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Local Commissioners Memorandum

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| Transmittal: | 04-OCFS-LCM-13 |
| To: | Local District Commissioners |
| Issuing Division/Office: | Administration |
| Date: | October 14, 2004 |
| Subject: | Updated Procedures for 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>VI. Contacts</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 provide updated claiming information, as well as to respond to particular concerns that some local social services districts brought to the attention of the Office of Children and Family Services (OCFS) regarding the procedures for billing school districts for the twenty (20) percent share of Committee on Special Education (CSE) maintenance payments. These instructions were previously specified in 03-OCFS-LCM-22 regarding changes in the Education and Social Services Laws brought about by passage of Part G2 of Chapter 62 of the Laws of 2003.

Concerns presented by local social services districts addressed two issues. The first issue was a concern about confidentiality issues related to the provision to a school district of those backup documents previously required in the billing procedure that were likely to contain information about multiple students from multiple school districts. The second issue was a suggestion that certain of the previously required documents for billing school districts were unnecessary to the

extent that the school districts were in possession of their own documents to validate authorization or other billing information about the students.

II. Background and Program Implications

Regarding general revisions in the claiming procedures from what was previously specified in 03-OCFS-LCM-22, these revisions are explained below in Section III.

The billing issues presented by local social services districts were related to the previous instructions in 03-OCFS-LCM-22, regarding the responsibility of each local department of social services (LDSS), effective September 2003, to bill a child's school district of residence for a twenty (20) percent portion of the CSE maintenance payment applicable to the approved 10-month cost of a child's placement by a local school district's CSE into a residential school. The LDSSs were instructed to send copies of rate-related, bill-related, and authorization-related documents when billing the child's placing school district of residence.

The following three documents have been identified as presenting potential confidentiality issues because they may contain information about multiple students from multiple school districts:

- A copy of the maintenance bill from the residential school
- A copy of the applicable OCFS rate letter
- 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

OCFS has addressed the issues related to the above three documents in two ways. First, by initiating changes in the above documents, or changes in the requirements regarding the above documents, where possible; and second, by suggesting an alternate approach to the use of the above backup documents, as follows:

- A separate OCFS rate letter involving a one-to-one aide or emergency interim placement will now be issued for each child. Thus, the rate letter will no longer contain rate approvals for multiple children.
- The STAC-3 authorization sent to each LDSS by the State Education Department is a multiple listing of children who may be from different school districts. OCFS has determined that the STAC authorization sent by the State Education Department to each school district of residence should already be available to the school district for validation purposes. Thus, the previous requirement for the LDSS to send a copy of the STAC-3 to the child's school district of residence appears unnecessary (especially when the request for STAC authorization originates from the placing school district of residence in the first instance).
- OCFS, for reasons of confidentiality, will advise the residential schools of the importance of generating bills for the 10-month CSE maintenance that are sorted by LDSS, and by school district, preferably with subtotals of the costs by school district. That way, the LDSS that

continues to use these bills for backup purposes may be able to separate the bill by school district, where necessary.

- As an alternative to providing the above documents, LDSSs may make arrangements with school districts to include certification language in the bills they generate, as a way for an LDSS fiscal officer to attest to the accuracy of each bill, in terms of it being based upon information contained in the above three documents. An example of such certification language, as suggested to OCFS by a local social services district, is as follows:

I certify that the above payments were made by _____ County Department of Social Services, for services authorized by the NYS Education Department (based on an approved STAC-3), and that payment was made in accordance with the rates approved by the NYS Office of Children & Family Services for the applicable period.

III. Revised Payment and Claiming Instructions

The following procedures in subsections A and B remain unchanged from previous specifications in 03-OCFS-LCM-22:

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 10-month school program is the CSE maintenance rate published by 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.

The following content of Subsection C includes revisions related to the difference between billing procedures for the period prior to and after July 1, 2004, as well as revised instructions regarding voucher submissions to school districts for requesting the twenty (20) percent reimbursements, where applicable:

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

For the interim claiming procedures previously in effect through July 1, 2004, please refer to 03-OCFS-LCM-22.

Beginning with July 1, 2004, all CSE maintenance costs are to be claimed on the LDSS-3479 form titled Schedule K – Child Care, Reimbursement Claim for Child Care. Please refer to the Fiscal Reference Manual, Volume 2, Chapter 3, for complete claiming procedure instructions.

The interim claiming procedure that used the LDSS-3922 Reimbursement Claim for Special Programs is no longer required for expenditures related to the State-operated schools for the blind and deaf for billings for periods prior to July 1, 2003.

Procedures for Billing the Twenty (20) Percent Reimbursement from School Districts

1. 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.
2. **(Revised)** The voucher the social services district sends to the child's school district of residence needs to include the following:
 - Child's name

- Name of residential provider
- Billing month
- Total days of care for billing month
- Applicable CSE maintenance per diem rate
- Total charge for billing month
- Twenty (20) percent of total charge for billing month

Where the following 3 documents continue to be sent to a school district, the names of children listed who were not placed by such school district must be either removed or protected in some other manner:

- A copy of the maintenance bill from the residential school*
- A copy of the applicable OCFS rate letter*
- 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

*** As stated above, an alternative to the monthly submission of a copy of the relevant maintenance bill, OCFS rate letter, and STAC-3 for each child is as follows: the social services district may make arrangements to use a billing procedure that contains certification language signed by a fiscal officer regarding the appropriate billing amounts in lieu of providing copies of bills, rate letters, and STAC-3 printouts as backup documentation each month for each child.**

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

3. 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.
4. The twenty (20) percent reimbursements received from school districts are considered non-reimbursable refunds to be reported as non-reimbursable refunds on line 5b, column 8, on the Schedule K.
5. 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.
6. 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.

Subsection D remains unchanged from previous specifications in 03-OCFS-LCM-22, and those procedures were as follows:

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., Rm. 204 South
 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
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.

IV. Systems Implications for Claiming Instructions

All payments for CSE maintenance, as specified above, will continue as off-line payments, and not as part of WMS/BICS.

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/adminindex.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. Contacts

For general 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: Virginia Scala, 518-474-7549; or through e-mail at Virginia.Scala@dfa.state.ny.us

Region 5: Michael Borenstein, 631-854-9704, or through e-mail at Michael.Borenstein@dfa.state.ny.us

Region 6: Marian Borenstein, 212-383-1735, or through e-mail at Marian.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: _____ E-mail Address: _____

Address of Social Services District: _____

