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Governor

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OFFICE OF TEMPORARY AND DISABILITY
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ALBANY, NY 12243-0001**

David A. Hansell
Commissioner

Local Commissioners Memorandum

Section 1

Transmittal:	08-LCM-02
To:	Local District Commissioners
Issuing Division/Office:	Center for Child Well-Being/Division of Child Support Enforcement (DCSE)
Date:	May 23, 2008
Subject:	Child Support Incentives—Federal Fiscal Year 2006 (FFY2006)
Contact Person(s):	Kevin Dommer Kevin.Dommer@otda.state.ny.us Claiming Questions - James Carroll (Regions 1- 4) 1-800-343-8859 ext. 4-7549 or e-mail James.Carroll@otda.state.ny.us Michael Borenstein (Region 5) 631-854-9704 or e-mail Michael.Borenstein@otda.state.ny.us Marian Borenstein (Region 6) 212-961-8250 or e-mail Marian.Borenstein@otda.state.ny.us
Attachments:	Attachment 1: Adjustment of Actual to Reported Incentives—FFY 2006 Attachment 2: Estimated Incentives—FFY 2008
Attachment Available On – Line:	Yes

Section 2

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) 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) 2006.

II. Background

Effective with FFY 2002, states' ability to earn federal incentives are based entirely upon a complex federal 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 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 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 Temporary Assistance for Needy Families (TANF) block grant.
- States are 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).

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 (OCSE) for FFY 2006 was \$26,038,149.

Of the \$26,038,149 statewide incentives received for FFY 2006, OTDA will allocate \$15,193,386 to local districts. Attachment 1, column 6, contains the adjusted incentive amounts for FFY 2006, which is the difference between estimated incentives reported on Schedule A-1 (LDSS-2517 Title IV-D Summary of Collections and Distributions) 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 2008. The county specific allocation is based upon actual FFY 2007 collection figures. Since final incentive figures for FFY 2007 are not expected from federal OCSE until late calendar year 2008, we are continuing to provide a conservative claiming figure (\$10 million in the aggregate) to avoid the potential for future negative adjustments. **Local districts should report the monthly estimated incentives consistent with**

Attachment 2. These amounts should be reported each month beginning with the next original claim after this LCM is issued. In accordance with the A-1 instructions found in the Fiscal Reference Manual, Volume 2, Chapter 3, local districts must enter the estimated monthly incentive amount in column 2 “Current IV-A Assistance” off the A-1. This amount will automatically be entered as the column 1 “Total.”

As the result of the Deficit Reduction Act of 2005, no federal funds will be paid to a state for amounts expended from incentive payments made to the state effective October 1, 2007. Therefore, states must identify expenditures made with incentive funds as Federally Non-Participating (FNP). The fiscal impact of this action is that states will lose federal reimbursement equal to 66% of their incentive funds. To effect this change, the Schedule D-8 (LDSS-2547 Allocation for Claiming Title IV-D Child Support Activities and Support Collection Unit Expenditures) has been revised to identify expenditures funded with incentives. The amount districts are to report on *Line 16 (Expenditures Funded with Title IV-D Incentives)* of the D-8 is the amount of incentives that are reported on the Schedule A-1 for the corresponding month. Refer to the Fiscal Reference Manual Volume 3 (Volume 4 for NYC) Chapter 15 for detailed instructions.

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 Dommer, at (800) 343-8859, extension 49081 or (518) 474-9081. His e-mail address is Kevin.Dommer@otda.state.ny.us.

OTDA claiming questions should be directed to:

Regions 1-4:

James Carroll at (518) 474-7549. His e-mail address is James.Carroll@otda.state.ny.us.

Region 5:

Michael Borenstein at (631) 854-9704. His e-mail address is Michael.Borenstein@otda.state.ny.us.

Region 6:

Marian Borenstein at (212) 961-8250. Her e-mail address is Marian.Borenstein@otda.state.ny.us.

Issued By:

