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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 92 LCM-65

Date: April 16, 1992

Division: Administration

TO: Local District Commissioners

SUBJECT: State Fiscal Year 1991-1992 CAP on State Share of
Administrative Costs for Income Maintenance, Food
Stamps, and Medical Assistance

ATTACHMENTS: Attachment I SFY 1991-92 Administrative Caps
(available on-line)

Attachment II Administrative Cap Methodology
(available on-line)

The purpose of this memorandum is to notify local social services districts of their cap on the State share of administrative costs for the Income Maintenance, Food Stamps, and Medical Assistance programs.

The 1991-92 State budget continued an administrative cap on the State share of administrative costs for eligibility determinations and benefit payment activities for Income Maintenance, Medical Assistance and Food Stamps. The budget language indicated that the aggregate statewide reimbursement for these programs shall not exceed aggregate statewide reimbursement for such purposes in the 1990-91 State Fiscal Year. Additionally mandated is the reduction of allocations by the amount of expenditures associated with food stamp issuance that were formerly paid directly by districts but are currently funded under the Alternate Food Stamp Issuance process. Costs of revenue maximization, cost containment, employment and training services, Native American services, corrective action efforts to reduce public assistance error rates, fraud and abuse detection and case management services provided under Title 4B of Article 6 of the Social Services Law were specifically exempted.

Attachment 1 displays the administrative caps by district for State Fiscal Year 1991-92. The cap was calculated as indicated in Attachment 2. Detail of individual local district cap calculation and the comparison of expenditures will be forwarded under separate cover.

Instructions for the submission of local plans for exempt areas will be issued via an ADM.

The cap applies to calendar year 1991 claims plus any supplementals for calendar 1991 or prior periods submitted and settled during SFY 1991-92. Any district which exceeded its cap had reimbursement reduced to its cap level on the March 1992 settlement of October - December 1991 claims.

Federal reimbursement will not be affected by the cap and will be settled, normally, subject to the availability of Federal funds.

Any questions related to the memorandum should be directed to Roland Levie - Upstate at 1-800-342-3715, extension 4-7549 or Marvin Gold - Metropolitan at (212) 804-1108 (OA USERID 0FM270).

Nelson Weinstock
Deputy Commissioner
for Administration

SFY 1991-92 Administrative Caps

District	4/91-3/92 Admin. Cap	District	4/91-3/92 Admin. Cap
Albany	\$ 3,676,585	Oneida	\$ 2,308,449
Allegany	724,351	Onondaga	5,133,734
Broome	1,602,709	Ontario	732,179
Cattaraugus	930,924	Orange	2,832,113
Cayuga	914,181	Orleans	402,672
Chautauqua	1,568,778	Oswego	1,081,045
Chemung	917,785	Otsego	468,200
Chenango	495,819	Putnam	421,868
Clinton	785,268	Rensselaer	1,199,132
Columbia	483,636	Rockland	3,024,558
Cortland	533,791	St. Lawrence	1,274,202
Delaware	365,376	Saratoga	612,957
Dutchess	1,763,052	Schenectady	1,292,490
Erie	11,859,667	Schoharie	346,201
Essex	479,318	Schuyler	142,801
Franklin	564,115	Seneca	281,804
Fulton	632,641	Steuben	903,865
Genesee	496,604	Suffolk	12,405,067
Greene	550,046	Sullivan	866,336
Hamilton	50,774	Tioga	602,972
Herkimer	504,413	Tompkins	679,885
Jefferson	971,854	Ulster	1,473,061
Lewis	346,892	Warren	352,258
Livingston	687,736	Washington	474,589
Madison	412,753	Wayne	763,058
Monroe	5,267,304	Westchester	11,793,477
Montgomery	446,197	Wyoming	385,658
Nassau	6,472,793	Yates	114,112
Niagara	2,587,942	TOTAL UPSTATE	99,462,047
		NEW YORK CITY	\$214,996,955
		STATEWIDE	\$314,459,002

Administrative Cap Methodology

The appropriation bill language for SFY 1991-92 required that the reimbursement for the affected administrative programs shall not exceed aggregate reimbursement for such purposes in the prior State fiscal year. Due to adjustments described below, the starting base figure for each district's 1991-92 cap was its original 1990-91 cap amount. Against that base, we made the following adjustments:

1. Employment Expenditures

For the first nine months of calendar 1990, employment expenditures which are now 100% exempt from the reimbursement cap, were claimed within the D-1 Income Maintenance or D-7 Food Stamp schedules. With the implementation of the revised D-3 schedule effective October, 1990, those employment costs were separately identified. Since the prior years' cap had included employment costs, it was necessary for SDSS to reduce the SFY 1991-92 cap (calendar 1991 claims) to accommodate the new claiming method. For most districts, this adjustment was calculated by annualizing the October - December 1990 State share. For any district where that calculation resulted in a State share greater than the actual FFY 1990-91 (10/90-91) due to an unusually high claim for the one quarter, then the actual FFY 1990-91 State share was used to decrease the cap.

2. Food Stamp Issuance

The 1991-92 appropriation also required that the department reduce the cap by the amount of local expenditures associated with the Food Stamp Issuance to reflect the State's assumption of the function under AFSI. This adjustment was calculated based on the date that AFSI was implemented in each district, using 1990 issuance claims data. For those districts that were Phase I pilots and had no 1990 issuance claims, no reduction was taken.

3. Waiver of Adjustments for Employment and Issuance Costs

If a district's actual 1990 State share claims were lower than the original 1990-91 cap minus the employment and issuance adjustments, then that figure was used for the new 1991-92 cap. This avoids a reduction for those factors for districts that have already generated State share savings by staff reductions or other economics.