



George E. Pataki
Governor

NEW YORK STATE
OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE
40 NORTH PEARL STREET
ALBANY, NY 12243-0001

Brian J. Wing
Commissioner

Local Commissioners Memorandum

Section 1

Transmittal:	02 LCM 13
To:	Local District Commissioners
Issuing Division/Office:	Temporary and Disability Assistance Office of Finance
Date:	December 4, 2002
Subject:	Extension of Food Stamp Administrative Cost Reductions
Contact Person(s):	Roland Levie (Region I-IV) 1-800-343-5589, Extension 4-7549 (e-mail-Roland.Levie@dfa.state.ny.us) Marvin Gold (Region V) 212-383-1733 (e-mail-Marvin.Gold@dfa.state.ny.us)
Attachments:	Yes
Attachment Available On – Line:	Yes

Section 2

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to provide additional notification to local districts of the Federal government’s extension of the reduction in Food Stamp administrative costs claimed under the cost allocation benefiting methodology.

II. Background

Local districts were notified in 99-LCM-33 of Federal legislation that was enacted that required the Federal Department of Health and Human Services to determine the amounts that should have been allocated to the Food Stamp and Medicaid programs under a benefiting cost allocation methodology rather than the primary program approach that some States used including New York. The amount attributable to Food Stamps, \$55,000,000 for New York State, would not be reimbursed by the United States Department of Agriculture. The legislation had an expiration date of September 30, 2002. Each local district received an allocation of the \$55 million in an attachment to 99-LCM-33. The Farm Security and Rural Investment Act of 2002 (HR2646), signed by President Bush in May of this year, extends the reduction in Food Stamp reimbursement through Federal Fiscal Year 2007 (September 30, 2007). The allocations are included as an attachment for your convenience.

III. Program Implications

Effective with expenditures for October 2002 forward, local districts will continue to see a reduction in the Federal settlement of claims of its share of the \$55 million for Food Stamp administrative reimbursement. The State budget for 2002-2003 did not include any State financial participation in this loss of Federal funding and the provisions of the cap on the State share of administrative reimbursement continue to apply.

The original LCM in 1999 also discussed the possibility of the loss of Federal Medicaid funding for the same reason as the Food Stamp reimbursement loss. This possibility still exists although no legislation has been enacted as of yet to put that into effect.

Issued By

Name: Philip Maher

Title: Assistant Commissioner

Division/Office: Office of Finance