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Local Commissioners Memorandum

Transmittal:	04-OCFS-LCM-20
To:	Local District Commissioners
Issuing Division/Office:	Development and Prevention Services Administration
Date:	December 13, 2004
Subject:	Adoption Incentive Payment Award Allocations
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Attachments:	A. Allocation of 2003 Incentive Award B. Number of Children Adopted in FFY 2003 and FFY 2002
Attachment Available On – Line:	Yes

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to advise social services districts of New York State's receipt, and allocation to districts, of \$3,492,000 in Federal Adoption Incentive payment funds for Federal Fiscal Year (FFY) 2003. This memorandum also provides information on how districts may use these funds, including claiming and reporting instructions.

II. Background

Federal Awards to States

The Federal Adoption Promotion Act of 2003 reauthorized the adoption incentive payment program under Title IV-E of the Social Security Act. States must exceed a baseline number of adoptions to qualify for incentive funds. Under the 2003 amendments, incentive funds are awarded to states if they exceed the overall foster child adoption, older child adoption or special needs adoption baselines. Annually, up to \$43 million total for incentive payments to eligible states is authorized for appropriation for federal fiscal years 2004 through 2008. In the event that the total amount of incentive payments earned by states exceeds the amount of funds appropriated for this purpose, payments to states will be prorated accordingly. The amendments became effective on October 1, 2003, and affect how states earn incentive funds for adoptions finalized during or after FFY 2003.

Section 473A of the Act provides for incentive payments for a fiscal year in accordance with the following [per section 473A(d)]:

- \$4,000 for every foster child adopted over the baseline for public agency adoptions;
- \$4,000 for every older child adopted over the baseline for children age 9 and older; and
- \$2,000 for every young child with special needs adopted over the baseline for children under age 9 with special needs.

A state may receive an incentive payment for each category of finalized adoptions, if the state exceeds the established baseline for each adoption group. To qualify for the young child with special needs incentive payment, the state must exceed its baseline for either the foster child adoptions or older child adoptions. The amount of incentive payments to states will be determined by the amount of funds appropriated annually by Congress. If Congress does not appropriate sufficient funds, these payments will be prorated.

Incentive funds earned by states within a fiscal year (earning year) are paid to states the subsequent fiscal year (award year). This is because the actual amount of incentive funds cannot be calculated by the Administration for Children and Families (ACF) until each State's AFCARS data is submitted after the end of the fiscal year for which the funds are awarded. Thus, incentive payments earned in FFY 2003 would be paid to states in FFY 2004 after the AFCARS submissions for FFY 2003 are processed and reconciled by ACF. The ACF reserves the right to adjust awards to states, as it deems necessary, based on AFCARS data reconciliation, fiscal year appropriation and the statutory payment formula. Therefore, OCFS reserves the right to adjust awards to districts accordingly if the ACF adjusts the award to New York State.

Additional information about the federal incentive payments, including the process used for establishing adoption incentive baselines, can be found in Federal Program Instructions ACYF-CB-PI-04-03, issued on March 23, 2004, by the Children's Bureau. The website link to these Program Instructions is www.acf.hhs.gov/programs/cb/laws/pi/pi0403.htm

New York State Allocation of Adoption Incentive Payment

New York State earned the largest adoption incentive payment of any state for FFY 2003. The magnitude of the grant reflects two things: 1) the success of local districts in achieving permanency for New York's foster children through adoption, and; 2) recalculation of the baseline used to determine the payments.

State statute [Social Services Law, §409(10)] requires that adoption incentive funds received by the State be allocated proportionately to the social services districts that increased their adoptions of children in foster care in the relevant federal categories.

As directed by the State statute, the full amount of the FFY 2003 federal adoption incentive payment to New York State is being allocated to the social services districts that increased their adoptions over the baseline in FFY 2002 of foster children, children age 9 or older, and/or children less than 9 years old with special needs. (To qualify for the incentive payment for younger children with special needs, a district must have exceeded its baseline for either foster child adoptions or older child adoptions.)

