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**NEW YORK STATE**  
**OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE**  
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ALBANY, NY 12243-0001

**Robert Doar**  
*Commissioner*

## **Local Commissioners Memorandum**

### **Section 1**

<b>Transmittal:</b>	05-LCM-14
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Division of Child Support Enforcement
<b>Date:</b>	December 30, 2005
<b>Subject:</b>	Child Support Incentives--Federal Fiscal Year 2004 (FFY 2004)
<b>Contact Person(s):</b>	Kevin J. Boyle (518) 474-0766 Kevin.Boyle@otda.state.ny.us
<b>Attachments:</b>	Attachment #1 Adjustment of Actual to Reported Incentives--FFY 2004 Attachment #2 Estimated Incentives--FFY 2006
<b>Attachment Available On – Line:</b>	Yes

### **Section 2**

#### **I. Purpose**

The purpose of this Local Commissioners Memorandum is to provide information about the method for allocating local district child support incentives and provide you with the reconciliation of incentives allocated to incentives claimed for federal fiscal year (FFY) 2004.

#### **II. Background**

Beginning with FFY 2000, federal child support regulations at 45 CFR 305, Performance Measures, Standards, Financial Incentives and Penalties, significantly changed the method for allocating incentive payments to states. These changes were phased in over FFY 2000 (October 1, 1999 through September 30, 2000) and FFY 2001 (October 1, 2000 through September 30, 2001). During this two-year period, federal incentives were allocated to states using a combination of the old and the new incentive methodologies. Effective with FFY 2002, states' ability to earn federal incentives are based entirely upon the new federal method, a complex formula that takes into consideration several factors including:

- States' performances in the five key child support areas of paternity establishment, support order establishment, current collection percentage, percentage of cases with arrears collections and cost effectiveness. Percentages in each of the five areas are applied against a collection figure (determined by doubling the current and former assistance collections and adding never assistance collections), which is then summed to determine a state's collection base. States receive incentives based upon their respective percentage of the national

collection base as applied against the total “capped” amount of incentives available to all states.

- States’ ability to earn incentives are now limited or “capped” at the federal level, which has the potential for reducing a state’s individual allocation when compared to the previous incentive methodology.
- States are now subject to data reliability audits of their reported performance measures. Failure to meet the data reliability audit criteria for one or more performance measure has the potential for significantly reducing a state’s individual allocation when compared to other states. In addition, failure to meet the data reliability audit criteria in a specific category for two consecutive years can result in a reduction of the TANF block grant.
- States are now required to reinvest an amount equal to the amount of incentive funds received. States must expend this amount to supplement, and not supplant, other funds used by states to carry out IV-D program activities or other approved activities that may contribute to improving the effectiveness or efficiency of a state’s IV-D program. This reinvestment requirement also applies to political subdivisions, i.e., local social service districts. In meeting the reinvestment requirement, those entities receiving incentives must expend an amount of funds equal to its incentive amount received over and above a base expenditure level (FFY 1998 state and/or local expenditures or the average of FFYs’ 1996-1998 state and/or local share expenditures).

Prior to these changes, incentives were distributed to states using a relatively predictable, cost benefit methodology that facilitated estimating incentives. This allowed local district planners to be reasonably confident about the estimated incentives claimed each month on the “Summary of Title IV-D Collections and Distributions” (Schedule A-1). Given the complex formula and inherent uncertainties of the new federal allocation methodology, there is insufficient information to accurately estimate the amount of incentives that New York State will receive. We published an allocation methodology in November 2000 that was based entirely on a local district’s percentage of statewide collections. The estimated claiming amounts were intended to be conservative to ensure that local districts did not over-claim estimated incentives, which could potentially result in a negative adjustment.

### **III. Program Implications**

#### **ACTUAL INCENTIVE CALCULATION**

The Office of Temporary and Disability Assistance (OTDA) has been notified that 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 FFY 2004 was \$26,298,854.

Of the \$26,298,854 statewide incentives received for FFY 2004, OTDA will allocate \$15,400,000 to local districts. Attachment #1, column 6, contains the adjusted incentive amounts for FFY 2004, which is the difference between estimated incentives reported on Schedule A-1 and actual incentives allocated. These amounts will be processed on an upcoming settlement for each district. Please do not submit a supplemental claim for these adjustments.

