



# Northstar Care Fiscal Reconciliation

## Presenters:

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# NC4C Topics



- 1. Review of Northstar Care**
2. Overview of Northstar Care Fiscal Reconciliation
3. Inputs (Reports and SSIS Data)
4. Schedule
5. Process (Fundamental Calculations)
6. Interim Outputs (Manual spreadsheets)
7. Future Outputs (SSIS future releases)
8. **Wrap-up, Resources and Questions**

# Review of Northstar Care for Children



Northstar Care for Children is designed to **increase** the likelihood that children who can't go home from Foster Care can get a new **permanent family** through transfer of legal custody to a relative or through adoption.

# More Money, But **NOT** From Agencies

Northstar Care for Children is designed to spend:

- ▶ About the same amount of county or tribal funds
- ▶ More federal Title IV-E funds
- ▶ Lots more state funds



# Who is Eligible for What?

- ▶ Northstar Care is about permanent families for children in foster care
- ▶ Therefore, it's **not** about group homes or residential treatment (although it does include corporate foster care residences)



# NOT Northstar Care

Foster Care costs **beyond** the Basic and Supplemental payments are **not** covered by Northstar Care:

- ▶ Initial clothing allowance
- ▶ Rule 4 agency administrative fees
- ▶ Child care beyond that included in the MAPCY
- ▶ The exception is Educational Transportation, which is included in Northstar Care

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# Northstar Care Fiscal Reconciliation Overview

- ▶ Northstar Care creates a fiscal partnership among the state, counties and tribes
- ▶ Northstar Care captures additional federal Title IV-E funds and increases state appropriations
- ▶ Designed to be basically fiscally neutral for counties and the tribes in the American Indian Child Welfare Initiative
- ▶ The Northstar Care Fiscal Reconciliation accomplishes this fiscal realignment

# Who Issues Payments?

## Counties and tribes issue payments for:

- ▶ Northstar Foster Care
- ▶ Legacy Foster Care
- ▶ Relative Custody Assistance (RCA)
- ▶ Minnesota Permanency Demonstration (MnPD)

## DHS issues payments for:

- ▶ Northstar Kinship Assistance
- ▶ Northstar Adoption Assistance
- ▶ Legacy Adoption Assistance

# Our Share, Their Share, Your Share, My Share, His Share, Her Share, Someone Else's Share

- ▶ The Northstar Care Fiscal Reconciliation Process determines what the **share** should be for DHS and for each agency
- ▶ Shares are determined using percentages, based on historical data and other adjustments
- ▶ Then we settle up



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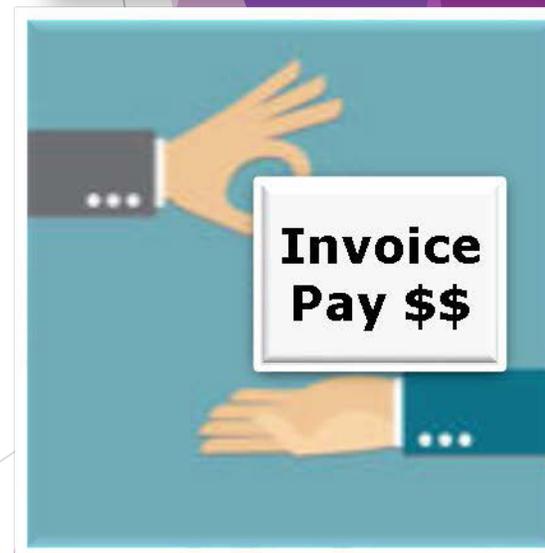
10

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# Issuing Payments versus Shares

- ▶ If the total of all the payments issued by a county or tribe is **greater** than its share for that quarter, DHS will send money
- ▶ If the total of all the payments issued by a county or tribe is **less** than its share for that quarter, DHS will invoice the agency for the difference
- ▶ What are the odds of coming out exactly even? Not high!



# Very Slowly Quarterly

- ▶ DHS will **eventually** settle up each quarter in the following quarter (with a final settle-up a year later)
- ▶ But at first, it will be very, very, very, very, very, very, very, very slow
- ▶ Very, very, very, very
- ▶ Slow
- ▶ We are living up to this promise!

# NC4C Topics

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-  3. **Inputs (Reports and SSIS Data)**
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# Review of Inputs

- ▶ Historical data 2011-2014
  - ▶ Payment Warrant/Effective dates 2011-2014
  - ▶ Agency adjustment requests to avoid distortions
  - ▶ Title IV-E revenue
- ▶ Current quarter expenditures
  - ▶ Legacy & Northstar Foster Care
  - ▶ Legacy & Northstar Permanency
  - ▶ County, Tribal, & State
- ▶ Title IV-E revenue for current quarter expenditures
- ▶ Other inputs

# Historical Data 2011-2014

## Historical data is important:

- ▶ It's easy to see how important the historical data is to the Northstar Care Fiscal Reconciliation process
- ▶ The historical data is the basis for both of the two fundamental calculations
- ▶ You've had a chance to request adjustments as part of avoiding anomalies and distortions

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9/16/15

15



# Current Expenditures

## Current expenditures come from fiscal reports:

- ▶ The Child Foster Care Report
- ▶ The RCA Report
- ▶ The Minnesota Permanency Demonstration Project (MnPD) Report
- ▶ DHS equivalent fiscal “reports”

*Hint: Proofing tabs on reports, are very important to the Northstar Care Fiscal Reconciliation process:*

- ▶ *You have a chance to correct errors for four quarters prior to the current quarter for a total of five quarters*

# Current Title IV-E Earnings

## By Federal Financial Participation (FFP) Rate:

- ▶ The Child Foster Care Report uses the FFP Rate to calculate Title IV-E earnings
- ▶ When DHS pays Title IV-E, it nets off child support and the Title IV-E recoveries entered on the Child Foster Care Report
  - The Northstar Care Fiscal Reconciliation uses the Title IV-E Revenue earned **before** child support and Title IV-E recoveries are netted off

# Adjustments to Avoid Anomalies & Distortions

- ▶ DHS is directed by statute to avoid anomalies and distortions
- ▶ Adjustments can be made to avoid anomalies and distortions
- ▶ Examples of adjustments include:
  - Historical data adjustments
  - State/local split adjustments
  - Proportionate share adjustments
- ▶ Here an adjustment, there an adjustment, everywhere an adjustment!

