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David A. Hansell
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Local Commissioners Memorandum

Section 1

Transmittal:	07-LCM-12	
To:	Local District Commissioners	
Issuing Division/Office:	Division of Employment and Transitional Supports	
Date:	August 22, 2007	
Subject:	Food Stamp Employment and Training Allocations – FFY 2007	
Contact Person(s):	Kathryn DeBella (518) 408-4972 or WTW Technical Advisor	
Attachments:	Attachment 1: FFY 2007 100% and 50% Food Stamp Employment and Training Allocations	
Attachment Available On – Line:	Yes	

Section 2

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to provide the federal fiscal year (FFY) 2007 Food Stamp Employment and Training (FSET) 100% and 50% administrative funding allocations for each social services district. The delay in issuance is due to an extended negotiation with the United States Department of Agriculture (USDA) to secure approval of New York’s FFY 2007 FSET State Plan.

This memorandum also includes important information regarding the use of FSET funds.

II. Background

New York State receives annual allocations from the United States Department of Agriculture (USDA) to support FSET program administration. Two funding streams are available: 100% federal funds and 50% federal funds.

The 100% federal funds are available to fully reimburse FSET administrative costs without State or local match. Districts’ 100% FSET allocations for FFY 2007 are based on work registrant caseloads.

Federal 50% FSET funds are also available to support the FSET services, along with matching State and/or local funds. Each district's 50% FSET allocation is based on claiming history.

As with prior years, it is possible that additional 100% FSET funds may be awarded by USDA resulting in an additional allocation this year. The attached allocation amounts (see Attachment 1) should be compared to the initial FFY 2006 allocations about which you were informed in a letter dated May 18, 2006.

Participant reimbursement and dependent care funding for FSET is not included in the administrative allocations and should continue to be claimed separately. Districts are reminded that FSET dependent care may not be used to cover the costs of care for individuals who are eligible for services under the Child Care Block Grant (see 02-LCM-10).

Your district's FFY 2007 FSET administrative allocations are available to reimburse costs incurred from October 1, 2006 through September 30, 2007. Once a district spends its 100% allocation, any additional claims must be submitted against the 50% allocation. Districts are encouraged to fully claim 100% funds before claiming 50% funds. All claims for FFY 2007 100% FSET reimbursement must be received no later than **February 4, 2008**.

Federal 50% FSET administrative claims, participant reimbursement and dependent care claims must be matched with State and/or local funds. Any State funds available to support FSET administration or participant reimbursement and dependent care costs are included in your Local Administration Fund allocation (see 07-LCM-05).

III. Program Implications

FSET funds are available to support costs associated with operating the FSET program. Such costs may include those related to applicants and recipients of food stamps, including Safety Net applicants and recipients who are also receiving food stamps and assigned to a FSET activity.

Districts may continue to use FSET funds for employment costs associated with Safety Net families who are also FSET work registrants, including those with a child under six years of age who would otherwise be exempt, but are required to fulfill Temporary Assistance work requirements. Since individuals with a child under six years of age would be considered volunteers for FSET purposes, they would not be subject to a food stamp sanction for failure to comply.

Please refer to federal Food Stamp regulations at 7 CFR 273.7 (d)(1)(ii) and 273.7 (e)(1) and to the New York State Fiscal Reference Manual, Volume 3 (Volume 4 for New York City), Chapters 3, 5 and 10 for further information on allowable FSET activities and claiming instructions.

FSET Funding Rules

Districts are reminded of the following rules regarding use of FSET funds:

- Services associated with substance abuse, including anti-drug counseling and the costs associated with monitoring a client's compliance with a treatment program are not allowable uses of FSET funds.
- FSET funds cannot be used to reimburse the cost of supervision of work experience participants (see 00-LCM-10), for wage subsidies or to support employment services for TANF applicants and recipients who are categorically exempt from food stamp work requirements.
- Consistent with federal regulations at 7 CFR 273.7(d)(1)(ii)(A), FSET funds may not be used to determine whether or not an individual is required to participate in FSET work activities. This restriction includes any costs related to the evaluation of an individual's medical condition. FSET funds must not be used for medical screenings, examinations or medical services of any kind.
- FSET participant reimbursement funds must not be used to provide services associated with retaining employment. USDA provided recent clarification which indicates that costs related to retaining employment are beyond the mission of the FSET program, which is to assist clients in obtaining employment. While transportation costs for clients to participate in other FSET components are reimbursable, transportation expenses associated with unsubsidized employment are not allowable FSET expenses. Similarly, other support service payments necessary for an individual's unsubsidized employment such as clothing required for the job or equipment or tools required for the job are prohibited. Districts should fund such costs as a Temporary Assistance support service payment or support through the Local Administration Fund or TANF Flexible Fund Allocation for TANF-eligible individuals.
- Districts are also reminded of the requirement to offer and provide a qualifying work or training opportunity if requested by an able-bodied adult without dependents (ABAWD) if needed to allow him or her to retain eligibility for food stamps beyond the three-month time limit (see Section 3, page 3B-5 of the Employment Policy Manual).

