TO: Local District Commissioners

SUBJECT: Child Support Incentives

ATTACHMENTS: Attachment # 1 Schedule of Actual Collections and Expenditures FFY 90 (not on line)
Attachment # 2 Schedule of Actual ADC Incentives FFY 90 (not on line)
Attachment # 3 Schedule of Actual Non-ADC Incentives FFY 90 (not on line)
Attachment # 4 Comparison of Actual Versus Reported Incentives FFY 90 (not on line)
Attachment # 5 Estimated ADC and Non-ADC Incentives through September 1992 (not on line)

ACTUAL INCENTIVE CALCULATION

The Department has received the actual IV-D child support incentives earned by New York State from the Department of Health and Human Services, Office of Child Support Enforcement, for the federal fiscal year October 1, 1989 through September 30, 1990 (FFY 90). ADC and non-ADC incentives earned by New York State for that period totalled $17,525,417.
Of this $17,525,417 statewide incentives, Chapter 53 of the Laws of 1989 and 1990 authorizes the Department to retain up to $3,500,000 in incentives for state fiscal year (SFY) 1989-90 and $4,500,000 for SFY 1990-91 respectively. Since FFY 90 encompasses the last half of SFY 1989-90 and the first half of SFY 1990-91, $1,750,000 (1/2 of $3,500,000) was retained as the state share of incentives for the period October 1, 1989 - March 31, 1990 and $2,250,000 (1/2 of $4,500,000) was retained for the period April 1, 1990 - September 30, 1990. The amount remaining for distribution to local districts is $13,525,417.

Attachment #1 provides a summary of collections and expenditure amounts for the reporting period October 1, 1989 through September 30, 1990 which were used to determine each district's actual incentives.

Attachments #2 and #3 contain the calculation of actual ADC and non-ADC incentives (after the above referenced state share amount is deducted) for each district based on the incentive methodology outlined in regulations at 18 NYCRR part 347.16(e).

Attachment #4 contains the adjusted incentive amounts (from estimated incentives reported on schedule A-1 to actual incentives) which will be processed by the Department's Local Assistance Unit on the next settlement for each district.

ESTIMATED INCENTIVE CALCULATION

New York State also received estimated incentives for FFY 92 (October 1, 1991 through September 30, 1992) which total $18,995,000; $8,835,000 for ADC incentives and $10,160,000 for non-ADC incentives. This estimate is based upon collection and expenditure figures projected by federal OCSE. From this amount, Chapter 53 of the Laws of 1991 authorizes the Department to retain up to $5,500,000 in incentives for SFY 91-92. Again, since FFY 92 encompasses the last half of SFY 91-92 and the first half of SFY 92-93, the Department will retain $2,750,000 (1/2 of $5,500,000) for the period October 1, 1991 to March 31, 1992. For estimating purposes, this same amount ($2,750,000) will be used as the state share for the period April 1, 1992 through September 30, 1992. However, this figure is subject to change depending on 1992 Chapter Law. The estimated amount remaining for distribution to local districts is $13,495,000.

Attachment #5 contains the estimated incentives for March 1992 through September 1992. These monthly estimated incentives should be reported on Schedule A-1 (Summary of Title IV-D Collections and Distributions) for each month during this time period. These amounts were estimated by applying the actual cost benefit ratios for the period October 1, 1989 through September 30, 1990, against the estimated incentives provided by federal OCSE through September 30, 1992.
Local IV-D staff do not have to submit supplemental claims for the adjustment to actual incentives earned for the period October 1, 1989 through September 30, 1990 (see attachment #4). However, staff must report the new estimated incentives beginning with the first Schedule A-1 due after receipt of this LCM.

Any questions regarding this matter should be directed to the Office of Child Support Enforcement, Kevin Boyle, at 1-(800) 342-3012, extension 30546. (OA USERID 0CS240)

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Nelson M. Weinstock
Deputy Commissioner
for Administration