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9/16/15

18



# NC4C Topics

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3. Inputs (Reports and SSIS Data)
-  4. **Schedule**
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# Reporting and Process Schedule

There are two different schedules:

- ▶ What's in place **now**?
- ▶ What are the plans for the **future**?



# Current Schedule in Place

- ▶ Fiscal reports are due the 20<sup>th</sup> of the **FIRST** month after each reporting quarter
  - January 20, April 20, July 20, October 20
- ▶ DHS will process and pay Title IV-E reimbursements in the **MIDDLE** month
  - February, May, August, November
- ▶ Northstar Care Fiscal Reconciliation will take its own sweet time...
  - Weeks and frankly even months after reports are submitted
  - We'd rather get it right than get it fast

# Schedule for the *Future*



- ▶ Fiscal reports still due the 20<sup>th</sup> of the **FIRST** month after each reporting quarter
  - January 20, April 20, July 20, October 20
- ▶ DHS will process and pay Title IV-E reimbursements in the **MIDDLE** month
  - February, May, August, November
- ▶ Northstar Care Fiscal Reconciliation will be completed in the **LAST** month of the quarter following the reporting quarter
  - March, June, September, December

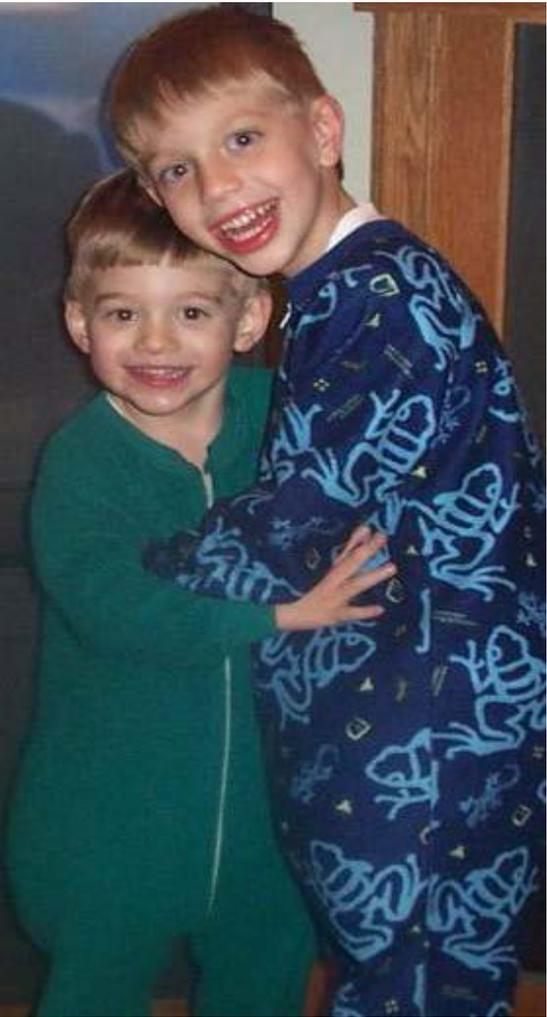
# Final Fiscal Reconciliation

- ▶ As part of the usual Title IV-E processing, DHS looks at the previous five quarters and makes all needed adjustments **each quarter** for all five of those quarters
- ▶ Northstar Care Fiscal Reconciliation involves so many moving parts that it's not practical to follow this model, essentially running the process five times for each quarter

# Fiscal Reconciliation Twice

- ▶ Instead, we plan to do the fiscal reconciliation **twice** for each quarter:
  - Once soon after the quarter ends
  - A second and final time a year later
- ▶ As part of this final reconciliation, an agency may receive a payment or an invoice
  - It would only involve whatever net difference emerges after everything has been finalized

# Twice is Twice as Nice



- ▶ If there are missing items, errors or corrections for a particular quarter, they can be included in any of the subsequent quarter's reports
- ▶ However, they wait until the final Northstar Care Fiscal Reconciliation of the quarter in which they were paid

# Final Reconciliation Involves All Agencies & DHS

- ▶ Please note that the Northstar Care Fiscal Reconciliation process involves **all** agencies, DHS and their data
- ▶ Even if **your** agency made no changes, other agencies' changes will likely have an impact on your agency's final results for each quarter
  - It may be small, but it will occur
  - That's the nature of the process
  - It's just a little messy that way



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9/16/15

26

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# Process

- ▶ At the heart of the Northstar Care Fiscal Reconciliation process are the **two fundamental calculations:**
  1. State/Local Calculation
  2. Proportionate Share Calculation

# One Process or Two?

- ▶ We may employ the two fundamental calculations only once in a single process for all counties and tribes
- ▶ We are more likely to do it twice:
  - Once for all counties
  - Second, for the American Indian Child Welfare Initiative tribes
- ▶ There are lots of compelling reasons for considering separating them
- ▶ Statute specifies not allowing the transfer of responsibilities to create a distortion for either the counties or the tribes

# Two Fundamental Calculations

- ▶ The **State/Local Calculation** divides the nonfederal portion into:
  - State share (how much the state should pay)
  - Local share (how much **all** county and tribal agencies together should pay)
- ▶ The **Proportionate Share Calculation** splits the total Local Share among each of the agencies
- ▶ Both calculations are based on historical data, with adjustments as needed



# Trending Forward the Data

- ▶ Both of the two fundamental calculations are based on historical data of what the various parties paid in calendar years 2011-2014
  - 2014 not final until Title IV-E earnings are finalized (4<sup>th</sup> quarter 2015 report)
- ▶ It also involves trending forward the historical data

