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NEW YORK STATE
OFFICE OF CHILDREN & FAMILY SERVICES
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John A. Johnson
Commissioner

Local Commissioners Memorandum

Transmittal:	03 OCFS LCM-01
To:	Local District Commissioners
Issuing Division/Office:	Administration
Date:	February 26, 2003
Subject:	Worker Recruitment and Retention Add-On Funding Effective December 1, 2002
Contact Person(s):	Richard Lasky (518) 474-2812 or Daniel Zeidman (518) 474-9572; or by e-mail through Outlook or Exchange; or through the Internet: Richard.Lasky@dfa.state.ny.us or Daniel.Zeidman@dfa.state.ny.us
Attachments:	A – Form for Agency Attestation B – Claiming Example on Form LDSS-3922
Attachments Available On – Line:	Attachments with add-on rates will be available at a later date on the Rate Setting page of the OCFS Intranet Site, which can be accessed by clicking on the link below. The add-on rates will be listed under Rate Charts. ***Link to Intranet Site:*** **Rate Setting Information**

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to provide guidance regarding the workforce recruitment and retention add-on for child care and social work staff employed by child caring agencies for which the Office of Children and Family Services (OCFS) sets rates pursuant to Section 398-a of the Social Services Law (SSL) and Sections 4003 and 4405 of the Education Law (EL).

II. Background

In order to address workforce recruitment and retention concerns of agencies located in New York State, Chapter 53 of the Laws of 2002 authorizes the Office of Children and Family Services to establish a worker recruitment and retention add-on to be effective December 1, 2002. The statute provides funding for 100% State reimbursement to social services districts for the cost of the add-on, net of any available Federal funds.

The worker recruitment and retention add-on will provide agencies with an additional 3% increase in funding for the salary and fringe benefits of the child care and social services subcomponents of the Maximum State Aid Rates (MSARs) and Committee on Special Education (CSE) Maintenance Rates. In October, OCFS issued 02 OCFS LCM-21, which contained the MSARs for foster care and for in-state CSE Maintenance Rates for residential schools for the period July 1, 2002 through June 30, 2003. The worker recruitment and retention add-on rate is intended to supplement the rates contained in that release with an effective date for the add-on of December 1, 2002.

III. Program Implications

OCFS has calculated individual worker recruitment and retention add-ons for each in-state agency and program for which OCFS establishes rates pursuant to SSL 398-a and EL 4003 and 4405. In accordance with the statute governing the 3% add-on, social services districts are required to pay the add-on rates in the first instance. The State will reimburse the social services districts for 100% of the add-on rates, net of available Federal funding. OCFS is in the process of obtaining signed certifications from participating agencies, and finalizing the individual add-on rates, which will be published within the next few weeks.

Funds made available to the participating agencies must be expended in conformance with the legislative intent. The statute prescribes the documentation that each agency must submit to OCFS. Each agency for which OCFS establishes a rate, as specified, must submit a written certification (see Attachment A) attesting that the funds will be or were used solely for the purpose prescribed by the statute. Upon receipt of an agency's attestation, OCFS will issue the worker recruitment and retention add-on rate for all eligible programs operated by that agency.

IV. Claiming Information

General Instructions

The worker recruitment and retention add-on rates will be applicable to agencies located in New York State for which OCFS establishes rates, as specified above, and will be billable for children who are placed at eligible programs for which a social services district is responsible for paying the maintenance costs. This includes: children placed by social services districts in foster care programs operated by voluntary agencies; children placed through CSEs into in-state residential schools approved by the State Education Department; and juvenile delinquents placed pursuant to Section 529 of the Executive Law in foster care programs operated by voluntary agencies.

To enable social services districts to receive 100% State funding of the non-Federal share of the worker recruitment and retention add-on, social services districts would make the add-on payments to providers off-line and secure State reimbursement through the submission of claim form LDSS-3922, Reimbursement Claim for Special Programs. The claim form must be labeled with the project name “Worker RET” to enable the claim forms to be processed in an appropriate manner, and they are to be submitted to the Office of Temporary and Disability Assistance (OTDA) in accord with the usual procedures for submitting the LDSS-3922.

