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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 93 LCM-100

Date: August 9, 1993

Division: MS&QI

TO: Local District Commissioners

SUBJECT: Sanctions attributed to the Food Stamp Program Eligibility
Error Covering Federal Fiscal Years 1987-91.

ATTACHMENTS: Rest of State FS Sanction Shares (FFY 1987-91)

This LCM is to notify local districts of their estimated share of sanctions attributed to Food Stamp (FS) program eligibility errors covering Federal Fiscal Years (FFY) 1987-91.

Local districts were informed in 93-LCM-14, issued 2-8-93 that a sanction settlement was reached with the United States Department of Agriculture, Food and Nutrition Service (FNS) reducing New York State's liability from \$111.9 million to \$16.8 million. The sanction was based on the Federal Food Stamp Quality Control (FSQC) review of local district food stamp cases. The settlement agreement allows New York State to reinvest sanction amounts over a five-year basis starting with FFY 1993.

The 1993-94 Executive Aid to Localities Budget Law requires the financial participation of localities in any sanction to be assessed against the State for incorrect issuance of food stamps. The Law states:

"Any inconsistent provision of law notwithstanding, in the event the federal government reduces or suspends its financial participation or permits repayment or reinvestment for any period beginning after September 30, 1980, for incorrect issuance of food stamps, the state and local social services districts shall financially participate equally in resulting costs. The department will allocate responsibility among local districts for such local cost sharing, to the degree possible, based on fault. If the commissioner determines that such allocation based on fault is not possible, the department will allocate responsibility proportionately among social services districts based on the federally reimbursable food stamp administrative costs incurred by each district for the period covered by each reduction in federal participation."

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Individual local district sanction amounts were based on Federal FS Quality Control data and methodology. Two statistically valid rates and associated sanction amounts were calculated. One for New York City, another for all other local districts (i.e. Rest-of-State). The Rest-of-State allocation was divided among the 57 districts based on percentage of Rest-of-State local administrative costs.

These assessments of local district sanction shares comply with the Budget Act's intent to allocate responsibility among local districts for costs to the degree possible, based on fault, and to distribute responsibility proportionately based on food stamp administrative costs where identification of fault is not possible.

Of the total \$8.4 million local district sanction, we expect the NYC and Rest-of-State shares to be \$7.2 million and \$1.2 million respectively. The liability must be satisfied over the course of the five-year reinvestment period. The estimated shares for individual Rest-of-State local districts are attached.

Although the cited figures are estimates, they should assist local districts with their budget planning processes as the Department does not expect final calculations to differ significantly. The Department will keep you apprised of final calculations as soon as they are developed, as well as methods and time frames for settling local district sanction liability.

Nelson M. Weinstock
Deputy Commissioner
Management Support and
Quality Improvement

ATTACHMENT

REST-OF-STATE FS SANCTION SHARES
(FFY 1987 - 91)

<u>COUNTY</u>	<u>SANCTION AMOUNT</u>
ALBANY	\$ 42,881
ALLEGANY	12,297
BROOME	21,896
CATTARAUGUS	16,399
CAYUGA	9,393
CHAUTAUQUA	23,977
CHEMUNG	11,526
CHENANGO	8,950
CLINTON	11,143
COLUMBIA	10,976
CORTLAND	5,555
DELAWARE	5,082
DUTCHESS	28,171
ERIE	154,598
ESSEX	7,157
FRANKLIN	10,233
FULTON	12,689
GENESEE	6,489
GREENE	8,707
HAMILTON	1,090
HERKIMER	8,972
JEFFERSON	15,698
LEWIS	4,717
LIVINGSTON	9,022
MADISON	7,117
MONROE	67,507
MONTGOMERY	9,883
NASSAU	55,566
NIAGARA	30,269
ONEIDA	44,325
ONONDAGA	61,531
ONTARIO	13,835
ORANGE	30,294
ORLEANS	5,577
OSWEGO	20,215
OTSEGO	12,771
PUTNUM	7,608
RENSSELAER	13,690
ROCKLAND	34,640
ST. LAWRENCE	19,754
SARATOGA	13,317
SCHENECTADY	12,236
SCHOHARIE	4,317
SCHUYLER	2,222
SENECA	3,294
STEUBEN	15,751
SUFFOLK	102,263
SULLIVAN	11,747
TIOGA	9,405
TOMPKINS	7,740
ULSTER	20,741
WARREN	5,301
WASHINGTON	7,246
WAYNE	10,532
WESTCHESTER	103,287