



**NEW YORK STATE  
OFFICE OF TEMPORARY AND DISABILITY  
ASSISTANCE  
40 NORTH PEARL STREET  
ALBANY, NY 12243-0001  
Andrew M. Cuomo  
Governor**

**Local Commissioners Memorandum**

**Section 1**

<b>Transmittal:</b>	12-LCM-02
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Center for Employment and Economic Supports
<b>Date:</b>	March 7, 2012
<b>Subject:</b>	Use of Food Stamp Employment and Training (FSET) Funds for Dependent Care Expenses
<b>Contact Person(s):</b>	<u>OTDA Program Contact</u> Kathryn Couser: (518) 408-4972, <a href="mailto:Kathrynm.Couser@otda.state.ny.us">Kathrynm.Couser@otda.state.ny.us</a> Employment and Advancement Services Bureau <u>OTDA Claiming Contact</u> Ed Conway: (Regions 1-5), 1-800-343-8859, extension 4-7549, <a href="mailto:Edward.Conway@otda.state.ny.us">Edward.Conway@otda.state.ny.us</a> ; Michael Simon: (Region 6) (212) 961-8250, <a href="mailto:Michael.Simon@otda.state.ny.us">Michael.Simon@otda.state.ny.us</a> <u>OCFS Contact</u> Antonia Weidner: (518) 408-3395, <a href="mailto:Antonia.Weidner@ocfs.state.ny.us">Antonia.Weidner@ocfs.state.ny.us</a>
<b>Attachments:</b>	<a href="#">Attachment 1: FSET/CCBG Comparison Chart</a> <a href="#">Attachment 2: FSET Dependent Care Request Worksheet</a>
<b>Attachment Available On – Line:</b>	Yes

**Section 2**

**I. Purpose**

The purpose of this Memorandum is to provide social services districts (SSDs) with information regarding the use of Food Stamp Employment and Training (FSET) dependent care funds, including how SSDs may request such reimbursement.

## **II. Background**

FSET dependent care funds provide 50% federal reimbursement for eligible dependent care expenses incurred by food stamp applicants and recipients participating in FSET activities and for up to 90 days for individuals who become employed after participating in another FSET activity. The enacted state fiscal year (SFY) 2011-12 Budget lifted a restriction on accessing FSET dependent care funds for FSET families who were eligible for services under the Child Care Block Grant (CCBG) that has been in place in New York since 2002. SSDs were informed of this prohibition in 02-LCM-10. The ability to access these federal funds will help SSDs maintain or increase the provision of dependent care services for low-income families. The availability of funds each year is subject to approval by the United States Department of Agriculture (USDA). USDA has approved access to FSET dependent care funds for eligible expenditures made during the specified time period of federal fiscal year (FFY) 2011 (September 11, 2011 through September 30, 2011) and for FFY 2012 (October 1, 2011 through September 30, 2012).

SSDs that want to access FSET dependent care funds will be required to submit a plan subject to approval by the Office of Temporary and Disability Assistance (OTDA), the Office of Children and Family Services (OCFS) and the Division of Budget (DOB). FSET dependent care funds will be available only to the extent that OCFS and the Director of Budget determine that the use of the funds will not jeopardize the State's ability to receive the State's entire allotment of federal Child Care and Development Fund (CCDF) and child care funds available under Title IV-A of the Social Security Act. SSDs may claim up to the approved plan amount if the New York State Child Care Block Grant (CCBG) maintenance of effort (MOE) requirement is met.

OTDA has developed a COGNOS report for Upstate SSDs entitled the "FSET Dependent Care Report." This report provides needed information on potentially eligible dependent care expenditures by case type. Report instructions will be provided separately.

## **III. Program Implications**

Subject to an approved Plan, SSDs may claim 50% reimbursement for dependent care costs related to the participation of eligible food stamp applicants and recipients in eligible FSET activities. The local share of such expenditures must be supported by non-federal funds. Any funds used to meet the MOE requirement of any federal program, including CCBG MOE funds, cannot be used to meet the local share of FSET expenditures.