#### **ESTIMATED INCENTIVE CALCULATION**

Attachment #2 is a schedule of estimated incentives for the remainder of FFY 2006. The county specific allocation is based upon actual FFY 2005 collection figures. Since, final incentive figures for FFY 2005 are not expected from federal OCSE for another year, we are providing a conservative

claiming figure (\$10 million in the aggregate) to avoid the potential for future negative adjustments. **Local districts should report the new monthly estimated incentives beginning with the December 2005 claim.** Until schedule A -1 is modified to accept only a total figure, local districts can enter any amounts in the TANF and Non TANF fields on line 16 of Schedule A -1, provided that the total amount does not exceed the monthly claiming amount in column 5 of attachment # 2. These amounts should be reported each month until new estimates are provided.

Although the incentive allocation to each local district is based on collections, attaining and maintaining high standards for each of the five federal performance measures is extremely important to ensure that New York State:

- Provides full services to its entire child support caseload.
- Maintains a consistent level of incentive revenue.
- Does not incur a federal program penalty for poor performance.
- Maximizes the statewide incentive amount, thereby maximizing the amount available for local districts.

DCSE program questions should be directed to Kevin Boyle, at (800) 343-8859, extension 40766 or (518) 474-0766. His e-mail address is [Kevin.Boyle@otda.state.ny.us](mailto:Kevin.Boyle@otda.state.ny.us).

OTDA fiscal questions should be directed to:

Regions I-IV

Carolyn Oleyourryk (518) 474-7549. Her e-mail address is [Carolyn.Oleyourryk @otda.state.ny.us](mailto:Carolyn.Oleyourryk@otda.state.ny.us).

Region V

Michael Borenstein (631) 854-9704. His e-mail address is [Michael.Borenstein@otda.state.ny.us](mailto:Michael.Borenstein@otda.state.ny.us).

Region VI

Marian Borenstein (212) 961-8250. Her e-mail address is [Marian.Borenstein@otda.state.ny.us](mailto:Marian.Borenstein@otda.state.ny.us).