Name: Scott E. Cade

Title: Deputy Commissioner and Director

Division/Office: Center for Child Well-Being, Child Support Enforcement

Attachment 1

ADJUSTMENT OF ACTUAL TO REPORTED INCENTIVES -- FFY 2006

1	2	3	4	5	6
District	Total Collections FFY 2006	District Percentage to Total	Actual Incentives Allocated (col. 3 x \$15,193,386)	Total Reported Incentives	Adjustment Actual to Reported (col. 4 - col. 5)
New York State	\$1,544,651,592	100.00%	\$15,193,386	\$10,068,827	\$5,124,559
New York City	\$581,565,290	37.65%	\$5,720,349	\$3,719,360	\$2,000,989
Rest of State	\$963,086,302	62.35%	\$9,473,037	\$6,349,467	\$3,123,570
Albany	27,611,344	1.79%	\$271,589	\$180,780	\$90,809
Allegany	6,073,732	0.39%	\$59,742	\$55,764	\$3,978
Broome	17,142,152	1.11%	\$168,612	\$113,327	\$55,285
Cattaraugus	10,632,445	0.69%	\$104,582	\$68,576	\$36,006
Cayuga	9,521,590	0.62%	\$93,656	\$60,550	\$33,106
Chautauqua	14,833,784	0.96%	\$145,907	\$100,652	\$45,255
Chemung	9,780,574	0.63%	\$96,203	\$70,320	\$25,883
Chenango	5,640,173	0.37%	\$55,477	\$37,650	\$17,827
Clinton	8,747,659	0.57%	\$86,043	\$59,678	\$26,365
Columbia	5,779,623	0.37%	\$56,849	\$39,444	\$17,405
Cortland	5,100,577	0.33%	\$50,170	\$34,230	\$15,940
Delaware	4,450,678	0.29%	\$43,777	\$30,490	\$13,287
Dutchess	28,570,056	1.85%	\$281,019	\$183,258	\$97,761
Erie	66,636,042	4.31%	\$655,440	\$437,508	\$217,932
Essex	4,001,919	0.26%	\$39,363	\$27,732	\$11,631
Franklin	5,831,036	0.38%	\$57,355	\$38,536	\$18,819
Fulton	6,525,866	0.42%	\$64,189	\$42,495	\$21,694
Genesee	5,950,080	0.39%	\$58,526	\$38,964	\$19,562
Greene	5,022,750	0.33%	\$49,404	\$34,173	\$15,231
Hamilton	443,015	0.03%	\$4,358	\$3,252	\$1,106
Herkimer	7,049,647	0.46%	\$69,341	\$46,735	\$22,606
Jefferson	13,068,518	0.85%	\$128,544	\$85,530	\$43,014
Lewis	3,068,130	0.20%	\$30,179	\$19,449	\$10,730
Livingston	6,972,352	0.45%	\$68,581	\$71,470	-\$2,889
Madison	5,951,468	0.39%	\$58,539	\$37,682	\$20,857
Monroe	64,631,858	4.18%	\$635,727	\$423,098	\$212,629
Montgomery	5,605,529	0.36%	\$55,137	\$36,662	\$18,475
Nassau	89,454,905	5.79%	\$879,890	\$571,264	\$308,626
Niagara	18,697,787	1.21%	\$183,914	\$138,108	\$45,806
Oneida	15,811,374	1.02%	\$155,523	\$106,596	\$48,927
Onondaga	43,875,047	2.84%	\$431,560	\$290,388	\$141,172
Ontario	10,947,392	0.71%	\$107,680	\$73,608	\$34,072
Orange	33,008,646	2.14%	\$324,677	\$213,928	\$110,749
Orleans	4,272,272	0.28%	\$42,023	\$28,089	\$13,934
Oswego	14,139,801	0.92%	\$139,081	\$91,773	\$47,308
Otsego	5,410,000	0.35%	\$53,213	\$34,138	\$19,075
Putnam	6,883,601	0.45%	\$67,708	\$46,158	\$21,550
Rensselaer	17,726,627	1.15%	\$174,361	\$122,050	\$52,311
Rockland	25,669,338	1.66%	\$252,487	\$160,086	\$92,401
St.Lawrence	11,765,037	0.76%	\$115,722	\$76,674	\$39,048
Saratoga	18,716,906	1.21%	\$184,102	\$122,697	\$61,405
Schenectady	15,479,291	1.00%	\$152,256	\$102,168	\$50,088
Schoharie	3,913,584	0.25%	\$38,494	\$26,818	\$11,676
Schuyler	1,903,022	0.12%	\$18,718	\$12,339	\$6,379
Seneca	4,070,436	0.26%	\$40,037	\$11,306	\$28,731
Steuben	10,230,761	0.66%	\$100,631	\$82,029	\$18,602
Suffolk	125,236,234	8.11%	\$1,231,839	\$809,778	\$422,061
Sullivan	7,327,707	0.47%	\$72,076	\$47,784	\$24,292
Tioga	4,895,314	0.32%	\$48,151	\$32,376	\$15,775
Tompkins	7,439,668	0.48%	\$73,178	\$49,356	\$23,822
Ulster	17,001,427	1.10%	\$167,228	\$109,250	\$57,978
Warren	8,847,291	0.57%	\$87,023	\$58,557	\$28,466
Washington	7,768,979	0.50%	\$76,417	\$49,995	\$26,422
Wayne	11,499,046	0.74%	\$113,106	\$74,360	\$38,746
Westchester	60,112,929	3.89%	\$591,278	\$390,800	\$200,478
Wyoming	4,085,687	0.26%	\$40,187	\$27,443	\$12,744
Yates	2,253,599	0.15%	\$22,167	\$11,546	\$10,621

