



Office of Children and Family Services

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Local Commissioners Memorandum

Transmittal:	19-OCFS-LCM-17
To:	Commissioners of Social Services
Issuing Division/Office:	Division of Administration
Date:	June 26, 2019
Subject:	Child Welfare Advances, Intercepts, Chargebacks, and Claims Adjustments
Contact Person(s):	See section V.
Attachments:	None

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to inform local departments of social services (LDSSs) of advances, intercepts, chargebacks, and other bottom-line adjustments that will be processed during the year.

II. Background

As defined in the *Fiscal Reference Manual* (FRM) Glossary (page 15-1), an advance refers to funds furnished to an LDSS before a claim is submitted. Intercepts retrieve the local share from the LDSS of a cost borne by New York State for which the state is not solely responsible by offsetting payments that are made to the LDSS. Chargebacks are used when New York State initially bears the entire cost of a liability and then bills the LDSS for the local share. As defined in the FRM Glossary (page 15-4), bottom-line adjustments refer to the upward or downward adjustments made on a notice of claim settlement that directly impact the amount paid by an LDSS.

III. Program Implications

Ongoing advances, intercepts, chargebacks, and bottom-line adjustments are described in detail below to assist local districts in understanding these financial transactions.

1. Adult Protective/Domestic Violence (AP/DV) Advance

- **Purpose:** To provide an advance of state adult protective/domestic violence funding in anticipation of the adult protective/domestic violence settlement

2. Adult Protective/Domestic Violence (AP/DV) Settlement

- **Purpose:** Settlement of adult protective/domestic violence claims funding at 49 percent state share net of any federal reimbursement and advance
- **Methodology:** Adult protective/domestic violence gross claims reimbursed at 49 percent state share net of any federal reimbursement
- **Funding Split:** 51 percent local share, 49 percent state share, net of Title XX APDV and Flexible Fund for Family Services (FFFS) federal funding
- **Governing Guidance:** Annual state local assistance appropriations, Social Services Law (SSL) §131-u, annual Title XX LCM, annual New York State Office of Temporary and Disability Assistance (OTDA) FFFS LCM, and FRM Volume 2, Chapter 3 and Volume 3, Chapter 9

3. Child Welfare Advance

- **Purpose:** To provide an advance of child welfare funding in anticipation of the child welfare settlement

4. Child Welfare Settlement

- **Purpose:** Settlement of eligible child welfare preventive, child welfare protective, independent living, and aftercare services
- **Methodology:** Child welfare gross claims reimbursed at 62 percent state share net of any federal reimbursement. To be eligible for 62 percent state share, LDSSs must meet their portion of the child welfare threshold through FFFS dedications.
- **Funding Split:** 62 percent state share, 38 percent local share, net of federal FFFS, Title IV-B Subpart 1, Title IV-B Subpart 2, Title IV-E Preventive administration, Title IV-E Protective administration, Title IV-E Adoption administration, and Title IV-E Chafee Independent Living. Title XX All Other overclaim is not eligible for 62 percent state share.
- **Governing Guidance:** Annual state local assistance appropriations, annual OTDA FFFS LCM, and FRM Volume 2, Chapter 3 and Volume 3, Chapter 9

5. Criminal History Record Check Chargeback

- **Purpose:** To recoup the local share of costs incurred by New York State for criminal background checks of persons applying for certification or approval as foster or adoptive parents and other adults residing in the home of the applicants. This chargeback is applicable for applicants to become certified foster boarding homes, approved adoptive homes, and approved relative foster homes.
- **Methodology:** The state initially bears the cost of the fingerprinting. The New York State Office of Children and Family Services (OCFS) then charges each LDSS the required percentage of the fingerprinting cost based on the number of placements in each LDSS as reported in the Foster Care Caseload Reports (CCR440).
- **Funding Split:** 53.94 percent local share, 46.06 percent state share net of Title IV-E federal revenue earned through the Central Office Cost Allocation Plan (COCAC)
- **Governing Guidance:** Chapter 53 of the Laws of 2019, SSL §378-a, Chapter 7 of the Laws of 1999, Chapter 668 of the Laws of 2006, 99-OCFS-LCM-08, 16-OCFS-ADM-20, and 17-OCFS-INF-05

6. Dormitory Authority of the State of New York Deduction (CSE)

- **Purpose:** To adjust a Committee on Special Education (CSE) state claim settlement to reduce the reimbursement due to the LDSS by the costs incurred by the state due to untimely payments by the LDSS for the property component of tuition rates for Special Act School Districts that have Dormitory Authority of the State of New York (DASNY) financed projects
- **Methodology:** OCFS performs a transfer to the New York State Education Department (SED) to cover unpaid DASNY Part I Tuition billings to local districts and deducts the amount from payments made to the local districts.
- **Funding Split:** 100 percent local share
- **Governing Guidance:** Chapter 53 of the Laws of 2018, 93-LCM-133, and FRM Volume 2, Chapter 4