SSDs should refer to 11-OCFS-LCM-05 for SSD CCBG MOE requirements and to federal Food Stamp regulations at 7 CFR 273.7(d)(1)(ii) and 273.7(e)(1). In addition, SSDs should refer to Section 3 of the OTDA Employment Policy Manual, the New York State Fiscal Reference Manual (FRM), Volume 3 (Volume 4 for New York City), Chapters 3, 5 and 10, FRM Volume 2, Chapter 3 and 11-LCM-06 for further information on allowable FSET activities and claiming instructions.

### **A. Eligible Costs**

Not all individuals eligible for CCBG funded child care are eligible to receive FSET funded dependent care. As noted in more detail below under section B

“Eligible/Ineligible Individuals,” FSET dependent care funds may only be used to reimburse dependent care costs that are necessary for a food stamp applicant or recipient to participate in FSET activities and for up to 90 days following employment by individuals who participated in an FSET activity.

FSET dependent care funds may be used to support eligible child care costs incurred for dependents under the age of 13. FSET funds may also be used to support eligible dependent care costs for a child with special needs or under court supervision who is under 18 years of age or under 19 years of age and a full-time student in a secondary school or in an equivalent level vocational or technical training. Documentation is required for children who have been identified as children with special needs who are 13 years of age or older or are under court supervision. Eligible families are defined in 18 NYCRR §415.2 (a).

FSET dependent care funds may not be used to reimburse dependent care costs for services provided by another member of the food stamp household.

Reimbursement for dependent care may not exceed the lesser of the actual cost of care or the market rate for such care as established in 18 NYCRR §415.9 (j).

Dependent care funded through the FSET program must be provided consistent with federal laws and regulations relating to OCFS and the CCBG and the FSET program.

## **B. Eligible/Ineligible Individuals**

Certain food stamp applicants and recipients eligible to receive FSET funded dependent care include:

- Food Stamp applicants and recipients participating in an FSET activity approved by the SSD (see allowable activities below). This group of FSET participants may include:
  - a. Food Stamp applicants or recipients also applying for or in receipt of Safety Net Assistance (MOE and non-MOE), and,
  - b. Food Stamp applicants or recipients not receiving Temporary Assistance.
- Certain individuals may be limited in the FSET dependent care that they may receive based on limitations that a SSD has included in its Child and Family Services Plan.
- Employed food stamp recipients for up to 90 days in those instances where the individual participated in another FSET activity within 90 days of beginning employment. FSET dependent care funds may not be used for individuals who are employed when applying for Temporary Assistance or Food Stamp benefits or who get a job without participating in an approved FSET activity within the prior 90 days.

The limitations on FSET funded dependent care for employed individuals do not limit other instances that may render the individuals eligible for, or guaranteed dependent care assistance through other funding streams. For example, certain public assistance recipients are guaranteed transitional child care for up to one year after leaving temporary assistance as a result of employment.

When a SSD mandates (subject to sanction) that an individual participate in an FSET activity, the SSD must provide support services such as transportation and dependent care that are determined to be reasonable and necessary to allow for participation. While many food stamp recipients may be eligible for FSET dependent care services, the SSD may determine which groups of individuals will be enrolled in FSET activities and provided dependent care.

Eligible individuals may only receive FSET funded dependent care for hours during which they participate in a SSD approved FSET activity as defined in the New York State FSET State Plan and each SSD's Temporary Assistance and Food Stamp Employment Plan. FSET funded dependent care may not be used for individuals participating in activities that are not determined by OTDA or by the SSD to be an FSET approved activity.

The following individuals are **not** eligible for FSET funded dependent care:

- Individuals in receipt of Temporary Assistance for Needy Families funded Assistance (Temporary Assistance case types 11 and 12).
- Individuals sanctioned from receiving food stamp benefits.
- An individual whose dependent care is provided by another member of the food stamp household.

In most instances, an individual who is eligible for FSET funded dependent care is also eligible for CCBG funded child care. If a SSD is authorizing FSET dependent care payments for any individual who is not also eligible for CCBG-funded child care, the SSD must identify eligibility upon issuance and use the payment type F3 - FSE&T Dependent Care Payment.

