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| LOCAL COMMISSIONERS MEMORANDUM |  
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Transmittal No: 96 LCM-61

Date: July 3, 1996

Division: Management Support and  
Quality Improvement

TO: Local District Commissioners

SUBJECT: Child Support Incentives FFY 94

ATTACHMENT: Attachment #1 - Schedule of Actual Collections and  
Expenditures FFY 94 (Available On-Line)  
Attachment #2 - Schedule of Actual ADC Incentives FFY 94  
(Available On-Line)  
Attachment #3 - Schedule of Actual Non-ADC Incentives FFY  
94 (Available On-Line)  
Attachment #4 - Comparison of Actual Versus Reported  
Incentives FFY 94 (Available On-Line)  
Attachment #5 - Estimated ADC and Non-ADC Incentives  
(Available On-Line)

#### ACTUAL INCENTIVE CALCULATION

The Department has received the actual IV-D child support incentives earned by New York State from the U. S. Department of Health and Human Services, Office of Child Support Enforcement, for the federal fiscal year October 1, 1993 through September 30, 1994 (FFY 94). ADC and Non-ADC incentives earned by New York State for that period totalled \$24,742,703.

Of this \$24,742,703 statewide incentive, Chapter 53 of the Laws of 1993 and 1994 authorizes the Department to retain up to \$7,500,000 in incentives for state fiscal year (SFY) 1993-94 and \$7,500,000 for SFY 1994-95 respectively. Since FFY 94 encompasses the last half of SFY 1993-94 and the first half of SFY 1994-95, \$3,750,000 (1/2 of \$7,500,000) was retained as the state share of incentives for the period October 1, 1993 - March 31, 1994 and \$3,750,000 (1/2 of \$7,500,000) was retained for the period April 1, 1994 - September 30, 1994. The amount remaining for distribution to local districts is \$17,242,703.

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Attachment #1 provides a summary of collections and expenditure amounts for the reporting period October 1, 1993 through September 30, 1994 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

The calculation of individual district incentives for FFY 96 will be based on a total estimated incentive amount of \$24,871,000 (\$11,568,000 for ADC incentives and \$13,303,000 for Non-ADC incentives), which are the same figures used last year. From this amount, Chapter 53 of the Laws of 1995 authorizes the Department to retain up to \$9,500,000 in incentives for SFY 95-96. As of this writing, Chapter 53 of the Laws of 1996 has not been passed. However, the amount of incentives the Department expects to be authorized to retain is \$9,500,000 for SFY 96-97. Since FFY 96 encompasses the last half of SFY 95-96 and the first half of SFY 96-97, the Department will retain \$4,750,000 (1/2 OF \$9,500,000) for the period October 1, 1995 to March 31, 1996 and \$4,750,000 (1/2 of \$9,500,000) will be used as the state share for the period April 1, 1996 through September 30, 1996. The estimated amount remaining for local district distribution is \$15,371,000.

Attachment #5 contains the estimated incentives which should be reported on Schedule A-1 (Summary of Title IV-D Collections and Distributions) for each month through December 1996. These amounts were estimated by applying the actual cost benefit ratios for the period October 1, 1993 through September 30, 1994, against the estimated incentives provided by the federal and state OCSE.

Local IV-D staff do not have to submit supplemental claims for the adjustment to actual incentives earned for the period October 1, 1993 through September 30, 1994 (see attachment #4). However, staff must report the new estimated incentives beginning with the first Schedule A-1 due after receipt of this LCM.

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Any questions regarding this matter should be directed to the Office of Child Support Enforcement, Kevin Boyle, at (800)343-8859, extension 49081. (OA USERID OCS240)

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Robert Doar  
Director, Office of Child  
Support Enforcement