Section 409-a(10) of the Social Services Law also provides that social services districts may use their adoption incentive payments only for preventive services, including substance abuse services provided to pregnant women or a caretaker person in an outpatient, residential or inpatient setting. Up to 30 percent of the amount provided to a district may be used for post-adoption services to children and families.

III. Program Implications

Federal Requirements

State expenditure of awarded adoption incentive payments is limited to the costs for services (including post-adoption services) and activities allowable under Title IV-B or Title IV-E of the Social Security Act.

State Requirements

Under State statute [SSL §409-a(10)], the adoption incentive payment awards allocated to local districts must be used to provide preventive services to children and families as defined in 18 NYCRR Part 423, which may include mandated preventive services, non-mandated preventive services, or community optional preventive services. Up to 30 percent of an award may be used to provide post-adoption services to children or families. The statute also specifically provides that preventive services for this purpose can include substance abuse services provided to a pregnant woman or to a child's caretaker in an outpatient, residential or in-patient setting.

Local District Opportunities

Adoption incentive payments represent flexible, federal funding with little restriction on spending. Districts in receipt of the funding may invest in a range of services to prevent first or subsequent out-of-home placements of children from the home of their parents (both birth and adoptive parents) or guardians. This funding provides recipients an opportunity to start up new programs or to expand existing programs. Investment in evidence-based, family centered programs may prove effective in enabling local districts to maintain children and youth safely with their families.

The following list offers suggestions of some of the kinds of programs that districts may want to consider in using their incentive payments.

- Services to hasten discharge of children to reunification including strengthened visitation programs, family meetings, concurrent planning and permanency mediation.
- Services to locate and strengthen the role of birth fathers and their extended families.
- Post adoption services, including support groups for adoptive families, information and referral services, telephone helpline and training for clinicians in adoption issues.
- Preventive services that address the barriers to timely adoption identified in a particular locality through the Adoption Now panel reviews of cases of freed children. For example, last year several districts used small grants to agencies to contract with temporary staff and retirees to help expedite needed paperwork. These efforts are partly responsible for the improvement in timely adoptions.
- Substance abuse services to pregnant women or to a child's caretaker.
- Primary prevention services, including home visiting programs and community optional preventive services.
- Services to support kinship caretaker.
- Individualized recruitment for adoptive resources for adolescents in foster care available for adoption. The effectiveness of this was demonstrated in the Longest Waiting Children Program.
- Services to strengthen families, including Functional Family Therapy.

Important Note: While the use of the funding does not require approval by OCFS, regional staff are available for consultation to those districts that may want additional information. Each district will be asked to provide information to the regional office about the ways in which they use this allocation. Because this funding is federal, no local match is required nor may this funding be used as any portion of the 35 percent match for State child welfare financing preventive services funding. In addition, this funding may not be used as the State or local match for other available federal funds.

IV. Allocations to Districts

District allocations of the adoption incentive payments for FFY 2003 are listed in Attachment A. OCFS created a formula comparable to the formula used by ACF to calculate New York State's portion of the Adoption Incentive award. OCFS used the net improvement for the number of adoptions in each incentive category and prorated the total incentive payment for that category based on the net increase. The difference is that when the net improvement at the State level (517 adoptions in FFY 2003 over 2002) is broken out at the district level, a decrease in one county will cancel the improvement by another. For example, County A may have increased its adoptions by 6 but County B had 6 fewer adoptions. Therefore, OCFS modified the methodology used by ACF when determining how to allocate the awarded federal funds to the districts in order to award districts that experienced increases over the baseline. A district may receive an incentive payment for each category of finalized adoptions, if the district exceeds the baseline for each adoption group. To qualify for the young child with special needs incentive payment, the district must exceed its baseline for either the foster child adoptions or older child adoptions.

OCFS took the total number of additional adoptions for all districts (646), and divided each district's improvement by the total improvement in each of the three categories to find the percent of improvement for each district in each of the three categories. For example, a district that increased its overall adoptions of children in foster care from 25 children in FFY 2002 to 45 children in FFY 2003

had an increase of 20 children, or 3.10 percent of the total district improvement ($20 \div 646$). The dollar award to the State for that category (\$2,068,000) was multiplied by the district's percent of improvement. In the example, 3.10 percent was multiplied by the total award in that category, for an award of \$64,108. The same was done for each district in the "under 9 with special needs" and the "9 and older" categories. Awards from each category were totaled to compute the overall district allocation.

