



George E. Pataki  
Governor

NEW YORK STATE  
OFFICE OF TEMPORARY AND DISABILITY  
ASSISTANCE  
40 NORTH PEARL STREET  
ALBANY, NY 12243-0001

Robert Doar  
Commissioner

Local Commissioners Memorandum

Section 1

Transmittal:	06-LCM-02	
To:	Local District Commissioners	
Issuing Division/Office:	Office of Budget, Finance and Data Management	
Date:	May 31, 2006	
Subject:	Allocation for the 2006-07 Local Administration Fund	
Contact Person(s):	Regions I-IV Carolyn Oleyourryk 518-474-7549 <a href="mailto:Carolyn.Oleyourryk@otda.state.ny.us">Carolyn.Oleyourryk@otda.state.ny.us</a> Region V Michael Borenstein 631-854-9704 <a href="mailto:Michael.Borenstein@otda.state.ny.us">Michael.Borenstein@otda.state.ny.us</a> Region VI Marian.Borenstein 212-961-8250 <a href="mailto:Marian.Borenstein@otda.state.ny.us">Marian.Borenstein@otda.state.ny.us</a>	
Attachments:	Allocations of LAF	
Attachment Available On – Line:	Yes	

Section 2

**I. Purpose**

The purpose of this Local Commissioners Memorandum is to publish the Local Administration Fund (LAF) allocation for each social services district. The LAF was appropriated as part of the budget enacted for State Fiscal Year (SFY) April 2006 – March 2007. See Chapter 53 of the Laws of 2006.

**II. Background**

The LAF in the SFY 2005-06 budget replaced the State share administrative cap which had been in existence since SFY 1989-90. The LAF is intended to provide local district flexibility, reward efficiencies, and eliminate the administrative cap exempt area plan process which was cumbersome and slow. The SFY 2006-07 LAF is funded at \$322 million.

The LAF applies to the State share of costs for the following functional areas: Temporary Assistance, Food Stamps, Employment (including Food Stamp Employment and Training), Fraud and Abuse activities allocated to Temporary Assistance and Food Stamps. Please also note that Food Stamp Employment and Training includes participant reimbursement and dependent care costs. The LAF also includes the State share of Domestic Violence Liaison costs, Drug/Alcohol assessment and screening costs for Safety Net Assistance recipients, the State share of administrative costs for any districts that participated in the Child Assistance Demonstration Program and, finally, Teenage Age Services Act (TASA) expenditures claimed on the Schedule D-1.

Medicaid administrative costs are not part of the LAF and are dealt with as part of determining the local share cap on Medicaid which was effective January 2006.

### **III. Program Implications**

The 2006-07 LAF provides a total of \$322 million of State funds to social services districts. Of this amount, \$310.6 million is a “Base” allocation to provide reimbursement for the program categories identified above. As first instituted in 2005-06, county performance is considered in the development of the allocations and, although a heavier weighting on that performance was considered, it was determined most appropriate for the 2006-07 time period to maintain historical spending to drive two thirds of the total dollars allocated, with the remaining one third based on the following performance factors:

- Temporary Assistance Caseload;
- TANF Work Participation Rate;
- Poverty Factor;
- Efficiency of each district compared to the statewide median;
- Increases in Food Stamp participation compared to the statewide median.

As in the prior year, limits were applied to each district's 2006-07 allocation as compared to their 2005-06 LAF funding, to avoid either large decreases or increases in the amount of funding each district will receive. This decision was in large part due to the recently enacted new provisions contained in the reauthorization of TANF related to significantly increased work participation requirements.

*Note: Counties should be aware that prospectively the integration of performance factors into the calculation of the LAF allocations will take on a greater weighting factor and seek to reward districts that have met higher performance standards.*

#### Work Incentive Funding

In addition to the Base funding, local districts will be eligible to receive a total of \$11.4 million in “Work Incentive” funds. Counties achieving at least a rate of 50% work participation in each of two categories will earn these funds. Those categories are TANF-funded assistance cases and MOE-funded Safety Net-Families. The amounts for each category are displayed on the allocation chart that accompanies this transmittal. These are the two categories now required under TANF to achieve a work participation rate of at least 50% to comply with the combined federal “All Families” work requirements effective October 1, 2006. The methodology used to allocate the \$11.4 million in work incentive funds is the same as was used to distribute the base level of LAF funding.

In an effort to enhance the districts’ achievement of each of these mandated work participation rates the “Incentive” funds are being advanced to districts at the same time as the “Base” funding. OTDA will advance both the “Base” and the “Incentive” portion of the appropriation for the first nine months, April-December 2006. Prior to processing the final LAF payment, an assessment of the compliance with the two participation goals will be completed. Districts that do not achieve the 50% rate will be subject to recoupment of incentive funds and if one category is achieved but not

the other only funds in the category NOT achieved will be recouped. This means that if a district is likely to miss the target for 10-12/06, the last payment would be reduced by the value of that incentive category.