**Issued By:**

**Name:** Scott E. Cade

**Title:** Deputy Commissioner and Director

**Division/Office:** Child Support Enforcement

**05 LCM xx Attachment #1  
ADJUSTMENT OF ACTUAL TO REPORTED INCENTIVES -- FFY 2004**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>District</b>	<b>Total Collections FFY 2004</b>	<b>District Percentage to Total</b>	<b>Actual Incentives Allocated (col. 3 x \$15.4M)</b>	<b>Total Reported Incentives</b>	<b>Adjustment Actual to Reported (col. 4 - col. 5)</b>
<b>New York State</b>	\$1,421,620,606	100.00%	\$15,400,000	\$9,646,189	\$5,753,811
<b>New York City</b>	525,984,587	37.00%	\$5,697,837	\$3,366,781	\$2,331,056
<b>Rest of State</b>	\$895,636,019	63.00%	\$9,702,163	\$6,279,408	\$3,422,755
<b>Albany</b>	25,700,333	1.81%	\$278,404	169,445	\$108,959
<b>Allegany</b>	5,747,111	0.40%	\$62,257	55,764	\$6,493
<b>Broome</b>	16,100,739	1.13%	\$174,415	108,108	\$66,307
<b>Cattaraugus</b>	9,805,145	0.69%	\$106,216	68,316	\$37,900
<b>Cayuga</b>	8,674,596	0.61%	\$93,969	68,691	\$25,278
<b>Chautauqua</b>	14,647,646	1.03%	\$158,674	105,128	\$53,546
<b>Chemung</b>	9,426,638	0.66%	\$102,116	71,490	\$30,626
<b>Chenango</b>	5,450,624	0.38%	\$59,045	39,788	\$19,257
<b>Clinton</b>	8,519,275	0.60%	\$92,287	59,766	\$32,521
<b>Columbia</b>	5,690,139	0.40%	\$61,640	38,465	\$23,175
<b>Cortland</b>	4,929,540	0.35%	\$53,400	15,136	\$38,264
<b>Delaware</b>	4,487,129	0.32%	\$48,608	32,656	\$15,952
<b>Dutchess</b>	26,070,526	1.83%	\$282,414	166,630	\$115,784
<b>Erie</b>	61,409,467	4.32%	\$665,231	445,197	\$220,034
<b>Essex</b>	3,623,822	0.25%	\$39,256	27,732	\$11,524
<b>Franklin</b>	5,651,720	0.40%	\$61,223	38,511	\$22,712
<b>Fulton</b>	6,189,680	0.44%	\$67,051	44,208	\$22,843
<b>Genesee</b>	5,657,916	0.40%	\$61,291	40,202	\$21,089
<b>Greene</b>	4,969,352	0.35%	\$53,832	35,916	\$17,916
<b>Hamilton</b>	476,221	0.03%	\$5,159	3,577	\$1,582
<b>Herkimer</b>	6,715,603	0.47%	\$72,748	49,584	\$23,164
<b>Jefferson</b>	12,188,954	0.86%	\$132,039	88,362	\$43,677
<b>Lewis</b>	2,737,689	0.19%	\$29,657	20,094	\$9,563
<b>Livingston</b>	6,755,765	0.48%	\$73,183	62,551	\$10,632
<b>Madison</b>	5,443,026	0.38%	\$58,963	40,236	\$18,727
<b>Monroe</b>	60,507,338	4.26%	\$655,458	431,160	\$224,298
<b>Montgomery</b>	5,299,324	0.37%	\$57,406	38,852	\$18,554
<b>Nassau</b>	80,020,533	5.63%	\$866,839	548,276	\$318,563
<b>Niagara</b>	18,139,078	1.28%	\$196,495	138,108	\$58,387
<b>Oneida</b>	15,176,913	1.07%	\$164,407	100,678	\$63,729
<b>Onondaga</b>	42,015,585	2.96%	\$455,143	279,400	\$175,743
<b>Ontario</b>	10,652,585	0.75%	\$115,396	75,052	\$40,344
<b>Orange</b>	30,841,322	2.17%	\$334,095	216,906	\$117,189
<b>Orleans</b>	3,995,961	0.28%	\$43,287	26,152	\$17,135
<b>Oswego</b>	13,444,874	0.95%	\$145,644	96,948	\$48,696
<b>Otsego</b>	5,083,321	0.36%	\$55,066	27,810	\$27,256
<b>Putnam</b>	6,877,073	0.48%	\$74,497	47,872	\$26,625
<b>Rensselaer</b>	16,082,403	1.13%	\$174,216	157,500	\$16,716
<b>Rockland</b>	22,362,004	1.57%	\$242,241	136,149	\$106,092
<b>St. Lawrence</b>	11,066,434	0.78%	\$119,879	78,826	\$41,053
<b>Saratoga</b>	17,461,289	1.23%	\$189,153	121,820	\$67,333
<b>Schenectady</b>	14,365,062	1.01%	\$155,613	95,957	\$59,656
<b>Schoharie</b>	3,692,020	0.26%	\$39,995	20,732	\$19,263
<b>Schuyler</b>	1,726,422	0.12%	\$18,702	13,048	\$5,654
<b>Seneca</b>	3,921,197	0.28%	\$42,477	27,512	\$14,965
<b>Steuben</b>	9,461,220	0.67%	\$102,491	69,228	\$33,263
<b>Suffolk</b>	114,919,217	8.08%	\$1,244,886	802,606	\$442,280
<b>Sullivan</b>	6,673,149	0.47%	\$72,288	45,356	\$26,932
<b>Tioga</b>	4,611,833	0.32%	\$49,959	33,444	\$16,515
<b>Tompkins</b>	7,040,757	0.50%	\$76,270	49,356	\$26,914
<b>Ulster</b>	15,182,449	1.07%	\$164,467	96,441	\$68,026
<b>Warren</b>	8,267,637	0.58%	\$89,561	58,875	\$30,686
<b>Washington</b>	7,329,366	0.52%	\$79,397	79,572	-\$175
<b>Wayne</b>	10,577,461	0.74%	\$114,583	73,840	\$40,743
<b>Westchester</b>	55,585,527	3.91%	\$602,142	355,777	\$246,365
<b>Wyoming</b>	3,921,432	0.28%	\$42,480	29,046	\$13,434
<b>Yates</b>	2,266,576	0.16%	\$24,553	11,556	\$12,997