# New Trends

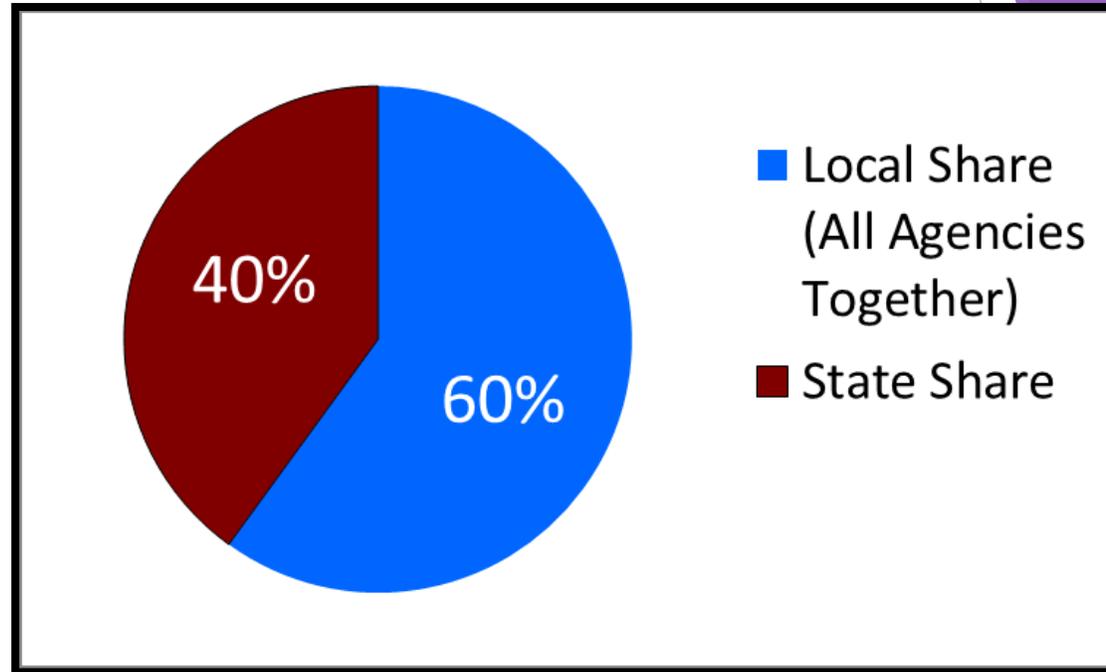
- ▶ Foster care costs were going down for years until about 2012, when they started going back up
- ▶ As a result, during 2011-2012, the state share grew compared to counties and tribes
- ▶ But that reversed for the rest of the period, with state share shrinking again

# DHS Pays for Phase-in Costs

- ▶ Northstar Care costs more than the collection of previous programs
- ▶ The state picks up the extra costs that the feds don't
- ▶ These phase-in costs are added onto the trended-forward state share

# State/Local Calculation

- ▶ Trend historical state share and local shares forward
- ▶ Then add in phase-in costs
- ▶ Preliminary estimates suggest it might be 40% state and 60% local

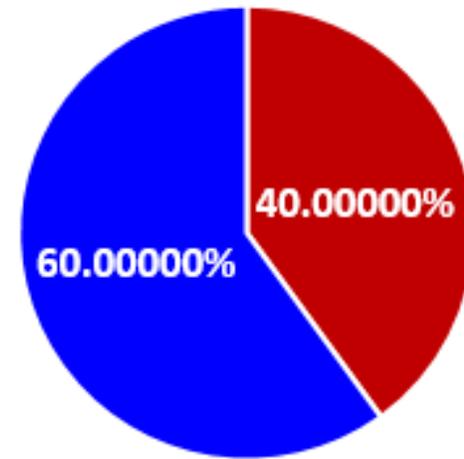


# 1<sup>st</sup> Fundamental Calculation – State/Local Share

## 1st Fundamental Calculation: State/Local Share

100.00000%	Total Nonfederal Portion Issued:	\$20,000
40.00000%	Nonfederal State Share:	\$8,000
60.00000%	Nonfederal Local Share:	\$12,000

## Statewide State/Local Shares



- Nonfederal State Share
- Nonfederal Local Share

# Proportionate Share Calculation

- ▶ To avoid cost shifting the local share is divided up based on historic proportionate shares
- ▶ The proportionate share **starts** by determining a percentage for each year 2011-2014.
- ▶ The percentage is the nonfederal portion paid by **your agency** divided by the nonfederal portion paid by **all agencies**
- ▶ Next we average the annual percentages for your agency for those four years



# Proportionate Share % Example

Calendar Year Historical Data	Your Agency's Nonfederal Portion	All Agencies' Nonfederal Portion	Your Agency's Proportionate Share Percentage
2011	\$ 234	\$ 10,000	2.240%
2012	\$ 251	\$ 10,500	2.391%
2013	\$ 286	\$ 11,000	2.600%
2014	\$ 317	\$ 11,500	2.669%
<b>Average of Annual Percentages:</b>			<b>2.475%</b>