Attachment 2

Estimated Incentives -- FFY 2008

1	2	3	4	5
District	Total Collections FFY 2007	District Percentage to Total	Estimated Incentives through 9/30/08 (col. 3 X \$10M)	Estimated Monthly Incentives (col. 4 / 12)
New York State	\$1,601,087,523	100.00%	\$10,000,000	\$833,333
New York City	\$610,351,053	38.12%	\$3,812,103	\$317,675
Rest of State	\$990,736,470	61.88%	\$6,187,897	\$515,658
Albany	28,559,980	1.78%	\$178,379	\$14,865
Allegany	6,309,383	0.39%	\$39,407	\$3,284
Broome	17,631,320	1.10%	\$110,121	\$9,177
Cattaraugus	10,799,038	0.67%	\$67,448	\$5,621
Cayuga	9,766,197	0.61%	\$60,997	\$5,083
Chautauqua	15,040,972	0.94%	\$93,942	\$7,829
Chemung	9,860,252	0.62%	\$61,585	\$5,132
Chenango	5,518,685	0.34%	\$34,468	\$2,872
Clinton	8,927,605	0.56%	\$55,760	\$4,647
Columbia	5,790,479	0.36%	\$36,166	\$3,014
Cortland	5,081,742	0.32%	\$31,739	\$2,645
Delaware	4,647,803	0.29%	\$29,029	\$2,419
Dutchess	29,432,224	1.84%	\$183,826	\$15,319
Erie	68,314,583	4.27%	\$426,676	\$35,556
Essex	3,900,289	0.24%	\$24,360	\$2,030
Franklin	5,958,167	0.37%	\$37,213	\$3,101
Fulton	6,565,535	0.41%	\$41,007	\$3,417
Genesee	5,902,918	0.37%	\$36,868	\$3,072
Greene	5,079,478	0.32%	\$31,725	\$2,644
Hamilton	417,151	0.03%	\$2,605	\$217
Herkimer	6,983,102	0.44%	\$43,615	\$3,635
Jefferson	13,458,700	0.84%	\$84,060	\$7,005
Lewis	3,521,606	0.22%	\$21,995	\$1,833
Livingston	7,364,562	0.46%	\$45,997	\$3,833
Madison	6,007,785	0.38%	\$37,523	\$3,127
Monroe	65,511,292	4.09%	\$409,167	\$34,097
Montgomery	5,756,147	0.36%	\$35,951	\$2,996
Nassau	92,090,570	5.75%	\$575,175	\$47,931
Niagara	18,559,501	1.16%	\$115,918	\$9,660
Oneida	15,841,786	0.99%	\$98,944	\$8,245
Onondaga	44,988,361	2.81%	\$280,986	\$23,416
Ontario	11,181,686	0.70%	\$69,838	\$5,820
Orange	34,334,194	2.14%	\$214,443	\$17,870
Orleans	4,370,477	0.27%	\$27,297	\$2,275
Oswego	14,342,183	0.90%	\$89,578	\$7,465
Otsego	5,476,872	0.34%	\$34,207	\$2,851
Putnam	6,948,534	0.43%	\$43,399	\$3,617
Rensselaer	17,885,194	1.12%	\$111,707	\$9,309
Rockland	26,146,513	1.63%	\$163,305	\$13,609
St.Lawrence	12,266,269	0.77%	\$76,612	\$6,384
Saratoga	19,249,550	1.20%	\$120,228	\$10,019
Schenectady	15,930,336	0.99%	\$99,497	\$8,291
Schoharie	4,071,551	0.25%	\$25,430	\$2,119
Schuyler	1,983,388	0.12%	\$12,388	\$1,032
Seneca	4,304,970	0.27%	\$26,888	\$2,241
Steuben	10,513,239	0.66%	\$65,663	\$5,472
Suffolk	132,233,401	8.26%	\$825,897	\$68,825
Sullivan	7,372,516	0.46%	\$46,047	\$3,837
Tioga	5,071,074	0.32%	\$31,673	\$2,639
Tompkins	7,688,140	0.48%	\$48,018	\$4,002
Ulster	17,464,458	1.09%	\$109,079	\$9,090
Warren	9,037,738	0.56%	\$56,447	\$4,704
Washington	7,756,296	0.48%	\$48,444	\$4,037
Wayne	11,622,417	0.73%	\$72,591	\$6,049
Westchester	63,476,016	3.96%	\$396,456	\$33,038
Wyoming	4,136,506	0.26%	\$25,836	\$2,153
Yates	2,285,739	0.14%	\$14,276	\$1,190