

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

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| ADMINISTRATIVE DIRECTIVE |
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TRANSMITTAL: 00 ADM-1

TO: Commissioners of
Social Services

DIVISION: Office of Budget,
Finance, and Data
Management

DATE: January 25, 2000

SUBJECT: TANF Funding Swap From Public Assistance to EAF Foster Care
for the 1999-2000 State Fiscal Year

SUGGESTED
DISTRIBUTION:

Services Directors
IM Directors
Fiscal Directors
Budget Directors

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ATTACHMENTS:

None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
93 ADM-34					94 LCM 52
93 ADM-39					

I. PURPOSE:

This directive provides guidance for implementing provisions in the enacted 1999-00 State Budget dealing with the shift of local district Federal Temporary Assistance to Needy Families (TANF) funds from reimbursing Public Assistance expenditures to reimbursing EAF Foster Care expenditures.

II. BACKGROUND:

Under the final Federal TANF regulations, effective October 1, 1999, States are not allowed to count the non-Federal share of Foster Care TANF costs toward the TANF Maintenance of Effort (MOE). In addition, there has been a sharp decline in the number of Public Assistance cases in recent years. These factors have challenged State efforts to meet the TANF MOE.

III. PROGRAM IMPLICATIONS:

The SFY 1999-2000 State budget allows local districts to be reimbursed with 100% Federal TANF funds for EAF eligible Foster Care costs, effective with October 1999 expenditures. A corresponding reduction in Federal TANF funding will occur for federally participating program expenditures for Family Assistance, Non-Services EAF, and Safety Net, as well as related federally participating administrative costs. Since this is a dollar for dollar swap with no impact on the Federal revenue received, the local district is responsible for paying 100% of the additional non-federal PA program and administrative costs resulting from the transfer of TANF federal assistance to EAF Foster Care. The resulting increase in the non-Federal share of Public Assistance expenditures will be applied to the State's TANF MOE.

This 100% Federal reimbursement provision applies only to EAF Foster Care expenditures in excess of the district's allocation of the \$100 million EAF Child Welfare funding. The State/local match remains for claims against the first \$100 million allocation for all preventive and protective expenditures, regardless of when they were made, and for those foster care expenditures made prior to October 1, 1999.

The State will offset up to a maximum of 95% of the eligible Federal reimbursement for Public Assistance program costs to pay for eligible EAF Foster Care expenditures reimbursed with 100% Federal TANF funds. The 95% limit will allow at least 5% Federal TANF reimbursement for federally participating Public Assistance payments. As a result, Federal Participating Public Assistance clients are still subject to TANF program requirements.

After the 95% maximum offset noted above is achieved, the balance of any TANF amounts used in funding EAF Foster Care will be taken from the Federal reimbursement available for Public Assistance administration costs. We expect that this offset of administration costs will only be necessary in a few districts.

The 100% Federal TANF reimbursement for eligible EAF Foster Care expenditures will include both maintenance and administrative costs. EAF maintenance costs are claimed on the "Schedule H, Non Title XX Services for Recipients (LDSS-4283)." EAF administrative costs are identified through the Services Random Moment Study (SRMS) and claimed on the "Schedule D-2, Allocation for Claiming General Services Administration (LDSS-2347-B)."

EAF Protective and EAF Preventive Services costs only continue to be eligible for funding through the \$100 million EAF Child Welfare appropriation, up to the district's allocation of such funds, with the non-Federal share counting toward the State's TANF Maintenance of Effort.

Districts are reminded that Title IV-E is the program of choice for eligible Foster Care cases and that EAF funding is not available for Foster Care cases which are eligible for Title IV-E funding. EAF eligibility should be determined as soon as a Foster Care case is determined not to be IV-E eligible, and the case should be entered timely into WMS. This will minimize the amounts of Foster Care retroactive claims to help ensure that TANF Data Collection and Data Reporting requirements are complete. It will also help in the important goal of maximizing the use of EAF in Foster Care, to ensure that TANF claims are accurate, and that the TANF MOE is achieved without reducing State and local shares. Details about TANF Data Collection and Data Reporting, which will have to be done on these cases, will be provided in a separate release by the Office of Children and Family Services. EAF eligibility rules, as outlined in 94 LCM-52, 93 ADM-34 and 93 ADM-39, must be followed. Tuition costs for IV-E eligible cases may be eligible to be claimed as EAF Foster Care expenditures, if those cases meet EAF eligibility criteria, and may be applied against the \$100 million appropriation or the TANF PA to EAF swap funding. However, EAF-eligible tuition costs for NYC eligible IV-E cases are funded from a different appropriation and do not apply to either funding. Also, EAF JD/PINS costs do not apply to either funding as well.

The 100% reimbursement provision for EAF Foster Care does not reduce the district's Family and Children's Services Block Grant allocation.

The net results of the swapping of these reimbursement dollars should have a neutral effect on the district's total revenues.

IV. REQUIRED ACTION:

The offset of the Public Assistance costs, and, if necessary, related administrative costs, will be executed at the OTDA Bureau of Financial Services as a bottom line adjustment on the Federal RF-2 or RF-2A settlement.

Local districts will need to adjust their revenue accounts to reflect these bottom line adjustments on the RF-2 and RF-2A settlements.

V. SYSTEMS IMPLICATIONS:

There are no system implications.

VI. ADDITIONAL INFORMATION:

None.

VII. EFFECTIVE DATE:

Effective date is October 1, 1999.

Philip Maher
Assistant Commissioner
Office of Budget, Finance,
and Data Management