V. Fiscal and Claiming

Time Period to Liquidated Funds

Federal regulations require that incentive funds be spent by the end of the FFY following the FFY in which they were awarded, regardless of when the funds are received during the award year. Therefore, the funds earned in FFY 2003 and awarded in FFY 2004 must be fully liquidated (not just obligated) by September 30, 2005.

Claim and Expenditure Reporting Requirement(s)

The costs related to the Federal Adoption Incentive funds should be accumulated on the Schedule D in the F-17 function. These expenditures will carry through to the LDSS-3274, "Schedule D-17, Distribution of Allocated Costs to Other Reimbursable Programs." Expenditures should be reported on the appropriate lines in a column labeled "ADPT INC 2004." These expenditures will support the LDSS-3922 "Reimbursement Claim for Special Projects" (revised 12/00). Each claim should be identified as "ADPT INC 2004" in the Project Name box. The expenditures must also be listed on the Federal Share line (line 18), under the appropriate columns (Non-Administration Costs or Administration Costs).

To receive reimbursement for these funds, local districts must sign the certification and submit the LDSS-3922 form to the Bureau of Financial Services Claims Unit, in the New York State Office of Temporary and Disability Assistance, for reimbursement of these federal funds. The D-17 should not be submitted with the LDSS-3922 form, but must be retained by the local district for audit purposes.

Please refer to Fiscal Reference Manual Volume 2 Chapter 3 for further LDSS 3922 instruction. Reimbursement will be available up to the amount of the district's allocation.

Incentive funds expended by the districts may not be claimed as State or local matching funds for other Federal funds.

VI. Contact Information

Programmatic questions should be directed to the appropriate OCFS Regional Office, Division of Development and Prevention Services (listed on page 1).

Any fiscal questions regarding the Adoption Incentive Award allocation should be directed to:

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

Claiming questions should be directed to the Office of Temporary and Disability Assistance, Bureau of Financial Services:

Marian Borenstein, Region VI - New York City, 212-961-8250
User ID: Marian.Borenstein@dfa.state.ny.us

Michael Borenstein, Region V, 631-854-9704
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Allocation of 2003 Incentive Award

