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**NEW YORK STATE
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Local Commissioners Memorandum

Transmittal:	05-OCFS-LCM-04
To:	Local District Commissioners
Issuing Division/Office:	Strategic Planning and Policy Development Administration
Date:	April 27, 2005
Subject:	SFY 2005-06 Foster Care Block Grant Allocations
Contact Person(s):	See page 6
Attachments:	A. Allocation of \$373.5 million
Attachment Available On – Line:	Yes

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to provide social services districts with their Foster Care Block Grant allocations for State Fiscal Year (SFY) 2005 –06 and the corresponding program implications as authorized by Chapters 53 and 57 of the Laws of 2005.

II. Background

New York's Child Welfare Financing Law promotes a reduction in the use of foster care placements through three components:

1. A Foster Care Block Grant capping state reimbursement to social services districts for foster care services at the annual amounts appropriated;
2. Uncapped 65 percent state reimbursement after applying available federal funds (Title IV-E and EAF) for all child welfare services except foster care services; and
3. A Quality Enhancement Fund administered by the Office of Children and Family Services (OCFS) to increase the availability and quality of children and family services programs.

The allocations contained in this LCM are the same as the preliminary allocations that were sent to the local commissioners on January 27, 2005.

The SFY 2005-06 state appropriation for the Foster Care Block Grant is \$373.5 million. This amount includes funding for the continuation of the Worker Recruitment and Retention Add-On to the Maximum State Aid Rates (MSARs) for programs located in New York State. Of the \$373.5 million, a major portion of the Block Grant, or \$337.05 million, is allocated based on historical claims. The balance of \$36.45 million is set aside for districts that have reduced their use of foster care days.

III. Program Implications

The Foster Care Block Grant includes state reimbursement for foster care services as follows:

- ~~/s/~~ Care; maintenance, including clothing and special payments; supervision; administrative costs claimed on Schedule D, Schedule D-2 and Schedule K; including all tuition for foster children placed in residential treatment facilities
- ~~/s/~~ Supervision of foster care children in federally funded job corps programs
- ~~/s/~~ Care, maintenance, supervision, and tuition of adjudicated juvenile delinquents or persons in need of supervision placed in residential programs operated by authorized agencies and in out-of-state residential programs

The Foster Care Block Grant does **not** include Federal reimbursement for foster care costs or State reimbursement for the following claims:

- ~~/s/~~ Committee on Special Education (CSE) payments
- ~~/s/~~ Dormitory Authority payments in excess of the Foster Care Block Grant
- ~~/s/~~ State reimbursement for foster care services for Indian tribes
- ~~/s/~~ Medical Assistance payments for children in foster care
- ~~/s/~~ Independent Living Services (except for those districts that have funds left over from their Foster Care Block Grant allocations for SFY 2004-05 – See V. Fiscal Claiming below).

Separate appropriations are available for these expenditures.

The Block Grant contains only those state funds that are available for reimbursement of a district's expenditures for the services included in the Foster Care Block Grant. District claims that are eligible to receive Federal reimbursement under Title IV-E foster care, Independent Living and TANF-EAF [up to the amount of the district's Flexible Fund for Family Services (FFFS) allocation that it has indicated that it wants to use for TANF EAF JD/PINS and/or TANF-EAF NYC Tuition – See IV below] will be submitted for federal reimbursement even if the district's claims exceed its Foster Care Block Grant allocation for the current SFY.

As previously stated in 03-OCFS-LCM-06 and 04-OCFS-LCM-03, beginning with services provided on or after July 1, 2004, the Worker Recruitment and Retention Add-On Rate is no longer claimed and paid separately. Rather, the annual value of the approved Add-On Rate for each program is included in the applicable OCFS-approved MSARs and Committee on Special

Education (CSE) Maintenance Rates. Each local district's Foster Care Block Grant allocation reflects the cost of the Add-On Rates.

The Foster Care Block Grant does not include state expenditures made on behalf of youth placed in Office of Children and Family Services operated facilities.

This Block Grant can only be used for Foster Care expenditures. If a local social services district claims less than its allocation, unexpended funds may be used by the district in the next SFY, up to the amount remaining from the district's Foster Care Block Grant allocation, for the district's expenditures on preventive services (including reunification services), independent living services and aftercare services.

