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| LOCAL COMMISSIONERS MEMORANDUM |  
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Transmittal No: 91 LCM-1

Date: January 2, 1991

Division: Operations

TO: Local District Commissioners

SUBJECT: Child Support Incentives

ATTACHMENTS: Attachment # 1 Schedule of Actual Collections and Expenditures FFY 89 (not on line)

Attachment # 2 Schedule of Actual ADC Incentives FFY 89 (not on line)

Attachment # 3 Schedule of Actual Non-ADC Incentives FFY 89 (not on line)

Attachment # 4 Comparison of Actual Versus Reported Incentives FFY 89 (not on line)

Attachment # 5 Estimated ADC and Non-ADC Incentives First Half FFY 90 (not on line)

The Department has received the actual IV-D child support incentives earned by New York State from the Department of Health and Human Services, Office of Child Support Enforcement, for the federal fiscal year October 1, 1988 through September 30, 1989. ADC and non-ADC incentives earned by New York State for that period totalled \$14,965,078.

Attachment #1 provides a summary of collections and expenditure amounts for the reporting period October 1, 1988 through September 30, 1989 which were used to determine each district's actual incentives.

As noted in 89-LCM-71 dated May 12, 1989, Chapter 53 of the Laws of 1989 authorizes the Department to retain up to \$3,500,000 in incentives for state fiscal year 1989-90 (April 1, 1989 - March 31, 1990). Since the incentives earned for the federal fiscal year October 1, 1988 through September 30, 1989 encompass six months of the 1989-90 state fiscal year, \$1,750,000 was retained as the state share of incentives noted above. The amount remaining for distribution to local districts is \$13,215,078.

No revisions were made to the current incentive allocation methodology for the reduction in incentives, as that methodology uniformly and fairly apportions among the districts any amount of incentives available for allocation.

Attachments #2 and #3 contain the calculation of actual ADC and non-ADC incentives 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 to actual incentives) which will be processed by the Department's Local Assistance Unit on the next settlement for each district.

New York State also received statewide estimated incentives for October 1, 1990 through September 30, 1991 which total \$16,804,000; \$7,816,000 for ADC incentives and \$8,988,000 for non-ADC incentives. As noted in 90-LCM-98 dated July 10, 1990, Chapter 53 of the Laws of 1990 authorizes the Department to retain up to \$4,500,000 in incentives for state fiscal year 1990-91 (April 1, 1990 - March 31, 1991).

Estimated incentives for October 1, 1990 through September 30, 1991 overlap two state fiscal years, half of state fiscal year 1989-90 and half of state fiscal year 1990-91. Therefore, the estimated incentives for October 1, 1990 through March 31, 1991, \$8,402,000 (50% of \$16,804,000), will be reduced by \$2,250,000 which is 50% of the \$4,500,000 to be retained by the state for SFY 90-91.

Attachment #5 contains the estimated incentives for October 1, 1990 through March 31, 1991. The monthly estimated incentives should be reported on the Schedule A-1's (Summary of Title IV-D Collections and Distributions) for the remainder of the state fiscal year, November, 1990 through March, 1991.

Local IV-D staff do not have to submit supplemental claims for the adjustment to actual incentives earned in the prior year. However, staff must report the new estimated incentives on future Schedule A-1's.

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Any questions concerning this matter should be directed to the Office of Child Support Enforcement, Jim Wimet, at (800) 342-3715, extension 49082.

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