Specific Instructions

Payments for children placed into foster care programs are subject to reimbursement through the Federal Title IV-E foster care, the State Foster Care Block Grant, and TANF-EAF programs, depending on the eligibility determinations made by the social services district. Maintenance payments made by social services districts for children placed by school district CSEs are subject to State reimbursement based on the authorization provided by the State Education Department (authorizing form from SED is STAC-3).

To enable social services districts to receive 100% State reimbursement of the non-Federal share of the claim, social services districts must follow the process below:

- From the normal monthly bill submitted by the eligible provider, the social services district would determine the sum of the days provided in the month and make an “off-line” payment to the provider by multiplying the applicable worker recruitment and retention add-on by the number of care days provided by the agency and program.

- The social services district would then review each child's program eligibility status (i.e., Title IV-E, TANF-EAF, non-Title IV-E, CSE) and aggregate the care day payments based on that status.

- The social services district would then prepare a separate LDSS-3922 for each eligibility classification.

  - For Title IV-E children, the total "off-line" payment, resulting from multiplying the worker recruitment and retention add-on rate by the number of care days, would be reported on Lines 4, 9 and 17. The amount reported on Line 17 would then be multiplied by 48.34 percent and the result reported on Line 18. (The Federal percentage for Title IV-E must be adjusted to reflect the reduction related to the social services cost not eligible for Title IV-E funding.) Line 18 would then be subtracted from Line 17 and the result reported on Line 19. All of the above amounts would be reported in Columns 1 and 3. The LDSS-3922 project name for this claim should be designated "Worker-RET-IV-E".

  - For TANF-EAF children, the total "off-line" payment, resulting from multiplying the worker recruitment and retention add-on rate by the number of care days, would be reported on Lines 4, 9, 17 and 19. All of the above amounts would be reported in Columns 1 and 3. The LDSS-3922 project should be designated "Worker Retention TANF".

  - For all other foster children, the total "off-line" payment, resulting from multiplying the worker recruitment and retention add-on by the number of care days, would be reported on Lines 4, 9, 17 and 19. All of the above amounts would be reported in Columns 1 and 3. The LDSS-3922 project name would be designated "Worker-RET-Non IV-E".

  - For CSE children, the total "off-line" payment, resulting from multiplying the worker recruitment and retention add-on rate by the number of care days, would be reported on Lines 4, 9, 17 and 19. All of the above amounts would be reported in Columns 1 and 3. The LDSS-3922 project name should be designated "Worker-RET-CSE".

<u>Example</u>

Following is an example that applies the above information to a specific case:

Bill from Agency ABC contains a listing of 35 children for the month of April 2003. A total of 1000 care days were provided during the month to the 35 children. The applicable worker recruitment and retention add-on rate for the provider is $2 per day.

Mohawk County DSS would make an off-line payment to Agency ABC totaling $2000 (1000 care days x $2 add-on rate).

Based on the eligibility characteristics of the children, there were: 700 care days provided to Title IV-E children; 100 care days provided to TANF-EAF children; 150 care days provided to all other foster children; and 50 care days provided to CSE children.

A separate LDSS-3922 (using the project designations specified above) would be completed for each of the four claiming categories represented by the children served using the dollar amounts specified below. Attached is a completed LDSS-3922 (Attachment B) for the monthly claim related to the IV-E eligible expenditures, for purposes of illustration:

LDSS-3922	IV-E	TANF-EAF	Non-IV-E	CSE
Line 4	$1400	$200	$300	$100
Line 9	1400	200	300	100
Line 17	1400	200	300	100
Line 18	677 (48.34%)	-0-	-0-	-0-
Line 19	723 (51.66%)	200 (100%)	300 (100%)	100 (100%)
Line 20	-0-	-0-	-0-	-0-

In this example, the social services district would receive Federal reimbursement totaling $677 and State reimbursement totaling $1323 ($723 + $200 + $300 + $100) for the $2000 payment made to Agency ABC.