### **C. Allowable FSET Activities**

Food Stamp applicants and recipients participating in an FSET activity as defined in the New York State FSET State Plan and approved by the SSD must be provided support services determined to be reasonable and necessary for participation. FSET dependent care funds may be used to provide dependent care services to eligible applicants and recipients participating in approved FSET activities and to support employment for up to 90 days following an individual taking employment after participating in an approved FSET activity.

FSET allowable activities are:

- Job search
- Job readiness training
- Job skills training
- Education (including vocational education and up to two years of post secondary education)
- Work Experience
- Subsidized Employment Program
- Community service

- Unsubsidized employment – As noted above, FSET reimbursements may be provided to support employment for up to 90 days in those instances where the individual participated in another FSET program activity prior to beginning employment. Individuals must begin employment within 90 days of participation in the FSET activity.

Participants may not be provided with dependent care services under FSET beyond that which is necessary to allow for FSET program participation.

#### **IV. Required Action**

SSDs that want to access FSET dependent care funds must submit a request form to OTDA. The request is subject to approval by OTDA, OCFS and DOB. FSET dependent care funds will be available only to the extent that OCFS and the Director of Budget determine that the use of the funds will not jeopardize the State's ability to receive the State's entire allotment of federal CCDF and child care funds available under Title IV-A of the Social Security Act. SSDs may claim up to the approved plan amount if the CCBG maintenance of effort (MOE) requirement is met.

SSDs wishing to access FSET dependent care funds must submit a Request Worksheet (plan) (Attachment 2) to provide the following information:

1. Estimated CCBG excess MOE local non-federal expenditures for the federal fiscal year. This amount represents the gross locally funded expenditures not required to meet the CCBG MOE and therefore available to provide the 50% nonfederal share of any expenditure eligible for FSET dependent care reimbursement. Therefore, if the amount is zero, the SSD has no funds to support the FSET nonfederal share and is not eligible for FSET dependent care funds for CCBG eligible dependent care.
2. Projected gross FSET eligible dependent care expenditures. For a FFY 2011 request, this amount is the amount identified by the FSET Dependent Care Report (see Reporting section V below) for the September 11, 2011 through September 30, 2011 period. For a FFY 2012 request, this amount is the projected gross FSET eligible dependent care expenditures as determined based on an annualization of the partial year information provided by the FSET Dependent Care Report.
3. Identify any projected adjustments to the projected gross FSET eligible dependent care expenditures based on the FSET Dependent Care Report (from step 2 above). SSDs may choose to supplement the projection supported by the FSET Dependent Care Report information based on factors such as a review of potentially eligible individuals or other factors that may affect overall child care expenditures. SSDs must itemize and explain any adjustments under section two of the worksheet.
4. Total projected gross FSET eligible dependent care expenditures for each federal fiscal year (the SSD's request). This amount should reflect the projected expenditures to be submitted by the SSD for each FFY (September 11-30, 2011 for FFY 2011 and/or for October 1, 2011 through September 30, 2012 for FFY 2012). This amount must not exceed the "excess" MOE local non-federal expenditures for the FFY as identified in line 1 on Attachment 2 as those expenditures reflect the maximum nonfederal CCBG expenditures potentially eligible for FSET reimbursement (as these expenditures were not already required to be applied toward the CCBG MOE).

The request form has two tabs within the Excel worksheet, one for FFY 2011 and the second for FFY 2012. SSDs may request FSET dependent care funds for the specified time period of FFY 2011 (September 11, 2011 through September 30, 2011) due to the fact that USDA has only authorized funds effective September 11, 2011. SSDs that can identify non-federal share (excess MOE) to support dependent care expenditures are encouraged to submit requests for the approved period in FFY 2011 and for FFY 2012 (October 1, 2011 through September 30, 2012).

