



# Office of Children and Family Services

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## Informational Letter

<b>Transmittal:</b>	15-OCFS-INF-04
<b>To:</b>	Commissioners of Social Services
<b>Issuing Division/Office:</b>	Administration
<b>Date:</b>	June 15, 2015
<b>Subject:</b>	<b>NYS 2015-16 Enacted Budget - OCFS Care and Maintenance Cost for OCFS Operated Facilities</b>
<b>Suggested Distribution:</b>	Directors of Social Services Directors of Administration / Finance Accounting Supervisors
<b>Contact Person(s):</b>	Questions should be directed to James E. Carroll, Assistant Director, Bureau of Financial Operations at <a href="mailto:James.Carroll@OCFS.NY.gov">James.Carroll@OCFS.NY.gov</a>
<b>Attachments:</b>	15-OCFS-ADM-03: <a href="#">Per Diem Chargeback Rates for OCFS-Operated Facilities and Programs – Interim Calendar Year (CY) 2012 Rates for January 1, 2012, through December 31, 2012</a> ; also at <a href="http://ocfs.ny.gov/main/policies/external/">http://ocfs.ny.gov/main/policies/external/</a>  15-OCFS-ADM-04: <a href="#">Per Diem Chargeback Rates for OCFS-Operated Facilities and Programs – Final for CY 2011</a> : also at <a href="http://ocfs.ny.gov/main/policies/external/">http://ocfs.ny.gov/main/policies/external/</a>

### Filing References

Previous ADMs/INFs	Releases Cancelled	NYS Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
15-OCFS-ADM-03 15-OCFS-ADM-04			Section 529 of Executive Law; Chapters 50 and 53 of the Laws of 2015		

## **I. Purpose**

The 2015-16 Enacted Budget caps the amount that can be billed to local departments of social services (LDSS), including New York City (NYC), for the cost of care of youth placed in the New York State (NYS) Office of Children and Family Services' (OCFS) juvenile facilities. Billings are capped at \$55 million annually from Calendar Year (CY) 2015 and thereafter, providing total projected savings of \$425 million to local districts from CY 2015 through CY 2019.

## **II. Background**

Section 529 of the Executive Law requires OCFS to charge LDSS 50 percent of the non-federal share of the cost of care for youth placed in OCFS facilities. Bills are generated to charge each LDSS its share of the cost per child based on applicable rates and care days applied to each youth for which the LDSS is responsible.

The rates used for such billing purposes are initially calculated and billed as interim rates charged to districts on a quarterly basis appearing in the OCFS quarterly cost-of-care bills. The interim rates are subject to a final reconciliation and billing of actual expenditures for each quarterly operating period.

Per Chapter 53 of the Laws of 2015, if a LDSS fails to provide reimbursement to OCFS for any per diem chargeback rate either within 60 days of receiving a bill for services or by the date certain set by OCFS for providing reimbursement, whichever is later, the state may withhold the amount due from any amounts due and owing to the LDSS from OCFS under the Executive Law or the Social Services Law.

15-OCFS-ADM-03 provides the interim CY 2012 capped (LDSS) share of the Section 529 per diem chargeback rates for OCFS operated facilities and programs. The 15-OCFS-ADM-04 provides the final CY 2011 LDSS per diem chargeback rates for OCFS operated facilities and programs. (See hyperlinks noted in the "Attachments" reference on page 1.)

On February 20, 2015, OCFS produced and distributed to all LDSS the local share bills for facilities operated by OCFS for CY 2011 final and CY 2012 interim rates. The total of local share bills was capped at \$55 million.

## **III. Program Implications**

Chapter 50 of the Laws of 2015 caps the mandated costs imposed on LDSS at \$55 million per year from CY 2015 and, thereafter, for the operation of the OCFS juvenile facilities. LDSS should anticipate receiving the next chargeback billing in January 2016. This initiative provides significant fiscal relief to LDSS for this year and the out years. In addition, it provides LDSS with the ability to better plan and budget for these expenses due to the predictability of the annual billing amount.

The language also provides that NYC's pro-rata share of the \$55 million capped billings shall only be granted to the extent that its savings from capped billings, as determined by the Division of the Budget (DOB), are reinvested in eligible rental assistance for the homeless programs. The programs will be provided according to a plan that is submitted by NYC and reviewed, approved, and monitored by DOB and the Office of Temporary

and Disability Assistance (OTDA). NYC's savings to be reinvested according to the state-approved plan would be determined for the period July 1, 2014 through June 30, 2015 and annually, thereafter, through June 30, 2018.

State funds should not be used to supplant any NYC funds provided for allowable reinvestment activities. NYC shall submit monthly reports to DOB and OTDA indicating the number of recipients served under each of the rental assistance for the homeless program and the amounts spent on each program for the given month. NYC would also prepare and submit to DOB and OTDA a report of cumulative calendar year costs for each of the rental assistance for the homeless program.

Savings and local budget planning relief will be realized by all LDSS that are billed for the cost of care of youth placed in OCFS facilities.

*/s/ Derek J. Holtzclaw*

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**Issued By:**

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Division/Office: Division of Administration/Financial Management