A. Allocation Methodology

The methodology used to allocate the Foster Care Block Grant funds is designed to continue the focus on safety, well-being, and permanency for children. It is expected to encourage districts to continue and intensify their efforts to reduce foster care days. The Child and Family Services Review Program Improvement Plans at the state and local levels provide a roadmap for advancing an agenda of positive outcomes for children in New York State.

This year's allocation methodology continues the claims-based approach used for SFY 2004-05. It also continues the practice of setting aside funds to offer an incentive for districts that realize reductions in foster care days. The set-aside increases from \$25 million in SFY 2004-05 to \$36.45 million for SFY 2005-06 to provide a strong incentive for reducing foster care days.

Of the \$373.5 million appropriation for state reimbursement for foster care services in SFY 2005-06, \$337.05 million is distributed to districts according to their respective shares of historical claims. In accordance with budget appropriation language, the percentage of funds allocated to each district reflects the district's share of the statewide gross foster care claims (originals and supplementals) for the 12-month period ending June 30, 2004, that were submitted to the state on or before December 31, 2004.

The allocation of the \$36.45 million set-aside is based on the district's reduction in the utilization of foster care days during two periods: from FFY 2000 to FFY 2002 and from FFY 2002 to FFY 2004. Reductions in care days during the more recent period are weighted more heavily (75 percent) than reductions during the earlier period (25 percent). This methodology recognizes the accomplishments of those districts that have decreased their foster care utilization over the past five years, while providing a more generous incentive to those districts that have achieved reductions in the years since the implementation of the Child Welfare Financing legislation and during the period of the Child and Family Services Review Program Improvement Plan.

Finally, the allocation methodology provides that each district will receive at least 85 percent of its prior year's allocation.

District allocations for each component of the SFY 2005-06 Foster Care Block Grant are provided in Attachment A.

IV. Other Related SFY 2005-06 Budget Actions

Flexible Fund for Family Services (FFFS) - The SFY 2005-06 Enacted Budget appropriates \$600 million of Temporary Assistance for Needy Families (TANF) funding to establish the FFFS. The FFFS provides districts with the flexibility to determine local funding priorities. Districts can use their FFFS allocation to fund the TANF Emergency Assistance to Families (EAF) Juvenile Delinquents (JD) / Persons In Need of Supervision (PINS) and TANF-EAF NYC Tuition costs as well as any other eligible TANF purpose. Districts will receive separate guidance on the process for indicating the portion of their FFFS allocations that they choose to use to reimburse expenditures associated with TANF-EAF JD/PINS and TANF-EAF NYC Tuition.

In previous years, 50 percent of Federal TANF-EAF funds was used to offset the Foster Care Block Grant. In SFY 2005-06, there are no longer any offsets taken against the Foster Care Block Grant appropriation of \$373.5 million. Therefore, the full \$373.5 million allocation is available under the Foster Care Block Grant for the districts, as well as the amounts the districts opt to use out of their FFFS allocations to cover these associated expenditures. The EAF Foster care swap will continue with TANF funds that are separate from the FFFS.

Maximum State Aid Rate (MSAR) Minimum Payment Requirements - The 2005-06 Article VII bill enacted as part of the State budget amends Section 398-a of the Social Services Law to add a new subdivision 2-a that prohibits social services districts from paying less than the MSARs established by the Office of Children and Family Services for all foster care programs operated by voluntary agencies, with the exception of regular foster boarding home programs and pass-through payments to foster parents. Districts that were paying less than the MSAR as of January 1, 2005 for any applicable program will be required in the 2005-06 MSAR rate cycle to reduce the payment percentage gap for each affected program by two-thirds. Implementation of these new provisions will begin with the MSARs that will be effective for the 2005-06 MSAR rate cycle.

These new requirements will be phased in over two years so that by July 1, 2006, all districts will be required to pay not less than the applicable MSAR for each congregate care program, as well as the applicable administrative/services MSAR for therapeutic, special needs, and emergency foster home programs. For the 2006-07 rate cycle and all subsequent rate cycles, districts will be required to pay at least 100% of the MSAR for all applicable programs. In addition, districts that were paying at or above the MSAR for applicable programs as of January 1, 2005, will be required to continue to pay at least 100% of the MSAR in the 2005-06 MSAR rate cycle, as well as for all subsequent rate cycles. Additional information will be forthcoming regarding the implementation of these new requirements.