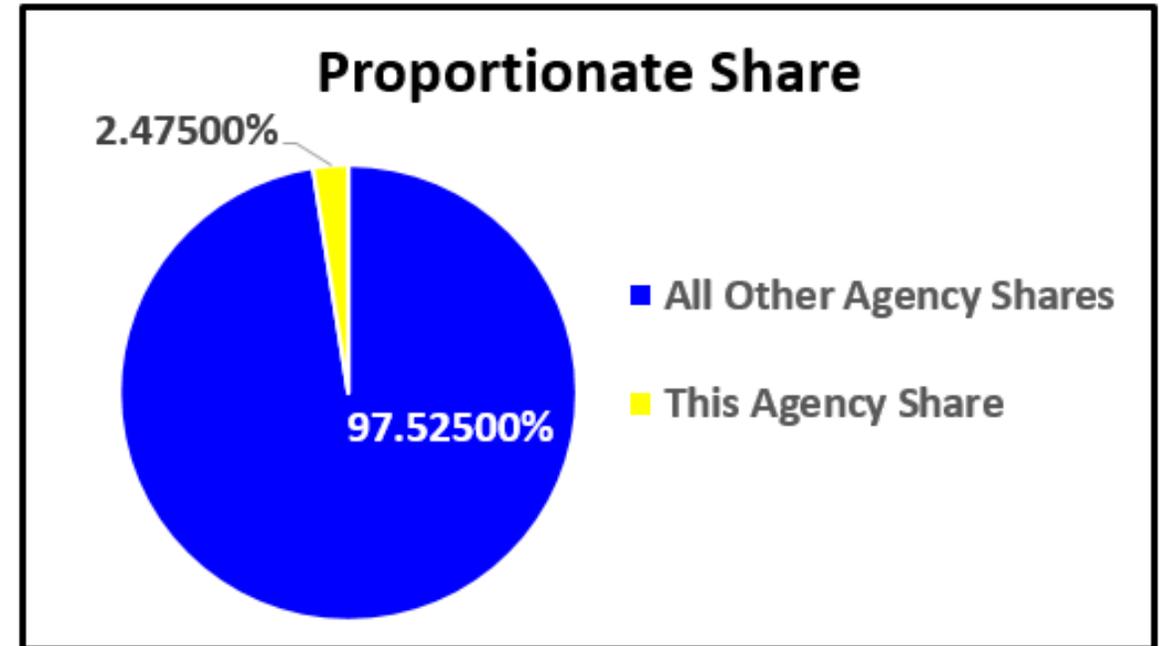
# Calculate the Agency Share for this Quarter

- ▶ The 2<sup>nd</sup> fundamental calculation determines the nonfederal share for each agency
- ▶ Multiply each agency's Proportionate Share % by the current quarter's Local Nonfederal Share for all agencies
- ▶ The result is the Local Share for each agency

# 2<sup>nd</sup> Fundamental Calculation – Proportionate Share

## 2nd Fundamental Calculation: Proportionate Share

100.00000%	Nonfederal Local Share:	\$12,000
97.52500%	All Other Agency Shares:	\$11,703
<b>2.47500%</b>	<b>This Agency Share:</b>	<b>\$297</b>



## Nonfederal Effective Rates for this Agency

Nonfederal Effective Rate Local Share	67.5000%	Nonfederal Local Share:	\$297.00
Nonfederal Effective Rate State Share	32.5000%	Nonfederal State Share:	\$143.00
Total Nonfederal Portion	100.0000%	Total Nonfederal Portion:	\$440.00

# Proportionate Share Adjustments

- ▶ Historic data is adjusted when needed
- ▶ DHS also adjusts the proportionate shares for various reasons:
  - These include trends, and changes in the use of Foster Care, Kinship Assistance, and Adoption Assistance
  - Counties and tribes that use **more** than they did in the past should go **up**, those that use **less** should go **down**
  - Also to avoid wild swings, anomalies and other kinds of distortions



# Adjustments to Avoid Anomalies and Distortions

DHS is to ensure that **none** of the adjustments are unduly influenced by one-time events, anomalies, small changes that appear large compared to a narrow historic base (such as one family moving into or out of one county), or the results of the transfer of responsibilities to tribal social service agencies under the American Indian Child Welfare Initiative.



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NEXT

# In the Interim while Building Functionality into SSIS

- ▶ We need to accomplish Northstar Care Fiscal Reconciliation while building the future into SSIS
- ▶ That means SSIS data spilled into spreadsheets for the calculations
- ▶ That means spreadsheet-based outputs
- ▶ The outputs are similar to but less sophisticated than what SSIS will have

# Title IV-E Earnings Not Reduced

With the interim outputs...

- ▶ Title IV-E Earnings are calculated based on the full FFP rate.
- ▶ They are **not** reduced by Child Support or other recoveries
- ▶ This means that you get to keep any recoveries that you collect
- ▶ Not reducing Title IV-E Earnings will continue after the interim has been replaced by SSIS

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9/16/15

44



# Title IV-E Counted by Payment Date

Also with the interim outputs...

- ▶ Title IV-E Earnings follow the Payment Date of the claim, not when you reported it or received the Title IV-E revenue
- ▶ Counting Title IV-E Earnings by the Payment Date will also continue after the interim has been replaced by SSIS
- ▶ Examples on next slide...

# Title IV-E by Payment Examples

- ▶ **EXAMPLE 1:** If a claim with a Payment date in Q1 2015 is reported in Q2 2015 with Title IV-E Earnings, those earnings are applied to the Q1 2015 **Initial** Northstar Care Fiscal Reconciliation process
- ▶ **EXAMPLE 2:** If the same claim is reported in Q4 2015, those earnings will still be applied to the Q1 2015 Northstar Care Fiscal Reconciliation process, but not until the **Final** reconciliation done in 2016

# Claims & Changes from Subsequent Reports Included in Calculations

And also with the interim outputs...

