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## **Local Commissioners Memorandum**

Transmittal:	07-OCFS-LCM-03
To:	Local District Commissioners
Issuing Division/Office:	Strategic Planning and Policy Development Administration
Date:	April 18, 2007
Subject:	SFY 2007-08 Foster Care Block Grant Allocations
Suggested Distribution:	Accounting Supervisors Directors of Social Services
Contact Person(s):	See pages 6 and 7
Attachments:	A. Allocation of \$418.8 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) 2007–08 and the corresponding program implications as authorized by Chapters 53 of the Laws of 2007.

### **II. Background**

Chapter 57 of the Laws of 2007 extended the Child Welfare Financing Law to June 30, 2009. The 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 and administration at the annual amounts appropriated.
2. Uncapped 65 percent State reimbursement after applying available Federal funds for all child welfare services except foster care services and administration.

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 SFY 2007-08 State appropriations for the Foster Care Block Grant is \$418.8 million, an increase of \$36.3 million. This increase in funding annualizes the cost-of-living adjustment (COLA) for foster parents and foster care providers effective October 1, 2006, as well as the COLA effective April 1, 2007. Section III in this LCM provides additional details on the COLA. The appropriation also includes funding for the cost of continuing the Worker Recruitment and Retention Add-On to the Maximum State Aid Rates (MSARs) for programs located in New York State set by OCFS in December 2002, which now is incorporated directly into the MSARs. Of the \$418.8 million, a major portion of the Block Grant, or \$382.35 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:

- Care and 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 OMH-licensed residential treatment facilities, as well as in OCFS-licensed child care institutions.
- Supervision of foster care children in federally funded job corps programs.
- 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:

- Committee on Special Education (CSE) payments.
- Dormitory Authority payments in excess of the Foster Care Block Grant (for more information see Fiscal Reference Manual Volume 2 Chapter 4).
- State reimbursement for foster care services for Indian tribes.
- Medical Assistance payments for children in foster care.
- Independent Living Services (except for those districts that have funds left over from their Foster Care Block Grant allocations for SFY 2006-07 – 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 Section 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 05-OCFS-LCM-04, 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 be used only for foster care expenditures during SFY 2007-08. 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.

### **Cost-of-Living Adjustment (COLA)**

Part C of Chapter 57 of the Laws of 2006 provided a three-year COLA based on the Consumer Price Index, applicable to programs for which OCFS establishes MSARs, and also applicable to MSARs for foster and adoptive parents. In addition, COLAs can be applied to home and community based waiver services pursuant to subdivision 9 of Section 366 of the Social Services Law (SSL) for which local districts have chosen to use preventive services funds to support a portion of the cost. The first COLA was effective October 1, 2006, with subsequent COLAs effective April 1, 2007, and April 1, 2008. Additional funding of \$36.3 million is provided in the Foster Care Block Grant to annualize the first year of the three-year cost-of-living adjustment (COLA) for foster parents and foster care providers effective October 1, 2006. In addition, this increase supports full annual funding for the second year COLA effective April 1, 2007.

### **Allocation Methodology**

The methodology used to allocate the Foster Care Block Grant funding is designed to continue the focus on safety, well-being, and permanency for children. It is intended to encourage districts to continue to 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 2005-06 and SFY 2006-07. It also continues the practice of setting aside funds to offer an incentive for districts that realize reductions in foster care days. As in the previous year, the set aside is \$36.45 million for SFY 2007-08 to provide a strong incentive for reducing foster care days.

Of the \$418.8 million appropriation for State reimbursement for foster care services in SFY 2007-08, \$382.35 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 supplemental) for the 12-month period ending June 30, 2006, that were submitted to the State on or before January 2, 2007.

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 2002 to FFY 2004 (\$9.1 million) and from FFY 2004 to FFY 2006 (\$27.3 million). 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 more recent reductions in care days.

District allocations for each component of the SFY 2007-08 Foster Care Block Grant are provided in Attachment A.

#### **IV. Other Related SFY 2007-08 Budget Actions**

**Flexible Fund for Family Services (FFFS)** - The SFY 2007-08 Enacted Budget appropriates \$654 million of Temporary Assistance for Needy Families (TANF) funding for 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.