FFY 2011 Request: All requests for FFY 2011 FSET dependent care funds for the permissible time period of September 11, 2011 through September 30, 2011 must be received by March 31, 2012. OTDA, OCFS and DOB will review FFY 2011 requests received by March 31, 2012 and subsequently notify SSDs of approved FSET dependent care allocations for which SSDs may submit claiming adjustments to access the FSET reimbursement of local child care expenditures above the CCBG MOE requirement. SSDs must not shift any claims from CCBG (Schedule H) to FSET (Schedule D-3) prior to approval by OTDA and OCFS. If the amount of requested FSET dependent care funds exceeds the authorized funding level from USDA, SSD allocations will be adjusted proportionately.

FFY 2012 Request: All requests for FFY 2012 (October 1, 2011 through September 30, 2012) FSET dependent care funds must be received no later than June 15, 2012. OTDA, OCFS and DOB will review requests received by June 15, 2012 and subsequently notify SSDs of approved FSET dependent care allocations for which the SSD may submit claiming adjustments to access the FSET reimbursement of local child care expenditures above the CCBG MOE requirement. SSDs must not shift any claims from CCBG (Schedule H) to FSET (Schedule D-3) prior to approval by OTDA and OCFS. If the amount of requested FSET dependent care funds exceeds the authorized funding level from USDA, SSD allocations will be adjusted proportionately. SSDs may submit requests for FFY 2012 FSET dependent care funds after June 15, 2012, however all requests are subject to the availability of funds. OTDA will seek additional spending authority from USDA in an effort to fully reimburse eligible expenditures.

Completed FSET dependent care request worksheets should be submitted to:

Mr. Bart Sebastian  
NYS Office of Temporary and Disability Assistance  
40 North Pearl Street, 11<sup>th</sup> floor  
Albany, New York 12243  
FAX: (518) 486-7650  
E-mail: BartM.Sebastian@otda.state.ny.us

## **V. Reporting**

OTDA has developed COGNOS reports for Upstate SSDs entitled the “FSET Dependent Care Report.” The reports are in a subfolder in the FSET folder located under the Employment Programs Reports folder in COGNOS 8 and can be accessed using the following link: [FSET Dependent Care Report Folder](#). This report provides needed information on potentially eligible dependent care expenditures by case type. These expenditures should be used to project FSET Eligible dependent care expenditures recorded on the request worksheet (Attachment 2 Line #2) by each SSD outside of New York City. OTDA and OCFS will work with New York City to support their development of a comparable report.

The COGNOS report is based on WRTS information derived from the Welfare To Work Caseload Management System (WTWCMS) work activities and BICS (Benefit Issuance and Control System) payment information. It is important for SSDs to enter all work activities and hours on WTWCMS in a timely manner so that information will carry to the report. Report instructions will be provided separately.

District staff must, at a minimum, have access to COGNOS 8 with OTDA Welfare Reporting and Tracking System (WRTS) security level services and non-services; however we recommend that SSD staff have full Local District OTDA WRTS access (#.WRTS).

## **VI. Claiming Instructions**

SSDs that have an approved plan to provide dependent care under FSET for families who are eligible for CCBG services, have the option to claim dependent care expenditures as CCBG program costs or FSET dependent care costs.

SSDs should use the “FSET Dependent Care Report” that identifies the universe of FSET families who are dually eligible for services under the CCBG and FSET dependent care, and the BICS Composites to identify corresponding amounts eligible to be claimed under FSET dependent care on the Schedule D-3 Allocation and Claiming of Administrative Costs for Employment Programs (LDSS-2347-B1).

Final claims for dependent care expenditures, including any for FSET eligible families who are CCBG eligible, for FFY 2011 must be claimed under the CCBG program on the Schedule H by March 31, 2012. SSDs that choose to transfer CCBG claimed dependent care expenditures for FSET families from Schedule H to Schedule D-3 for approved FSET dependent care must do so before September 30, 2012, but not prior to approval by OTDA and OCFS.

SSDs must take into consideration their MOE level when determining a claiming transfer from CCBG program costs to FSET dependent care costs. If a SSD has not met MOE based on claims submitted by March 31, 2012, adjustments will be made on the CCBG ceiling reports to shift the amount of expenditures necessary to meet MOE from CCBG funded to local share/MOE. See [11-OCFS-LCM-05](#) for information related to CCBG MOE.