- ▶ Claims reported on the Q1-2015 reports (CFC and RCA) are, of course, included in the Initial Q1 2015 Fiscal Reconciliation
- ▶ But since the next quarter's reports are already in, we will **also** include claims and changes reported on the Q2-2015 reports that are about Q1-2015 Payments
- ▶ This should help make the Initial Reconciliation closer to the Final one we do in 2016.
- ▶ We are not certain if this will continue after the interim has been replaced by SSIS

# Interim Outputs in Two Parts

- ▶ So what do these interim outputs look like?
- ▶ There are two parts:
  1. Part 1 - Two pages packed with useful information
  2. Part 2 - Your agency's history, as adjusted

# Northstar Care Fiscal Reconciliation Summary - Interim Format

Quarter: January-March 2015

Agency: XX EXAMPLE

**Fake data - all fake - completely made up!**

Reconciliation: Initial 09/07/2015

Page 1

Nonfederal Portion	Payments Issued			D. (Federal Title IV-E)	Nonfederal Portion before Prior DHS Payments		
	A. State Issued	B. Agency Issued	C. Total		E. State Issued	F. Agency Issued	G. Total
11. Family Foster Care and EFC-SIL (legacy & NFC)	\$0.00	\$334.00	\$334.00	(\$55.00)	\$0.00	\$279.00	\$279.00
12. Relative Custody Assistance (RCA)	\$0.00	\$8.00	\$8.00	\$0.00	\$0.00	\$8.00	\$8.00
13. MN Permanency Demonstration Project (MnPD)	\$0.00	\$22.00	\$22.00	(\$11.00)	\$0.00	\$11.00	\$11.00
14. Northstar Kinship Assistance	\$14.00	\$0.00	\$14.00	(\$4.00)	\$10.00	\$0.00	\$10.00
15. Adoption Assistance (legacy & NAA)	\$190.00	\$0.00	\$190.00	(\$58.00)	\$132.00	\$0.00	\$132.00
16. <b>TOTAL:</b>	\$204.00	\$364.00	\$568.00	(\$128.00)	\$142.00	\$298.00	\$440.00

Shares	Shares		
	H. State Share	I. Agency Share	J. Total
20. <b>Nonfederal Effective Rates for this Agency</b>	32.5000%	67.5000%	100.0000%
21. Family Foster Care and EFC-SIL (legacy & NFC)	\$90.68	\$188.32	\$279.00
22. Relative Custody Assistance (RCA)	\$2.60	\$5.40	\$8.00
23. MN Permanency Demonstration Project (MnPD)	\$3.57	\$7.43	\$11.00
24. Northstar Kinship Assistance	\$3.25	\$6.75	\$10.00
25. Adoption Assistance (legacy & NAA)	\$42.90	\$89.10	\$132.00
26. <b>TOTAL:</b>	\$143.00	<b>\$297.00</b>	\$440.00

Nonfederal Portion after Prior DHS Payments		
K. State Issued	L. Agency Issued	M. Total
\$3.00	\$276.00	\$279.00
\$0.00	\$8.00	\$8.00
\$0.00	\$11.00	\$11.00
\$10.00	\$0.00	\$10.00
\$132.00	\$0.00	\$132.00
\$145.00	<b>\$295.00</b>	\$440.00

I-26. This is the Total Agency Share for Northstar Care, including legacy



L-26. This is the Agency Net Outlay prior to this reconciliation



(Owe) & Due	N. (Owe) to State	O. Due to Agency	P. Net before Prior DHS Paymt	Q. (Prior DHS Payments)	R. Net after Prior DHS Payments
31. Family Foster Care and EFC-SIL (legacy & NFC)	\$0.00	\$90.68	\$90.68	(\$3.00)	\$87.68
32. Relative Custody Assistance (RCA)	\$0.00	\$2.60	\$2.60	\$0.00	\$2.60
33. MN Permanency Demonstration Project (MnPD)	\$0.00	\$3.57	\$3.57	\$0.00	\$3.57
34. Northstar Kinship Assistance	(\$6.75)	\$0.00	(\$6.75)	\$0.00	(\$6.75)
35. Adoption Assistance (legacy & NAA)	(\$89.10)	\$0.00	(\$89.10)	\$0.00	(\$89.10)
36. <b>TOTAL:</b>	(\$95.85)	\$96.85	\$1.00	(\$3.00)	<b>(\$2.00)</b>

S. This is the

41. Amount that Agency Owes DHS - DHS will invoice this amount:



**\$2.00**

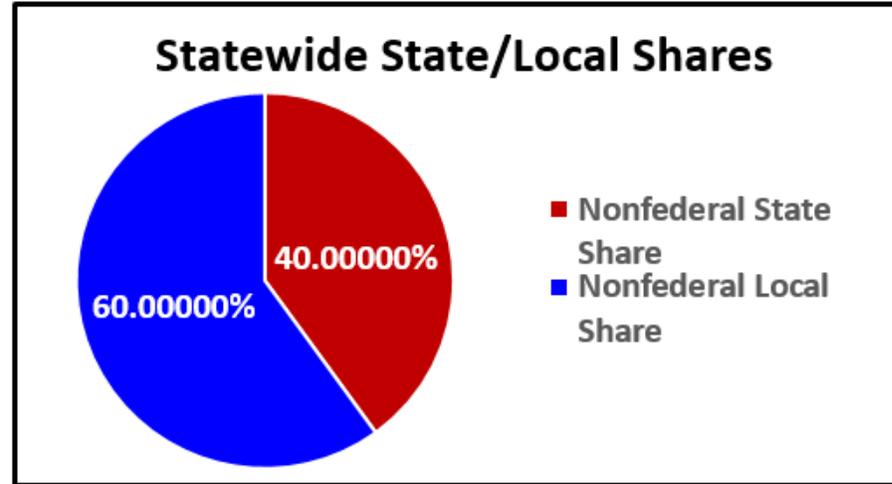
**Interim Output Part 1- Page 1**

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9/16/15

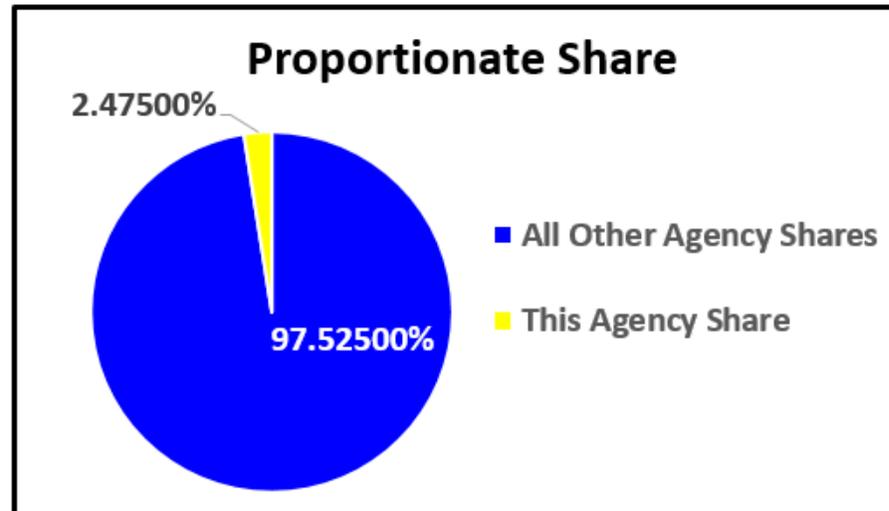
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### 2nd Fundamental Calculation: Proportionate Share