Prior to the establishment of FFFS in SFY 2005-06, 50 percent of Federal TANF-EAF funds were used to offset the Foster Care Block Grant. In SFY 2007-08, as in SFY 2005-06 and 2006-07, no offset is taken against the Foster Care Block Grant appropriation of \$418.8 million. Therefore, the full \$418.8 million in funding is available to districts under the Foster Care Block Grant, 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 these FFFS allocations.

**Maximum State Aid Rate (MSAR) Minimum Payment Requirements** - Chapter 57 of the Laws of 2005 amended 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 OCFS. Effective July 1, 2006, local social services districts were required to pay 100 percent of the applicable MSAR established by the OCFS for congregate care programs and for each administrative/services rate for therapeutic, special needs, or emergency foster home programs operated by a voluntary agency. The exception to the requirement is regular foster boarding

home programs and pass-through payments to foster parents (note, however, the October 1, 2006 and April 1, 2007 COLAs are applied to foster boarding home programs and foster parents). In addition, districts that were paying at or above the MSARs for applicable programs as of January 1, 2005, were required to continue to pay at least 100 percent of the MSAR in the 2006-07 MSAR rate cycle, as well as for all subsequent rate cycles. In SFY 2007-08, funding increased by \$1.567 million, to a total of \$9.4 million, for the payment of the required MSAR so that effective July 1, 2006, the rates districts were paying were equal to the applicable rates published by OCFS for congregate care programs, as well as for the administrative services rates for therapeutic, special needs, and emergency foster home programs. In SFY 2008-09, the required MSAR funding will be incorporated as part of the overall Foster Care Block Grant rather than as a separate allocation.

## **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
	Reimbursement Claim for Special Project Form	LDSS - 3922

Please refer to the Fiscal Reference Manual, Volume 2, and Chapter 3 for instructions on completing Schedules K and H, and the Reimbursement Claim for Special Claims Form. The Fiscal Reference Manual for the Schedules D and D-2 are in the Fiscal Reference Manual

Volume 3 (or Volume 4 for New York City). The Fiscal Reference Manual is accessible to local districts and sister agencies at the following intranet site address: <http://otda.state.nyenet/bfdm/#>.

Unclaimed Foster Care Block Grant Funds from SFY 2007-08 that an eligible district wishes to use during SFY 2008-09 for eligible preventive, independent living and after care services must be reported on the Reimbursement Claim for Special Projects, (LDSS – 3922) with “Saving FCBG 07-08” indicated in the project name box. Costs 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 2007-08. Any such claims submitted by a social services district for which there are insufficient unclaimed funds available from the district’s SFY 2007-08 Foster Care Block Grant allocation are subject to 65 percent State reimbursement net of any available Federal funds.

The reimbursement schedule for SFY 2007-08 Foster Care Block Grant is as follows:

- Foster Care Maintenance: January 1, 2007 through December 31, 2007
- Foster Care Administration: October 1, 2006 through September 30, 2007
- Foster Care Tuition EAF: October 1, 2006 through September 30, 2007
- Non-EAF Foster Care Tuition: January 1, 2007 through December 31, 2007
- Special Project Claims Form: January 1, 2007 through December 31, 2007

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.

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.

Andrea Sweda, Assistant Director, Bureau of Budget Management at (518) 402-3324.

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

BRO - Linda Brown (716) 847-3145

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**Questions pertaining to the FFFS Plan and Fiscal Claiming may be directed to the Office of Temporary and Disability Assistance:**

**FFFS Plan:**

Jane Wagner, (518) 402-3599  
Susanne Haag, (518) 486-6291

**Fiscal Claiming:**

Regions I-IV: Carolyn Oleyourryk 1-800-343-8859, ext. 4-7549 or (518) 474-7549  
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*/s/ Nancy W. Martinez*

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**Attachment A****SFY 2007-08 Foster Care Block Grant Allocations**