IV. Claiming Instructions

Districts will claim FSET expenditures through the Schedule RF-2A (Monthly Statement of Administrative Expenditures Federal and State Aid) claim package. These FSET expenditures are claimed for reimbursement as F3 functional costs. These costs would be claimed on the LDSS-2347-B1, Schedule D-3 Allocation and Claiming of Administrative Costs for Employment Programs. The instructions for both of these forms are found in the Fiscal Reference Manual, Volume 3 (Volume 4 for New York City), Chapters 10 and 19.

Note that participant reimbursement and dependent care expenditures for FSET are not part of the FSET administrative allocations and should continue to be claimed in their respective columns on the Schedule D-3.

We have received approval from USDA to claim Safety Net Maintenance of Effort (SN-MOE) work registrants as FSET program participants for the period of April 1, 2006 through September 30, 2008. The cost of employment programs for SN-MOE work registrants is also eligible under the TANF program. Districts may include these SN-MOE cases under either the FSET program or the TANF program. The decision to claim these cases should be consistent throughout the federal fiscal year with any changes to that election being made by the December following the end of the federal fiscal year; however, the FFY 2006 election must be made by December 2007.

Districts may file retroactive claims back to April 1, 2006. If you do file retroactive claims please remember that fiscal years 2006 and 2007 may require that Flexible Fund for Family Services (FFFS) plan revisions be filed. As an example, if the adjustment increases FSET and decreases TANF administration funds thereby resulting in an underclaim against FFFS funds per the district's approved plan, then a plan adjustment/revision should be made to shift the FFFS funds from the TANF administration category to a category where the district has sufficient expenditures. If a district is already overclaimed in TANF administration against what they allocated for TANF administration in their plan and the shift to FSET does not eliminate the entire overage, then no plan revision would be necessary.

Note that if a district also makes adjustments to their Local Administration Fund (LAF) as a result of the shift, any adjustments to calendar year 2006 will applied against their 2007 LAF allocation.

Starting with February 2007, a new report, the WINR 9476 Food Stamp Employability Code Report, has been available for districts to use in developing percentages to allocate costs to the benefiting employment programs. New York City will continue to use their in-house produced Engagement Report for this purpose. The WINR 9476 report is produced on a monthly basis and is distributed during the third week of the month. Districts can contact John Hanofee at (518) 473-7567 or email at john.hanofee@otda.state.ny.us for copies of the WINR 9476 starting with the February 2007 report. Districts must submit an email request to Roy.Haverly@otda.state.ny.us to generate a WINR 9476 report for any month in the period April 2006 through January 2007.

Districts may file supplemental claims transferring dollars from the 100% category to the 50% category once they exceed their 100% FSET allocation. This will result in the district receiving these funds sooner without waiting for the State to shift the funds.

The following are the fiscal contacts:

Regions 1-4, Carolyn Oleyourryk at 1-800-343-8859, extension 4-7549
Email: carolyn.oleyourryk@otda.state.ny.us

Region 5, Michael Borenstein at (631) 854-9704
Email: michael.borenstein@otda.state.ny.us

Region 6, Marian Borenstein at (212) 961-8250
Email: marian.borenstein@otda.state.ny.us

IV. Additional Information

Any district that projects it will require additional FFY 2007 or FFY 2008 federal FSET 50% funds must submit a written request for an increase by October 1, 2007. The request should include both the amount of funds requested and an explanation of the reasons for the expected increase in FSET expenditures. Requests can be submitted beyond this date, but all requests will be honored only to the extent additional federal funding is available.

Requests for an increase in 50% FSET funds must be submitted to:

Kathryn DeBella
New York State Office of Temporary and Disability Assistance
Welfare-To-Work Bureau
40 North Pearl Street, 11th Floor
Albany, New York 12243
FAX: (518) 486-7650
Email: kathrynm.debella@otda.state.ny.us

Issued By

Name: Russell Sykes
Title: Deputy Commissioner
Division/Office: Division of Employment and Transitional Supports