Districts	Allocations for Total Number of Adoptions	Allocations for Age 9 and Older	*Allocations for Age 9 and Younger with Special Needs	Total Allocation
Albany	\$ 32,012	\$ 26,161	\$ 11,066	\$ 69,239
Allegany	\$ 16,006	\$ 6,540	\$ 3,162	\$ 25,708
Broome	\$ 28,811	\$ 32,701	\$ 4,743	\$ 66,255
Cattaraugus	\$ 16,006	\$ 6,541	\$ 4,743	\$ 27,290
Cayuga	\$ 19,207	\$ 6,540	\$ 9,485	\$ 35,232
Chautauqua	\$ -	\$ -	\$ -	\$ -
Chemung	\$ 64,025	\$ 29,431	\$ 17,389	\$ 110,845
Chenango	\$ 12,805	\$ -	\$ 6,323	\$ 19,128
Clinton	\$ 32,012	\$ 22,891	\$ 6,323	\$ 61,226
Columbia	\$ 16,006	\$ 3,270	\$ 6,323	\$ 25,599
Cortland	\$ 16,006	\$ -	\$ 3,162	\$ 19,168
Delaware	\$ -	\$ -	\$ -	\$ -
Dutchess	\$ -	\$ -	\$ -	\$ -
Erie	\$ -	\$ -	\$ -	\$ -
Essex	\$ -	\$ -	\$ -	\$ -
Franklin	\$ -	\$ -	\$ -	\$ -
Fulton	\$ 16,006	\$ 3,270	\$ 3,162	\$ 22,438
Genesee	\$ -	\$ -	\$ -	\$ -
Greene	\$ 9,604	\$ 6,540	\$ 4,743	\$ 20,887
Hamilton	\$ -	\$ -	\$ -	\$ -
Herkimer	\$ 6,403	\$ -	\$ 3,162	\$ 9,565
Jefferson	\$ 44,817	\$ -	\$ 17,389	\$ 62,206
Lewis	\$ -	\$ -	\$ -	\$ -
Livingston	\$ -	\$ -	\$ -	\$ -
Madison	\$ -	\$ -	\$ -	\$ -
Monroe	\$ 41,616	\$ 29,431	\$ 6,323	\$ 77,370
Montgomery	\$ 3,201	\$ -	\$ -	\$ 3,201
Nassau	\$ 64,025	\$ 42,511	\$ 11,066	\$ 117,602
Niagara	\$ -	\$ -	\$ -	\$ -
Oneida	\$ 28,811	\$ 16,350	\$ 9,485	\$ 54,646
Onondaga	\$ 32,012	\$ 6,540	\$ 11,066	\$ 49,618
Ontario	\$ 6,403	\$ -	\$ -	\$ 6,403
Orange	\$ 54,421	\$ 22,891	\$ 7,904	\$ 85,216
Orleans	\$ 3,201	\$ -	\$ 1,581	\$ 4,782
Oswego	\$ 12,805	\$ 3,270	\$ 4,743	\$ 20,818
Otsego	\$ -	\$ 3,270	\$ -	\$ 3,270
Putnam	\$ 6,403	\$ 3,270	\$ 4,743	\$ 14,416
Rensselaer	\$ 32,012	\$ 9,810	\$ 9,485	\$ 51,307
Rockland	\$ 51,220	\$ 42,511	\$ 1,581	\$ 95,312
St. Lawrence	\$ -	\$ -	\$ -	\$ -

Districts	Allocations for Total Number of Adoptions	Allocations for Age 9 and Older	*Allocations for Age 9 and Younger with Special Needs	Total Allocation
Saratoga	\$ -	\$ -	\$ -	\$ -
Schenectady	\$ 6,403	\$ 6,540	\$ 1,581	\$ 14,524
Schoharie	\$ 3,201	\$ -	\$ 1,581	\$ 4,782
Schuyler	\$ -	\$ -	\$ -	\$ -
Seneca	\$ -	\$ -	\$ -	\$ -
Steuben	\$ 41,616	\$ 32,701	\$ 3,162	\$ 77,479
Suffolk	\$ -	\$ -	\$ -	\$ -
Sullivan	\$ -	\$ -	\$ -	\$ -
Tioga	\$ 3,201	\$ 6,540	\$ 3,162	\$ 12,903
Tompkins	\$ 6,403	\$ 13,080	\$ -	\$ 19,483
Ulster	\$ 25,610	\$ 16,350	\$ 4,743	\$ 46,703
Warren	\$ 16,006	\$ 3,270	\$ 6,323	\$ 25,599
Washington	\$ 12,805	\$ 9,810	\$ 1,581	\$ 24,196
Wayne	\$ 28,811	\$ 19,620	\$ 1,581	\$ 50,012
Westchester	\$ 51,220	\$ 13,080	\$ 23,713	\$ 88,013
Wyoming	\$ -	\$ -	\$ -	\$ -
Yates	\$ -	\$ -	\$ -	\$ -
St. Regis Mohawk	\$ 3,201	\$ 3,270	\$ -	\$ 6,471
Upstate	\$ 864,333	\$ 448,000	\$ 216,579	\$ 1,528,912
New York City	\$ 1,203,667	\$ 448,000	\$ 311,421	\$ 1,963,088
Statewide	\$ 2,068,000	\$ 896,000	\$ 528,000	\$ 3,492,000

***To qualify for the incentive payment, the county must exceed its baseline for either the foster child adoptions or older child adoptions.**

