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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 94 LCM-116

Date: September 23, 1994

Division: Services and
Community
Development

TO: Local District Commissioners

SUBJECT: SFY 1994/95 Cap on State Share of Foster Care Expenditures

ATTACHMENTS: A: Chart of Local District Foster Care Cap Allocations
(Available On-Line)

The purpose of this letter is to advise you of the Foster Care Reimbursement Cap amounts for all local social services districts as well as to provide additional information regarding the Cap. As you are aware, the 1994/95 State Budget required enactment of a cap on the state share of all Foster Care reimbursements to local districts in SFY 94/95.

The attached chart lists the individual cap amounts for each social services district. The Cap amounts for 1994/95 have been set on the same basis as those for 1993/94 using a more contemporary claim period. This year, as last year, there are two Cap amounts expressed. The higher amount includes a cost-of-living adjustment for a three-month period effective October 1, 1994. The Department will utilize the Cap amount without COLA until we are formally notified by your district of its intention to provide a COLA in 1994. In order for your Department to use the higher Cap amount, each local district which intends to grant cost-of-living adjustments to foster parents and recognize the 1994 rates for voluntary agencies must send a letter or a message by OFIS Link to the program contact listed below, Veronica Lynch.

Additional information regarding the Foster Care Cap is being provided in a question and answer format.

1. Question: What expenditures are included in the Foster Care Cap?

Answer: All state share Foster Care reimbursement claims which are paid during SFY 94/95 are included under the Cap. The major portion of these claims will be the January '94 - December '94 maintenance and tuition

claims for reimbursement, as well as foster care administrative expenditures claimed for the period October '93 - September '94. It also includes adjustments for any prior period under the capped categories which are paid during SFY 94/95. Again, state share for Independent Living Services to children who do not meet the federal definition because they are 14 and 15 years of age, is included in the Foster Care Cap.

2. How will the state share of foster care costs claimed as EAF be subject to the Cap?

Answer: For districts that have savings, the state share of EAF foster care and tuition claims will be counted against the Cap. At the end of the calendar year used to measure foster care maintenance claims, the federal portion for foster care claims for EAF will be shared by State and Local governments. The result will be reduction of the districts' cap by an amount equal to the state share of EAF federal funding. Districts will still benefit from their share of federal EAF funding.

3. Question: Will the Foster Care Cost-of-Living Adjustments (COLA) be accommodated in the Cap?

Answer: For 1994/95, maximum state aid rates will be adjusted by a 4% COLA. That adjustment will only be effective for part of the July through June fiscal year on which foster care rates are based. COLA adjustments of 4% will be effective October 1, 1994, and reimbursable January 1, 1995. The adjustments made to the Foster Care Cap included the three month impact of the COLA.

4. Questions: What expenditures are excluded?

Answer: Federal shares for all foster care costs as well as state share claims for Transitional Care, Committee on Special Education (CSE) placements, Adoption Assistance expenditures, and JD/PINS expenditures are not included in the Foster Care Cap allocations. For FY 94/95 there will again be a separate cap for the expenditures incurred for JD/PINS children placed in voluntary agencies and local district foster homes. The Division for Youth is administering the JD/PINS Cap.

5. Question: Is the Cap a cash or a liability "cap"?

Answer: The Foster Care Cap is a cash cap. The Cap places a limit on the amount of state reimbursement available to Local Social Service Districts (LSSD's). Districts are eligible to continue to receive federal Title IV-E and EAF reimbursement regardless of whether they are under or over the Cap. For districts which exceed their Cap, the unpaid

state share will be pended and paid in the next state fiscal year. Those state share payments will be charged against the then current year Foster Care Cap.

6. Question: Does the Cap allow for exceptions or waivers?

Answer: The statutory language allows the Department, subject to Division of Budget approval, to grant exceptions to the cap based upon circumstances arising out of natural disasters or other emergency or unforeseen social or economic changes which have had substantial impact on a district's foster care caseload during the fiscal year. Waivers are not automatic, but subject to approval criteria. There is a very limited amount of funds available for this purpose. Districts which exceed their Foster Care Caps may also justify the excess as attributable (in whole or in part) to the cost of school property for certain Special Act School Districts funded through the Dormitory Authority as separately billed by the Special Act School Districts. This must be reported pursuant to 93 LCM 133.

7. Question: What factors will be considered in evaluating waiver requests?

Answers: The criteria for waivers are still being developed. Generally, we expect we will review:

- * changes in case load during the fiscal year including the basis for the change/increase framed in terms of natural disaster, other emergency or unforeseen social or economic changes.
- * use (and commitment) of preventive service initiatives to avert foster care placement or speed discharge.
- * use of alternative program models designed to support permanency goals and/or to reduce costs (i.e., Therapeutic Foster Care, Intensive Homebased Family Preservation projects, respite services, adoption initiatives, etc.).
- * local efforts to use other resources in a coordinated manner to meet the needs of families and at-risk children.
- * FFP maximization efforts.
- * participation in training and technical assistance sessions designed to reduce state and local costs.
- * cooperation with efforts to improve claiming and cost allocation practices.
- * emergency situations which directly impact upon placement practices.

- * use of CPS post-indication services.
- * local district efforts to speed adoption outcomes.