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### Nonfederal Effective Rates for this Agency

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Total Nonfederal Portion	100.0000%	Total Nonfederal Portion:	\$440.00

9/16/15

50

**Interim  
Output  
Part 1-  
Page 2**

# Part 1, Page 2: Fundamental Calculations

- ▶ Page 2 shows the 1<sup>st</sup> and 2<sup>nd</sup> Fundamental Calculations
- ▶ We covered this as we reviewed the process earlier
- ▶ We turn next to data-packed Page 1

# Part 1, Page 1 Sections

Page 1 has four big sections:

- ▶ Columns A-G at the top (Lines in teens)
- ▶ Columns H-J in left middle (Lines in 20s)
- ▶ Columns K-M in right middle (also Lines in 20s)
- ▶ Columns N-S at the bottom (Lines in 30s)

We'll look briefly at each section

# Part 1, Page 1 Line Numbers

- ▶ On Page 1, the first number of the Line number indicates section (the middle 2 sections in the 20s).
- ▶ The second number indicates:
  - x0: Nonfederal Effective Rates
  - x1: Family Foster Care and EFC-SIL (legacy & NFC)
  - x2: Relative Custody Assistance (RCA)
  - x3: MN Permanency Demonstration Project (MnPD)
  - x4: Northstar Kinship Assistance
  - x5: Adoption Assistance (legacy & NAA)
  - x6: Total

# Part 1, Page 1 Negative Figures

- ▶ Figures on Page 1 are generally additive
- ▶ The sign tells you whether to add or subtract
- ▶ Negative figures include Title IV-E Earnings, Amounts Owed to DHS, and Prior DHS Payments
- ▶ The main exception is the very last figure (S-41), which says Owe or Due and is **always** a positive number

# Columns A-D: Payments Issued & Title IV-E Earned

- ▶ Columns A and B summarize payments issued by the State and by the Agency
- ▶ Column C totals A and B
- ▶ Column D shows Title IV-E Earnings matched to the **payments** in Columns A and B

# Columns A-D: Payments Issued & Title IV-E Earned

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	A. State Issued	B. Agency Issued	C. Total	
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12. Relative Custody Assistance (RCA)	\$0.00	\$8.00	\$8.00	\$0.00
13. MN Permanency Demonstration Project (MnPD)	\$0.00	\$22.00	\$22.00	(\$11.00)
14. Northstar Kinship Assistance	\$14.00	\$0.00	\$14.00	(\$4.00)
15. Adoption Assistance (legacy & NAA)	\$190.00	\$0.00	\$190.00	(\$58.00)
16. <b>TOTAL:</b>	<b>\$204.00</b>	<b>\$364.00</b>	<b>\$568.00</b>	<b>(\$128.00)</b>

# Columns E-G: Nonfederal Portion before Prior DHS Payments

- ▶ Columns E, F, and G are the results when Columns A, B, and C (payments issued) are reduced by Column D (Title IV-E)
- ▶ We'll talk about "Prior DHS Payments" soon – this is **before** recognizing them
- ▶ **Column G** is the total that the 1<sup>st</sup> and 2<sup>nd</sup> Fundamental Calculations split into State and Agency Shares.

# Columns E-G: Nonfederal Portion before Prior DHS Payments

Nonfederal Portion	Amount	D. (Federal Title IV-E Earned)	Nonfederal Portion before Prior DHS		
			E. State Issued	F. Agency Issued	G. Total
11. Family Foster Care and EFC-SIL (legacy & NFC)	20	(\$55.00)	\$0.00	\$279.00	\$279.00
12. Relative Custody Assistance (RCA)	0	\$0.00	\$0.00	\$8.00	\$8.00
13. MN Permanency Demonstration Project (MnPD)	20	(\$11.00)	\$0.00	\$11.00	\$11.00
14. Northstar Kinship Assistance	0	(\$4.00)	\$10.00	\$0.00	\$10.00
15. Adoption Assistance (legacy & NAA)	0	(\$58.00)	\$132.00	\$0.00	\$132.00
16. <b>TOTAL:</b>	20	(\$128.00)	\$142.00	\$298.00	\$440.00

# Payments Issued vs. Shares

- ▶ Columns A-G summarize the payments issued and who issued them
- ▶ Agency-issued payments on Lines x1, x2, and x3 are separated by the heavy line from State-issued payments on Lines x4 and x5
- ▶ The 1<sup>st</sup> and 2<sup>nd</sup> Fundamental Calculations split the total into State and Agency Shares
- ▶ Shares will **always** be different from who issued the payments:
  - The State gets a share of foster care, RCA, and MnPD
  - The Agency gets a share of Northstar Kinship Assistance and Adoption Assistance (legacy and NAA)

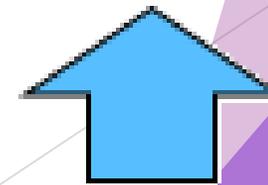
# Columns H-J: Shares

- ▶ Columns J and G are always equal
- ▶ Column H shows the State Share of the Nonfederal Portion (Column J or G)
- ▶ Column I shows the Agency Share of the Nonfederal Portion (Column J or G)
- ▶ Column J shows the total, the same Total Nonfederal Portion shown in Column G

