Approved Residential Schools for 1996/97

All attachments are available on-line

This memorandum advises you of the maximum state aid rates (MSARs) and SILP rates for foster care programs, and the CSE maintenance rates for approved residential schools for the period September 1, 1996 through June 30, 1997. The rates that are promulgated in this LCM are calculated using the approved reimbursement methodology for the period September 1, 1996 through June 30, 1997.

NOTE: In 96 LCM-107, you were notified of the MSARs, SILP rates and in-state CSE maintenance rates that are effective for the period July 1, 1996 through August 31, 1996. In 96 LCM-105, you were notified of the out-of-state CSE maintenance rates that are effective for the period July 1, 1996 through June 30, 1997.

A. All MSARs and In-State CSE Maintenance Rates: The following policies are applicable to all MSARs and in-state CSE maintenance rates that are calculated for the effective period September 1, 1996 through June 30, 1997:

1. No COLAs are applied to the historical cost base: In accordance with the existing Model Budget Methodology, the promulgated rates are calculated using the two-year old historical costs and care days with no COLAs applied to either personal services or other-than-personal services costs.

2. COLAs are applied to the Model Budget parameters for other-than-personal services (OTPS) components only: COLAs are applied to the OTPS components based on CPI indices for specific categories (see Attachment E). The CPI indices reflect cost-of-living increases for the period March 31, 1995 through March 31, 1996.

3. 1996/97 rate ranges are established for applying adjustment factors of 4%, 2%, or 0%: With an emphasis on containing costs, but protecting lower-end rates from further reductions, a set of rate ranges or "break points" are established for 1996/97 for purposes of applying an adjustment factor of 4%, 2% or 0% to each calculated program rate. The following methodology was used for establishing the "break points" for this purpose:

a. 1996/97 calculated rates were ranked from highest to lowest within the following groups: All program rates were divided into upstate and downstate groups; group care rates were further divided into group emergency programs, hard-to-place programs, class 1 programs, class 2-5 programs, class 6 programs, and class 7-12 programs; foster boarding home rates were further divided into regular programs (including emergency FBH programs), Therapeutic Foster Boarding Home (TFBH) programs, and special needs programs.

b. 1996/97 ranked rates for each group were divided into thirds: For the purpose of applying the adjustment factors of 4%, 2%, or 0%, "break points" were established for the purpose of ordering the top, middle, and bottom third rate ranges for each classification grouping.

4. Rate adjustments of 4%, 2%, or 0% are applied as follows: The lower of either a 4% reduction, or a reduction to the highest rate in the middle range, is applied to program rates that fall in the upper range of each group. The lower of either a 2% reduction, or a reduction to the highest rate in the lower range, is applied to program rates that fall in the middle range of each group. Program rates that fall in the lower range of each group receive no rate reduction.

5. Applying rate adjustments of 4%, 2%, or 0% to new or revised rates: The "break points" established for each grouping will remain the same for the effective period September 1, 1996 through June 30, 1997. As new rates are established, or rate changes occur during this effective period, the same break points established for each of the three rate ranges will be the basis for determining subsequent rate adjustments of 4%, 2%, or 0%.

6. Rate Stabilization for New Programs: The Department is continuing the rate stabilization policy for all new programs for which we are first using historical program expenses. There is a 10% margin of rate variance. No new program rate will be allowed to go up or down by more than 10% of its prior year's rate. The rate adjustment factor of 4%, 2%, or 0% is applied to the stabilization rate.

B. Group Care Rates: The following policies are specifically applicable to the MSARs and In-State CSE maintenance rates that were calculated for group care programs for the effective period September 1, 1996 through June 30, 1997:

1. Aggregate Cost-of-Living Adjustments (COLAs) applied to Model Budget Parameters:

a. Personnel Services: The two-year aggregate COLA that is used for trending the personnel services parameters is 0.0%.

b. Other Than Personnel Services (OTPS): The two-year aggregate COLA that is used for trending the OTPS parameters is 4.8%.

2. In-State CSE (Committee on Special Education) Maintenance Rates: The in-state CSE maintenance rates promulgated in this LCM for the period September 1, 1996 through June 30, 1997 supersede the interim in-state CSE maintenance rates that were previously sent to approved residential schools for the same period.