8. Question: What actions can be taken to avoid exceeding the Cap?

Answer: There exist a number of programmatic and administrative actions which can be implemented to assist a LSSD remain under their Foster Care Cap. These actions include:

FEDERAL MAXIMIZATION

- * Maximize Title IV-E for new cases.
- * Maximize EAF funding as appropriate.
- * Maximize IV-E Administrative Reimbursement through proper SSRR/RMS Coding.
- * Review SSI/Zebley Eligibility for new Child Welfare (CW) cases.
- * Review existing Child Welfare cases under SSI/Zebley.

PROGRAM SAVINGS/AVOIDANCE

- * Conduct case reviews of long-term cases/out of county placements.
- * Review use of alternative placement options (i.e., Therapeutic FBH).
- * Review Intake/placement decision-making process.
- * Examine and re-target as appropriate existing Preventive Service contracts/services.
- * Review children in Adoption status to determine critical milestones for achieving finalization.
- * Initiate more aggressive case review practices designed to promote discharge planning or more timely achievement of permanency goals.
- * Utilize Risk Assessment implementation to assess placement practices.

ADMINISTRATIVE ACTIONS

- * Review claiming practices within Children Services with the goal of improving reimbursement under other federal or state programs.
- * Conduct programmatic review of placement practices including DFY, group care, out of county care, etc.

- * Assess need for the Intensive Homebased Family Preservation program which is reimbursable under mandated preventive services at the 75% level.
- * Enlist the assistance and support of local Family Court Judges in speeding the adoption process.
- * Convene a local task force designed to suggest and develop new methods to divert more costly placements, speed adoption processing, etc.

9. Question: What happens to any savings under the Cap?

Answer: Savings under the Cap are available for investment in initiatives which serve to promote foster care/adoption permanency outcomes or divert initial placements/replacements.

The state share savings can be used for 100 percent of the costs of a local initiative after the application of available federal funds.

The State Department of Social Services will issue separate guidelines for the use of cap savings. Generally, local districts will be asked to submit a brief description of their initiative including an anticipated assessment of impact. The Department is looking to approve all preventive services, adoption and permanency initiatives which assist in achieving the legislative intent for Cap savings.

10. Question: When can the savings be used?

Answer: Savings can be programmed into initiatives to achieve case load objectives in the 1994 State Fiscal Year through the 1995-96 State Fiscal Year. Approval of a local initiative by the Department is required prior to the utilization of the savings. A county may elect, pending Department approval, to begin a new program initiative during the current state fiscal year in order to produce immediate savings. Alternatively, a local district can plan to implement the new initiative during the next fiscal year. In either case, state reimbursement for the combined foster care and new program initiative cannot exceed the cap amount.

Federal reimbursement will not be affected by the Cap and will be settled in the normal manner subject to the availability of Federal funds.

Any fiscal related questions regarding the Foster Care Cap should be directed to Roland Levie - Upstate at 1-800-342-3715, extension 4-7549 (OA USERID AX2060) or Marvin Gold - Metropolitan at (212) 804-1108 (OA USERID OFM270).

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Any program-related questions regarding the Foster Care Cap should be directed to Veronica Lynch of the Bureau of Resource Management by dialing 1-800-343-8859, extension 4-9605 (OA USERID 89A594) or directly dialing (518) 474-9605. Please do not hesitate to call if we can be of any assistance in successfully implementing the Foster Care Cap in New York State.

Frank Puig
Deputy Commissioner
Division of Services and
Community Development

ATTACHMENT A

FOSTER CARE CAP 1994/95

	1994/95 Cap with COLA	1994/95 Cap without COLA
ALBANY	2,576,791	2,550,789
ALLEGANY	270,702	267,971
BROOME	2,427,061	2,402,570
CATTARAUGUS	721,239	713,962
CAYUGA	384,097	380,221
CHAUTAUQUA	963,732	954,007
CHEMUNG	747,440	739,898
CHENANGO	239,171	236,757
CLINTON	622,440	616,160
COLUMBIA	598,560	592,521
CORTLAND	417,949	413,732
DELAWARE	348,293	344,779
DUTCHESS	2,542,815	2,517,156
ERIE	7,162,826	7,090,549
ESSEX	140,911	139,490
FRANKLIN	156,004	154,430
FULTON	394,790	390,806
GENESEE	175,444	173,674
GREENE	409,435	405,303
HAMILTON	1,915	1,895
HERKIMER	331,742	328,395
JEFFERSON	661,520	654,845
LEWIS	188,719	186,815
LIVINGSTON	379,842	376,009
MADISON	477,870	473,048
MONROE	9,105,550	9,013,670
MONTGOMERY	183,400	181,549
NASSAU	4,897,398	4,847,980
NIAGARA	1,906,009	1,886,776
ONEIDA	2,645,937	2,619,238
ONONDAGA	5,347,005	5,293,051
ONTARIO	383,720	379,848
ORANGE	3,794,759	3,756,468
ORLEANS	151,537	150,008
OSWEGO	1,129,281	1,117,885
OTSEGO	346,399	342,904
PUTNAM	474,650	469,860
RENSSELAER	843,513	835,002
ROCKLAND	3,618,219	3,581,709
SARATOGA	362,345	358,689
SCHENECTADY	2,338,826	2,315,226
SCHOHARIE	274,400	271,631
SCHUYLER	66,620	65,947
SENECA	354,544	350,966
STEUBEN	341,282	337,839
ST. LAWRENCE	650,272	643,710
SUFFOLK	5,585,534	5,529,173
SULLIVAN	926,954	917,601
TIOGA	217,197	215,005
TOMPKINS	980,763	970,867
ULSTER	2,382,890	2,358,845
WARREN	258,157	255,552