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Local Commissioners Memorandum

Transmittal:	03-OCFS-LCM-22
To:	Local District Commissioners
Issuing Division/Office:	Administration
Date:	November 18, 2003
Subject:	Changes in Reimbursement of Committee on Special Education Maintenance Expenditures for Children with Disabilities, Effective with the 2003-2004 Ten-Month School Year
Contact Person(s):	For contacts, see below under section <u>VII. Other</u>
Attachments:	Format for Social Services District to Request Payment by the Office of the State Comptroller of a School District of Residence CSE Maintenance Arrearage
Attachments Available On – Line:	Yes

I. Purpose

The purpose of this Local Commissioners Memorandum is to advise social services officials of changes in the Education and Social Services Laws brought about by passage of Part G2 of Chapter 62 of the Laws of 2003. Beginning with the 2003-2004 ten-month school year, expenditures made by a social services district for the maintenance of a child with disabilities placed in a residential school by a school district of residence pursuant to either Article 87, 88 or 89 of Education Law are subject to forty (40) percent reimbursement by the State and twenty (20) percent reimbursement by the school district of residence.

This memorandum outlines responsibilities of the various agencies regarding compliance with the new reimbursement provision contained in the amendments to subdivision 10 of section 153 of the Social Services Law and paragraph b of subdivision 1 of section 4405 of the Education Law.

The changes contained in the amendments to existing law only affect the reimbursement of costs incurred by social services districts through the payment of Committee on Special Education (CSE) maintenance rates for children placed by school districts in either in-state or out-of-state residential schools. Existing statutory and regulatory requirements regarding referral, evaluation of disability, placement of the child, and rate setting remain unchanged.

II. Background

Since 1982, State statute, pursuant to Article 89 of Education Law and related regulations, required the social services district to pay the maintenance expenditures for a child placed by the CSE of a child's school district of residence in an approved residential school for the regular ten-month school program (September through June). State reimbursement of fifty (50) percent was available to the social services district for those maintenance expenditures. State reimbursement of fifty (50) percent was also available for the payments made for maintenance costs of a child attending a State-operated school for the deaf or blind pursuant to Articles 87 or 88 of the Education Law. No payment was required by the child's school district of residence.

The maintenance payments for a child with a disability who was provided residential summer school services (July and August) was the responsibility of the child's school district of residence, and the State Education Department (SED) provided reimbursement to the school district of residence in accordance with State aid formulas specified in Section 4408 of Education Law.

III. Program Implications

The major change contained in the statutes referenced above is to the percentage of State and local school district reimbursement to a social services district for CSE maintenance payments for the regular ten-month residential program for a child with a disability placed by a school district pursuant to Articles 87, 88 or 89 of Education Law. In accord with that change, the child's school district of residence is required to provide twenty (20) percent reimbursement to the social services district for such expenditures. State reimbursement to the social services district for such expenditures is reduced to forty (40) percent.

State reimbursement to a social services district remains at fifty (50) percent for the maintenance costs of a student attending a State-operated school for the deaf or blind who was not placed in the State-operated residential school by the child's school district of residence.

Payment and reimbursement formulas regarding a CSE residential placement for the summer program (July and August) remains unchanged.

Also, State reimbursement for CSE maintenance, pursuant to subdivision 10 of section 153 of the Social Services Law, is not subject to the limitations on State reimbursement contained in subdivision 2 of section 153-k of such law, commonly referred to as the Foster Care Block Grant.

IV. Payment and Claiming Instructions

A. Child with a disability placed in an approved residential school by the child's school district of residence

1. A social services district will receive a " STAC-3 Approval Information Listing" from the State Education Department (SED) for each child placed in an approved residential school by the child's school district of residence. The STAC-3 contains information that includes the child's name, residential provider, the service authorization period, and the child's school district of residence. The STAC-3 will serve as the basis for the social services district to authorize payments of maintenance expenses charged by the approved residential provider. The amount that can be charged by the residential provider to the social services district for the ten-month school program is the CSE maintenance rate published by the Office of Children and Family Services (OCFS) for the SED approved school.
2. A social services district is to consider the STAC-3 as programmatic approval for the residential placement of the child and is to make payments for maintenance expenditures based on the CSE maintenance rate for the applicable residential program and authorization period, as published by OCFS.