The in-state CSE maintenance rate for Special Act School Districts and on-campus schools affiliated with Article 81 institutions is composed of the 1996/97 MSAR for the institution program plus the 1995/96 medical per diem. When the medical per diems for the 1996/97 rate year are approved, the in-state CSE maintenance rates for these programs will be revised to reflect those changes.

The social services district where the child is a legal resident is responsible for the 10-month CSE maintenance payment, and the placing local school district is responsible for the 10-month CSE tuition payment. For CSE summer school placements, the placing school district is responsible for both maintenance and tuition payments.

CSE maintenance rates for children placed by local school districts are not negotiable and must be paid as published.

3. Program Classification Reviews: The Department is continuing its policy of conducting program classification reviews in response to requests from agencies that believe their populations have changed. In addition, the Department will continue its review of new programs that have interim program classifications.

C. CSE Maintenance Rates for Out-of-State Schools: As previously notified in 96 LCM-105, all rates promulgated by other states for SED approved residential schools are accepted by the Department for purposes of reimbursement. Out-of-state rates for CSE placements are not negotiable and must be paid as published.

D. Foster Boarding Home (FBH) Rates: The following policies are specifically applicable to the FBH rates that were calculated for the effective period September 1, 1996 through June 30, 1997:

1. Aggregate Cost-of-Living Adjustments (COLAs) applied to Model Budget Parameters:

- a. Personnel Services: The two-year aggregate COLA that is used for trending the personnel services parameters is 0.0%.
- b. Other Than Personnel Services (OTPS): The two-year aggregate COLA that is used for trending the OTPS parameters is 5.1%.

2. AIDS Per Diem: The \$15 AIDS per diem add-on remains in effect. The treatment of the \$15 per diem revenue for rate setting purposes is as follows: Revenue from the \$15.00 AIDS per diem is subtracted from the trended direct care costs for each FBH program, and the adjusted expenditures are compared with the direct care parameter to determine the rate base.

3. Pass-through to Foster Parents: The maximum state aid rates for foster parents are not increased in FY 1996/97.

4. Clothing Allowance: The maximum clothing allowances are not increased in FY 1996/97.

5. Diaper Allowance: The maximum diaper allowance for infants from birth through three years is not increased in FY 1996/97.

6. Finder's Fee for New Foster Homes: The Department is continuing the policy of allowing local social services districts to pay a voluntary finder's fee of up to \$200 to foster parents who recruit new foster parents. The policy will continue in effect through June 30, 1997. For detailed information on how to apply this policy please refer to 88 ADM-54 dated December 23, 1988.

E. Supervised Independent Living Programs (SILPs): The 1996/97 annual fees for double and triple occupancy and four-bed mother/child SILPs are not increased.

Copies of this LCM should be shared with Child Welfare Staff and Accounting Supervisors. If you have any questions, please contact Joseph Della Rocca, at the Bureau of Resource Management, by calling (518) 473-1496.

Rose M. Pandozy
Deputy Commissioner

NEW YORK STATE
FOSTER BOARDING HOME PROGRAMS
1996/97 CEILINGS

EFFECTIVE SEPTEMBER 1, 1996 THROUGH JUNE 30, 1997

A. PAYMENTS TO FOSTER PARENTS - FBH

<u>REGION</u>	<u>AGE 0-5</u>		<u>AGE 6-11</u>		<u>AGE 12 & OVER</u>	
	Monthly	Per Diem	Monthly	Per Diem	Monthly	Per Diem
METRO	\$401	\$13.18	473	15.55	547	17.98
UPSTATE	367	12.07	441	14.50	510	16.77

SPECIAL CHILDREN - UP TO \$ 879/MONTH, \$28.90/PER DIEM
EXCEPTIONAL CHILDREN - UP TO \$1,332/MONTH, \$43.79/PER DIEM

B. MAXIMUM FBH RATES UPON WHICH ADOPTION SUBSIDY PAYMENTS ARE CALCULATED FOR ADOPTIONS FINALIZED PRIOR TO JULY 1, 1987.

<u>REGION</u>	<u>AGE 0-5</u>		<u>AGE 6-11</u>		<u>AGE 12 & OVER</u>	
	Monthly	Per Diem	Monthly	Per Diem	Monthly	Per Diem
METRO	\$322	\$10.59	380	12.49	440	14.47
UPSTATE	295	9.70	354	11.64	411	13.51

SPECIAL CHILDREN - UP TO \$ 708/MONTH, \$23.28/PER DIEM
EXCEPTIONAL CHILDREN - UP TO \$1,074/MONTH, 35.31/PER DIEM

C. EMERGENCY FOSTER FAMILY BOARDING HOME CARE - CEILING IS 200% OF THE MAXIMUM PAYMENT FOR A NON-SPECIAL OR NON-EXCEPTIONAL CHILD IN THE DISTRICT.

