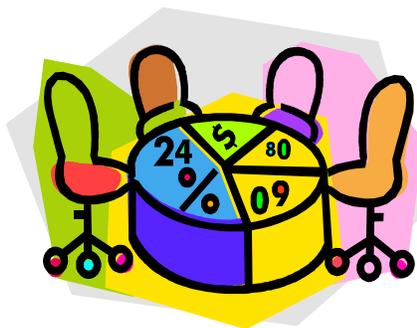


# Incentive Scenarios



REGION III  
CHILD SUPPORT ENFORCEMENT  
**FINANCIAL and DATA SYMPOSIUM**

June 28, 2007

Presented By John Clark

### Scenario One

Please compute the performance percentage for State A in all 5 categories. They are a IV-D PEP State.

- Number of children in the IV-D caseload in the fiscal year who have been born out-of-wedlock and for whom paternity has been established or acknowledged - **42,000**
- Number of children in the IV-D caseload as of the end of the preceding fiscal year who were born out-of wedlock- **50,000**
- Number of IV-D cases with support orders during the fiscal year – **75,000**
- Number of IV-D cases during the fiscal year -**100,000**
- Total dollars collected for current support in IV-D cases-**\$600,000**
- Total dollars owed for current support in IV-D cases- **\$1,000,000**
- Total number of eligible IV-D cases paying toward arrears- **33,000**
- Total number of IV-D cases with arrears due- **50,000**
- Total IV-D dollars Collected - **\$1,000,000**
- Total IV- D dollars Expended -**\$200,000**

#### Performance Percentage

IV-D PEP \_\_\_\_\_

Support Order \_\_\_\_\_

Collections on Current Support \_\_\_\_\_

Collections on Arrears \_\_\_\_\_

Cost Effectiveness \_\_\_\_\_

## Scenario Two

For the month of December, 2006, County A has 900 child support orders at \$100 per month for the total current support due of \$90,000. They collect \$54,000 on these orders. What is the county's performance percentage?

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In this month, County A has 5 additional orders established. Each order is set at \$2,000 per month. There are no collections on these 5 cases. Now, what is the county's performance percentage?

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### Scenario Three

Both County A and County B have total current support due of \$100,000 for May, 2007.

- County A- \$60,000 distributed collections  
\$20,000 undistributed collections
- County B- \$65,000 distributed collections  
\$5,000 undistributed collections

**County A Performance Percentage** \_\_\_\_\_

**County B Performance Percentage** \_\_\_\_\_

#### **Scenario 4**

With 10,000 cases with arrears for FFY 2005, State A has collections on 6,000 of these cases. The State also closes 2,000 of the cases without collections in FFY 2005.

**What is the State's performance on arrears in FFY 2005?**

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For FFY 2006, there is no change.

**What is the State's performance on arrears in FFY 2006?**

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### Scenario Five

County A collects \$60,000 in current support each year with \$100,000 due.

**What is the county's collection on current support performance percentage?** \_\_\_\_\_

Suppose County A is able to close 10 cases @ \$100 per month with ten months remaining in the Federal Fiscal Year. The County has not made any collections on these 10 cases.

**What is the county's collection on current support performance percentage?** \_\_\_\_\_

Suppose County A is able to close 10 cases in the last month of the Federal Fiscal Year. The County has not made any collections on these 10 cases.

**What is the county's collection on current support performance percentage?** \_\_\_\_\_

## **Scenario Six**

State A fails the Data Reliability Audit for FFY 2005 in paternity. After recognizing and correcting the errors for FFY 2005 and making long term changes, State A is confident that they will pass FFY 2006 with an 84% performance. This will qualify State A for the full performance incentive for FFY 2006.

In December 2006, the State Fiscal Manager maintains that they should resubmit FFY 2005 data which could potentially save the State millions of dollars.

**How is this possible?**

### Scenario Seven

County A is staying the same on performance for collection on arrears for three consecutive years. The County collects on 600 cases out of 1000, no matter what action is taken. The County has \$6,000,000 due in total arrears.

In FFY 2005 State B sends County A 200 arrears only cases. Each case has \$100,000 due. During FFY 2005, County A is able to collect \$12 each on every one of the 200 cases sent by State B.

In FFY 2006, County A receives an additional 300 arrears cases with \$600 due on each case from State C. The County is able to collect on 100 of these cases.

A County Fiscal Analyst wants to send a "thank you note for helping us improve performance" to one of their interstate partners. **Which State should receive the letter of appreciation, State B or State C?**

### **Scenario Eight**

Joe and Sam are discussing federal incentives from the State perspective. Joe says "For FFY 2007, our State earned \$1,020,000 in federal incentives which allowed us to spend \$3,000,000 on the child support program. However, for FFY 2008, we earned \$1.5 million but could only spend \$1.5 million on the program. I do not understand." Sam said "I am also confused".

**How would you explain this to Joe and Sam?**

### Scenario Nine

County A collects \$60,000 in current support each year with \$90,000 due.

**What is the county's collection on current support performance percentage?** \_\_\_\_\_

Suppose County A starts an early intervention program. With a total of \$1,000 due for the year on each case (\$100 per for 10 months), they are able to collect all that is due on 9 of the 10 cases. They collect 0 on the final case and continue to collect \$60,000 of the \$90,000 due on all other county cases.

**What is the county's collection on current support performance percentage?** \_\_\_\_\_