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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 97 LCM-47

Date: July 18, 1997

Division: Management Support and
Quality Improvement

TO: Local District Commissioners

SUBJECT: Child Support Incentives FFY 95

ATTACHMENT: Attachment #1 - Schedule of Actual Collections and
Expenditures FFY 95 (Available On-Line)
Attachment #2 - Schedule of Actual ADC Incentives FFY 95
(Available On-Line)
Attachment #3 - Schedule of Actual Non-ADC Incentives FFY
95 (Available On-Line)
Attachment #4 - Comparison of Actual Versus Reported
Incentives FFY 95 (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, 1994 through September 30, 1995 (FFY 95). ADC and Non-ADC incentives earned by New York State for that period totalled \$25,622,035.

Of this \$25,622,035 statewide incentive, Chapter 53 of the Laws of 1994 and 1995 authorizes the Department to retain up to \$7,500,000 in incentives for state fiscal year (SFY) 1994-95 and \$8,481,860 for SFY 1995-96 respectively. Since FFY 95 encompasses the last half of SFY 1994-95 and the first half of SFY 1995-96, \$3,750,000 (1/2 of \$7,500,000) was retained as the state share of incentives for the period October 1, 1994 - March 31, 1995 and \$4,240,930 (1/2 of \$8,481,860) was retained for the period April 1, 1995 - September 30, 1995. The amount remaining for distribution to local districts is \$17,631,105.

Attachment #1 provides a summary of collections and expenditure amounts for the reporting period October 1, 1994 through September 30, 1995 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 97-98 is based on an estimated incentive amount of \$26,569,000 (\$12,358,000 for ADC incentives and \$14,211,000 for non-ADC incentives), which was provided by federal OCSE. The amount of incentives the Department expects to retain for SFY 97-98 is \$9,500,000. The estimated amount remaining for local district distribution is \$17,069,000.

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 March 1998. These amounts were estimated by applying the actual cost benefit ratios for the period October 1, 1994 through September 30, 1995, 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, 1994 through September 30, 1995 (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 OCS240)

Robert Doar
Director, Office of Child
Support Enforcement