FSET families who are eligible for dependent care services under the CCBG and claimed as CCBG program costs will be claimed for reimbursement in the first instance on the Schedule H. Instructions for completing the Schedule H are contained in Fiscal Reference Manual (FRM) Volume 2, Chapter 3.

CCBG expenditures identified from the COGNOS FSET Dependent Care Report statistics and compared with the BICS Composites that are transferred to FSET dependent care must be claimed for reimbursement on the Schedule D-3 through supplemental adjustments. The expenditures must be transferred from the Schedule H (column 12 or column 13) and reported as F3 functional costs, under object of expense 19.2 on the Schedule 923. These expenditures will carry through to the Schedule D-3. Instructions for completing the Schedule D-3 are contained in FRM Volume 3, Chapter 10. SSDs must retain this documentation to support supplemental claims that shift the expenditures from CCBG to FSET dependent care.

Any dependent care costs incurred for FSET families **ineligible** for services under CCBG should be identified by the payment type F3 on the Schedule D-3 BICS Composite and be reported as F3 functional costs, under object of expense 19.2 on the Schedule 923. These expenditures will carry through to the Schedule D-3. Local SSD reimbursement is funded at a 50% federal share and a 50% local share.

Fiscal Reference Manuals (FRM) are available at <http://otda.state.ny.net/bfdm/>.

**Issued By:**

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**Title:** Deputy Commissioner  
**Division/Office:** Division of Child Care Services, NYS Office of Children and Family Services



<p><b>FSET Program Operation Guidelines</b></p> <ul style="list-style-type: none"> <li>➤ Food Stamp applicants/recipients participating in an FSET activity approved by the district must be provided support services determined to be reasonable and necessary for participation.</li> <li>➤ Districts may provide dependent care reimbursements for up to 90 days to FSET eligible individuals who secured employment <b><u>only after receiving other employment/training services through the FSET program offered by the district.</u></b></li> <li>➤ Individuals must begin employment within 90 days of completion of the FSET activity.</li> <li>➤ FSET dependent care funds may be used to support eligible child care costs incurred for dependents under the age of 13. FSET funds may also be used to support eligible dependent care costs for a child with special needs or under court supervision who is under 18 years of age or under 19 years of age and a full-time student in a secondary school or in an equivalent level vocational or technical training.</li> <li>➤ A participant may not be reimbursed for dependent care services beyond that which is required to participate in the FSET program.</li> </ul>	<p><b>CCBG Program Operation Guidelines</b></p> <p>Child care applicants/recipients actively seeking employment for a period of up to 6 months as established by the district in its Child and Family Services Plan, if the applicant/recipients documents that he or she is currently registered w/ NYS DOL, provided that the child care services will be available only for the portion of the day the family is able to document is directly related to the parent or caretaker seeking employment.</p> <p>Local districts are given the option to select other eligible families and provide services for these families as long as they have funds available and they have selected these options in their Child and Families Services Plan. These optional categories do not fall under the child care guarantee and are not required by the state to provide child care services as long as the district has funds available.</p> <p>Local social services districts must verify the applicants'/recipients' employment status, family size, residence, and gross annual income among other factors to see that a family is eligible for a child care subsidy.</p>
<p><b>FSET Eligibility Standards</b></p> <p><b>Eligible Individuals</b> – applicants and recipients of Food Stamps that are <u>participating in an approved FSET activity including:</u></p> <ul style="list-style-type: none"> <li>• Individuals in receipt of Safety Net Maintenance of Effort (SN MOE)</li> <li>• Individuals in receipt of Safety Net Non- Maintenance of Effort (SN Non-MOE)</li> <li>• Non-Temporary Assistance Individuals (NTA)</li> </ul> <p><b>Ineligible Individuals</b> – the following individuals/participants are <b>not</b> eligible for FSET dependent care reimbursement:</p> <ul style="list-style-type: none"> <li>• Individuals in receipt of Temporary Assistance for Needy Families cash assistance (TANF-case types 11 and 12).</li> <li>• Sanctioned Individuals - individuals sanctioned for failure to comply with an FSET assignment are not eligible (as no longer a recipient).</li> </ul>	<p><b>CCBG Eligibility Standards</b></p> <p><b>Eligible families include the following three categories:</b></p> <ol style="list-style-type: none"> <li>1. <u>Guaranteed child care:</u> For children under age 13 in TA families participating in a required activity, families who are transitioning off of TA; and families who choose to receive child care in-lieu of TA.</li> <li>2. <u>Families eligible when funds are available:</u> TA applicant/recipient w/ an eligible child 13 or older who has special needs or is under court supervision to allow the parent to participate in required activities or work; teen parent who needs child care to attend High School or equivalency program; a child needs to be protected because parent/caretaker is physically or mentally incapacitated or has family duties away from home necessitating his or her absence; and a parent or caretaker who is at risk of becoming dependant on public assistance to be engaged in work.</li> <li>3. <u>Families that are eligible if funds are available and if the social services district selected this option in its Child and Family Services plan for the following reasons:</u> attendance at substance abuse treatment programs; homelessness; TA family participating in an activity in addition to their required activity; TA family when child care services are necessary for a sanctioned parent or caretaker relative to participate in unsubsidized employment; in an emergency situation of short duration; family with</li> </ol>