D. ANNUAL CLOTHING REPLACEMENT ALLOWANCE

<u>AGE</u>	<u>YEARLY RATE FOR REPLACEMENT</u>	<u>PER DIEM EQUIVALENT</u>
0 - 5	\$304	\$0.83
6 - 11	425	1.16
12 - 15	659	1.81
16 AND OVER	806	2.21

DIAPER ALLOWANCE

<u>AGE</u>	<u>MONTHLY ALLOWANCE</u>	<u>PER DIEM EQUIVALENT</u>
0 - 3	\$ 47	\$1.55

SUPERVISED INDEPENDENT LIVING PROGRAM
SILP

DOUBLE OCCUPANCY RATE EFFECTIVE SEPTEMBER 1, 1996 - JUNE 30, 1997

<u>TYPES OF EXPENSES</u>	<u>DOWNSTATE*</u>		<u>UPSTATE</u>	
	<u>Annual Budget</u>	<u>Per Person/ Per Day</u>	<u>Annual Budget</u>	<u>Per Person/ Per Day</u>
Rent	\$10,701	\$14.66	\$7,134	\$9.77
Food	5,791	7.93	5,791	7.93
Clothing	1,515	2.08	1,515	2.08
Resident Allowance	4,185	5.73	2,510	3.44
Social Worker (1 to 10)	7,440	10.19	7,264	9.95
Supervisor (1 to 4)	2,291	3.14	2,247	3.08
Transportation and Worker	1,058	1.45	1,058	1.45
Telephone	876	1.20	876	1.20
Utilities	1,066	1.46	732	1.00
Supplies (Towels, Blankets, etc.)	267	.37	267	.37
Equipment (Pots, Pans, Silverware, etc.)	<u>389</u>	<u>.53</u>	<u>389</u>	<u>.53</u>
SUB TOTAL OF EXPENSES	\$35,579	\$48.74	\$29,783	\$40.80
Depreciation	\$384	\$.53	\$384	\$.53
Finders Fees	868	1.19	868	1.19
Administration at 21%	<u>7,472</u>	<u>10.24</u>	<u>6,254</u>	<u>8.57</u>
GRAND TOTAL	\$44,303**	\$60.70	\$37,289**	\$51.09
Fee for Services Rate		\$80.93 ***		\$68.12 ***

* Downstate includes NYC, Nassau, Suffolk, Westchester, Rockland, Orange, and Putnam.

** This represents total annual costs per apartment which is shared equally by each resident.

*** Rates calculated at 75% utilization

SUPERVISED INDEPENDENT LIVING PROGRAM
SILP

TRIPLE OCCUPANCY RATE BUDGET EFFECTIVE SEPTEMBER 1, 1996 - JUNE 30, 1997

<u>TYPES OF EXPENSES</u>	<u>DOWNSTATE*</u>		<u>UPSTATE</u>	
	<u>Annual Budget</u>	<u>Per Person/ Per Day</u>	<u>Annual Budget</u>	<u>Per Person/ Per Day</u>
Rent	\$12,840	\$11.72	\$ 8,560	\$ 7.81
Food	8,673	7.92	8,673	7.92
Clothing	2,273	2.08	2,273	2.08
Resident Allowance	6,280	5.73	3,765	3.44
Social Worker (1 to 10)	11,160	10.19	10,896	9.95
Supervisor (1 to 4)	3,436	3.14	3,370	3.08
Transportation & Worker	1,586	1.45	1,586	1.45
Telephone	1,008	.92	1,008	.92
Utilities	1,330	1.22	1,000	.92
Supplies	400	.37	400	.37
Equipment	<u>522</u>	<u>.48</u>	<u>522</u>	<u>.48</u>
SUB TOTAL OF EXPENSES	\$49,508	\$45.22	\$42,053	\$38.42
Depreciation	\$ 486	\$.44	\$ 486	\$.44
Finders Fees	856	.78	856	.78
Administration at 21%	<u>10,397</u>	<u>9.49</u>	<u>8,831</u>	<u>8.06</u>
GRAND TOTAL	\$61,247 **	\$55.93	\$52,226 **	\$47.70
Fee for Services Rate		\$74.57 ***		\$63.60 ***

* Downstate includes NYC, Nassau, Suffolk, Westchester, Rockland, Orange, and Putnam.