B. Child with a disability placed in a State-operated school for the deaf or blind

1. Placed by school district of residence

A social services district will receive a STAC-3 from SED for each child placed by the child's school district of residence in a State-operated school for the deaf or blind. The STAC-3 will serve as the basis for the social services district to authorize payments of maintenance expenditures based on the CSE maintenance rate for the State-operated school, as published by OCFS.

2. Placed by other than school district of residence

A social services district will also receive a STAC-3 from SED for a child placed in a State-operated school for the deaf or blind by an entity other than the child's school district of residence. The STAC-3 will serve as the basis for the social services district to authorize payments of maintenance expenditures based on the CSE maintenance rate for the State-operated school, as published by OCFS. However, as previously discussed, the school district of residence for such child is not responsible for reimbursing a social services district for a portion of the cost.

C. Interim Claiming Procedures using LDSS-3479 and LDSS-3922

A social services district is required to make CSE maintenance payments to approved providers of residential services for children with disabilities placed by school districts, as authorized by SED on the STAC-3. Claims for reimbursement from the State and from school districts to offset the costs incurred by a social services district would be accomplished through the procedures specified below.

LDSS-3479 Schedule K, Section II, line 5 (Committee on Special Education) was previously programmed to reimburse CSE maintenance expenditures at the rate of fifty (50) percent. Effective with October 2003 claim submissions, the Schedule K, Section II, line 5 (Committee on Special Education) will be programmed to reimburse eligible CSE maintenance expenditures at the rate of forty (40) percent, in accord with the statutory changes specified above.

LDSS-3922, Reimbursement Claim for Special Programs, will be required on an interim basis for CSE maintenance expenditures that continue to be eligible for State reimbursement at the rate of fifty (50) percent. Those expenditures will fall into two groups: (1) expenditures for children placed in a State-operated school for the deaf or blind by an entity other than the child's school district of residence; and (2) expenditures for services authorized for periods prior to July 1, 2003, the implementation date of Chapter 62 of the Laws of 2003. Social services districts will be notified in the future regarding changes to the Schedule K that will eliminate the need for claiming CSE maintenance using the LDSS-3922.

Claiming on LDSS-3479 Schedule K

1. CSE maintenance payments made to the residential providers are to be reported on Schedule K, Section II, line 5 (Committee on Special Education), columns 1-4.
2. If the payment for the CSE maintenance expense by a social services district is subject to reimbursement by the child's school district of residence, the social services district must submit a voucher to the child's school district of residence for the twenty (20) percent reimbursement. The STAC-3 for the eligible child specifies the appropriate school district of residence from which to secure twenty (20) percent reimbursement of the maintenance cost.
3. The voucher the social services district sends to the child's school district of residence needs to include the following:
 - a. child's name;
 - b. name of residential provider;
 - c. billing month;
 - d. total days of care for billing month;

- e. applicable CSE maintenance per diem rate;
- f. total charge for billing month;
- g. twenty (20) percent of total charge for billing month;
- h. a copy of the maintenance bill from the residential school;
- i. a copy of the applicable OCFS rate letter; and
- j. a copy of the STAC-3 that identifies the child's name, the education provider, the service authorization period, and the child's school district of residence.

Website links are provided below for the purpose of looking up school district codes and billing addresses for school districts, as needed.

4. The school district of residence is required to reimburse the social services district for twenty (20) percent of the total CSE maintenance expense within sixty (60) days from the date of the voucher.
5. The twenty (20) percent reimbursements received from school districts are considered non-reimbursable refunds and are not to be reported on the Schedule K.