# Columns H-J: Shares

Shares	Shares		
	H. State Share	I. Agency Share	J. Total
<b>20. Nonfederal Effective Rates for this Agency</b>	32.5000%	67.5000%	100.0000%
21. Family Foster Care and EFC-SIL (legacy & NFC)	\$90.68	\$188.32	\$279.00
22. Relative Custody Assistance (RCA)	\$2.60	\$5.40	\$8.00
23. MN Permanency Demonstration Project (MnPD)	\$3.57	\$7.43	\$11.00
24. Northstar Kinship Assistance	\$3.25	\$6.75	\$10.00
25. Adoption Assistance (legacy & NAA)	\$42.90	\$89.10	\$132.00
26. <b>TOTAL:</b>	\$143.00	<b>\$297.00</b>	\$440.00

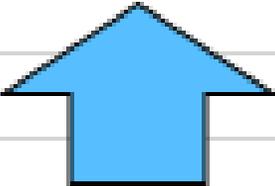
**I-26. This is the Total Agency Share  
for Northstar Care, including legacy**



# Nonfederal Effective Rates

How do we allocate the State and Agency Share (Line 26) to the expenditures for the current quarter?

- ▶ We use Line 20, the Nonfederal Effective Rates
- ▶ These are used to allocate costs from Line 26 to Lines 21 – 25

Shares	
I. Agency Share	J. Total
67.5000%	100.0000%
\$188.32	\$279.00
\$5.40	\$8.00
\$7.43	\$11.00
\$6.75	\$10.00
\$89.10	\$132.00
<b>\$297.00</b>	\$440.00
	

# How are the Nonfederal Effective Rates Calculated?

- ▶ The Nonfederal Agency Effective Rate is the percentage derived by **dividing:**  
**Nonfederal Agency Share (I-26)**  
**Nonfederal All Expenditures (J-26)**
- ▶ The Nonfederal State Effective Rate is the reciprocal:  
**100% - Nonfederal Agency Effective Rate (I-20)**

# What are the Effective Rates?

- ▶ The Nonfederal Agency Effective Rate is the percentage of all nonfederal expenditures that are the Agency's share for that quarter
- ▶ It's a result of the two Fundamental Equations for your agency that quarter
- ▶ It can range very low to very high:
  - As low as 20% if trends are sharply up
  - As high as 90% or even higher for small agencies with expenditures sharply down
- ▶ The Nonfederal State Effective Rate is the percentage of all nonfederal expenditures that are the State's share for that quarter

# Columns N-P: (Owe) & Due

- ▶ Column N shows amounts **owed** to the State, shown as **negative** figures
  - Typically Agency Shares for Northstar Kinship Assistance and/or Adoption Assistance
- ▶ Column O shows amounts **due** to the Agency from the State, shown as **positive** figures
  - Typically State Share for foster care, RCA, MnPD
- ▶ Column P nets owed and due in a single column
- ▶ These amounts are before Prior DHS Payments
- ▶ Prior DHS Payments is our next topic

# Columns N-P: (Owe) & Due

(Owe) & Due	N. (Owe) to State	O. Due to Agency	P. Net before
31. Family Foster Care and EFC-SIL (legacy & NFC)	\$0.00	\$90.68	\$90.68
32. Relative Custody Assistance (RCA)	\$0.00	\$2.60	\$2.60
33. MN Permanency Demonstration Project (MnPD)	\$0.00	\$3.58	\$3.58
34. Northstar Kinship Assistance	(\$6.75)	\$0.00	(\$6.75)
35. Adoption Assistance (legacy & NAA)	(\$89.10)	\$0.00	(\$89.10)
36. <b>TOTAL:</b>	<b>(\$95.85)</b>	<b>\$96.85</b>	<b>\$1.00</b>

# What are Prior DHS Payments?

- ▶ We use the term “**Prior DHS Payments**” for **state** revenue received by the agency for these expenditures
- ▶ Only state - not federal Title IV-E (already in Column D)
- ▶ This includes advances for Northstar Foster Care, even those labeled RCA or MnPD
- ▶ In the future, it will include the settle-up for the Initial Fiscal Reconciliation for that quarter

# Columns P-R: (Owe) & Due

- ▶ Column P shows nets owed and due in a single column, before Prior DHS Payments
- ▶ Column Q shows any Prior DHS Payments sent to your agency **for payments issued in this quarter**
- ▶ It will **not** show RCA or MnPD payments for 2014
- ▶ Prior DHS Payments show as **negative figures**, since they reduce the amount due from DHS (or increase the amount owed to DHS)
- ▶ Column R nets Columns P and Q

# Columns P-R: (Owe) & Due – Prior DHS Payments

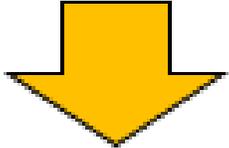
(Owe) & Due		P. Net before Prior	Q. (Prior DHS Payments)	R. Net after Prior
31. Family Foster Care and EFC-SIL (legacy & NFC)	7	\$90.68	(\$3.00)	\$87.68
32. Relative Custody Assistance (RCA)	00	\$2.60	\$0.00	\$2.60
33. MN Permanency Demonstration Project (MnPD)	7	\$3.57	\$0.00	\$3.57
34. Northstar Kinship Assistance	0	(\$6.75)	\$0.00	(\$6.75)
35. Adoption Assistance (legacy & NAA)	0	(\$89.10)	\$0.00	(\$89.10)
36. <b>TOTAL:</b>	0	\$1.00	(\$3.00)	(\$2.00)

# Columns R-S: Net (Owe) & Due

- ▶ Column R shows nets owed and due in a single column, **after** Prior DHS Payments
- ▶ Negative figures are what the Agency owes DHS
- ▶ Positive figures are due to the Agency from DHS
- ▶ Column S shows the **bottom line as S-41**, always as a positive figure below the gold arrow
- ▶ The label changes depending on whether:
  - The Agency owes DHS
  - Funds are due to the Agency from DHS
  - It's exactly even