**05 LCM xx Attachment #2  
Estimated Incentives -- FFY 2006**

1	2	3	4	5
District	Total Collections FFY 2005	District Percentage to Total	Estimated Annual Incentives (col. 3 X \$10M)	Estimated Monthly Incentives (col. 4 / 12)
New York State	1,515,835,108	100.00%	\$10,000,000	\$833,333
New York City	564,383,033	37.23%	\$3,723,248	\$310,271
Rest of State	951,452,074	62.77%	\$6,276,752	\$523,063
Albany	27,466,462	1.81%	\$181,197	\$15,100
Allegany	6,125,069	0.40%	\$40,407	\$3,367
Broome	17,039,482	1.12%	\$112,410	\$9,367
Cattaraugus	10,402,984	0.69%	\$68,629	\$5,719
Cayuga	9,163,402	0.60%	\$60,451	\$5,038
Chautauqua	15,184,701	1.00%	\$100,174	\$8,348
Chemung	9,830,131	0.65%	\$64,850	\$5,404
Chenango	5,686,761	0.38%	\$37,516	\$3,126
Clinton	9,038,753	0.60%	\$59,629	\$4,969
Columbia	5,987,241	0.39%	\$39,498	\$3,291
Cortland	5,174,976	0.34%	\$34,139	\$2,845
Delaware	4,589,879	0.30%	\$30,280	\$2,523
Dutchess	27,771,781	1.83%	\$183,211	\$15,268
Erie	65,910,881	4.35%	\$434,816	\$36,235
Essex	3,947,722	0.26%	\$26,043	\$2,170
Franklin	5,804,997	0.38%	\$38,296	\$3,191
Fulton	6,517,519	0.43%	\$42,996	\$3,583
Genesee	5,880,608	0.39%	\$38,795	\$3,233
Greene	5,140,470	0.34%	\$33,912	\$2,826
Hamilton	481,411	0.03%	\$3,176	\$265
Herkimer	7,006,473	0.46%	\$46,222	\$3,852
Jefferson	12,959,082	0.85%	\$85,491	\$7,124
Lewis	2,957,213	0.20%	\$19,509	\$1,626
Livingston	7,210,568	0.48%	\$47,568	\$3,964
Madison	5,693,740	0.38%	\$37,562	\$3,130
Monroe	64,057,509	4.23%	\$422,589	\$35,216
Montgomery	5,539,454	0.37%	\$36,544	\$3,045
Nassau	86,848,014	5.73%	\$572,938	\$47,745
Niagara	18,753,578	1.24%	\$123,718	\$10,310
Oneida	16,082,193	1.06%	\$106,095	\$8,841
Onondaga	43,860,886	2.89%	\$289,351	\$24,113
Ontario	11,117,690	0.73%	\$73,344	\$6,112
Orange	32,336,187	2.13%	\$213,323	\$17,777
Orleans	4,251,017	0.28%	\$28,044	\$2,337
Oswego	13,770,173	0.91%	\$90,842	\$7,570
Otsego	5,405,583	0.36%	\$35,661	\$2,972
Putnam	6,888,454	0.45%	\$45,443	\$3,787
Rensselaer	17,425,597	1.15%	\$114,957	\$9,580
Rockland	24,351,197	1.61%	\$160,645	\$13,387
St.Lawrence	11,586,139	0.76%	\$76,434	\$6,370
Saratoga	18,592,022	1.23%	\$122,652	\$10,221
Schenectady	15,543,484	1.03%	\$102,541	\$8,545
Schoharie	4,091,050	0.27%	\$26,989	\$2,249
Schuyler	1,944,869	0.13%	\$12,830	\$1,069
Seneca	4,068,093	0.27%	\$26,837	\$2,236
Steuben	10,176,283	0.67%	\$67,133	\$5,594
Suffolk	122,792,066	8.10%	\$810,062	\$67,505
Sullivan	7,269,303	0.48%	\$47,956	\$3,996
Tioga	4,905,328	0.32%	\$32,361	\$2,697
Tompkins	7,445,541	0.49%	\$49,118	\$4,093
Ulster	16,633,998	1.10%	\$109,735	\$9,145
Warren	8,896,043	0.59%	\$58,687	\$4,891
Washington	7,499,484	0.49%	\$49,474	\$4,123
Wayne	11,270,506	0.74%	\$74,352	\$6,196
Westchester	58,756,745	3.88%	\$387,620	\$32,302
Wyoming	4,043,683	0.27%	\$26,676	\$2,223
Yates	2,277,602	0.15%	\$15,025	\$1,252