Number of Children Adopted in FFY 2003 and FFY 2002

District	Children Discharged to Adoption in FFY 2003			Children Discharged to Adoption in FFY 2002 (Baseline)			Adoptions Over Baseline		
	Total Children	9 years old and over	Under 9 years old with Special Needs	Total Children	9 years old and over	Under 9 years old with Special Needs	Total Children	9 years old and over	*Under 9 years old with Special Needs
Albany	65	23	37	55	15	30	10	8	7
Allegany	11	4	4	6	2	2	5	2	2
Broome	36	19	14	27	9	11	9	10	3
Cattaraugus	19	4	11	14	2	8	5	2	3
Cayuga	10	3	6	4	1	-	6	2	6
Chautauqua	16	6	8	22	7	8	-	-	0
Chemung	38	11	20	18	2	9	20	9	11
Chenango	6	2	4	2	2	-	4	-	4
Clinton	14	8	5	4	1	1	10	7	4
Columbia	10	2	7	5	1	3	5	1	4
Cortland	12	3	5	7	3	3	5	-	2
Delaware	-	-	-	4	1	3	-	-	-
Dutchess	14	6	3	20	9	9	-	-	-
Erie	118	44	55	139	56	67	-	-	-
Essex	-	-	-	1	-	-	-	-	-
Franklin	1	1	-	4	1	3	-	-	-
Fulton	7	2	3	2	1	1	5	1	2
Genesee	4	2	1	13	4	6	-	-	-
Greene	5	2	3	2	-	-	3	2	3
Hamilton	-	-	-	-	-	-	-	-	-
Herkimer	2	-	2	-	-	-	2	-	2
Jefferson	21	5	12	7	5	1	14	-	11
Lewis	1	1	-	3	2	-	-	-	-
Livingston	4	2	1	10	7	2	-	-	-
Madison	3	-	1	9	3	5	-	-	-
Monroe	104	36	57	91	27	53	13	9	4
Montgomery	3	1	-	2	1	1	1	-	-
Nassau	45	21	23	25	8	16	20	13	7
Niagara	18	8	9	25	12	12	-	-	-
Oneida	27	9	15	18	4	9	9	5	6
Onondaga	59	17	33	49	15	26	10	2	7
Ontario	9	2	2	7	3	3	2	-	-
Orange	48	17	24	31	10	19	17	7	5
Orleans	3	1	2	2	1	1	1	-	1
Oswego	16	5	8	12	4	5	4	1	3
Otsego	4	3	1	5	2	3	-	1	-
Putnam	4	1	3	2	-	-	2	1	3

District	Children Discharged to Adoption in FFY 2003			Children Discharged to Adoption in FFY 2002 (Baseline)			Adoptions Over Baseline		
	Total Children	9 years old and over	Under 9 years old with Special Needs	Total Children	9 years old and over	Under 9 years old with Special Needs	Total Children	9 years old and over	Under 9 years old with Special Needs
Rensselaer	17	5	10	7	2	4	10	3	6
Rockland	27	14	10	11	1	9	16	13	1
St. Lawrence	6	3	2	21	9	4	-	-	-
Saratoga	2	-	1	6	4	1	-	-	-
Schenectady	23	5	16	21	3	15	2	2	1
Schoharie	4	-	3	3	1	2	1	-	1
Schuyler	-	-	-	2	-	2	-	-	-
Seneca	4	1	2	6	2	2	-	-	-
Steuben	15	10	2	2	-	-	13	10	2
Suffolk	83	32	42	114	35	65	-	-	-
Sullivan	2	1	1	4	2	2	-	-	-
Tioga	5	3	2	4	1	-	1	2	2
Tompkins	22	11	7	20	7	9	2	4	-
Ulster	15	7	7	7	2	4	8	5	3
Warren	9	4	5	4	3	1	5	1	4
Washington	5	3	2	1	-	1	4	3	1
Wayne	20	11	4	11	5	3	9	6	1
Westchester	51	15	32	35	11	17	16	4	15
Wyoming	2	1	1	3	2	1	-	-	-
Yates	1	-	1	1	-	-	-	-	1
St. Regis Mohawk	1	1	-	-	-	-	1	1	-
New York City	2,606	1,240	1,275	2,230	1,103	1,078	376	137	197
Statewide							646	274	335*

* To qualify for the young child with special needs incentive payment, the district must exceed its baseline for either the foster child adoptions or older child adoptions.