** This represents total annual costs per apartment which is shared equally by each resident.

*** Rates calculated at 75% Utilization

SUPERVISED INDEPENDENT LIVING PROGRAM
SILP

FOUR BED MOTHER/CHILD RATE BUDGET
EFFECTIVE SEPTEMBER 1, 1996 - JUNE 30, 1997

<u>TYPES OF EXPENSES</u>	<u>DOWNSTATE*</u>		<u>UPSTATE</u>	
	<u>Annual Budget</u>	<u>Per Person/ Per Day</u>	<u>Annual Budget</u>	<u>Per Person/ Per Day</u>
Rent	\$12,876	\$ 8.82	\$ 8,557	\$ 5.86
Food	11,598	7.94	11,598	7.94
Clothing	3,031	2.08	3,031	2.08
Resident Allowance	6,705	4.59	3,347	2.29
Social Worker (1 to 10)	14,880	10.19	14,528	9.95
Supervisor (1 to 4)	4,582	3.14	4,494	3.08
Transportation	2,133	1.46	2,133	1.46
Telephone	868	.59	868	.59
Utilities	1,334	.91	1,000	.68
Supplies	534	.37	534	.37
Equipment	<u>583</u>	<u>.40</u>	<u>583</u>	<u>.40</u>
SUB TOTAL OF EXPENSES	\$59,124	\$40.49	\$50,673	\$34.70
Depreciation	\$ 768	\$.53	\$ 767	\$.53
Finders Fees	868	.60	868	.60
Administration (21%)	<u>12,416</u>	<u>8.50</u>	<u>10,641</u>	<u>7.29</u>
GRAND TOTAL	\$73,176 **	\$50.12	\$62,949 **	\$43.12
Fee for Services Rate		\$66.83 ***		\$57.49 ***

* Downstate includes NYC, Nassau, Suffolk, Westchester, Rockland, Orange, and Putnam.

** This represents total annual costs per apartment which is shared equally by each resident.

*** Rates calculated at 75% Utilization

NOTE: FOR ESTABLISHMENT OF FY 1996/97 PARAMETERS ONLY

COST-OF-LIVING ADJUSTMENTS (for parameters only) FOR MSARs AND CSE RATES
FOR VOLUNTARY FOSTER CARE AGENCIES AND SED APPROVED RESIDENTIAL SCHOOLS

EFFECTIVE SEPTEMBER 1, 1996 THROUGH JULY 31, 1997

I. GROUP CARE BY COMPONENT	<u>One Year</u> <u>9/1/96-6/30/97</u>	<u>Two Year</u> <u>7/1/95-6/30/97</u>
<u>Child Care</u>	0.0	0.0
<u>Social Services</u>	0.0	0.0
<u>Child Support and Food</u>	1.8	3.6
- Child Support PS	0.0	0.0
<u>Miscellaneous Direct Care</u>	2.3	5.6
<u>Fixed Property</u>	2.9	5.6
<u>Variable Maintenance</u>	1.2	2.3
- Variable Maintenance PS	0.0	0.0
<u>Utilities</u>	3.8	7.0
<u>Administration</u>	0.7	1.5
- Administration PS	0.0	0.0
II. FOSTER BOARDING HOME BY COMPONENT	<u>One Year</u> <u>9/1/96-6/30/97</u>	<u>Two Year</u> <u>7/1/95-6/30/97</u>
<u>Social Services</u>	0.0	0.0
<u>Miscellaneous Direct Care</u>	2.0	4.3
- Miscellaneous Direct Care PS	0.0	0.0
<u>Property</u>	2.2	4.2
- Maintenance PS	0.0	0.0
<u>Administration</u>	0.5	1.1
- Administration PS	0.0	0.0

Note: Personnel Services COLAs are based on salary increases granted to New York State employees.