V. Other

For questions regarding this LCM, please contact:

Richard Lasky, (518) 474-2812
Or through email at Richard.Lasky@dfa.state.ny.us

Daniel Zeidman, (518) 474-9572
Or through email at Daniel.Zeidman@dfa.state.ny.us

Claiming questions should be directed to the OTDA Bureau of Financial Services as follows:

Regions I-IV: Roland Levie, Upstate Office, 1-800-343-8859 extension 4-7549 or (518) 474-7549, or through email at Roland.Levie@dfa.state.ny.us

Regions V and VI: Marvin Gold, Metro Office, (212) 383-1733, or through email at Marvin.Gold@dfa.state.ny.us

/s/ Susan Costello

Issued By
Name: Susan A. Costello
Title: Acting Deputy Commissioner for Administration
Division/Office: Administration

Attachment A

CERTIFICATION

Resolved, that the Board of Directors hereby certifies and attests that all the funds that the corporation receives from local social services districts that are directly related to the worker recruitment and retention add-on to the maximum state aid rate (MSAR) have been and/or shall be used by the corporation for the purpose of increasing the salary and fringe benefit costs for the workers included in the child care and social services subcomponents of the MSAR. The corporation agrees to maintain records to document that the funds were distributed for the stated purpose. Such records shall be made available, upon request, to the Office of Children and Family Services, the Office of the State Comptroller, the Federal Department of Health and Human Services or their designees for purposes of audit. If, as a result of an audit, it is determined that the corporation received funds in excess of the increased salary and fringe benefit costs the agency paid to eligible workers directly related to the worker recruitment and retention add-on rate, the corporation agrees to refund any overpayment to the State and/or appropriate local social services district(s).

I hereby certify that the foregoing is a true and accurate representation of a resolution duly adopted on _______________, 2003 by the Board of Directors of _____________________________, a not-for-profit corporation organized and existing under the laws of the State of New York having its principal place of business at ____.

BY: _________________________

DATE: _________________________

STATE OF NEW YORK)
) ss:
COUNTY OF)

On this _________ day of ___________________, 2003, before me personally appeared _________________________, to me known, who being by me duly sworn, did depose and say that he/she resides in __________________________; that he/she is the ______________ of the Board of Directors of ________________________, the corporation described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by order of the Board of Directors of said corporation.

____
Notary Public
My Commission Expires: _________

Attachment B

REIMBURSEMENT CLAIM FOR SPECIAL PROJECTS

LDSS-3922 (REV. 12/00)

DISTRICT MOHAWK COUNTY	**PROJECT NAME** WORKER RET- IV-E		
MONTH/YEAR 4/03			
ITEM	**NON-ADMINISTRATION COSTS**	**ADMINISTRATION COSTS**	TOTAL COSTS
1. SALARY COSTS			
2. FRINGE BENEFITS			
3.TOTAL SALARY & FRINGE BENEFITS			
NON-SALARY COSTS			
4. CONTRACTUAL COSTS	1400		1400
5. TRAVEL COSTS			
6. EQUIPMENT COSTS			
7. SUPPLIES			
8. OTHER DIRECT EXPENSES			
9.TOTAL NON-SALARY EXPENSES	1400		1400
10. OVERHEAD COSTS ALLOCATED			
11. A-87 COSTS ALLOCATED			
CLIENT RELATED COSTS			
12. ASSISTANCE DIRECT TO CLIENT			
13. SELF-SUFFICIENCY BONUS			
14. DIVERSION TRANSPORTATION			
15. OTHER			
16. TOTAL CLIENT RELATED COSTS			
17. TOTAL PROJECT COSTS	1400		1400
18. FEDERAL SHARE	677		677
19. STATE SHARE	723		723
20. LOCAL SHARE	0		0

The following questions were directed to Richard Lasky of OCFS by Thomas Herden, Director, Administrative Services, Tompkins County DSS. Answers in blue were OCFS responses to those questions.

