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| LOCAL COMMISSIONERS MEMORANDUM |  
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Transmittal No: 90 LCM-142

Date: September 4, 1990

Division: Administration

TO: Local District Commissioners

SUBJECT: CAP on State Share of Administrative Costs for Income  
Maintenance, Food Stamps, and Medical Assistance

ATTACHMENTS: Attachments are not available on line

The purpose of this memorandum is to notify local social services districts of its cap on the State share of administrative costs for the Income Maintenance, Food Stamps, and Medical Assistance programs.

The 1990-91 State budget (excerpt attached) continues an administrative cap on the State share of administrative costs for eligibility determinations and benefit payment activities for Income Maintenance, Medical Assistance and Food Stamps. Cost of revenue maximization, employment and training services, corrective action efforts to reduce public assistance error rates, fraud and abuse detection and case management services provided under Title 4B of article 6 of the Social Services Law are specifically exempted.

The exempt areas require local plans which the Department must approve and the promulgation of regulations approved by Division of the Budget governing the plans and the activities that will be exempt.

Attached are the administrative caps by district for State Fiscal year 1990-91. The cap was calculated in the following manner as required by the budget language:

Step 1 - Lesser of 1989-90 administrative cap or State share calendar year 1989 claims (including supplementals settled during SFY 1989-90).

Step 2 - Since child support administrative costs are exempt from the cap for SFY 1990-91, the State share of IVD claims processed during State Fiscal year 1989-90 were accumulated and a percentage of IVD claims to the calendar year 1989 claims was determined.

Step 3 - As allowed by the budget language 105% of Step 1 was calculated.

Step 4 - The cap amount was then determined by applying the IVD percent amount to Step 3 and subtracting that result from the amount arrived at in Step 3.

Attached are the values for each of the districts explained in the above. Column 7 represents the district's cap amount.

The submission of local plans for exempt areas and the promulgation of regulations will be issued via LCM at a later date.

The cap will apply to calendar year 1990 claims plus any supplementals for calendar 1990 or prior periods submitted and settled during SFY 1990-91.

Federal reimbursement will not be affected by the cap and will be settled normally subject to the availability of Federal funds.

Local districts should attempt to maintain its spending levels at the cap level so that State reimbursement is not lost.

Any questions related to the memorandum should be directed to Irid Gordon - Upstate at 1-800-342-3715, extension 4-7549 or Marvin Gold - Metropolitan at (212) 804-1108.

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Richard Radzynski  
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Office of Financial Management