V. Fiscal and Claiming

The Foster Care Block Grant is an annual capped allocation for foster care costs that are ordinarily reimbursed during the SFY. The Foster Care Block Grant payments are generally made on a monthly basis, and there is no state share settlement of the claims filed for state

reimbursement. The reimbursement schedule below sets forth the relevant periods for the foster care maintenance, administration and tuition costs covered by this year's allocations.

The scheduled time periods relate to when expenditures are paid. If a social services district exceeds its allocation for a particular SFY, there is no additional funding. Any social services district claims submitted for a particular SFY that do not receive state reimbursement during that SFY may not be claimed against that district's block grant apportionment for the subsequent SFY.

There is no Maintenance of Effort (MOE) requirement associated with the Foster Care Block Grant.

Supplemental claims are paid from the Foster Care Block Grant allocation that covers the period when the expenditures are paid by the district for the services or administrative costs, regardless of when the supplemental claims are submitted.

Federal reimbursement will not be affected by this Block Grant and will be settled in the normal manner subject to the availability of Federal funds. Expenditures for allocations included in this LCM are claimed as follows:

Foster Care	Schedule K	LDSS - 3479
	Schedule H	LDSS - 4283
	Schedule D-2	LDSS - 2347-B
	Special Project Form	LDSS - 3922

Please refer to the Fiscal Reference Manual, Volume 2, Chapter 3 for instructions on completing the Schedules K, H, Special Claims Form. The instructions for the Schedules D and D-2 are in the Fiscal Reference Manual Volume 3 (or Volume 4 for New York City).

Unclaimed Foster Care Block Grant Funds from the SFY 2005-06 that an eligible district wishes to use for eligible preventive, independent living and after care services must be reported on the "Reimbursement Claim for Special Projects," (LDSS – 3922) with "Saving FCBG 05-06" indicated in the project name box. Cost should be reported in the non-Administrative column. The reported expenditures are eligible for 100 percent State reimbursement up to the amount of the unclaimed Foster Care Block Grant Funds from SFY 2005-06. Any such claims submitted by a social services district for which there are insufficient unclaimed funds available from the district's SFY 2005-06 Foster Care Block Grant allocation are subject to 65 percent State reimbursement net of any available federal funds.

The reimbursement schedule for SFY 2005-06 Foster Care Block Grant is as follows:

- ~~LDSS~~ Foster Care Maintenance: January 1, 2005 through December 31, 2005
- ~~LDSS~~ Foster Care Administration: October 1, 2004 through September 30, 2005
- ~~LDSS~~ Foster Care Tuition EAF: October 1, 2004 through September 30, 2005
- ~~LDSS~~ Non-EAF Foster Care Tuition: January 1, 2005 through December 31, 2005
- ~~LDSS~~ Special Project Claims Form: January 1, 2006 through December 31, 2006

EAF Foster Care Maintenance, Administration and Tuition other than TANF EAF JD/PINS and TANF EAF NYC Tuition costs are only counted toward the Foster Care Block Grant if the costs are not eligible to be swapped for Public Assistance reimbursement.

VI. Contact Information

Any fiscal questions regarding the Foster Care Block Grant should be directed to:

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

Programmatic questions should be directed to the appropriate Regional Office, Division of Development and Prevention Services:

BRO - Linda Brown (716) 847-3145
User ID: Linda.Brown@ocfs.state.ny.us
RRO - Linda Kurtz (585) 238-8201
User ID: Linda.Kurtz@ocfs.state.ny.us
SRO - Jack Klump (315) 423-1200
User ID: Jack.Klump@ocfs.state.ny.us
ARO - Glenn Humphreys (518) 486-7078
User ID: Glenn.Humphreys@ocfs.state.ny.us
YRO - Pat Sheehy (914) 377-2080
User ID: Patricia.Sheehy@ocfs.state.ny.us
NYCRO - Fred Levitan (212) 383-1788
User ID: Fred.Levitan@ocfs.state.ny.us

Questions pertaining to claiming should be directed to the Office of Temporary and Disability Assistance, Bureau of Financial Services:

Regions I - IV: Virginia Scala, 518-474-7549; User ID: Virginia.Scala@otda.state.ny.us
Region V: Michael Borenstein, 631-854-9704, User ID: Michael.Borenstein@otda.state.ny.us
Region VI: Marian Borenstein, 212-961-8250, User ID: Marian.Borenstein@otda.state.ny.us

Nancy W. Martinez s/s

Issued By:

Name: Nancy W. Martinez

Title: Director

Division/Office: Strategic Planning and Policy Development

Susan A. Costello s/s

Issued By:

Name: Susan A. Costello

Title: Deputy Commissioner

Division/Office: Administration

Attachment A**SFY 2005-06 Foster Care Block Grant Allocations**

District	Allocation of the \$337.05 Million	Allocation of the \$9,090,919 Set- Aside	Allocation of the \$27,272,855 Set- Aside	Allocation of the \$86,226 Hold Harmless	Total Allocation
Albany	5,710,245	164,345	493,225	-	6,367,815
Allegany	849,161	22,663	51,464	-	923,288
Broome	3,656,618	29,036	93,791	-	3,779,445
Cattaraugus	1,671,115	-	-	-	1,671,115
Cayuga	1,250,408	1,227	48,300	-	1,299,935
Chautauqua	1,167,409	53,736	62,291	-	1,283,436
Chemung	2,075,823	-	128,590	-	2,204,413
Chenango	660,634	-	24,546	-	685,180
Clinton	915,375	-	-	-	915,375
Columbia	2,457,827	-	-	-	2,457,827
Cortland	752,233	21,809	-	-	774,042
Delaware	437,061	-	-	-	437,061
Dutchess	4,059,354	-	66,491	-	4,125,845
Erie	14,432,786	392,635	664,470	-	15,489,891
Essex	359,770	12,454	-	-	372,224
Franklin	643,842	20,427	-	-	664,269
Fulton	1,009,476	15,463	47,427	-	1,072,366
Genesee	541,532	37,208	-	-	578,740
Greene	1,113,752	-	51,464	-	1,165,216
Hamilton	52,233	-	-	-	52,233
Herkimer	1,108,443	-	-	-	1,108,443
Jefferson	1,583,846	-	50,809	-	1,634,655
Lewis	221,426	-	42,955	-	264,381
Livingston	627,169	-	-	-	627,169
Madison	1,377,429	5,909	1,091	-	1,384,429
Monroe	11,198,266	73,500	374,426	-	11,646,192
Montgomery	529,215	10,552	28,322	14,086	582,175
Nassau	8,806,243	65,636	309,980	-	9,181,859
Niagara	2,819,673	12,054	143,154	-	2,974,881
Oneida	4,510,192	-	-	-	4,510,192
Onondaga	5,873,939	58,818	39,763	-	5,972,520

SFY 2005-06 Foster Care Block Grant Allocations

District	Allocation of the \$337.05 Million	Allocation of the \$9,090,919 Set- Aside	Allocation of the \$27,272,855 Set- Aside	Allocation of the \$86,226 Hold Harmless	Total Allocation
Ontario	701,815	-	11,154	-	712,969
Orange	4,752,835	-	-	-	4,752,835
Orleans	270,775	-	18,436	-	289,211
Oswego	2,069,411	38,709	187,090	-	2,295,210
Otsego	1,042,829	-	43,282	-	1,086,111
Putnam	471,476	-	11,154	-	482,630
Rensselaer	3,083,406	20,009	-	-	3,103,415
Rockland	3,246,047	9,045	80,891	-	3,335,983
St. Lawrence	903,551	46,809	-	-	950,360
Saratoga	2,024,154	-	45,055	-	2,069,209
Schenectady	4,005,906	80,891	94,773	-	4,181,570
Schoharie	429,945	5,055	38,291	-	473,291
Schuyler	241,387	827	2,018	-	244,232
Seneca	386,099	10,306	75,315	72,140	543,860
Steuben	1,627,956	-	35,154	-	1,663,110
Suffolk	12,698,091	-	14,073	-	12,712,164
Sullivan	1,154,510	30,518	47,372	-	1,232,400
Tioga	489,228	19,900	29,236	-	538,364
Tompkins	878,010	14,455	50,699	-	943,164
Ulster	2,897,775	18,745	85,309	-	3,001,829
Warren	906,742	-	-	-	906,742
Washington	449,651	-	24,082	-	473,733
Wayne	730,603	11,091	56,291	-	797,985
Westchester	14,251,508	-	165,736	-	14,417,244
Wyoming	579,819	16,882	2,754	-	599,455
Yates	243,759	-	-	-	243,759
Upstate Totals	143,009,783	1,320,714	3,840,724	86,226	148,257,447
New York City	194,040,217	7,770,205	23,432,131	-	225,242,553
Statewide Totals	337,050,000	9,090,919	27,272,855	86,226	373,500,000