# Columns R-S: Net (Owe) & Due

The bottom line is at S-41. Here the Agency owes DHS \$2.00

(Owe) & Due			R. Net after Prior DHS Payments	
31. Family Foster Care and EFC-SIL (legacy & NFC)		00)	\$87.68	
32. Relative Custody Assistance (RCA)		00	\$2.60	
33. MN Permanency Demonstration Project (MnPD)		00	\$3.57	
34. Northstar Kinship Assistance		00	(\$6.75)	
35. Adoption Assistance (legacy & NAA)		0	(\$89.10)	
36. TOTAL:		00)	(\$2.00)	S. This is the net result
				41. Amount that Agency Owes DHS - DHS will invoice this amount: 
				<b>\$2.00</b>

# Agency Share of What?

## State Share of What?

- ▶ Because the agency issues payments primarily for foster care, the net that is **due to the agency from the state** will always be considered the **state share of foster care**
- ▶ Similarly, because DHS issues payments for Northstar Kinship Assistance and Adoption Assistance, the amount that the **agency owes the state** is considered to be the **agency share for those permanency components**
- ▶ At this point, DHS will either pay the amount due to the agency, or will invoice the agency for the amount owed to the State

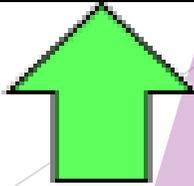
# Columns K-M: Nonfederal after Prior DHS Payments

- ▶ Columns K and I show the amounts issued by the State (K) or the Agency (L), reduced or increased by any Prior DHS Payments
- ▶ This provides an alternative way to calculate Column R
- ▶ The amounts in Column L (Agency Issued) less the amounts in Column I (Agency Share) will equal Column R

# Columns K-M: Nonfederal after Prior DHS Payments

Nonfederal Portion after Prior DHS Payments		
K. State Issued	L. Agency Issued	M. Total
\$3.00	\$276.00	\$279.00
\$0.00	\$8.00	\$8.00
\$0.00	\$11.00	\$11.00
\$10.00	\$0.00	\$10.00
\$132.00	\$0.00	\$132.00
\$145.00	\$295.00	\$440.00

L-26. This is the Agency Net Outlay prior to this reconciliation



# Manual Process Spreadsheet – Draft Example

- ▶ Refer to the Northstar Care Fiscal Reconciliation Manual Process Example Output Handout
  - ▶ Draft example
  - ▶ Again DRAFT!
  - ▶ Does not include an example of Part 2 - Agency History

# Interim Outputs in Two Parts

- ▶ Reminder, there are two parts:
  1. Two pages packed with useful information
  2. **Your agency's history, as adjusted**

# Your Agency's History

- ▶ The other interim output is your agency's history
- ▶ This shows the figures, as adjusted, that DHS is using in the 1<sup>st</sup> and 2<sup>nd</sup> Fundamental Calculations
- ▶ It's perhaps most useful to have data for the legacy permanency programs, which you likely didn't have before

# NC4C Topics

1. Review of Northstar Care
2. Overview of Northstar Care Fiscal Reconciliation
3. Inputs (Reports and SSIS Data)
4. Schedule
5. Process (Fundamental Calculations)
6. Interim Outputs (Manual spreadsheets)
- 7. Future Outputs (SSIS future releases)**
8. Wrap-up, Resources and Questions

NEXT

# What is Completed?

- ▶ Reports are completed

- ▶ RCA Report
- ▶ CFC Report

- ▶ Historical Data

- ▶ Agencies vetted their data and requested any adjustments

- ▶ SSIS DHS (*formerly Adoptions*)

- ▶ Table structure for all historical data and reported data from agencies is built
- ▶ Data is updated quarterly through reports

# What is left...

## ▶ Structure in SSIS DHS

- ▶ Northstar Care Fiscal Reconciliation Report
  - ▶ Calculations completed in SSIS, not spreadsheets
- ▶ Payments and Invoices in SSIS DHS

## ▶ Data back to agencies

- ▶ Future outputs back to Agencies using SSIS
- ▶ Increasing the transparency in the process
  - ▶ SSIS used to create, view, calculate and share data between agencies and policy

# SSIS Future...

- ▶ The outputs from the Northstar Care Fiscal Reconciliation process are still being designed
- ▶ Our goal is provide as much meaningful data as we can arrange, given programming limitations and data privacy restrictions (particularly around adoption assistance)
- ▶ The example we provided at the June AMSSA Conference remains our model
- ▶ This is still evolving and will likely change further as we work on the details

# Future Outputs – Draft Example

- ▶ Refer to the AMSSA NC4C Session 3 handout
  - ▶ [NC4C Session 3 – Reconciliation Data Back to Agencies](#)
  - ▶ Draft example
  - ▶ Again DRAFT!

# NC4C Topics

1. Review of Northstar Care
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NEXT 

# AMSSA Presentations Available

- ▶ All of the AMSSA presentations are available on the [SSIS Fiscal Training Documentation](#) page under AMSSA 2015
  - ▶ Refer to NC4C Sessions and handouts for additional information on the Northstar Care Fiscal Reconciliation process

# Northstar Care For Children Resources

## Northstar Policy Resources

### Website

- ▶ CountyLink > DHS Program Resources > Northstar Care for Children

### Email

- ▶ [Northstar.care@state.mn.us](mailto:Northstar.care@state.mn.us)

### Northstar Care Call Line

- ▶ 651-431-4485

## SSIS Application Help Resources

### Website

- ▶ CountyLink > DHS Program Resources > DHS Systems & IT Updates > SSIS resources

### SSIS Help Desk Email

- ▶ [Dhs.ssishelp@state.mn.us](mailto:Dhs.ssishelp@state.mn.us)

### SSIS Help Desk Phone

- ▶ 651-431-4801

# QUESTIONS