Claiming on LDSS-3922 Reimbursement Claim for Special Programs

6. If the payment for the CSE maintenance expense by a social services district is for a child placed in a State-operated school for the deaf or blind by an entity other than the child's school district of residence, the CSE maintenance expense is not subject to reimbursement by the child's school district of residence and continues to be reimbursed by the State at fifty (50) percent, as specified above.
7. If the payment for the CSE maintenance expense by a social services district is for a child authorized by a STAC-3 for a placement period prior to July 1, 2003, the CSE maintenance expense is not subject to reimbursement by the child's school district of residence and continues to be reimbursed by the State at fifty (50) percent, as specified above.
8. Reimbursement for claims that continue to be eligible for fifty (50) percent State reimbursement will be accomplished through the submission of claim form LDSS-3922, Reimbursement Claim for Special Programs. The claim form must be labeled with the project name "CSE", and it is to be submitted to the Office of Temporary and Disability Assistance (OTDA) in accord with the usual procedures for submitting the LDSS-3922.
9. The total "off-line" payment made for children in this claiming category is to be reported on Lines 4, 9, 17 and 19 and in Columns 1 and 3.

D. Maintenance Reimbursement Arrearages

In the event the child's school district of residence fails to provide reimbursement to the social services district within sixty (60) days from the date on the voucher requesting such reimbursement (for those placements that require the school district of residence to provide such reimbursement, as specified above), the Office of the State Comptroller (OSC) is authorized to withhold State reimbursement to the school district of residence in an amount equal to the unpaid obligation for maintenance, and to pay over such sum to the social services district. To enable OSC to withhold State aid to the school district, and to pay over such sum to the social services district, the Commissioners of OCFS and the SED must certify that the funds are overdue and owed by the child's school district of residence.

Where a social services district has not received reimbursement from a child's school district of residence within sixty (60) days of the billing date, and seeks reimbursement from OSC, the affected social services district must certify to OCFS that the funds are overdue from the school district of residence because payment was not made within sixty (60) days from the date of the voucher requesting such payment.

Attached is a prescribed format for submitting information to the OCFS Bureau of Financial Operations when requesting OSC payment of a maintenance arrearage through the withholding of State aid from the school district of residence. Such a request should be sent to:

Attn: CSE Maintenance Arrearage
OCFS Bureau of Financial Operations
NYS Office of Children & Family Services
52 Washington St., South Building
Room 204
Rensselaer, New York 12144-2796

In accord with the attached format, the following information is required as part of such a request:

1. the name of the child and the residential school provider;
2. the name of the responsible school district of residence;
3. a copy of the STAC-3 Approval Listing that authorized the child's placement, and specified the education provider, the service authorization period, and the child's school district of residence;
4. a copy of the maintenance bill from the residential school that was paid by the social services district;
5. a copy of the unpaid voucher sent to the child's school district of residence for the twenty (20) percent reimbursement; and

6. the name and address of the social services district to which the payment should be made.

Upon receipt of the above documentation, OCFS will forward a copy of the social services district's submission to the SED State Aid Unit for notification to the child's school district of residence regarding the OSC action being requested. The SED notification to the child's school district of residence will specify: (a) that the school district's State aid payment will be reduced by the amount of the maintenance arrearage; and (b) that payment of the unpaid maintenance reimbursement will be made by the State. The SED State Aid Unit will send a copy of such notification to the social services district.

The school district of residence will be allowed ten (10) days to provide information that would eliminate the need for the OSC action. For example, the delinquent school district may have paid the social services district in the interim, or the school district may be in the process of making that payment. Where the delinquent school district provides such information, SED will require the school district to communicate directly with the social services district regarding payment. It will direct the school district to have the social services district contact the SED State Aid Unit within ten (10) days from the date of SED's communication with that school district, where the social services district agrees to withdraw its request for OSC action. Where withdrawal of the OSC action is requested by the social services district, the SED State Aid Unit will send a confirming letter to that effect to the school district, to the social services district, and to the OCFS Director, Bureau of Financial Operations.