1. When calculating the add-on payment due to a particular provider, does the December 1, 2002 date effective date refer to date of service or date of payment? *The add-on rate will be in addition to the maximum state aid rate in effect for the applicable period. Therefore the add-on rate will apply to date of service for the providers not the date of payment by the local social services districts.*

2. From what account (6010, 6119, 6070, or ???) should local districts make the off-line payment required by this directive? *OTDA has identified account 6119.*

3. If audited, what might districts be expected to produce in the way of backup/authorization for any particular one of these payments? (We'll have neither a provider's invoice nor a 2970 to offer....) *After the providers submit their certification to OCFS with regard to participating in the worker recruitment and retention program, OCFS will publish the add-on rates. In effect, that issuance is the authorization for local districts to make the add-on payment to the provider. Since the payments to providers will be based on the days of care provided after December 1, 2002, the baseline back-up documentation to the 3922 will be the bill submitted by the provider. It is the care days included in the original bill, plus or minus local district adjustments, to which the add-on rate is applied. Alternatively, the local district could request the provider to submit bill adjustments for the applicable period, which includes a separate amount related to the add-on rate*.

4. What new language respecting these payments, if any, should be added to local districts' current contracts with eligible child care agencies? *Contracts between the local district and the providers that are in effect may or may not have to be amended. Whether an amendment is necessary is dependent on how the contract was crafted in the first instance. I am aware that contract language exists whereby either a maximum dollar value is placed on the amount of funds that a county would pay to a provider during the contract period* <u>*or*</u> *a specified non-adjustable rate is included. If the county uses such language then an amendment would be necessary*. *I am also aware of other instances where the contract language links the rate of payment to the maximum state aid rate (MSAR) issued by OCFS. Since the add-on rate is considered part of the MSAR*, *contracts* that *are linked to the MSAR would not need to be amended. You should check with your legal staff to determine the appropriate course of action.*

5. What responsibility, if any, do local districts have for confirming that eligible agencies comply with the "use of these funds" requirements contained in the enabling statute? *Under the statute, OCFS is charged with the responsibility to conduct audits to assure the funds were spent by the providers in accord with the criteria contained in the statute. Local districts are not required to confirm the provider's use of funds for the worker recruitment and retention add-on.*

6. It is plain that this mandatory state program imposes new administrative burdens on local districts. (Without systems support, we'll have to calculate and issue these add-on payments manually and, separately, look up and track individual youth's federal eligibility categories each month to calculate the number of care days associated with each Federal claiming category.) *It is our understanding that the same information you process each month according to your normal procedure for analyzing and making payments based on the Federal eligibility of each child could be used to complete the DSS-3922.*

Satisfying these new requirements will entail real costs. Given that the statute is intended to fund the cost of this program at 100% state share (net-of-Federal reimbursement), what mechanism will districts use to obtain their "outside the Foster Care Block Grant" admin reimbursement for these? *The authorizing statute only made 100% state funding available for eligible not-for-profit agencies and residential schools. No additional funding was made available to cover any additional costs of either the local districts or the State. Since the funds appropriated can only be spent on the costs of providers, the costs of local districts cannot be funded in the manner you suggested*.

7. Glad to see that the add-on payments made for EAF-FC youths' care days will be reimbursed 100% by NYS. To whom should thanks be directed for our not having the "EAF-FC is reimbursed 100% with Federal money" falsehood foisted on us with respect to this program? *Richard Radzyminski (OTDA), Eric Petersen (OCFS) and staff at DOB.*

8. Does this program have a "sunset" clause, or should local districts anticipate it will continue indefinitely? (Since the state's providing no system support for the Add-On payment and claiming processes, districts need to know this to decide whether allocating resources to create support tools for themselves will pay off.) *The recently enacted budget continues the workforce recruitment and retention add-on through March 31, 2004. There is no "sunset" clause but it is anticipated that funding through this add-on rate will continue through June 30, 2004, after which point the expenditure related to this 3% add-on rate would be included in the regular MSAR.*

9. The LCM's example references an agency's bill "for the month of April". The corresponding Add-On would be paid in May (at the earliest, if OCFS has calculated that agency's add-on and the LDSS is prompt.) But the example 3922 "Special Projects" claim refers to these as April costs. Are reimbursement claims for this program really supposed to be based on dates of service and not dates of payment, or is this an error? *Payment of the add-on is linked to date of service on or after December 1, 2002*.

10. What consequences would follow if a local district failed to pay the Worker Recruitment and Retention Add-On? The statute does not contain sanctions; however, there are other general statutes that could apply to local districts that do not comply with statutory requirements.