While the following is not anticipated to occur, at worst case, the approximately \$32 million final payment of the 10 equal payments could be reduced by the \$11.4 million incentive down to \$20.6 million. The determination of whether a district achieved the required participation rates will be based on the respective monthly average participation rate for the period October, 1 2006 through December 31, 2006.

It is recommended that each district plan to achieve work participation rates for TANF and MOE cases of at least 50%. However, it should be noted that consistent with federal guidance, districts will have the 50% rate requirement reduced to the extent of the OTDA estimated statewide caseload reduction credit that will be applied by the federal government to the statewide rate. For example, the caseload reduction is currently projected to be in the range between 2 and 3 percent, meaning that if a district achieves a 48% rate and the caseload reduction is 2 percent the district will have achieved the required rate of participation. New York's caseload reduction credit is not yet known as it will now be based on the federally permissible TANF/MOE caseload reduction that occurs between FFY 2005 and FFY 2006 (rather than the previous federal caseload reduction credit which looked back to 1995 as the base year).

Although districts are not required to spend the incentive funds on employment services, it is recommended that each district ensure that sufficient resources through LAF, FFFS and other sources are directed as needed to achieve the 50% work participation rate requirements.

#### **IV. Additional Information**

Attached are the mappings from the various claiming schedules which are used to track expenditures against the LAF.

The LAF covers social services district claims for calendar year 2006 and any supplemental claims that are submitted by February 2, 2007.

Issued By: *Richard Radzynski for Michael Normile*

Name: Michael Normile

Title: Acting Director

Division/Office: Office of Budget, Finance and Data Management

		REPORT TITLE		LOCAL ADMINISTRATIVE FUND				FISCAL YEAR		SFY06			PACKAGE TYPE	RF2A
								CLAIM PERIOD		1/06-12/06			DATE	
								DISTRICT		ALBANY			TIME	
								ACCEPT DATE						
	Pkg	PERIOD	TYPE	SEQ	ACCEPT	TR/ADJ #	COMMENTS	TANF EMPLOYMENT	TANF EMPLOYMENT	FOOD STAMP	FNP	PUBLIC ASSIST.	FOOD STAMPS	TOTAL
		ORIGINALS						PROG.	ADMIN	E & T	EMPLOYMENT	ADMIN	ADMIN	
								RF2A PACKAGE	RF2A PACKAGE	RF2A PACKAGE	RF2A PACKAGE	RF2A PACKAGE	RF2A PACKAGE	
								SCHEDULE D3	SCHEDULE D3	SCHEDULE D3	SCHEDULE D3	SCHEDULE D1	SCHEDULE D7	
		ORIGINALS SUBTOTAL						SECTION 1	SECTION 1	SECTION 1	SECTION 1	SECTION 1	SECTION 1	
								COLUMN 2	COLUMN 3	COLUMN 5+6+7	COLUMN 8	COLUMNS 2+3+4+5+6+7	COLUMNS 2+3+5 LINE 13	
								LINE 14	LINE 14	LINE 14	LINE 14	LINE 12	MINUS SECTION 3	
		SUPPLEMENTALS										50841+83694+50842+	COLUMNS 2+3+5 LINE 4	
								83515	83523	77373+77374+77375	77376	50843+82024+50845	51068+51069+51072	
		SUPPLEMENTALS SUBTOTAL											-82191-82192-82194	
									PRIOR TO 10/01	RF2A PACKAGE		RF2A PACKAGE	RF2A PACKAGE	
		STATE ADJUSTMENTS							RF2A PACKAGE	SCHEDULE D6		SCHEDULE D10	SCHEDULE D10	
									SCHEDULE D3	SECTION 2		SECTION 1	SECTION 1	
		STATE ADJUSTMENTS SUBTOTAL							SECTION 1	COLUMN 14		COLUMNS 2+3	COLUMN 4	
									COLUMNS 2	LINE 16		LINE 9	LINE 9	
									LINE 10			82079+82080	80104	
		MANUAL ADJUSTMENTS								77279				
									82058			TRACS LAF 2006	PRIOR 10/03	
		MANUAL ADJUSTMENTS SUBTOTAL											RF2A PACKAGE	
													SCHEDULE D7	
													SECTION 1	
													COLUMNS 4+5	
													LINE 13	
													51070+51071	
		TOTAL CEILING						xxxxxxxxxxxxxx		xxxxxxxxxxxxxx	xxxxxxxxxxxxxx	xxxxxxxxxxxxxx	xxxxxxxxxxxxxx	
		STATE SHARE												
		UNDER CEILING						xxxxxxxxxxxxxx		xxxxxxxxxxxxxx	xxxxxxxxxxxxxx	xxxxxxxxxxxxxx	xxxxxxxxxxxxxx	
		OVER CEILING						xxxxxxxxxxxxxx		xxxxxxxxxxxxxx	xxxxxxxxxxxxxx	xxxxxxxxxxxxxx	xxxxxxxxxxxxxx	
		CEILING RULES OPEN AND CLOSE DATES												
		FOR ORIGINAL(O)	EFFECTIVE DATES 1-12/06 ACCEPTED FROM 1/01/06 FORWARD, NO CUTOFF											
		FOR SUPPLEMENTALS (S)	ALL EFFECTIVE DATES ACCEPTED FROM 2/04/06 THRU 2/02/07											
		FOR STATE ADJUSTMENTS (T)	ALL EFFECTIVE DATES ACCEPTED FROM 4/1/06 THRU 3/31/07											
		FOR MANUAL ADJUSTMENTS	AMOUNTS IN TOTAL COLUMN ONLY											