7. DASNY Funding Mechanism for Capital Projects

- **Purpose:** To specifically fund approved congregate care facilities operated by voluntary authorized agencies that received DASNY financing through Chapter 472 of the Laws of 2004
- **Methodology:** The LDSS is required to pay the DASNY add-on rate as part of the MSAR payment for each child placed in a program that has a DASNY add-on rate. State reimbursement is available net of any available federal funding for those costs that exceed the LDSS's Foster Care Block Grant allocation. This additional reimbursement is made available to each eligible LDSS for payments in the last quarter of the State Fiscal Year through the LDSS settlement process.
- **Funding Split:** 53.94 percent local share, 46.06 percent state share
- **Governing Guidance:** Chapter 53 of the Laws of 2018, Chapter 472 of the Laws of 2004, 05-OCFS-LCM-18, and an updated annually *Maximum State Aid Rates for Foster Care Programs and Residential Programs for Committee on Special Education Placements* ADM (current version: 17-OCFS-ADM-11)

8. DASNY Waiver

- **Purpose:** A bottom-line adjustment to pay for costs representing property payments to SED that are not applied to the Foster Care Block Grant
- **Methodology:** Annually, by the end of February, the LDSS submits the Billings for Special Act School Districts with an Approved DASNY Project Waiver form to OTDA and reports in the Automated Claiming System (ACS) that portion of costs representing property payments only (not tuition) that were paid to SED and settled as tuition on Schedules K, H, and RF-17 Claim Package, and not reimbursed by the state under the Foster Care Block Grant
- **Funding Split:** State share at 50 percent to be paid for claims in excess of the Foster Care Block Grant.
Governing Guidance: Chapter 53 of the Laws of 2018, 05-OCFS-LCM-18, and FRM Volume 2, Chapter 4 (pages 19-21)

9. Education and Training Voucher (ETV) Program

- **Purpose:** Costs related to the provision of education and training vouchers to former foster care youth
- **Funding Split:** 80 percent federal share, 20 percent state share, 0 percent local share
- **Governing Guidance:** 18-OCFS-INF-04 and Title IV-E, Section 477 of the Social Security Act

10. Office of the Mental Health (OMH) Local Intercept

- **Purpose:** To recoup the local share of Medicaid for OMH Home- and Community- Based Waiver Services provided as part of preventive services cases
- **Methodology:** OMH calculates the non-federal responsibility of OCFS by multiplying total claims (including waiver services, other mental health services, and medical/surgical services) by the proportion of the LDSS's preventive slots in the waiver, divided by the LDSS's total waiver slots and then multiplied by 50 percent. OMH then calculates the LDSS share of the Medicaid for these children, which is 38.9 percent of the OCFS non-federal expenditures.
- **Funding Split:** 50 percent federal share, 30.55 percent state share, 19.45 percent local share
- **Governing Guidance:** Chapter 53 of the Laws of 2018 and SSL §366(9)

11. Youth Facilities (Division of Juvenile Justice and Opportunities for Youth) Costs Adjustment

- **Purpose:** To recoup the local share of youth facility costs for the care, maintenance, and supervision of placed youth, including alleged and adjudicated juvenile delinquents, placed or referred persons in need of supervision, and youthful offenders and adolescent offenders committed pursuant to penal law
- **Methodology:** LDSSs are responsible for 50 percent of the cost of care and maintenance of youth placed in state-operated facilities. OCFS calculates rates based on the total net of federal costs, divided by the total care days provided to youth during the calendar year. These rates are the basis of obligations of LDSS for shares of the cost of care. Obligations are limited to no more than \$55M per calendar year.
- **Funding Split:** The LDSS in which a youth resided or was from at the time of placement or commitment is responsible for 50 percent of the amount expended by New York State for the care, maintenance, and supervision of the youth placed in a New York State youth facility. Statewide LDSS obligations are capped at \$55M, so the actual local share is less than 50 percent.
- **Governing Guidance:** Annual state local assistance appropriations and Executive Law §529

IV. Claiming

Where applicable, claiming instructions can be found in the associated LCM and the *Fiscal Reference Manual* (FRM), as described above. For additional information on claiming instructions, refer to FRM Volume 1. For additional information on claim forms, refer to FRM Volume 2.

V. Contact Names

Topic	LDSS Region	Contact Person	Contact Phone	Contact Email Address
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