<b>District</b>	<b>Allocation of \$382.35 Million</b>	<b>Allocation of the \$9,112,500 Set- Aside</b>	<b>Allocation of the \$27,337,500 Set- Aside</b>	<b>Total Allocation</b>
Albany	6,755,683	163,998	454,021	7,373,702
Allegany	1,310,867	14,370	-	1,325,237
Broome	4,768,424	25,880	118,809	4,913,113
Cattaraugus	1,620,496	-	222,336	1,842,832
Cayuga	1,506,257	16,220	70,312	1,592,789
Chautauqua	1,596,910	20,995	-	1,617,905
Chemung	2,212,426	37,270	72,854	2,322,550
Chenango	746,386	9,067	2,734	758,187
Clinton	1,270,705	-	105,632	1,376,337
Columbia	2,725,231	-	105,933	2,831,164
Cortland	904,291	-	-	904,291
Delaware	804,352	-	-	804,352
Dutchess	4,695,489	23,355	181,958	4,900,802
Erie	14,942,631	212,467	1,262,664	16,417,762
Essex	598,370	-	-	598,370
Franklin	842,927	-	-	842,927
Fulton	1,025,921	17,040	30,563	1,073,524
Genesee	748,493	-	65,391	813,884
Greene	1,736,519	22,745	-	1,759,264
Hamilton	66,119	-	7,108	73,227
Herkimer	1,326,319	-	70,285	1,396,604
Jefferson	1,476,035	15,373	160,662	1,652,070
Lewis	198,214	14,243	4,429	216,886
Livingston	735,706	-	104,812	840,518
Madison	1,438,818	2,451	104,921	1,546,190
Monroe	16,236,701	130,965	-	16,367,666
Montgomery	892,830	10,261	-	903,091
Nassau	10,994,179	98,989	118,590	11,211,758
Niagara	2,799,718	45,845	172,117	3,017,680
Oneida	5,326,433	-	213,643	5,540,076
Onondaga	8,138,000	3,399	-	8,141,399



**SFY 2007-08 Foster Care Block Grant Allocations**

<b>District</b>	<b>Allocation of \$382.35 Million</b>	<b>Allocation of the \$9,112,500 Set-Aside</b>	<b>Allocation of the \$27,337,500 Set- Aside</b>	<b>Total Allocation</b>
Ontario	861,205	3,873	-	865,078
Orange	5,418,540	-	286,251	5,704,791
Orleans	534,799	4,556	-	539,355
Oswego	2,727,879	61,965	-	2,789,844
Otsego	933,757	14,607	109,432	1,057,796
Putnam	655,409	3,599	-	659,008
Rensselaer	4,204,682	-	-	4,204,682
Rockland	3,107,149	30,718	361,839	3,499,706
St. Lawrence	1,471,540	-	-	1,471,540
Saratoga	2,248,612	5,905	93,877	2,348,394
Schenectady	5,031,019	43,676	-	5,074,695
Schoharie	482,403	13,195	42,373	537,971
Schuyler	193,450	5,695	21,651	220,796
Seneca	516,278	24,394	5,003	545,675
Steuben	1,905,939	15,254	173,511	2,094,704
Suffolk	15,429,644	3,454	517,226	15,950,324
Sullivan	1,140,100	18,435	-	1,158,535
Tioga	528,415	9,021	24,030	561,466
Tompkins	1,143,074	18,435	30,509	1,192,018
Ulster	3,229,967	32,641	-	3,262,608
Warren	1,198,009	-	-	1,198,009
Washington	718,144	6,561	-	724,705
Wayne	1,219,913	18,699	-	1,238,612
Westchester	20,108,360	61,045	-	20,169,405
Wyoming	661,870	1,358	18,070	681,298
Yates	286,559	-	51,777	338,336
<b>Upstate Totals</b>	<b>176,398,166</b>	<b>1,282,019</b>	<b>5,385,323</b>	<b>183,065,508</b>
<b>New York City</b>	<b>205,951,834</b>	<b>7,830,481</b>	<b>21,952,177</b>	<b>235,734,492</b>
<b>Statewide Totals</b>	<b>382,350,000</b>	<b>9,112,500</b>	<b>27,337,500</b>	<b>418,800,000</b>