[illegible]

## 2006-07 Local Administration Fund and Work Incentive Allocations

DISTRICTS	SFY 2006-07 LAF Allocations	Work Incentive Allocations - TANF Rate	Work Incentive Allocations - MOE Rate	Total SFY 2006-07 LAF and Work Incentive Allocations
ALBANY	4,158,814	76,321	76,321	4,311,456
ALLEGANY	711,884	13,064	13,064	738,012
BROOME	2,923,010	53,642	53,642	3,030,293
CATTARAUGUS	1,031,267	18,925	18,925	1,069,118
CAYUGA	901,327	16,541	16,541	934,408
CHAUTAUQUA	1,803,612	33,099	33,099	1,869,810
CHEMUNG	1,019,257	18,705	18,705	1,056,667
CHENANGO	364,003	6,680	6,680	377,363
CLINTON	1,051,917	19,304	19,304	1,090,526
COLUMBIA	515,975	9,469	9,469	534,913
CORTLAND	685,395	12,578	12,578	710,551
DELAWARE	488,976	8,973	8,973	506,923
DUTCHESS	1,551,517	28,473	28,473	1,608,462
ERIE	14,506,850	266,224	266,224	15,039,298
ESSEX	390,496	7,166	7,166	404,829
FRANKLIN	669,813	12,292	12,292	694,397
FULTON	644,133	11,821	11,821	667,775
GENESEE	573,118	10,518	10,518	594,153
GREENE	502,927	9,229	9,229	521,386
HAMILTON	30,283	556	556	31,394
HERKIMER	542,556	9,957	9,957	562,470
JEFFERSON	1,042,990	19,141	19,141	1,081,271
LEWIS	242,440	4,449	4,449	251,338
LIVINGSTON	798,604	14,656	14,656	827,915
MADISON	311,578	5,718	5,718	323,014
MONROE	6,678,165	122,555	122,555	6,923,275
MONTGOMERY	401,072	7,360	7,360	415,793
NASSAU	6,554,040	120,277	120,277	6,794,594
NIAGARA	2,396,250	43,975	43,975	2,484,200
ONEIDA	3,180,597	58,369	58,369	3,297,335
ONONDAGA	7,225,515	132,600	132,600	7,490,714
ONTARIO	762,513	13,993	13,993	790,499
ORANGE	3,597,814	66,026	66,026	3,729,865
ORLEANS	438,460	8,046	8,046	454,553
OSWEGO	1,435,519	26,344	26,344	1,488,207
OTSEGO	342,575	6,287	6,287	355,148
PUTNAM	481,083	8,829	8,829	498,740
RENSSELAER	1,064,020	19,526	19,526	1,103,073
ROCKLAND	3,987,335	73,174	73,174	4,133,683
ST.LAWRENCE	1,845,079	33,860	33,860	1,912,799
SARATOGA	696,866	12,789	12,789	722,444
SCHENECTADY	1,679,937	30,829	30,829	1,741,596
SCHOHARIE	344,477	6,322	6,322	357,121
SCHUYLER	174,916	3,210	3,210	181,336
SENECA	286,731	5,262	5,262	297,255
STEUBEN	1,137,627	20,877	20,877	1,179,382
SUFFOLK	13,980,246	256,560	256,560	14,493,365
SULLIVAN	906,756	16,640	16,640	940,037
TIOGA	573,087	10,517	10,517	594,121
TOMPKINS	814,195	14,942	14,942	844,078
ULSTER	1,293,832	23,744	23,744	1,341,320
WARREN	406,906	7,467	7,467	421,841
WASHINGTON	507,537	9,314	9,314	526,165
WAYNE	639,130	11,729	11,729	662,589
WESTCHESTER	12,065,173	221,415	221,415	12,508,003
WYOMING	262,755	4,822	4,822	272,399
YATES	209,762	3,849	3,849	217,461
TOTAL UPSTATE	113,832,711	2,089,010	2,089,010	118,010,731
NEW YORK CITY	196,767,289	3,610,990	3,610,990	203,989,269
STATEWIDE	310,600,000	5,700,000	5,700,000	322,000,000