Transmittal No: 98 LCM-31
Date: June 12, 1998
Division: Management Support and Quality Improvement

TO: Local District Commissioners

SUBJECT: Child Support Incentives FFY 96

ATTACHMENT: Attachment #1 - Schedule of Actual Collections and Expenditures FFY 96 (Available On-Line)
Attachment #2 - Schedule of Actual ADC Incentives FFY 96 (Available On-Line)
Attachment #3 - Schedule of Actual Non-ADC Incentives FFY 96 (Available On-Line)
Attachment #4 - Comparison of Actual Versus Reported Incentives FFY 96 (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, 1995 through September 30, 1996 (FFY 96). ADC and Non-ADC incentives earned by New York State for that period totalled $28,461,049.

Of this $28,461,049 statewide incentive, Chapter 53 of the Laws of 1995 and 1996 authorizes the Department to retain up to $8,481,860 in incentives for state fiscal year (SFY) 1995-96 and $8,978,431 for SFY 1996-97 respectively. Since FFY 96 encompasses the last half of SFY 1995-96 and the first half of SFY 1996-97, $4,240,930 (1/2 of $8,481,860) was retained as the state share of incentives for the period October 1, 1995 - March 31, 1996 and $4,489,216 (1/2 of $8,978,431) was retained for the period April 1, 1996 - September 30, 1996. The amount remaining for distribution to local districts is $19,730,903.
Attachment #1 provides a summary of collections and expenditure amounts for the reporting period October 1, 1995 through September 30, 1996 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 the remainder of SFY 98-99 is based on an estimated incentive amount of $24,209,760 ($11,260,353 for ADC incentives and $12,949,407 for non-ADC incentives). The amount of incentives the Department expects to retain for SFY 98-99 is $9,500,000. The estimated amount remaining for local district distribution is $14,709,761.

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 March 1999. These amounts were estimated by applying the actual cost benefit ratios for the period October 1, 1995 through September 30, 1996, 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, 1995 through September 30, 1996 (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 (800)343-8859, extension 49081. (OA USERID 0CS240)

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Robert Doar
Director, Office of Child Support Enforcement