OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

LOCAL COMMISSIONERS MEMORANDUM

OTDA-4037EL (Rev. 11/98)

Transmittal No: 99 LCM-38

Date: November 29, 1999

Division: Temporary Assistance

TO: Local District Commissioners
Temporary Assistance Directors
Food Stamp Directors
Employment Coordinators
Staff Development Coordinators
WMS Coordinators

SUBJECT: County Financial Incentives

ATTACHMENTS: None

I. PURPOSE AND BACKGROUND

The State Welfare Reform Act of 1997 (Chapter 436 of the Laws of 1997) enacted sections 153-j and 153-k of the Social Services Law. Section 153-j provides for performance awards to social services districts for the achievement of performance goals related to TANF recipients, as set forth in 98 ADM-13. Pursuant to such provisions, each district choosing to participate was eligible to receive up to 100% of its share of the money appropriated for such awards. Section 153-k requires the Office to establish a program to provide financial incentives to districts which are the most successful at moving temporary assistance (i.e. Family Assistance and Safety Net Assistance) recipients to unsubsidized employment. Section 153-k requires the Office to rank each district based upon the percentage of its non-exempt temporary assistance caseload that leave assistance in the previous calendar year for unsubsidized employment without reapplying for temporary assistance within six months. The 20 lowest ranking districts will be required to pay to the Office an amount equal to three percent (3%) of each such district's State and federal reimbursement for employment or work related activities. The Office is authorized to grant waivers to districts which have suffered a hardship due to the performance of the local economy. Each of the ten highest ranked districts, subject to limitation, will be allocated, on a pro rata basis, monies collected from some or all of the 20 lowest ranked districts.

II. RANKING METHODOLOGY

For each month of the calendar year, a compilation of individuals in closed cases will be collected, along with the reason for the case closing. Individuals whose date of birth and employability code indicate the person is not exempt from employment is extracted from this compilation. The twelve month unduplicated total of such individuals is the denominator for the calculation. Six months from case closing, individuals are assessed to determine whether they are active or have an application date in the period since case closing. The numerator for the calculation is the unduplicated count of individuals who:

- are both inactive and without an intervening application date six months from closing; and

- had a reason code indicating the case closed due to employment or had earnings on NYS Department of Taxation and Finance Wage Reporting System (WRS) in the quarter in which the case closed.

The Registry of New Hires database will be used as an additional source for assessing entry to employment, if available and usable.

1. District's leavers to unsubsidized employment. For the purpose of this memorandum, a person who leaves the temporary assistance program will be referred to as a "leaver". Leavers to unsubsidized employment will be the unduplicated number of temporary assistance recipients in the district who were in cases which closed during the target year and whose date of birth and WMS employability code in the month of the closing indicate they are not exempt from work requirements pursuant to 12 NYCRR 1300.2 (Participation and Exemptions for Applicants and for Recipients of Public Assistance); and a) the closing reason code for the case indicates the case closed due to new or increased wages, and b) the individual appears on the child support enforcement Registry of New Hires in the quarter for which the case closed (if such data is available for this use), and/or c) the individual has earnings in the quarter for which the case closed, as reported on WRS.

2. Reapplication for temporary assistance. Leavers will be considered to have reapplied for temporary assistance within six months if such individuals are active recipients of temporary assistance in the sixth month following the closing month (e.g., closed in January and active in July) or are involved in a case which had an application date in the intervening period.

3. District's non-exempt temporary assistance caseload. The non-exempt public assistance caseload for the calculation will be the unduplicated count of all individuals who were active temporary assistance recipients in at least one month of the calendar year, and whose date of birth and WMS employability code indicate they were not exempt from work requirements pursuant to 12 NYCRR 1300.2.

III. WAIVER CRITERIA

Districts liable for payments or reduction of reimbursement may request a waiver from such payment or reduction of reimbursement, on a determination by the Office that the district suffered a hardship due to the performance of the local economy. Such waivers will be granted to those districts whose average monthly unemployment rate for the 18 months spanning the calendar year under review and the subsequent six months was at least 120% of the monthly average for the state as a whole during the same period, as estimated under the Local Area Unemployment Statistics program by the USDOL Bureau of Labor Statistics, and greater than the highest such monthly average pertaining to a district placing in the top ten on the measure.

Waivers also will be granted to any district that experiences an increase in its unemployment rate of 20% or more over its initial month's rate, and such rate is sustained for two consecutive calendar quarters.

Regardless of the number of waivers granted pursuant to these criteria, districts not placing in the bottom 20 on the original calculation of the measure will not be liable for any payment or reduction of reimbursement under this regulation.

To the extent waivers are granted, the amount of monies available to the ten top ranked districts will be reduced.

IV. AWARD LIMITATIONS

No district placing in the top ten on the above measure will receive any incentive monies authorized by Part 604 of 18 NYCRR in excess of its unreimbursed allowable expenditures for benefit payments and their administration in those programs used as a basis for calculating awards and payments. Such an outcome could occur if many districts with large employment and training expenditures fall into the penalty tier and smaller districts are eligible for awards. If the pro rata distribution of the award pool causes one or more, but not all, of the districts eligible for an award to exceed this cap, any overage will be distributed on a pro rata basis to other winning districts who have not reached the cap. If there are remaining funds in the award pool after all winning districts have reached the cap, any remaining funds will be returned to the districts in the penalty tier on a pro rata basis.

V. FISCAL IMPLICATIONS

Those districts that OTDA certifies as being one of the ten highest ranked districts in moving temporary assistance recipients to unsubsidized employment will receive a one-time payment of an incentive award. Each of these ten highest ranked districts will receive an allocation, on a pro-rata basis, from a pool of monies collected from some or all of the 20 lowest ranked districts. This pool amount will equal three percent (3%) of each of the 20 lowest ranked districts State and federal reimbursement for employment or work related activities, subject to the award limitations set forth above.

This one-time only payment to the ten highest ranked districts should be recorded in the Revenue Account A2770-Unclassified Revenues.

The funds withheld from the 20 lowest ranked districts are non-reimbursable expenditures.

VI. CONTACT PERSONS

Questions regarding this release should be directed as follows:

Policy: Your regional representative: Western Region: (518) 473-0332; Central Region: (518) 474-9344; Eastern Region: (518) 473-1469; Metro Region: (212) 383-1435

Methodology: Anthony Joseph at (518) 457-5710

Fiscal: Roland Levie (Region I through IV) at 1-800-343-8859, extension 4-7549; Marvin Gold (Region V) at (212) 383-1733

VII. EFFECTIVE DATE

The provisions of this memorandum are effective January 1, 1999. Specifically, the compilation of data will begin on such date. The financial consequences will occur after the year 1999.

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Patricia A. Stevens
Deputy Commissioner
Division of Temporary Assistance