<ul style="list-style-type: none"> <li>• An FSET participant is not eligible for dependent care reimbursement if another member of the food stamp household provides the dependent care.</li> <li>• Individuals who are employed when applying for Food Stamps.</li> <li>• Individuals who get a job without participating in another FSET activity.</li> <li>• Individuals who would not otherwise be eligible for CCBG funded care.</li> </ul>	<p>income up to 200% of poverty is seeking employment or participating in educational or vocational activities; a family with an open child protective case when it is determined that child care is needed to protect the child; and a family with income up to 200% of poverty where a child needs to be protected because parent/caretaker is physically or mentally incapacitated or has family duties away from home necessitating his or her absence.</p> <p><b>Ineligible Families --</b></p> <ul style="list-style-type: none"> <li>• Employed families with income above 200% of poverty.</li> <li>• Families that do not fall under the child care guarantee and when a district does not have sufficient funds to pay for child care.</li> </ul>
<p><b>FSET Allowable Activities</b></p> <p>Job Search          Job Readiness Training          Job Skills Training          Education          Work Experience          Subsidized Employment          Unsubsidized Employment – dependent care reimbursement may be provided for up to 90 days to individuals who become employed <b><u>after participating in another approved FSET activity</u></b> and the employment began within 90 days of completion of the FSET activity          Community Service          Vocational Education – including up to 2 years of post secondary education</p> <p>Each district’s Biennial Employment Plan indicates which activities are available locally.</p>	<p><b>CCBG Allowable Activities</b></p> <p>Job search          Unsubsidized Employment          Education          PA family participating in a district approved activity          PA family where a sanctioned parent is participating in unsubsidized employment, earning wages at a level equal to or greater than the minimum amount under law          PA family participating in an approved activity in addition to their required activity.</p>

**SECTION ONE**

**District:**

**Hudson**

**Line#** **FFY 2011 - For Period September 11 through September 30 ONLY** **Amount**

- 1.) **Estimated CCBG Excess MOE Local Non-Federal Expenditures for FFY 2011**
- 2.) **Projected Gross FSET Eligible Dependent Care Expenditures (use FSET Dependent Care Report to get this amount)**
- 3.) **Identify Any Projected Adjustments Beyond Gross Eligible Expenditures From FSET Dependent Care Report**
- 4.) **Total Gross FSET Eligible Dependent Care Expenditures For FFY 2011**

(Note: if amount is zero for #1., district not eligible for FSET Dependent Care funding.)

(Note: provide detail for adjustments below)

**Projected Gross FSET Expenditures:** \_\_\_\_\_  
 (capped at excess MOE expenditure level as identified on line #1)

**SECTION TWO**

**Adjustments:**

**Payment**

**Type   Name**

**Amount**

(enter total on line #3)

**Total**

**0**