Assuming the need to proceed with the OSC action, OCFS and SED will provide a joint certification to the State Comptroller to withhold State aid from the delinquent school district for the purpose of directly paying the social services district entitled to that reimbursement.

V. School District Codes and Billing Addresses

There are approximately 700 school districts in New York State. When a social services district is either seeking reimbursement from a school district, or requesting OSC action, as described above, it is important for the social services district to have the correct school district code and school district address. School district codes and addresses are posted to the SED website. Such codes and addresses can be obtained as follows:

- **School District Codes:** From any Internet connection, you can access school district codes on the State Education website by going to the following address: <http://www.nysed.gov/admin/admindex.html> From the page for School District Index, click on the name of the child's school district of residence, and then click again on the name of the school district (which is the first name in the list of schools in that district). The school district code is the 12-digit code specified below the name of the school district.

- **Billing Addresses:** From any Internet connection, you can access a billing address for each school district on the State Education website by going to the following website page: <http://www.nysed.gov/stateaid/salist.html> When you click on the name of the child's school district of residence, you will see an address for the school district as well as a "Designee" for that school district.

VI. Effective Date of Legislative Changes

Chapter 62 of the Laws of 2003 applies to reimbursement for CSE maintenance payments for services provided on or after July 1, 2003. Since school districts are responsible for both maintenance and tuition for children with disabilities placed by school districts in residential programs during the summer months, the effective date for social services districts to begin seeking reimbursements from school districts pursuant to the revised formulas specified in this LCM is for services during a ten-month school year beginning on or after September 2003.

VII. Other

For questions regarding this LCM, please contact the following OCFS staff:

John Conboy, (518) 402-0147; or through e-mail at John.Conboy@dfa.state.ny.us

For claiming questions, please contact the following staff from the Office of Temporary and Disability Assistance (OTDA) Bureau of Financial Services as follows:

Regions 1 – 4: Patricia Humphrey, 518-474-7549; or through e-mail at Patricia.Humphrey@dfa.state.ny.us

Region 5: Marian Borenstein, 212-383-1735, or through e-mail at Marian.Borenstein@dfa.state.ny.us

Region 6: Michael Borenstein, 631-854-9704, or through e-mail at Michael.Borenstein@dfa.state.ny.us

Susan A. Costello s/s

Issued By

Name: Susan A. Costello

Title: Deputy Commissioner for Administration

Division/Office: Administration

**Social Services District Request for Payment by the Office of the State Comptroller
of a School District of Residence CSE Maintenance Arrearage**

(Pursuant to Chapter 62 of the Laws of 2003)

Pursuant to Chapter 62 of the Laws of 2003, I _____,
(name of local official)

_____, of the
(title of local official)

_____, am certifying that the school district named
(name of social services district)

below failed to reimburse said social services district for twenty percent of the total CSE maintenance expenditure paid to the education provider for the child specified below, and am requesting the State Comptroller to withhold State reimbursement to said school district in the amount of the unpaid obligation and to pay that amount to the social services district upon certification of the Commissioner of the Office of Children and Family Services and the Commissioner of Education that such funds are overdue and owed by such school district.

Signed:

Child Identifying Information Related to Unpaid CSE Maintenance Expenditure:

Name of Child: _____

Education Provider: _____

Child's School District of Residence: _____

Total Amount of CSE Maintenance Arrearage: _____

The following attachments are required to support this request. Check the following boxes to indicate their inclusion with this request:

Copy of STAC-3 Approval Information Listing for the child named above.

Copy of the unpaid voucher sent to the school district for the child named above.

Contact Person: _____ Title: _____

Telephone: _____ Email Address: _____

Address of Social Services District: _____
